

**Title : Transforming the aftermarket sector**  
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THE NAP 2014 is about transforming the local automotive industry to face global challenges, focusing on energy-efficient vehicle (EEV) manufacturing as a new platform for the industry to fulfil the earlier vision of developing Malaysia into a technologically competent nation.

While the EEV manufacturing focus will enhance economic activities and competitiveness of the industry supply chain, equal emphasis is also given on the development of the aftermarket sector to complete the transformation process of the automotive industrial ecosystem.

The aftermarket - which includes sales, servicing, repairs and provision of spare parts - has attracted less public attention over the years and remained unregulated since.

The NAP 2014 saw the importance of the sector being transformed into a governed and regulated sector that will contribute towards the country's development.

The aftermarket ecosystem also includes new spare parts and accessories wholesalers, distributors and retailers, independent and franchised servicing and repairs workshops, used parts importers and dealers, car dealers, vehicle inspection providers and auto-recyclers. These have, in 2012, employed some 250,000 workers with a total throughput worth RM28.5 billion.

The NAP will also focus on ensuring that aftermarket services are enhanced. These include cost transparency, improved repair and service abilities with proper procedures and skilled mechanics, spare parts standardisation and favourable insurance coverage.

More crucial is that the policy will attend to the safety aspects of users' mobility by gradually implementing policy instruments promoting vehicle safety through the use

of standards across safety-related new and used replacement parts and components, end-of-life vehicles (ELVs) and vehicle inspection policy.

It is generally misunderstood that ELV policy is about scraping of vehicles upon reaching a certain lifespan. Instead, the agenda is more to ensure the safety of drivers and other road users by regulating the roadworthiness of the vehicles, irrespective of their lifespan, through periodical vehicle inspections.

The implementation of the ELV policy will take into consideration the readiness of inspection infrastructure, which is currently not so, and public awareness on the importance of ELV inspections.

ELV-testing and periodical vehicle-testing will only be on a voluntary basis with gradual development of inspection facilities able to provide inspection services at an affordable fee.

Concern for public safety with regard to motor vehicle usage will be further extended by promoting comprehensive implementation of the Vehicle Type Approval (VTA) processes and procedures applicable to both locally manufactured and imported vehicles.

The VTA calls for strict compliance with roadworthiness, safety and emissions standards with the aim of preventing the importation of sub-standard motor vehicles.

The NAP 2014 will also promote the gradual introduction and enforcement of mandatory standards for aftermarket parts and components. The initiative will sustain and enhance local parts manufacturers, coupled with the emphasis on harmonisation, by opting for "equivalent-conformance" to UNECE safety standards, where special stipulations will be adopted and added to the "MS" Standard safety regulations.

The test results from these universally-accepted safety standards are sufficient for certification in Malaysia.

Disposing of vehicles at the end of their lifespan has been a global concern in which unregulated practices have resulted in environmental and health hazards. Millions of haphazardly disposed scrapped tyres accumulated annually, for example, have posed challenges for the authorities.

Hence, the initiation of policies on reduce-reuse-recycle (3Rs), transforming recycling activities to remanufacturing industry and regulating the aftermarket towards environmental and customer focus need due attention.

These practices are also indirect attributes towards vehicle safety.

The introduction of recycling and remanufacturing agenda in the NAP 2014 serves as an important component of the aftermarket businesses and targets have been set for the sector to contribute towards exports of spare parts, recycled and remanufactured components amounting to RM2 billion by 2020.

The current practice of importing used parts and components without any restrictions or mandatory tests has been a government concern with regard to their safe usage in vehicles. Preventing the use of these parts and components, as postulated in the previous NAP, posed a dilemma on the part of the authorities for two main reasons: increase in the cost of maintenance affordable to the lower income group and insufficient testing facilities.

A well-organised, efficient and competitive aftermarket services meeting the NAP 2014 strategic thrust on safety and the environment can be achieved through collaboration among the authorities, industry stakeholders and the public in implementing policy agendas.

Accepting and adapting to a regulated aftermarket and focusing on vehicle safety and environmental requirements are vital and promulgating the use of aftermarket industrial codes and standards of practices will expedite the transformation process.

Initiatives towards enhancing infrastructure to support the ELV policy, parts and components recycling and remanufacturing industry, formulating of safety and environment standards are equally crucial.

Above all, continuous and diligent education and promotion towards consumers' acceptance on the need to rightly regulate the aftermarket sector is vital to ensure Malaysians are among the safest vehicle and road users.

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