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Zero-rated GST will drive automotive sector, says New Hoong Fatt MD

KUALA LUMPUR: Automotive parts manufacturer New Hoong Fatt Holdings Bhd expects the local automotive sector to perform better in the second half of this year, following the implementation of the zero-rated goods and services tax (GST).

Managing director Chin Jit Sin said the zero-rated GST would be good for the economy as it would stimulate sales.

“We are looking forward to a better second half this year and hopefully, the consumer market will be more aggressive,” he told reporters after the company’s annual general meeting here yesterday.

On prospects, Chin said the company saw the Asean market as its future growth driver.

He said the regional market has continued to grow, especially in Indonesia, Thailand, Vietnam and the Philippines, even as the Malaysian market was about to reach its saturation point.

“We are looking to reach out to a bigger market outside of Malaysia, where there are opportunities for us to grow,” he said.

He said Indonesia and Thailand have a bigger population and total industry volume (TIV) compared with Malaysia, thus providing the company with more opportunities to supply its products.

Chin added that Vietnam and the Philippines also have a large population but with smaller TIV, thus presenting a huge potential for the company.

For the first quarter ending March 31, 2018, New Hoong Fatt’s net profit fell to RM1.82mil from RM7.37mil chalked up in the same period last year, while revenue decreased slightly to RM60.09mil from RM62.47mil previously.

In a filing with Bursa Malaysia, the company attributed its results to unfavourable foreign exchange rate, lower revenue from export markets and higher raw material and other manufacturing costs. — Bernama

https://www.thestar.com.my/business/business-news/2018/06/02/zerorated-gst-will-drive-automotive-sector-says-new-hoong-fatt-md/