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MITSUI APPOINTED BY FIMA

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KUALA LUMPUR, JULY 5 (BERNAMA ES) -- FIMA SDN. BERHAD IS HOPEFUL THAT THE SALES OF ITS PINEAPPLE PRODUCTS IN THE UNITED STATES WILL INCREASE SUBSTANTIALLY WITH THE APPOINTMENT OF MITSUI AND COMPANY (USA) INCORPORATED, NEW YORK, AS ITS SOLE DISTRIBUTOR.

THE COMPANY IS AT PRESENT MARKETING ABOUT \$4 MILLION WORTH OF PINEAPPLE PRODUCTS PRODUCED BY ITS SUBSIDIARY, PINEAPPLE CANNERY OF MALAYA SDN. BERHAD, IN THE AMERICAN MARKET.

THE AGREEMENT BETWEEN THE TWO COMPANIES WAS FORMALISED HERE TODAY. THE CHAIRMAN OF FIMA, SENATOR DR. MAHATHIR MOHAMED, SIGNED ON BEHALF OF FIMA WHILE MITSUI OF NEW YORK WAS REPRESENTED BY THE GENERAL MANAGER OF MITSUI AND COMPANY LTD., SINGAPORE, MR. T. ISOBE.

SPEAKING AT THE CEREMONY, DR. MAHATHIR SAID THE POTENTIAL OF THE AMERICAN MARKET FOR MALAYSIAN CANNED PINEAPPLES IN THE FUTURE WAS GOOD AND TO FURTHER STRENGTHEN THE MARKETING FRAMEWORK, FIMA HAD DECIDED TO ESTABLISH A TRADING PARTNERSHIP WITH MITSUI OF NEW YORK.

HE ADDED THAT THE PARTNERSHIP WOULD COMMENCE THIS MONTH WITH THE FIRST CONSIGNMENT OF ABOUT \$1.6 MILLION WORTH OF CANNED PINEAPPLES.

MR. ISOBE IN HIS REPLY SAID IT HAD BEEN AND WOULD BE THE POLICY OF MITSUI GROUP TO ASSIST THE DEVELOPING COUNTRIES IN ACHIEVING INDUSTRIALISATION AS WELL AS PROMOTING THEIR EXPORTS AND RAISING THEIR STANDARD OF LIVING.

210 HE ADDED THAT IT WAS IN LINE WITH THIS POLICY THAT MITSUI NEW YORK AND ITS WHOLLY OWNED SUBSIDIARY, SSC INTERNATIONAL INCORPORATED, A MARKETING SPECIALIST OF CANNED FOODS, DECIDED TO TAKE UP THE SOLE DISTRIBUTORSHIP OF MALAYSIAN CANNED PINEAPPLES

DR. MAHATHIR LATER TOLD THE PRESS THAT FIMA MIGHT SELL ITS OTHER PRODUCTS THROUGH MITSUI OF NEW YORK IF THE PRESENT ARRANGEMENT WORKED OUT WELL. AT PRESENT IT WAS ONLY SELLING PINEAPPLE PRODUCTS TO THE AMERICAN MARKET.

HE EXPLAINED THAT THE MARKETING OF FIMA'S CANNED PINEAPPLES IN THE UNITED STATES UNTIL THE APPOINTMENT OF MITSUI WAS CARRIED OUT BY FIMA'S OWN SUBSIDIARY, FIMA INCORPORATED OF NEW YORK.

HE ADDED THAT WITH THE COMMENCEMENT OF THE AGREEMENT THE GOODWILL ACHIEVED BY FIMA NEW YORK AS DISTRIBUTOR OF +GOLDPINE+ BRAND PINEAPPLE PRODUCTS WOULD BE TRANSFERRED TO MITSUI WITH THE LATTER PAYING \$175,000 FOR IT.

DR. MAHATHIR ADDED THAT FIMA HAD ALSO HELD DISCUSSIONS WITH THE MITSUI GROUP ON THE POSSIBILITY SETTING UP A JOINT VENTURE TO UNDERTAKE DEEP SEA FISHING. NO DECISION HAD YET BEEN ACHIEVED.

MITSUI HAD ALSO AGREED TO PRIVATE TRAINING FACILITIES FOR FIMA'S PERSONNEL IN ALL FIELDS.

ON THE PRODUCTION OF PINEAPPLE PRODUCTS BY PINEAPPLE CANNERY OF MALAYA, DR. MAHATHIR SAID DESPITE SOME DIFFICULTIES IN MARKETING, PRODUCTION THIS YEAR WAS EXPECTED TO INCREASE TO 1.4 MILLION CASES FROM 1.2 MILLION CASES LAST YEAR.

HE ADDED THAT ALTHOUGH THE EXPORT OF MALAYSIAN CANNED PINEAPPLE TO THE EUROPEAN COMMON MARKET -- A MAJOR MARKET FOR THE PRODUCT -- WAS SUBJECT TO 4-1/2 PER CENT TARIFF, THE VOLUME OVER THE LAST SIX MONTHS HAD INCREASED.

WITH BRITISH ENTRY INTO THE EEC, MALAYSIAN CANNED PINEAPPLE WILL BE SUBJECT TO A TARIFF WHICH WILL RISE AT THE RATE OF 4-1/2 PER CENT A YEAR UNTIL A PEAK OF 24 PER CENT.

DR. MAHATHIR SAID THIS WOULD HAVE THE EFFECT OF REDUCING MALAYSIAN PRODUCERS' COMPETITIVENESS IN THE EEC AS SOME AFRICAN NATIONS WERE EXPORTING THEIR PRODUCTS THERE FREE OF TARIFF.

HE SAID THAT TO REDUCE THE IMPACT, FIMA WAS TRYING TO REDUCE THE PRODUCTION COST OF CANNED PINEAPPLES AS WELL AS INCREASING THE QUALITY.

ON INVESTMENTS, DR. MAHATHIR SAID THE GROUP HAD SO FAR COMMITTED \$15 MILLION IN INVESTMENTS, EXCLUDING THAT IN THE PINEAPPLE CANNERY OF MALAYA. - BERNAMA ES 1752/HS