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MAHATHIR-AFTA

RELOOK AFTA STRATEGY TO OPEN UP AUTOMOTIVE SECTOR, SAYS MAHATHIR

KUALA LUMPUR, May 30 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today called for a relook at the Asean Free Trade Area (Afta)'s strategy, particularly in opening up the automotive industry as it is disadvantageous to local car manufacturers like Proton.

He said that some countries like Malaysia were already having second thoughts about opening up their markets under Afta.

"We are saying, well can we delay a little bit especially (in opening up) the auto industry because what we have seen is people moving into other Asean countries and setting up plants to produce cars and calling them products of this country."

"And they are having the privilege of exporting to other Asean countries by by paying little tax and competing with car manufacturers like Proton," he said during a question-and-answer session with participants of the Europe-Asia Business Summit 2000.

As such, he said that Proton is at a disadvantage because it was not just an assembler like other companies but rather producing its own cars and as such, has to buy technologies and a lot of components which makes the national car manufacturer's costs higher.

"Compared with others, this people are just going to assemble cars which have been designed and tested in other countries.

"I think there is a solution to all this, we should sit down and see whether there can be some kind of division of labour where some countries produce some things and some other countries produce the others," he said.

Referring to foreign investors, Dr Mahathir expressed confidence that Asean countries can find a way for them to invest in Malaysia in order to sell to other countries or to invest in other Asean countries to get into the Asean market.--BERNAMA

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