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Local car makers ready for challenges

RAWANG, Sat: The rapid grasp of technology has enabled local automotive manufacturers to position themselves as serious contenders in the global automobile industry.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the manufacturers are in the completion stages of their assimilation of engine production and it is only a matter of time before transmission is mastered.

"This shows we have the capability to learn within a short period of time."

He was speaking at a press conference after inspecting Perusahaan Otomobil Kedua Sdn Bhd (Perodua)'s 500,000th vehicle, unveiling its latest model - the 1,000cc Kelisa car, and also launching the new cylinder head machining line at Perodua plant in Sungai

Choh near here today.

Mahathir said since his last visit to the plant seven years ago, the company had grown from strength to strength in the various divisions including in research and development.

He said the local automotive manufacturers must work at reducing their production costs and, at the same time, increase their output and quality to stay competitive when the Asean Free Trade Area comes into force in 2003.

Asked about Daihatsu Corp wanting a majority stake in Perodua, Mahathir said talks are on-going and they have to take into account the company's competitiveness when the tariffs are removed.

Perodua managing director Datuk Abdul Rahman Omar said Daihatsu Corp's

equity stake issue will be decided by the shareholders latest by September.

He said Perodua expects to increase its share in the automobile industry from 28.3% to 30% this year.

The Kelisa will be officially launched on Aug 24 and its price is estimated at between RM36,000 and RM39,000.

Abdul Rahman said the Kelisa has 57% local content and they expect to sell between 3,000 and 4,000 units every month.

The new machining line is fully automated and utilises a concept which only requires three personnel to run the line.

It will provide an additional capacity of 70,000 units per annum, producing cylinder heads for the Kancil 660cc, 850cc and Kelisa.