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(PRIME MINISTER)

EVENT: THE LANGKAWI INTERNATIONAL MOTOR SHOW 1995

VENUE: LANGKAWI, KEDAH

DATE: 28 OCT 1995

TIME:

The Langkawi International Motor Show (LIMS) is yet another event and attraction for Langkawi as a major destination for visitors to Malaysia. This follows upon the success of the Langkawi International Maritime and Aerospace Exhibition (LIMA) which in 1995 will be held from 5th - 10th December. After LIMA this Motor Show is the biggest event for Langkawi, and will surely put Langkawi on the world map of Motor Shows.

2. The Motor Show will fill a gap in the itinerary of events that are being planned for Langkawi as part of the Governments effort to make Langkawi a major conference, convention and exhibition centre in the region. This will certainly enhance Langkawi's already established status as one of the most popular tourist destinations in the region.

3. Exhibitions are among the most effective ways of promoting products or events. They bring together exhibitors and the potential buyers in a most intimate atmosphere, so that exhibitors and their prospective clients will get the maximum exposure to each other and to the products. Indeed exhibitions are now an essential component of trade and commerce. LIMA shows have done this and the Langkawi International Motor Show will certainly do the same for the automotive industry.

4. The Langkawi International Motor Show '95 will hopefully create waves in the automotive industry as exhibitors showcase their best available products and services. Automotive manufacturers, being at the core of the automotive industry, will exhibit their latest models, -- including concept vehicles. Then we have the supporting industries which are spin-offs of the main industry consisting of the tyre manufacturers, accessories like rims, seats, car hi-fi and manufacturers of certain components and many others.

5. The Malaysian automotive industry which, despite its rapid growth, is still new compared to those of Europe, America and North East Asia, can certainly benefit from all the exhibits brought together at this exhibition. In addition, LIMS provide the Malaysian Auto Industry an opportunity to display the tremendous progress that it has

made.

6. Malaysia has become known for its steady economic growth which compares very well with the several Asian Newly Industrialising countries. From being a commodity producer, Malaysia is now a fairly highly industrialised country. Where once almost all its exports were made up of rubber and tin, today 79 percent of its total exports, amounting to nearly US60 billion dollars, is made up of manufactured goods. Of this, a fair amount in value terms is made up of passenger cars. It is expected that both the proportion and the value will grow in the years ahead.

7. Malaysia's success can be attributed to a number of factors. Without doubt, the steady economic growth of more than 8 percent for the last 7 years is due to a deliberate policy of industrialisation for export. A business-friendly Government has been able to attract investors, foreign and local to use the country as a manufacturing base and "profit centre". This policy is helped by the fact that Malaysia is one of the most stable countries, politically. The cost of living and the rate of inflation are also very low in Malaysia, making it possible for wages to be kept relatively low without undermining the standard of living of the people.

8. Due to the robust economic growth, the overall motor vehicle sales in Malaysia is expected to increase by 5.6 percent annually. Additionally despite stringent specifications, Proton cars have managed to secure a niche in the U.K. and Singapore market. Now Proton is exporting to 28 foreign countries, including those of continental Europe. There have been enquiries from many countries keen to import the Proton cars which now comes in a number of models. The 660 c.c. Kancil will also be exported when local demand is satisfied.

9. The automobile industry in Malaysia is obviously in its infancy and can expect to grow rapidly in the future. Apart from Proton and the Kancil minicar, Malaysia looks ready to become a centre for production of cars for the rapidly growing Asian market. It is true that most Asian countries would want to produce their own cars. Even so the demand for components, accessories and specialised cars and vehicles would need to be catered to.

10. Manufacturers exhibiting at this show may find a place for themselves in the Malaysian or South East Asian automobile industry. They are welcome to look into the potential, even if it is just to market their special makes in the rich markets of South East Asia. You will discover that in Malaysia, despite high taxes, every make and model are to be seen on the road. Makers of high priced cars have often express surprise that despite local prices being almost three times the prices in Europe, these luxury cars are quite common on the streets of Malaysia. That is the measure of Malaysians love of cars and their willingness to

pay for what they like.

11. I am confident that this Motor Show, like LIMA, will grow in strength from time to time.

12. I would like to take this opportunity to congratulate exhibitors and participants at this Langkawi International Motor Show '95. To Le Proton Exhibition Services Sdn. Bhd., I wish them success and hope this event will take Malaysia into the next millennium with more confidence and pride.

13. With that note, I declare the "Langkawi International Motor Show 1995", open.