



MEDIA STATEMENT

1. National Automotive Policy (NAP) 2014 announced today will transform Malaysia's automotive industry to be one of the important components for our economy. The automotive industry contributed RM30 billion to the national GDP in 2013 and employs about 550,000 employees.
2. NAP 2014 outlines key directions and strategies in preparing the local automotive players towards the liberalization of the industry. Extensive studies and consultations were carried out with relevant government agencies, industry players, and consumers in formulating this policy.
3. **NAP 2014:**
 - a. focuses on structural issues affecting the domestic automotive industry and outlines measures to meet global quality, cost and delivery requirements.
 - b. is aligned to United Nation safety regulations of vehicles.
 - c. looks at issues affecting consumers and puts forth mechanisms to address these issues.

4. The **objectives** of the NAP 2014 are to:
- a. promote a competitive and sustainable domestic automotive industry including the national automotive companies;
 - b. make Malaysia the regional automotive hub in energy efficient vehicles (EEV);
 - c. promote increase in value-added activities in a sustainable manner;
 - d. promote increase in exports of vehicles and automotive components;
 - e. promote participation of Bumiputera companies in the total value chain of the domestic automotive industry; and
 - f. safeguard consumers' interest by offering safer and better quality products at competitive prices.
5. There are 6 roadmaps and action plans developed to complement the implementation of the NAP 2014. These roadmaps also serve as guidelines for the transformation of the local automotive industry. They are:
- (i) Malaysia Automotive Technology Roadmap (MATR);
 - (ii) Malaysia Automotive Supply Chain Development Roadmap;
 - (iii) Malaysia Automotive Human Capital Development Roadmap;

- (iv) Malaysia Automotive Remanufacturing Roadmap;
 - (v) Development of Automotive Authorized Treatment Facilities (ATF) Framework; and
 - (vi) Malaysia Automotive Bumiputera Development Roadmap.
6. One of the key objectives of the NAP 2014 is to increase exports of vehicles and automotive component levels. The NAP targets for at least 200,000 units of cars to be exported while exports of components will reach a minimum value of RM10 billion in 2020.

ENERGY- EFFICIENT VEHICLE (EEV)

7. Central to this policy is the vision of Malaysia to become an energy efficient vehicle (EEV) hub. This encompasses strategies and measures to strengthen the entire value chain of the automotive industry and will also lead to environment conservation, high-income job creation, transfer of technology and create new economic opportunities for local companies.
8. The global definition of EEV is vehicles that meet a set of specifications in terms of carbon emission level (CO₂/km) and fuel consumption (L/km). EEV includes fuel-efficient vehicles, hybrid, Electric Vehicle and alternatively fuelled vehicles e.g.

CNG, LPG, Biodiesel, Ethanol, Hydrogen and Fuel Cell.

Based on this vision, about 85% of vehicles **produced in Malaysia in 2020** will be EEVs.

VENDOR DEVELOPMENT

9. Vendor development is very important in creating a competitive automotive industry. The NAP 2014 targets to develop world-class vendors. Domestic vendors will be transformed to become global and regional level component manufacturers.

EMPLOYMENT OPPORTUNITY

10. Employment is one of the main contributions of the NAP 2014. About 550,000 people are directly employed in the automotive industry. With this policy, it is expected that 150,000 more employment opportunities will be created by 2020; while local skilled and semi-skilled workers will replace 80% of foreign workers in the automotive manufacturing sector by 2020.

CAR PRICE REDUCTION

11. During the GE13, BN promised a gradual reduction of prices ranging 20% to 30% over the next 5 years. A Car Price Reduction framework has been developed to fulfill the promise of gradual price reduction. The framework consists of measures to be taken by the Government and industry.
12. The NAP 2014 will see a bigger base of new models being introduced in the domestic market. These models will not only be greener but also safer.
13. The Government is constantly reviewing its fiscal position and is open to possibility to reduce excise duties when the fiscal situation permits.
14. Models such as Saga SV, Persona SV, Viva, Alza and MyVi S Series, the new Honda Jazz and Nissan Almera were introduced at reduced prices of between 3 and 17%. These models accounted for 30% of market share in 2013.
15. In 2014, more new models and variants will be introduced at competitive prices.

VOLUNTARY VEHICLE INSPECTION (VVI)

16. VVI (Pemeriksaan Kendaraan Secara Sukarela) policy is meant to enhance the awareness of Malaysians on the need to ensure roadworthiness of their cars. The voluntary vehicle inspection is not limited to just one agency or company.

BUMIPUTERA AGENDA

17. The policy will focus on human capital development, supply chain components, spare parts and technology development. There are two measures - First, funding from year 2014 to 2019 to increase the competitiveness of Bumiputera companies in all sector.
18. Secondly, continuous supervision of car manufacturers and companies operating in after-sales services to ensure effective participation of Bumiputera companies in domestic automotive industry.
19. The Government, under NAP 2014 will continue its support of the national car industry. The support includes market expansion activities, improving quality and productivity, cost-reduction and development of supply chain based on their transformation plan.

20. Overall, the NAP 2014 provides a total financial package of about RM2 billion, as well as measures and implementation plans to realize the NAP 2014.

- Please refer to the full policy document (Dasar Automotif Nasional 2014). For further enquiry, please contact Mr. Mohamad Madani Sahari, Malaysia Automotive Institute, Ministry of International Trade and Industry.

Ministry of International Trade and Industry
Kuala Lumpur
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