

THE SIGNING OF THE MEMORANDUM OF UNDERSTANDING FOR THE DEVELOPMENT AND THE MANUFACTURE OF NATIONAL MOTORCYCLES AND MULTIPLE APPLICATION SMALL ENGINES BETWEEN DIVERSIFIED RESOURCES BERHAD, KAWASAKI HEAVY INDUSTRIES LTD AND NISSHO IWAI CORPORATION

THE HILTON HOTEL, KUALA LUMPUR, 7 FEBRUARY 1995

I would like to thank the organisers for inviting me to witness the signing of The Memorandum of Understanding for the development and manufacture of a range of national motorcycles and multiple application small gasoline engines in Malaysia. I am particularly pleased to note the participation of two of Japan's largest corporations, Kawasaki Heavy Industries Ltd. and Nissho Iwai Corporation, in this project. I believe that this collaboration can bring significant benefits to the venture as Kawasaki, being long established in heavy industries and high technology, has also a great deal of expertise in motorcycle manufacturing.

2. Malaysia has enjoyed uninterrupted economic growth in the last eight years at a rate exceeding eight per cent per year. We have encouraged the development of private sector expansion, in particular foreign investments by providing the most ideal environment through the presence of a consistent and transparent long range national policy, coupled with very competitive incentives. I am confident that the expansion of the manufacturing sector will help to drive and maintain our robust economic growth towards attaining the national objective of turning the country into a fully developed nation by 2020. This objective finds a parallel in Dr. Ohba's belief that "manufacturing is the prime driving force for economic and social development".

3. Malaysia's experience in the manufacture of our own national cars, PROTON and PERODUA, has shown that we have the necessary ability to acquire the highest technology and be sufficiently skillful and efficient to be competitive in the international market. Therefore, it is my fervent hope that this national motorcycle and small engine project will be able to see a much faster transfer of technology from Kawasaki to its Malaysian counterparts. I trust our national motorcycles and small engines can be exported worldwide as early as possible.

4. The current success of PROTON and PERODUA has enabled the country to provide affordable motoring to a large sector of the population. Already Malaysia has one of the highest numbers of motor vehicles per capita in Asia. This volume has helped to ensure the development of a whole network of components manufacturing with its attendant benefits of research and development capability, high skilled labour

employment and substantial foreign exchange savings. I am confident therefore that the development and manufacture of our own national motorcycles and small engines will provide another quantum leap in this direction, besides helping the country to achieve a highly motorised population. On the other hand, the small multi application engines can be widely used in the agriculture and construction sectors to assist our people to improve productivity and efficiency with minimal capital outlay.

5. Given the potential of our market, the growth in ASEAN, East Asia and now, South Asia, I am sure that our national motorcycles and small engines venture will be successful. The acid test for this venture as for other manufacturing industries, is competitiveness in foreign market.

6. On that note, I would like to wish Kawasaki Heavy Industries, Nissho Iwai Corporation and DRB every success in their venture.