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M'SIA-AUTO MART

M'SIA WILL NOT LOSE AUTO MART SHARE BY DELAY IN OPENING UP INDUSTRY

KUALA LUMPUR, July 21 (Bernama) -- Malaysia's decision to delay the opening up of its automobile industry will not necessarily mean the country would lose its market share and flow of foreign direct investments (FDI), a Japan Automobile Manufacturing Association (Jama) official said.

Koji Wanaka, chairman of Jama sub-committee dealing in trade issues, said what was important for the Malaysian automotive industry was to strengthen its competitiveness and this required industry effort.

To be competitive, he said automakers required exposure to international competition in view of the merger development among giant automakers for survival.

"By protecting some manufacturers without exposing them to the wild competition... sometimes, it may be necessary over a certain period but if it goes on for too long, they would be affected in the long run," he said at a media briefing here today.

Recently, Prime Minister Datuk Seri Dr Mahathir Mohamad had called for a relook at the Asean Free Trade Area's (Afta) strategy, particularly in the opening up of the automotive industry.

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 Temporarily Exclusion List to the Inclusion List (IL) on Jan 1, 2001.

Should Malaysia strengthen its competitiveness, it would have many opportunities to "catch up" with other countries in Asean, he said.

Wanaka also said he respected Malaysia's decision to delay the opening up of its automotive industry and believed the government had reasonable justification for such a move.

However, he personally felt that there was a need for the industry to be "free" soon.

"The sooner it is exposed to a high level of competitiveness, the better the chance of it becoming stronger," he said.

On another note, Wanaka believed the Japanese automakers at the seven facilities in Malaysia would produce more than 292,000 units, higher than the volume produced last year.

The increase in the number of production units was likely, following strong indication of a sound Malaysian economy and increasing capital income, he said.

Even Proton, Malaysia's national car, with its ambitious plans in the years to come would not curb the other players from expanding their respective vehicle production, he added.

"The market itself is not limited," he said. -- BERNAMA

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