PAS claims 'cronies' are NAP big winners
MalaysiaKini.com
Jan 21, 2014

The backtracking on the Approved Permits discontinuation and failure to cut excise duties means that "cronies" are biggest winners of the National Automotive Policy 2014, PAS claims.

"Prime Minister Najib Abdul Razak shows he has the will to commit to 'subsidy rationalisation' despite it burdening the rakyat.

"But when it comes to something which is detrimental to his cronies, he shows no will to dismantle it even if doing so could bring about more government income and lessen the rakyat's burden," PAS central committee member Dzulkefly Ahmad (right) said.

He said that although manufacturing licences will be open to any manufacturer of energy-efficient vehicles, DRB-Hicom which owns Proton will not be affected as its cars do not fall in the same category.

DRB-Hicom, which has a share in Honda Malaysia, will also benefit from the tax breaks to attract investment for car manufacturing in Malaysia.

"DRB-Hicom, 55.9 percent owned by (Umno-linked) Syed Mokhtar al-Bukhary, will see massive gains due to its equity holdings in Honda Malaysia, stakes in distribution of Mitsubishi cars and collaboration in Volkswagen manufacturing," he said.

He added that the DRB-Hicom-owned 55 Puspakom inspection centres are likely to also benefit down the line from roadworthiness testing, which under the NAP is still voluntary.

"It will one day be mandatory not only for commercial vehicles but also private or passenger vehicles," he said.

He also questioned how this NAP, which is aimed at energy-efficiency, has neglected the issue of Euro 4 fuel, which is far more energy efficient compared to the Euro 2 standard Malaysia now uses.

"The minister had promised in Parliament to change fuel, be it petrol or diesel, to

the more efficient Euro 3 in 2020. But the NAP does not touch on it at all," he said.

He also questioned the lack of detail on assistance on vendors, which make up the bulk of the automotive industry.

"Once more, the policy only benefits certain quarters but does not develop the industry as a whole," he said.

Crucial step

Meanwhile, Gerakan vice president Dr Asharuddin Ahmad welcomed the announcement that the NAP framework will gradually bring car prices down by up to 30 percent by 2018.

"This is a crucial step in the right direction. Malaysians pay too much for cars and the high duties have been rationalised as an overt attempt to protect the national car industry.

The local car makers have grown complacent and fallen behind their counterparts in the region like Kia and Hyundai. It is time for Proton and Perodua to stand on their own feet," he said.

Asharuddin (right) added that while he supports the gradual abolition of the AP system, bumiputera concerns must be taken into account.

"Also, bumiputeras entrepreneurs must also strive to compete with their non-bumiputera counterparts and government assistance and interference in the market cannot continue indefinitely.

"So I welcome the measures announced by the Ministry of International Trade and Investments to cushion the impact," he said.

Launching the NAP yesterday, International Trade and Industry Minister Mustapa Mohamed said that the government cannot afford to remove excise duties at time when it is trying to cut the deficit, as excise duties contribute RM7.3 billion to the coffers in 2013 alone.

In comparison, Pakatan Rakyat's plans to auction APs while gradually cutting excise duties and APs will generate RM2.5 billion to RM3 billion.

Mustapa (left) also said that the government is commissioning a study on the impact of discontinuation of the AP system after the Lunar New Year.

Until the study is done, the Dec 2015 deadline for the discontinuation of the AP system stands.

He added that the study on the Euro 4 will be completed in the next few months, and the decision on this to be announced then.

Until then, energy-efficient vehicles will only be tested based on size and fuel consumption, and not carbon emission.

"It will be standing on just one leg," Mustapa said.

The NAP provides customised incentives to foreign carmakers to manufacture energy-efficient cars locally, as well as grants and soft loans for vendor development, to make Malaysia a hub for energy-efficient vehicles.

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd
Source: http://beta.malaysiakini.com/news/252386