

WESTSTAR SEES
BIGGER REVENUE
FROM AUTOMOTIVE
BUSINESS



Maxus to drive Weststar forward

EXPANSION: Firm targets Asean, Asia Pacific markets

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SIX years after walking away from a deal to take over Birmingham-based van maker LDV Group Ltd, Weststar Group is raising its investment to sell more Maxus commercial vans and passenger cars in the Asean and Asia-Pacific regions.

Weststar founder and group managing director Tan Sri Syed Azman Syed Ibrahim said it was launching the Maxus G10 (seven-seat multi-purpose vehicle) turbo by February next year.

The Maxus G10, which undercuts the Toyota HiAce, Renault Traffic, Ford Transit and Volkswagen Transporter, will be sold at RM129,888 (on the road, with Insurance and Goods and Services Tax included).

"Next, we will look at the luxury segment of this MPV. It is not just about coming up with a car priced at the low end but also about introducing an innovative product. We are launching the Maxus G10 here first. Following that, we will take it to Indonesia and slowly penetrate the other Asean markets.

"We are a late starter in Indonesia but it is okay. We will continue to grow. Indonesia is a huge market and we believe the G10 is a strong entry model for the MPV market. Next, we will look at Thailand. A lot of people there are talking to us for deals and we are studying the offers," Syed Azman said in an interview, here, recently.

Syed Azman created a stir in Britain six years ago when he launched a takeover of LDV (formerly Leyland DAF Vans).

Russian carmaker GAZ Group agreed to sell LDV to Weststar to preserve business and save jobs at the British company's struggling Birmingham plant.

Although LDV manufactured 10,000 vans in 2008, generating sales of about £150 million (RM958.5 million), Syed Azman pulled out of the deal as it did not fit his plan for growth.

The assets of LDV were finally sold by administrator PricewaterhouseCoopers to Chinese manufacturing giant Shanghai Automotive Industry Corp (SAIC) in 2010.

Syed Azman went on to secure distribution rights of the LDV commercial vans from SAIC for the Asean and Asia-Pacific markets.

The vans were branded as Weststar Maxus.

"We want the markets to know that the Weststar Maxus vehicles are not 100 per cent China-made products, but are backed by SAIC, which is a big player in the automotive market in the Chinese region."

Its Maxus V80 is unique in style and is in the same playing field as the Toyota HiAce and Hyundai H1. The vans are fitted with direct injection, common rail and 2.5-litre four-cylinder turbo diesel engine produced by VM Motori. It is priced at RM119,000 (on the road with insurance).

The G10 operates with switchgear and dials from General Motors and the Volkswagen Group, under an arrangement with SAIC.

Since 2010, Weststar has been selling the Maxus V80s (seven- to 16-

seater light commercial van), which are customised for use in certain fields.

Weststar won contracts from various Malaysian government and commercial entities such as the Fire Department, Health Ministry, the Armed Forces, Youth and Sports Ministry, Bank Rakyat, the Road Transport Department and various hospitals. This led to sales of up to 500 units annually.

Today, the group assembles and distributes vehicles that include ambulances, passenger vans, panel vans, prisoner carrier van, mobile office, rescue van, forensic vehicle, VIP vans, specialised communications and broadcasting vehicles and other customised vehicles for fast-moving consumer goods companies and event management firms.

Weststar has sold more than 3,000 V80s in Malaysia since 2010 and over 100 units in Indonesia since the beginning of this year.

Syed Azman said in the next two years, the automotive business would take over from aviation and contribute a larger portion to the group's net profit and revenue.

Last year, the Weststar group made around RM200 million in net profit on revenues of more than RM1 billion. The major contributor was aviation, which accounted for up to 70 per cent of the total net profit and revenue for the group.

"The automotive business will overtake aviation in terms of revenue and net profit as we venture into more markets and sell new cars. We know the current market for car