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MAHATHIR-AFTA

AFTA: MSIA WANTS AUTOMOTIVE PROTECTION UP TO 2005

LANGKAWI, June 1 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said Malaysia wants the implementation of the Asean Free Trade Area (AFTA) agreement for the automotive sector to be deferred to 2005.

He said that Malaysia is requesting that the agreement be effective in 2005 instead of 2003, for the benefit of the national car industry, Proton.

"Our automotive industry is still small compared with other countries where companies producing vehicles have merged to become big companies," he said.

"If we cannot defend our industry, we will be swallowed up by these big companies," he said at a press conference after the presentation of the Asean Kart Prix 2000 Cup, here today.

Dr Mahathir said that the government needed to look after the automotive industry as well as the interests of other companies which are involved in the production of the national car.

Dr Mahathir was asked to comment on his statement on Tuesday calling for a relook at the AFTA's agreement to open up the automotive industry as it is disadvantageous to local car manufacturers like Proton.

Dr Mahathir said he was concerned that if the agreement was implemented, other industries which are involved in the manufacturing of the national car could be exposed to the possibility of being shut down.

He said that big companies merely wanted the country to become supplier of components or to assemble their cars.

"In the end we may not even have a national car," he added.

Asean countries had earlier this year decided to defer the transfer of CBU (completely built-up) and CKD (completely knocked-down) products of the automotive industry from the Temporary Exclusion List (TEL) to the inclusion list (IL) on Jan 1, 2005. -- BERNAMA

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