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PM: Localise all aspects of manufacturing to lower costs

KUALA LUMPUR, Sat. - Prime Minister Datuk Seri Dr Mahathir Mohamad today urged Malaysian manufacturers to localise all aspects of manufacturing to lower costs and enable them to compete in the liberalised market.

"Manufacturers should stop depending on foreign expertise. They must work towards innovation and creating all parts of a product, from design to the finished item," he said at the launch of Motosikal dan Enjin Nasional Sdn Bhd's (Modenas) new models of scooters and motorcycles here, today.

He congratulated Modenas for its success in creating its own model of engine which could now be used for others products, including small electric generators and lawn movers.

"Nothing is greater than the knowledge of how machines work. We should shift from being mere users of technology to creators and owners of technologies," he said, adding that the importation of technology would push up cost.

However, Dr Mahathir cautioned that lowering costs should not be at the expense of quality.

The Prime Minister also reminded manufacturers that they would be competing in a more open market, and unlike the past, the Government could no longer protect local products.

"We cannot restrict products coming into the market if we don't want others to restrict our products from going into their markets."

Modenas, today unveiled its two new models of scooters - the Modenas Elit, a 150cc scooter, and Modenas Ceria, a 100cc scooter, as well as a new model of motorcycle - the Modenas Dinamik, a 120cc two-stroke moped.

DRB-Hicom and Modenas chairman Tan Sri Dr Mohd Saleh Sulong said with the new models, the company expected an increase of about 2,500 to 3,000 units a month in its overall sale.

Modenas launched its first motorcycle, the 110cc Modenas Kriss in 1996, then the Modenas Jaguh in 1999 and in January this year it launched its first scooter, the Modenas Karisma.

Saleh said the national motorcycle company was chalking up encouraging sales despite competition from very much cheaper motorcycles and scooters imported from China.

"The Chinese motorcycles were going for a mere RM2,900 and the scooter for RM2,800. Despite that, Modenas recorded a 27 per cent increase in its motorcycle sales for the first six months of 2003."

During the same period, it also sold 39,547 units of its Karisma scooter.

For the three new models, Modenas worked with its technical partners - Japan's Kawasaki Heavy Industries Ltd and Taiwan's Motive Powers Industries Ltd.

The Modenas Elit, priced from RM5,538, will be on sale from today. The Modenas Ceria will be on sale from mid September this year and would cost not more than RM4,700, whereas Modenas Dinamik, which will be on sale from mid October this year, would cost up to RM6,000.