

PM: Local automotive players must adapt to stay competitive
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PEKAN: The liberalisation of the automotive industry means local players will have to adapt and improvise to become more competitive, says Prime Minister Datuk Seri Najib Tun Razak.

He said it was important for the private sector to respond in a positive way as the move would open up a vast array of opportunities that would impact the industry, economy and the people.

"Local industry players will have to restructure and consolidate themselves to become more competitive.

"I have always stressed on the need for volume in the auto industry as it is all dependent on market share. If you can ensure that, then all the other ingredients will fall into place," he said after unveiling the first locally-assembled Volkswagen Passat at the DRB-HICOM Automotive Complex here.

Najib said the event was a milestone in the history of the nation's automotive industry and hoped more Volkswagen models would be assembled at the complex.

He said the RM1bil collaboration between DRB-HICOM and Volkswagen AG was a perfect example of how a private sector driven initiative, with the strong support of the Government could contribute towards realising Malaysia's aspirations.

"The entry of renowned global auto players like Volkswagen is an indication of the growing confidence in our economy.

"The investor-friendly policies and related initiatives as well as our immediate response to the wishlist of DRB-HICOM have resulted in this enterprise becoming a reality," he said.

Najib added that the implementation of the National Transformation Agenda had seen the approval of RM32.9bil in Foreign Direct Investment last year.

He also noted that DRB-HICOM and Volkswagen were looking at localising 40% of the automotive components in a move to support the Government's localisation programme under the National Automotive Policy (NAP).

"It is certainly an ambitious target but I believe the step-by-step approach adopted by DRB-HICOM is the right way forward," said Najib.

Also present at the ceremony were Pahang Menteri Besar Datuk Seri Adnan Yaakob, DRB-HICOM chairman Datuk Syed Mohamad Syed Murtaza, DRB-HICOM group managing director Datuk Seri Mohd Khamil Jamil and Group Manufacturing Overseas of Volkswagen AG senior vice-president Dr Christof Spathelf.

During the event, Najib also laid the foundation of the assembly plant building within the automotive complex.

Source:

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