

**SPEECH BY
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE PERODUA 10TH ANNIVERSARY CELEBRATION DINNER
AT PALACE OF THE GOLDEN HORSES
6 SEPTEMBER 2004**

BISMILLAHIR RAHMANIR RAHIM
ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH

Y.B. DATO' SERI CHAN KONG CHOY
MINISTER OF TRANSPORT

Y. BHG. TAN SRI ASMAT KAMALUDIN
CHAIRMAN, PERUSAHAAN OTOMOBIL KEDUA

EXCELLENCIES AND DISTINGUISHED GUESTS

LADIES AND GENTLEMEN

1. LET ME FIRST GIVE THANKS TO PERUSAHAAN OTOMOBIL KEDUA (PERODUA) FOR INVITING ME TO JOIN IN ITS 10TH ANNIVERSARY CELEBRATIONS.

2. THIS IS INDEED A VERY SPECIAL OCCASION, AS IT MARKS PERODUA'S FIRST DECADE AS THE NATION'S SECOND NATIONAL CAR MANUFACTURER. I AM HAPPY TO NOTE THAT THE COMPANY'S SUCCESS HAS NOT GONE UNNOTICED BY OTHERS IN THE AUTOMOTIVE INDUSTRY, AS PERODUA HAS WITHIN SUCH A SHORT SPAN OF TIME, EMERGED AS THE COUNTRY'S SECOND LARGEST PLAYER IN TERMS OF MARKET SHARE.

3. IT MAY BE THAT PERODUA'S SUCCESS IS ATTRIBUTABLE TO ITS NICHE PRODUCT LINE, WHICH CATERS TO THE GROWING DEMAND FOR SMALL AND ECONOMICAL CARS, OR MORE POPULARLY KNOWN AS "K-CARS", SUITABLE FOR URBAN DRIVING. OR, THE COMPANY'S SUCCESS MAY EVEN BE DUE TO ITS SUCCESSFUL PARTNERSHIP WITH DAIHATSU MOTOR OF JAPAN, WHICH IS KNOWN TO EMULATE THE BUSINESS BEST PRACTICES AND HIGH STANDARDS OF ITS PARENT TOYOTA MOTOR CORPORATION. WHATEVER THE CASE MAY BE, PERODUA SHOULD CERTAINLY BE VIEWED AS A WORKING EXAMPLE FOR OTHER LOCAL AUTOMOTIVE COMPANIES THAT HAVE, OR ARE SEEKING, PARTNERSHIPS WITH FOREIGN COUNTERPARTS. PERODUA'S EXPERIENCES POINT THE WAY TOWARDS HOW A LOCAL AND FOREIGN-BASED PARTNERSHIP, IF EXECUTED AND MONITORED PROPERLY, CAN BE A PLATFORM FOR LONG-TERM SUCCESS.

LADIES AND GENTLEMEN

4. I AM SURE THAT EVERYONE IS AWARE THAT THE NATIONAL CAR PROJECTS WERE FORMULATED IN LINE WITH THE GOVERNMENT'S LONG-TERM TARGET TO INDUSTRIALISE THE COUNTRY BY 2020, AND TO SPEARHEAD THE CREATION OF A DOMESTIC AUTOMOTIVE SECTOR IN PARTICULAR.

5. TODAY, THE GOVERNMENT IS GLAD TO NOTE THAT THE AUTOMOTIVE SECTOR PLAYS A VITAL ROLE IN THE COUNTRY'S DEVELOPMENT. A VAST NETWORK OF ASSEMBLY OPERATIONS, SALES DISTRIBUTORS AND LOCAL COMPONENT VENDORS HAS BEEN ESTABLISHED FORMING THE BACKBONE OF THIS INDUSTRY. IN ADDITION, A MULTITUDE OF AFTER SALES SERVICE AND AUTO ACCESSORIES COMPANIES HAVE ALSO BEEN FORMED TO FURTHER COMPLEMENT THE INDUSTRY.

6. NOTWITHSTANDING THIS LEVEL OF DEVELOPMENT, THE INDUSTRY REMAINS FRAUGHT WITH COMPETITION, WHICH MAY ONLY INTENSIFY ONCE REGIONAL MARKETS ARE OPENED FOLLOWING GREATER MARKET LIBERALISATION. AS SUCH, I MUST CONTINUALLY REMIND THE NATIONAL CAR COMPANIES AND SUPPORTING VENDOR COMMUNITIES TO FOCUS ON STRENGTHENING THEIR COST COMPETITIVENESS AND ENHANCING QUALITY LEVELS IN ORDER TO MAKE OUR PRODUCTS TRULY COMPETITIVE ON A GLOBAL SCALE.

7. MARKET LIBERALIZATION OF THE AUTOMOTIVE SECTOR WILL BECOME A REALITY SOONER THAN MANY OF US REALISE. HENCE, IT IS IMPERATIVE THAT OUR LOCAL MANUFACTURERS ARE FULLY PREPARED FOR THE CHALLENGES AHEAD, AS OPPOSED TO BEING COMPLACENT OR LULLED BY A FALSE SENSE OF SECURITY. IN THIS RESPECT, I BELIEVE THAT THE FULL IMPLEMENTATION OF AFTA FOR THE AUTOMOTIVE SECTOR SHOULD BE LOOKED UPON AS LESS OF A THREAT, BUT MORE AS AN OPPORTUNITY FOR LOCAL PLAYERS TO EXPAND INTO NEW MARKETS.

8. THE GOVERNMENT REMAINS SUPPORTIVE OF THE AUTOMOTIVE SECTOR AND RECOGNIZES THE SIGNIFICANT ROLE IT WILL PLAY IN THE COUNTRY'S DRIVE TO BECOME AN INDUSTRIALISED NATION. WITH THIS MIND, THE GOVERNMENT WILL CONTINUE TO PROVIDE A STABLE POLITICAL AND CONDUCIVE BUSINESS ENVIRONMENT FOR ALL CONCERNED. WHILE MALAYSIA IS REASONABLY WELL KNOWN FOR ITS FIRST CLASS INFRASTRUCTURE RANGING FROM FACTORIES, ROADS AND TRANSPORT LINKS, THE GOVERNMENT WILL CONTINUE TO STRIVE TO IMPROVE PUBLIC SERVICES DELIVERY, ERADICATE CORRUPTION, AND PROMOTE A CULTURE OF HIGH PERFORMANCE. WHEN COMBINED, ALL THESE FACTORS SHOULD SIGNIFICANTLY REDUCE THE COST OF DOING BUSINESS IN MALAYSIA, AND AT THE SAME TIME IMPROVE OUR COMPETITIVE STANDING. WITH THIS, I BELIEVE THE ECONOMY IN GENERAL, AND THE AUTOMOTIVE SECTOR IN PARTICULAR, WILL CONTINUE TO REAP SUCCESS.

9. THUS FAR, THE MODEST SUCCESS OF OUR AUTOMOTIVE POLICIES IS WELL REFLECTED IN THE STRONG GROWTH EXPERIENCED BY THE INDUSTRY. I AM MADE TO UNDERSTAND THAT RECENT SALES FIGURES SUGGEST THAT 2004 MAY TURN OUT TO BE ANOTHER RECORD YEAR FOR THE MALAYSIAN AUTOMOTIVE MARKET. WHILE THIS CERTAINLY AUGURS WELL FOR THE FUTURE OF THE INDUSTRY, I BELIEVE THAT MANUFACTURERS AND VENDORS MUST NOT ALLOW THEMSELVES TO FEEL CONTENTED WITH THEIR MODEST ACHIEVEMENTS. IT IS MY WISH THAT WITH A STRONG DOMESTIC BASE IN PLACE, OUR MANUFACTURERS AND VENDORS WILL STRIVE TO FURTHER IMPROVE PRODUCT AND SERVICE QUALITY AS WELL AS TO PENETRATE NEW INTERNATIONAL MARKETS.

8. LET ME TAKE THIS OPPORTUNITY TO CONGRATULATE THE MANAGEMENT, STAFF, AND BUSINESS PARTNERS OF PERODUA FOR MAKING THE COMPANY'S FIRST TEN YEARS A SUCCESS. I WISH YOU ALL A VERY SUCCESSFUL AND PROFITABLE FUTURE AHEAD.

THANK YOU.