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Venture in limbo as NZ firm pulls out

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A joint-venture agreement to manufacture welding cables between Autoindustries Ventures Bhd, Conroy Cables Ltd of New Zealand and Womago Pty Ltd of Australia fizzled out yesterday when Conroy "pulled out" at the last minute.

"We were told only about 2pm that Conroy had been advised by its lawyers not to proceed with the joint venture for `administrative reasons'," Autoindustries managing director Abdul Razak Harun said in Kuala Lumpur.

The Press had earlier been invited to cover the signing ceremony which was scheduled at 3.30pm yesterday. All three parties even held a rehearsal on Thursday night.

"The investment is supposed to be RM700,000 with Autoindustries and Conroy Cables subscribing 45 per cent interest each and Womago the remaining 10 per cent," he added.

Asked if the joint venture had been cancelled or merely postponed until the parties clear outstanding issues, he replied that he was unsure.

"I don't know...we will have to talk with Conroy."

Replying to questions, he said it was difficult to say whether they (Conroy) would eventually sign the agreement.

He explained that the negotiations between the three parties started nine months ago and the legal documents were prepared two weeks ago.

Conroy is involved in the manufacture of welding cables for automotive industries in Australia, New Zealand, China and Malaysia while Womago is a specialist automotive industry consulting company.

Abdul Razak said initially there were plans to start operations at Autoindustries Bukit Kemuning plant in the last quarter of this year with plans to export to China.

The subsequent plans were to acquire Conroy which supplies its products to the Australian market.

Womago's managing director Nick Ieronimo said he was embarrassed and disappointed as his company had played the matchmaker's role.

"We'll be talking to them (the New Zealand party) as we had considered them based on their technological know-how."

Small and Medium-scale Industries Enterprise Development Corporation or Smidec chief executive officer Kalsom Abdul Rahman, who was to witness the signing ceremony, said she felt bad.

"It was just what the Prime Minister Datuk Seri Dr Mahathir Mohamad had called for, a smart partnership where each partner in a joint venture provides its expertise in terms of technology or investment."

The recent visit to Malaysia by the Deputy Prime Minister of New Zealand Winston Peters was instrumental in getting the Malaysian and New Zealand partners together.

"They (the parties) are now trying to iron out certain details which were not in the agreement."

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