

12/11/2002

`BMW holding franchise talks with Sime only'

BAYERISCHE Motoren Werke AG (BMW) has made it clear that it currently is talking only with Sime Darby Bhd on changes to the German marque's franchise.

"In the context of the BMW Group's plans for a wholesale subsidiary in Malaysia, executives of the BMW Group are currently in negotiations with only Sime Darby Bhd.

"At this stage, it is too early to disclose further details on the negotiations," BMW said in a two-paragraph statement yesterday.

The popular luxury carmaker refuted a local daily's report that it had signed an initial pact with a private-owned company linked to Tan Sri Syed Mokhtar Al-Bukhary.

The report, quoting unidentified sources, also said Sime Darby may lose the BMW franchise in Malaysia by next year.

Sime Darby currently holds the rights via 72 per cent subsidiary Tractors Holdings (M) Bhd, which in turn uses its unit Auto Bavaria Sdn Bhd to sell the German-made cars.

Sime Darby group chief executive Tan Sri Nik Mohamed Nik Yaacob said late last month it expected to resolve changes to its BMW retail and assembly rights by year-end.

Nik Mohamed said talks were still on-going but it had made considerable progress.

BMW had told Prime Minister Datuk Seri Dr Mahathir Mohamad in March that it will set up its Asean headquarters in Malaysia.

It wanted to focus trading activities in Cyberjaya while its manufacturing facilities will be in Thailand.

BMW spokesman Ramesh Divyanathan also denied that the group had said it planned to make Port of Tanjung Pelepas in Johor a spare parts centre for the region.