

Set up parts plants here, PM tells foreign carmakers

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Such moves will enable local automotive firms to benefit from S. Korean carmakers' skills in managing their automotive industry

By **KAMARUL YUNUS**

PRIME Minister Datuk Seri Dr Mahathir Mohamad invites foreign, particularly South Korean automotive players, to set up plants to produce parts and components to bring down the price of cars in Malaysia.

He said for instance, South Korea's KIA Motors Corp has been able to produce quality cars but at a cheaper price.

"I don't know how (the South Koreans) do it but we can learn from them to make quality cars at cheaper prices.

"Perhaps, KIA should go beyond exporting their cars to Malaysia and invest in joint ventures to produce automotive components which can be sold to local automotive manufacturers," he said at the launching of KIA's locally-assembled Spectra in Petaling Jaya yesterday.

Such investments, he said, would enable local automotive firms to benefit from South Korean carmakers' skills in managing their industries and be able to produce cars which were cheap and of high quality as well as being very competitive.

"I hope that KIA and other South Korean carmakers will look into investing in the production of automotive components for Malaysia and other countries in the Asean region so that it could bring down the price of motor vehicles," he said.

Dr Mahathir said he was amazed with the dedication and toughness of South Koreans in turning their country into an economic and industrial power where they could produce almost everything at very low cost and be able to catch up

with Japan and other developed nations.

This, he said, was also despite the regional economic downturn and financial crisis which pushed South Korea to seek financial assistance from the International Monetary Fund.

The Naza Group of Companies currently undertakes the local assembly of the KIA Spectra through a joint venture entity led by KIA Motors Corp of Korea.

The cooperation between KIA Motors and Naza Group dates back to 1996 when the local car dealer brought in the

KIA Sportage, a four-wheel drive vehicle, to the local market.

Dr Mahathir criticised Bumiputeras who reaped short-term gains by selling their approved permits (APs), especially to non-Bumiputeras. Local importers need APs to bring in foreign-made motor vehicles into the country.

"We are disappointed. Although we have given them a lot of opportunities, many Bumiputeras have wasted them," Dr Mahathir said.

He said many Bumiputeras who had been given opportunities either to sell new, used or

reconditioned cars through the issuance of APs had sold the APs to others instead, including non-Bumiputeras.

"Such actions had undermined the Government's endeavour to have more Bumiputeras involved in business and entrepreneurship," he said. He praised Naza Group of companies managing director Tan Sri SM Nasimuddin SM Amin for his commitment to reap profits from the issuance of APs.

"He (Nasamuddin) not only did not sell APs to anyone but instead buys them from other Bumiputeras," he said.

Dr Mahathir also expressed his disappointment with the Bumiputeras' participation in the retail business.

He said the Government has introduced the Prosper (Projek Usahawan Bumiputera dalam Perdagangan Sektor Peruncitan) programme to attract Bumiputeras so that they are more representable in new townships.

However, he said, this has not been successful but the Government would continue with the programme to attract Bumiputeras to get them involved in the retail and franchising business.