

PM confirms Daihatsu-Perodua talks

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STAR

20 APR 2001

PRIME Minister Datuk Seri Dr Mahathir Mohamad confirmed yesterday that Japan's Daihatsu group was in talks with Perusahaan Otomobil Kedua Sdn Bhd (Perodua) to acquire a larger equity interest in the second national car maker.

He said the negotiations were on-going and nothing had been finalised yet.

Asked if the government was

willing to let Daihatsu purchase a majority stake in Perodua, Dr Mahathir said the government would only allow the Japanese company a majority stake in the local production of cars for the export market.

"We want to retain that part of Perodua which is manufacturing for the local market," he said.

The prime minister said Daihatsu could become the major shareholder in that part of Perodua's operations that was manu-

facturing for the overseas market, including other Asean countries.

"We have no objection ... if they are manufacturing cars (in Malaysia) for export, yes. But if they want to manufacture cars for the local market, then we are not willing to give up our majority stake," he said.

Daihatsu Motor Co Ltd currently holds a 20% stake in Perodua and a further 5% through its local unit, Daihatsu (M) Sdn Bhd.