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`Non-Asean cars will not be cheaper under Afta'

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CARS from outside of the Association of South-East Asian Nations (Asean) are unlikely to be cheaper under the Asean Free Trade Area (Afta) regime as their import duties will not be changed.

International Trade and Industry Minister Datuk Seri Rafidah Aziz said the import duties that will be changed are for cars manufactured in Asean.

"Whatever the Government applies locally, in terms of surcharges or whatever, which are yet to be decided, they will apply equally to imported vehicles from Asean and local vehicles. The national carmaker has informed us that they can compete," she told reporters in Seri Kembangan yesterday.

Rafidah was asked about Prime Minister Datuk Seri Dr Mahathir Mohamad's comment that car prices will not be reduced under Afta.

Malaysia is currently the biggest market for passenger cars in Asean, with a market share of up to 85 per cent.

"Personally, I think Perusahaan Otomobil Nasional (Proton) will need to do what it takes to remain as a viable market player. The whole global scenario of the automotive industry is going towards oligopoly, meaning there are mergers on a global basis that have resulted in only five big companies."

"Proton eventually would have to think about working together in whatever linkages that have to be determined with other companies without losing Proton's own identity," she said.

Rafidah said it would be better for Proton in the long run to link up with "somebody big and capture a bigger chunk of the external market than remain a big player only domestically where the market is small".

"I think Proton is going that way. They are looking at it although they may not have announced anything. I do believe that they are looking at that possibility. It is just about finding the right suitors, perhaps," she added.

On another development, Rafidah said the Government has yet to decide whether it will close down Perwaja Steel.

"It is not for me to say, but I believe a study is being carried out by the Finance Minister or someone on this matter," she said.

She said Perwaja was initially set up by the Government, thus there are many implications involved if the company is closed down or allowed to continue its operations. "You have to look at it in detail ... how much debt there is, is it a going concern at all. These are the things that we have to weigh before any decisions can be made," she said.

Earlier, Rafidah officiated the Industry Tradefair Malaysia 2002 (ITM 2002), which showcases a wide range of high-precision machinery, equipment, tooling and related peripherals.

The trade fair attracted 500 participating companies from 20 countries including leading international and local names such as Clearpack, Diagraph, Eagle Enterprise and Yutaka.

ITM 2002 also saw the first participation from Singapore, as a country group pavilion under the umbrella of the Singapore Packaging Council.

In her speech, Rafidah said Malaysia will continue to be a good marketplace for overseas manufacturers of intermediate and capital goods.

"But most importantly, Malaysia can be a profitable location for the domestic manufacture of the products, to service both the local and regional markets," she said.

Between January and September this year, Malaysia exported RM262.9

billion worth of products compared to RM226.8 billion imports.

Of the total imports, RM162.2 billion or 71.5 per cent was the value of intermediate goods, RM34.4 billion or 15.2 per cent capital goods and RM14 billion or 6.2 per cent consumption goods.

"The composition of imports reflects the continuing demand from within the country," she added.