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RAFIDAH-PROTON

PROTON NEEDS TO COLLABORATE WITH BIG PLAYERS TO EXPAND MARKET

KUALA LUMPUR, Nov 7 (Bernama) -- National car manufacturer, Perusahaan Otomobil Nasional Bhd (Proton) should consider "working together" with other big players in order to capture bigger share not only domestically but also in the global market, said International Trade and Industry Minister, Datuk Seri Rafidah Aziz.

In sharing her personal view, Rafidah said Proton would have to think about working together in whatever linkages that had to be determined with other companies without losing its own identity.

Rafidah said it would be better for Proton in the long run to be linked up with "somebody big" and capture bigger chunk of the external market rather than remain as only a big player in the domestic market which was still relatively small.

"Proton would need to do what it takes to remain a market player that is viable," she told reporters when met after the official opening of Industry Tradefair Malaysia 2002 (ITM 2002) here today.

"I think Proton is going that way. We are looking at this although they may have not announce anything (yet), but I do believe that they are looking at that possibility. it's just (the matter of) finding the right suitors, perhaps," she said.

She said this had come into light amid the whole global scenario in automotive industry which was going towards oligopoly, with more mergers on global basis, resulting in only five big companies operating.

Meanwhile when asked further on the statement by Prime Minister Datuk Seri Dr Mahathir Mohamad that there would be no reduction in car prices after the full implementation of AFTA next year, Rafidah said this was because there would be no major changes in the existing import duty.

"The only import duty that will be changed is for Asean cars, and as you know in Asean, Malaysia is already the biggest market for cars because our own market is 85 percent," she added.

She also expected that there would be more commercial cars entering Malaysian market compared with passenger cars.

Meanwhile, in her speech, Rafidah said as a trading company at the international level, Malaysia was not only exporting various industrial goods but serving as a big market for foreign companies to market their manufactured goods.

For example, from January to September 2002, total exports stood at RM262.9 billion while imports stood at RM226.8 billion with intermediate goods capturing almost 72 percent of the total imports.

She said the composition of imports reflected the continuing demand from within the country for a wide range of intermediate and capital goods to meet the needs of the economy.

In this context, she said Malaysia would not only continue to be a good market for overseas manufacturers of such intermediate and capital goods, but more importantly, Malaysia could be a profitable location for the domestic manufacturer of the products, to service both the local and regional markets.

On another note, she said it was expected that with the growth of the machinery and equipment industry, a strong engineering works could be created, with capabilities to produce critical components and sub assemblies, tooling and material handling equipment.

"It is heartening to note that there is continuing inflow of

investments into the machinery and equipment industry," she said.

Rafidah said between January 2001 to September 2002, there were 121 projects which had been approved with total investments of RM894.9 million -- RM321.5 million were of domestic investments.

At the same time, there were 79 new projects with total investment of RM689.0 million and there were 42 projects for expansion and diversification worth RM205.9 million.

Major sources of investments came from Singapore with 19 projects worth RM135.0 million, Japan (22 projects, RM126.3 million) and Germany with five projects worth RM65.1 million. -- BERNAMA

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