



MEDIA STATEMENT
The National Automotive Policy 2014
ACHIEVEMENT AND UPDATES

YB Dato' Sri Mustapa Mohamed today announced the achievement and updates of the implementation of the National Automotive Policy (NAP) 2014. The NAP was introduced in January 2014. The Minister of International Trade and Industry reiterated that the key objective of the policy is to transform Malaysia into the ENERGY EFFICIENT VEHICLE (EEV) hub by 2020. The Minister recapped that the focus towards EEV is to make Malaysia the ASEAN hub for EEV, developing the research and development capabilities for right hand drive (RHD) vehicles and related technologies, such as fuel efficiency, light material, telematics, tooling and component design.

The Minister said that Malaysia's Total Industry Volume (TIV) has further grown by 1.6% in 2014, recording a total industry volume of 666,465 units, compared with 655,793 units in the previous year. Investments approved in the automotive manufacturing sector totalled RM11.5 billion and RM2.6 billion in the after sales and services sectors. From these investments, a total of RM4.9 billion was realized as at end 2014, increasing the vehicle production capacity by 70,000 units a year. These investments had started in 2013 and will be completed by 2018, resulting in an increase in the existing production capacity from 600,000 units to 923,000 units. A total of eight vehicle manufacturers are involved in these investments.

In line with the Barisan Nasional Manifesto, Dato' Sri Mustapa added that the average car price dropped by 7.01% across all models and variants introduced in 2014. Comparisons were made between the new and previous on-the-road prices. In 2013, average car prices reduced by 4.97%. The lower car prices benefitted some 72.5% of car buyers in 2014.

On the EURO 4 fuel implementation, Dato' Sri Mustapa explained the different timelines for the introduction of petrol and diesel. The Euro 4 for Ron 97 petrol will be introduced in September 2015, nationwide, while Ron 95 will be implemented in 2018. Sales of Euro 5 diesel have already begun at 12 fuel stations in Johor. The Minister also said that Euro 5 diesel will be introduced to other states this year.

In terms of talent development, the Minister said a total of 8,075 people were trained by the Malaysia Automotive Institute (MAI). Almost all of these trainees had secured jobs in the automotive industry at salaries about 25% higher than the industry average. In total, the automotive industry created 21,072 new jobs in 2014, comprising mostly technicians, skilled and semi-skilled workers and engineers.

The competitiveness of the automotive suppliers had also improved through the implementation of the Lean Production System (LPS) and Automotive Supplier Excellence Programme (ASEP) under MAI. These initiatives had improved productivity by 21.5% and generated cost savings of RM 601.3 million among 277 vendors.

On the development of technology, 21 technology projects were initiated as at end 2014 with a value of about RM 39.9 million. A total of 4 projects have been commercialized by December 2014.

The NAP 2014 also aims to develop the Bumiputera talent in the automotive sector and to increase their participation in the industry. Several initiatives have commenced involving workshop transformation, establishing new motorcycle dealerships, automotive remanufacturing and others. As at 2014, the 250 participating companies enjoyed cumulative additional revenues of RM83.6 million.

Ministry of International Trade and Industry
30 January 2015