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Naza to unveil MPV on Wed, says price will be competitive

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MALAYSIA'S third national car and first multi-purpose vehicle (MPV) by the

Naza group will be unveiled on Wednesday.

The launch, which will be officiated by Prime Minister Datuk Seri Dr Mahathir Mohamad, will break the secrecy surrounding the MPV's name and price, the subject of unabated speculation since Naza disclosed last year

that it was coming out with an MPV.

Industry observers said that with the national status it secured in July

last year, Naza enjoys import duty vouchers in the same manner as that given to Perusahaan Otomobil Nasional Bhd and Perusahaan Otomobil Kedua Sdn Bhd.

"With tax breaks, the Naza MPV will likely cost less than RM100,000," one of the observers said.

The MPV is based on the hot-selling Kia Carnival, which was initially sold at RM160,000 before the current discounted price of about RM128,000.

Naza Kia Sdn Bhd group marketing director S.M. Faisal S.M. Nasimuddin gave a hint of how cheap the car would be.

"Let's just say that it will be competitively priced and affordable," he said.

Faisal declined to reveal the MPV's name, merely saying that the brand will simply be "Naza".

"Other than the brand, which will simply be Naza, I am not allowed to reveal its name here," he said in an interview at Naza group's new corporate building in Kampung Baru, Kuala Lumpur.

Currently, national-status cars enjoy rebates ranging from 50 per cent to full exemption from excise duties. Fully-imported vehicles are free from that tax but slapped with import taxes ranging from 120 per cent to 300 per cent.

Excise duties for non-nationals range from 25 per cent to 65 per cent based on the vehicles' open market value. The fully-imported Carnival is slapped with a 150 per cent import duty.

Faisal, the 23-year-old son of Naza group's founder and managing director Tan Sri S.M. Nasimuddin S.M Amin, said the MPV will look better than the Carnival with some Malaysian touches.

"Some of its front, rear and sides are re-designed by local people," he said.

Bookings for the MPV opened two months ago, and Faisal said that orders had been encouraging.

Faisal and other senior Naza Kia officials are optimistic about the car's prospects as domestic sales of MPVs and SUVs (sports utility vehicles) are expected to grow 20-30 per cent from now until 2005.

Naza Kia promises strong after-sales service for the MPV as well as other Kia vehicles it sells.

Naza Kia has 16 sale, service and spare part outlets supported by over 40 operated by its dealers. It will open its 17th and 18th outlets in Sarawak and Perlis by end-October.

The MPV is currently being assembled at a third party's plant in Pekan, Pahang. Production will be transferred to Naza group's own RM300 million facility in Gurun, Kedah, when it is operational next year.

"Construction is well under way and on track for its scheduled commercial operation by July next year. The facility is now 30 per cent completed," Faisal said.

The RM300 million plant in Gurun will pave the way for Naza to become a bigger force in the local motor vehicle industry.

South Korean principal Kia Motors, with no significant manufacturing venture in South-East Asia other than Indonesia, will want to use Naza's manufacturing plant as its base for the regional market, analysts said.

However, Faisal made it clear that the possibility of assembling more Kia models remains remote for the time being as Naza wants to focus on the current job in hand - the production of the MPV.

Naza Auto Manufacturing Sdn Bhd is handling the Gurun plant, which will have an initial production capacity of 4,000 units in 2004 before ramping up sixfold to 25,000 units from 2005.