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Rafidah tells industry to stop speculating on car prices

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INTERNATIONAL Trade and Industry Minister Datuk Seri Rafidah Aziz has asked the car industry to stop speculating on what car prices will be like

in 2005 when the sector comes under the Asean Free Trade Area regime.

She said people should wait for a detailed announcement from the Government, but did not say when that announcement would be made.

Rafidah also scolded analysts who issued forecasts on prices without taking into account the repercussions of their analyses on the future plans of the Government and national carmakers.

"How much the reduction (or increment) ... no decision has been made as of now, not yet, not finalised, because the matter is still under discussion.

"It is unfair to pre-empt decisions by the Government and also decisions by the car manufacturers because it affects both (parties)," she told reporters after a dialogue with residents from Kampung Sungai Siput in Perak on Monday evening.

She said no one should attempt to forecast the pricing of cars at present.

"Not at all, it is not fair to put numbers ... even the industry wouldn't know until the Government makes the announcement."

Rafidah advised car buyers to wait for the Government to come out with an announcement on reduction and the instituting of new local duties or taxes, which will be made by Finance Minister Datuk Seri Dr Mahathir Mohamad.

"Only then will we know what prices will look like ... Nobody should attempt to pre-empt this and make forecasts on the pricing of cars because it will be unfair to the local automotive industry."

Rafidah was responding to a Business Times report on Monday that quoted industry observers as saying that the Government would raise excise duties, possibly as much as 15 per cent, to offset a cut in import tariffs for completely-knocked-down packs.

"I gave a very complete, comprehensive press release so I don't need to comment on analysts. Sometimes, I don't understand them. I gave them exactly what is going to be done and they would analyse what was said.

"I gave a complete thing (last December) on what we are doing and then they come out with totally different analyses," said Rafidah, who was visibly upset when asked about the forecast.

She said that the Government had so far made two decisions, that is, to reduce import duties and to compensate revenue loss, the quantum of which will be announced in the near future.

Rafidah added that what is lost through import duty will be regained through excise duty "so in effect, you won't see cheaper cars, like Dr Mahathir had mentioned".