

TaMo, M&M Indonesia deal falters

GAIKINDO MEMBERS, PRE-DOMINANTLY Japanese automakers, collectively have capacity to produce 2.5 million vehicles annually — including 400,000 pick-up trucks — though much of it remains underutilised.

Gaikindo chair Putu Juli Ardika said domestic producers were 'capable of meeting such big orders, but they would need time to meet the required quantities and criteria'.

Agrinas, meanwhile, has defended its choice of Indian suppliers, citing affordability and efficiency. Its president director Joao Angelo De Sousa Mota said the company expects to save up to Rp 43 trillion (\$2.6 billion) by sourcing directly from India, compared to an estimated Rp 121 trillion (\$7.2 billion) via domestic procurement.

"Having the domestic production entirely focused on this programme can disrupt the other logistics industry," Mota said. "We wish to safeguard harmony."

As debate intensifies, pressure is mounting on Jakarta to strike a balance between rural development goals and protecting Indonesia's domestic auto ecosystem.