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MAHATHIR-DAIHATSU

NEGOTIATIONS TAKING PLACE BETWEEN PERODUA AND DAIHATSU JAPAN, SAYS PM

KUALA LUMPUR, April 19 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said Perusahaan Otomobil Kedua Sdn Bhd (Perodua) has been negotiating with Daihatsu Japan on the latter's request to increase its stake in the second national car company..

"There has been a negotiation but it is not finalised. Of course, we want to retain part of the manufacturing interest for the local market," he told reporters after attending the Young African Leadership and Intellectual Dialogue at the Putra World Trade Centre here today.

He was asked to comment on reports that Daihatsu wanted to increase its Perodua stake from 20 percent to 51 percent.

However, Dr Mahathir said Perodua was willing to allow Daihatsu to have majority share in the production of Perodua cars for the Asean market or for export to other countries.

"If they want a majority share in producing for the Asean market and for export to other countries, we have no objections," he said.

Asked if that means Daihatsu would be allowed to hold a 51 percent stake in Perodua, Dr Mahathir said: "If (it involves) manufacturing cars for export, yes. If it is for the local market, we are not willing to give up our majority stake."

In January, UMW Holdings Bhd had clarified that Daihatsu had not increased its stake in Perodua to 51 percent from the current 20 percent.

Replying to a Kuala Lumpur Stock Exchange query, UMW also denied that the company, as a shareholder, might have disposed of part of its current holding to enable Daihatsu to increase its stake.

It was reported that discussions were taking place among Perodua's shareholders and management staff to prepare for the post-AFTA (Asean Free Trade Area) environment, particularly to make the Perodua plant a regional manufacturing centre for small cars.

MBM Resources Bhd, another major shareholder in Perodua, also said that no decision had been made over its proposals to prepare Perodua for the post- AFTA challenges. -- BERNAMA

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