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Improve quality, manufacturers told

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KUALA LUMPUR, Sat. - Automotive component manufacturers must improve the quality of their products and increase local component content in the industry, Datuk Seri Dr Mahathir Mohamad said today.

Expressing satisfaction with the achievements of the automotive industry, the Prime Minister said local component manufacturers could play a much greater role, such as exporting automotive components.

"I think we can do better," he said when asked if he was satisfied with the performance of local automotive component manufacturers.

Dr Mahathir, who is also Finance Minister, said this after visiting the 2003 Kuala Lumpur International Motorshow. Describing the show as a success, Dr Mahathir said it was a good sign that Malaysians were more interested in the industry now.

"I'm very happy with the success of the motorshow and that Malaysians are much more interested now in automobiles and the automotive industry."

Earlier, Dr Mahathir spent more than an hour visiting the hundreds of vehicles on display at the KLIMS 2003 which entered its ninth day today. The motorshow ends tomorrow.

Dr Mahathir was accompanied by Malaysian Automobile Association president Aishah Ahmad during the visit.

In his Budget speech yesterday, he pointed out the need for local small and medium industries (SMIs) to produce more products using locally-derived components which could be used by large-scale industries to add value to their export-oriented products.

He also said in order to achieve greater export earnings, the SMIs must strive to export their products.

Citing the SMIs in Japan, Korea and Taiwan as examples of how Malaysian companies could expand their market, Dr Mahathir said industries in the three countries were developed via the acquisition or development of their own technologies.

"We were unable to do so initially as we did not have adequate capital, technology, management skills and global market knowledge. However, after we have gained knowledge and experience in these areas, we are now able to venture into and develop our own manufacturing industries.

"But our investors are less confident in venturing abroad and prefer to focus only on the domestic market. Since our domestic market is small, our local producers cannot enjoy economies of scale that will enable them to reduce costs. We can only compete with the advanced economies if we produce high-quality products on a large-scale basis."