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Researcher: Cut interest on green cars

PETALING JAYA: While buyers of the Toyota Prius hybrid will be given a discount of RM35,000, financial institutions have been asked to offer lower interest rates for environmentally-friendly vehicles.

“They should lead the way to help consumers buy more “green cars” with competitive loan schemes over those for conventional passenger cars,” said environmental research engineer S. Piarapakaran.

He said banks and financial institutions were crucial in encouraging the growth of environmentally-friendly technology.

Current hire-purchase interest rates at three local banks for non-national cars of 1.8 litre capacities were 2.8% to 3.65% for a five-year loan; 2.8% to 3.9% for six to seven years; and 2.8% to 4% for eight to nine years.

The new on-the-road price of RM139,000 for the Prius takes effect immediately following a tax incentive for hybrid cars from Jan 1 to Dec 31 next year.

UMW president Kuah Kock Heng said the car would cost RM141,500 in Sabah and Sarawak due to logistics,

In 2011 Budget, import duty for hybrid cars are waived and excise duty reduced by 50%.

“Malaysians can now enjoy our most popular hybrid car at a more affordable price. “They will benefit from the high fuel efficiency and contribute to lowering carbon dioxide emissions,” Kuah said in a statement yesterday.

The Prius is the most popular hybrid car with sales exceeding two million units worldwide.

Meanwhile, WWF-Malaysia executive director Datuk Dr Dionysius Sharma lauded the Government’s move to encourage hybrid cars.

“This is the sort of thing that we have been looking for. Consumers, businesses and the environment will also benefit.”

However, he said lower interest rates for green cars could be counter-productive to efforts to get people to use more public transportation and get private vehicles off the roads.

Centre for Environment, Technology and Development Malaysia executive director Andrew Tan Kee Huat said a 0.5% interest rate reduction might be a good incentive but it would not have a big effect on the consumers' wallets.