

**Gov't cannot reduce car prices, says Miti  
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PARLIAMENT The price of cars in Malaysia may not go any lower if the government removes the various duties imposed on imported automobiles, said International Trade and Industry Deputy Minister Jacob Dungau Sagan.

He said there are various factors that are outside of the government's control in determining the price of imported cars, such as component prices and foreign exchange rates.

"Reduction of duties will not necessarily bring down the price of cars, because the price is set by the companies based on the market," he said when replying to a question from Chong Chieng Jen (DAP-Bandar Kuching).

Jacob (*right*) noted that while the government has agreed to completely remove or greatly reduce in stages the import and excise duties on imported cars in various free trade agreements (FTA) with Asean and Asian countries, it will still retain the duties on all imported vehicles for now.

"In accordance with the National Automotive Policy unveiled in 2009, the government has decided to maintain the import and excise duties. This will help the government overcome the negative impact on its income due to reduction of these duties," he said.

The deputy minister's answer however did not satisfy Chong (*left*), who questioned the government's motives in retaining the import and excise duties that force inflated prices of foreign vehicles to protect local car makers.

Taking the example of the Toyota Vios, he said the Japanese car is priced between RM70,000 to RM90,000 in Malaysia, at least RM20,000 more expensive than in Thailand (from RM50,000 to RM70,000) and in China (RM45,000 to RM60,000).

"We also have to pay such a high price for local cars. In China, the locally-made Chery QQ3 is priced from RM19,000 to RM23,000 but here for a Perodua Viva we have to pay RM38,000.

"This proves that the government's protectionist policy exploits the rakyat... this does not contribute to the government's income, but to the profit of BN's cronies in Proton and Perodua," he charged.

Denial

BN Backbenchers' Club deputy chair Bung Moktar Radin (BN-Kinabatangan) (*right*) denied that BN cronies are benefitting from the duties imposed, but agreed that imported cars in Malaysia are overpriced due to the excise duty.

Though distancing himself from Chong's allegation of protectionism by the government of local car makers, he did say that there is not much else they can do but build better cars at lower prices to keep up with the rest of the world's automotive industry.



"The reason why imported cars are expensive is because the excise duty is so high, going between 300 to 350 percent (of the vehicle's base price)...

"To remain competitive we have no other option but to improve the quality of our cars and sell at a reasonable price," he said when asking a supplementary question.

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