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Asean to produce more than 4m vehicles in 2015

Southeast Asian countries are likely to produce more than four million vehicles in 2015, up to 7% more than last year, the Asean Automotive Federation predicted Friday.



The AutoAlliance (Thailand) plant in Rayong is produces the Mazda 2 eco-car. (Bangkok Post file photo)

Federation president Piengjai Kaewsuwan said car-producing nations in the Asean region - namely Thailand, Indonesia and Malaysia - fell short of their four-million unit target in 2014 due largely to slower than expected production in Thailand.

Of 2015's four million, Thailand is expected to contribute half the vehicles while Indonesia will make around 1.2-1.3 million units and Malaysia will contribute about 800,000 units.

However, the federation will review the projection when it knows the exact units of vehicles produced in 2014.

Ms Piengjai said Thailand has an advantage over its competitors in the region due to quality of production and government supports for production of small-engine vehicles known as "eco-cars."

Ten car manufacturers are participating in the eco-car Phase II scheme with nine already obtaining approval for investment privileges from the Board of Investment.

She said if these companies are able to achieve their commitment with the BoI of producing 100,000 units a year, Thailand would add another one million units to the country's totals, keeping the kingdom atop the region's auto industry for many years.

Ms Piengjai said Indonesia was the main rival to Thailand with current production of about 50% of Thailand's manufacturing. But Jakarta has plans to development its automotive sector to compete with Thailand, taking advantage of a huge domestic market.

She also assessed that the Indonesian automotive industry was still 5-10 years behind Thailand as its production mostly serves the local market. Thailand, meanwhile, shipped more than 50% of its output Japan and Europe.

With its exports, the car sector has developed manufacturing standards to meet international requirements, including low-carbon dioxide-emission vehicles and Euro-4 standards. Ms Piengjai said Thailand was moving towards producing vehicles meeting Euro-5 requirements, but Indonesia was still at Euro-2.

She noted that the Thai industry should move toward production of electric-powered vehicles in the next five years, in line with the global industry.

