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Hicomobil expects no big changes in Chevrolet car prices

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HICOMOBIL Sdn Bhd, the distributor of Chevrolet cars in Malaysia, does not expect major changes in the prices of Chevrolet models after the Government introduces excise duties and tax cuts on imported cars next year.

DRB-HICOM group director (services) Datuk Rashid Rahim said car prices in the country have been adjusted.

"So, come January (2004), I don't think there will be any big changes, not on sticker prices in the shop.

"Consumers should buy now, it makes no difference (in prices)," he said

at a news conference in Kuala Lumpur on Saturday.

Rahim said this when asked to comment on the impact, on prices of Chevrolet models, of the Government's plans to levy excise duties on imported cars next year.

Four General Motors Corp (GM) Chevrolet models were launched in the Malaysian market two weeks ago - the 1.5l Aveo hatchback; the 1.6l and 1.8l Optra sedans; the 3.8l Lumina sedan; and the 1.8l and 2.2l Nabira multi-purpose vehicles (MPVs).

The Aveo, Optra and Nabira are brought in from GM's plant in Thailand, while the Lumina is from Australia. Currently, the Aveo is sold at RM65,888; Optra at RM89,999; the Nabira at RM129,888; and the Lumina at RM205,888.

When tabling Budget 2004 in Parliament on Friday, Prime Minister and Finance Minister Datuk Seri Dr Mahathir Mohamad said the Government plans

to impose excise duties on imported cars when import duties on vehicles from Association of South-East Asian Nations members are cut starting January 1 2004.

Rahim, who heads Hicomobil's operations, declined further comment, saying he would rather wait for details of import and excise duties that would be announced in January.

"It is hard to comment because it is not clear now ... we don't want to speculate," he said.

Hicomobil, which has an authorised capital of RM25 million, is a wholly-owned subsidiary of DRB-HICOM. Under the agreement between GM and DRB-HICOM, the US carmaker has an option to buy 35 per cent of Hicomobil.

Rahim said Chevrolet cars, except the Lumina, are expected to hit the road today. Lumina sedans will be brought in from Australia in October.

He said more orders are expected to come later because potential car buyers were waiting for Budget 2004 before deciding. "There are over 1,000

units in the order book so far, and I'm optimistic that orders will reach

the projected 2,500 units or 3,000 units by the end of this year."

About 62 per cent of the total orders are for the Aveo hatchback

model,

25 per cent for the Optra sedan and the rest for Nabira MPVs and the Lumina sedan.

Response from consumers since the models were launched on September 2 has been good, with the existing 15 dealers throughout the country busily handling enquiries, especially on Aveo and Optra models.

Rahim said Hicomobil will increase the number of dealers to 40 by year-end.

Currently, Hicomobil has a stock of 660 units of various models, especially the Aveo. "The second batch of 900 units will come in early October. With over 1,500 units, we will be able to meet orders, and the waiting time will not be that long," Rashid said, adding that more orders are also expected soon as the festive season is approaching.

Hicomobil has appointed service centres throughout the country. It has made an initial investment of RM5 million in fast-moving spare parts.

Rashid said the design of the Chevrolet cars and their engines means they need servicing only after a long interval.

DRB-HICOM group chairman Tan Sri Dr Mohd Saleh Sulong has projected sales of Chevrolet cars at between 3,000 and 5,000 units a year. He expects earnings from Chevrolet sales to grow gradually in the next few years and be a significant contributor to the group's revenue.