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Don't fear us, says Toyota chief

Juli Suharni Jaafar

TOYOTA Motor Corp assured Malaysian carmakers that it is not out to grab their market share in Malaysia through its subsidiary Daihatsu.

"Toyota respects the Malaysian Government's policy to protect its national car industry," Toyota president Fujio Cho said here recently.

"Daihatsu's role and interest in Perodua started even before Toyota had a major share in it.

"Toyota will only exploit the space given to us which is within international laws," added the head of the world's third largest carmaker.

Daihatsu will control Perodua's production activities through a 51 per cent stake in a new joint venture, ahead of AFTA in 2005. Malaysia deferred the implementation of AFTA from 2003 to 2005.

The newco is buying a 51 per cent stake in Perodua's wholly-owned Perodua Manufacturing Sdn Bhd and Perodua Engine Manufacturing Sdn Bhd.

Cho said Toyota would introduce more attractive and affordable models in Malaysia.

On the Government's policy to protect the national car industry, Cho said: "It certainly does not work out to the best interest of Toyota, but we understand the rationale for Malaysia's move and fully respect the Malaysian Government's decision.

"(In this liberalisation age) Kuala Lumpur is taking a slightly different approach, but this is not the first time (Malaysian Prime Minister Datuk Seri) Dr Mahathir Mohamad opted to be different. He also took a different approach to weather the Asian economic problem and succeeded.

"I don't see why this policy wouldn't work too. I believe Dr Mahathir and his government know what they are doing," he added.

Under Afta, import tariffs on CBUs (completely built-up units) will fall to between zero and five per cent.