

04 AUG 2001  
PERODUA-DAIHATSU  
TALKS STILL ON BETWEEN PERODUA AND DAIHATSU

RAWANG, Aug 4 (Bernama) -- Local shareholders are still in negotiations with Daihatsu Motor Co Ltd of Japan on the possibility of a change in equity ownership in the Perusahaan Otomobil Kedua Sdn Bhd (Perodua) group ahead of the opening up of the country's automotive sector line with the Asean Free Trade Area (Afta), Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"Yes, we are negotiating with them as we think that when the Afta regional market opens, if we don't have the capacity to compete, we might lose our markets," he said after launching the 500,000th vehicle produced by Perodua, which is also the first unit of the Perodua Kelisa, at the Perodua plant at Sungai Choh here.

Perodua Kelisa, which has an engine capacity 1,000 c.c., is an integration of the chassis of the Kenari and the body of the Kancil. It would be commercially launched on Aug 24.

Dr Mahathir said Perodua needed to lower its production costs so that it could compete with other car manufacturers in view that the domestic automotive market was protected from imported cars by import tariffs.

Meanwhile, Perodua Managing Director Datuk Abdul Rahman Omar said the agreement on the new shareholding structure would be signed the latest by September.

Newsreports said that Daihatsu Motor might want to raise its shareholding in Perodua from the 20 percent it is now holding.

Besides Daihatsu Motor, UMW Holdings Bhd holds 38 percent equity in Perodua, Med-Bumikar Mara Sdn Bhd 20 percent, PNB Equity Resource Corporation Sdn Bhd 10 percent, Daihatsu (Malaysia) Sdn Bhd 5.0 percent and Mitsui Co Ltd 7.0 percent.

Asked whether Daihatsu Motor wanted a majority stake in Perodua, Abdul Rahman said: "I'm not authorised to say."

"In a way, they want it, we want it also because to meet AFTA. We want to survive."

On whether Daihatsu Motor would take over the management, Abdul Rahman said: "If they are taking a majority (stake), surely they would take over the management."

Asked whether the change in equity structure would affect the management of Perodua, he said that "we are not giving Perodua to Daihatsu."

Abdul Rahman said the change in equity structure only relates to two subsidiary companies of Perodua -- Perodua Manufacturing Sdn Bhd which makes cars and Perodua Engine Manufacturing Sdn Bhd which makes engines.

Perodua now holds 100 percent equity each in both the companies. --  
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