

**2nd KL INTERNATIONAL AUTOMOTIVE
CONFERENCE 2009**

**Speeches By YBhg Datuk Aishah
Ahmad**


**DAY 1: 26th May (Tues), 9:05am,
OFFICIAL OPENING CEREMONY**

OPENING REMARKS.


Asalamualaikum dan salam
Sejahtera

^{Syairin}
"Thank you(name of MC).

YAB Tan Sri Dato' Haji Muhyiddin Bin
Mohd. Yassin, Deputy Prime Minister
and Minister of Education of
Malaysia, ^{YBG} Dato' Dr Michael Yeoh,
CEO of ASLI, Distinguished Guests,
Conference Participants, members of
the media. Ladies & Gentlemen.




Good morning and a very warm welcome to all of you. Terima kasih YAB Tan Sri Muhyuddin Yassin for agreeing to officially open this Kuala Lumpur International Automotive Conference this morning. MAA is indeed honoured and grateful to YAB Tan Sri for your continuous support towards our motor industry and also for your gracious presence at previous KLIMs events.




This is the 2nd time this Conference is organized by the Malaysian Automotive Association together with the Asian Strategy & Leadership Institute (ASLI). The original plan, as done previously, is to hold this conference back-to-back with the Kuala Lumpur International Motor Show.


Unfortunately following the global economic slowdownⁿ and consequently the many requests and appeals made by members of the Malaysian Automotive Association, we have decided to defer the Kuala Lumpur International Motor Show from May this year to December 2010, yes KLIMS 2010 will hit town before Christmas! *next year.*




However, after discussions with ASLI, we have decided to maintain the dates of this Conference as the issues caused by this economic downturn are current and taking place right now while we are all gathered here. Let us deliberate the issues while they are still fresh, address it and hopefully we all can come up with some solutions to tackle them!



The automotive industry is very dynamic. The daily discussion topics right from top world leaders and down to the man in the street and even school children have always been centered on advancements of new vehicle models, engine technologies, vehicle performance and even the minute design details of internal trims, lamps and whatever are fitted on motor vehicles.



However, in terms of advancement, the market for motor vehicles is not that rosy all the time. It is more like a roller coaster ride. Market demand for motor vehicles is cyclical. Once in every 7 to 10 years market demand for motor vehicles would dip. The last dip was in 1997/1998 which was caused by the financial crisis in 1997. This time around the plunge in vehicle sales, particularly in matured markets, is more serious due to the global economic recession.



In 2008, global vehicle sales dropped by 9% and for 2009 the projected drop is another 13% to reach the same level as in 1980. Demand for new motor vehicles is therefore pushed back by close to 30 years!

In U.S. new vehicle sales continue to plunge. In April 2009 sales dropped to a 30 year low of 9.32 million units! Elsewhere new vehicle sales in Japan, Europe and Korea are projected to decline between 25% to 30% in 2009.

Nearer home, the impact of the global economic recession has so far been relatively mild. ASEAN new vehicle sales in 1st quarter 2009 dipped by 23% and for ^{full year} 2009 the projected drop is a conservative 18%.


For Malaysia we have regained our position as the largest automotive market in ASEAN in 1st quarter 2009 after trailing Thailand since 2003. Our market forecast for Malaysia for 2009 which was made early this year is a 12.4% drop in sales volume.

The good news is our YTD April 2009 new vehicles sales registered a lower year-on-year decline of 11.7% and members of our Association are now reporting that orders are returning. Among the contributing factors are:-

1. Preparedness and prompt counter measures taken by our members at the onset of the global recession. The lessons learnt from the financial crisis in 1997 have in many ways helped our members to take proactive measures promptly and correctly.


For example, production of new motor vehicles was promptly adjusted downwards by 14% in the 1st quarter of 2009 compared to the same period last year while keeping permanent employees intact. This flexibility in production was a lesson learnt from the 1997 financial crisis.

2. The RM60 billion 2nd stimulus package announced by our Government on 10th March 2009 has in a way brought back consumers' confidence.



3. Several new models introduced by our members have managed to sustain consumers' interest to purchase motor vehicles.

4. However the recent hike in automotive hire purchase interest rates in April 2009 by finance companies had resulted in a slight reduction of automotive sales in April 2009.




As I have mentioned earlier, a fall in market demand for new motor vehicles is cyclical and this is expected by all players in the automotive industry. At every downturn we would gain from its experience, learn new things and get better prepared for the next cycle. Sharing experiences and building a network for the exchange of information would help move skills in planning, marketing and management of the automotive industry to a higher level.

I am certain that this conference would provide the opportunity and facilitate participants to achieve these objectives. Please make use ^{full} of this Conference.

To our conference participants we hope you benefit from the 2 days conference sessions focusing on the local and global automotive industry.

To our foreign guests and role players, please spend some time to visit the many tourist attractions in Kuala Lumpur and perhaps outside Kuala Lumpur if you have some time. Do enjoy your stay in Malaysia.



Once again our sincere appreciation to YAB Tan Sri Muhyuddin Yassin Deputy Prime Ministry of Malaysia for officiating our KLIAC 2009 conference this morning.

Sekian terima kasih