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Bernas business set to expand with signing of 2 MOUs

A. Kadir Jasin in Santiago

SANTIAGO, Mon: The privatized and recently floated Padiberas Nasional Bhd (Bernas) has taken another step towards expanding its international business by signing two memorandums of understanding (MOUs) with Cuban parties during Prime Minister Datuk Seri Dr Mahathir Mohamad's official visit to Cuba which has just ended.

The MOUs were signed with Alimport, a state-owned enterprise under the Ministry of Foreign Trade, and Union Complejos Agroindustriales del Arroz, an agency of the Ministry of Agriculture.

Representing Bernas was its managing director Ibrahim Mohd Nor. Alimport was represented by its vice president, Mr Alberto Rio, and Union Complejos by its president, Mr Miquel Rodriguez Mayea.

Bernas has already established a joint venture in Thailand and is finalising a similar arrangement in Vietnam. It also grows rice in Guinea and West Africa.

The understanding reached with Alimport is for possible supply of Bernas rice from its Thai and Vietnamese joint ventures to Cuba and to make Cuba the regional storage and marketing centre for the commodity in the Caribbeans.

It is based on a similar effort now being made in Guinea. Bernas hopes to make Guinea the regional centre for its rice trade in west Africa.

Ibrahim said the arrangement looks promising as the Caribbean region imports a substantial amount of Asian rice. Cuba alone imports an estimated 300,000 tonnes annually.

"There is a strong case for regional storage and marketing as it will not only stabilise supplies and prices of the commodity in the region but will also increase intra-regional trade.

"For Bernas and its joint venture partners, the inroads achieved in the Caribbeans represent a new and sizeable market for output," said Ibrahim.

This, he added, is in line with the company's efforts to establish an international trading network covering Asia, Africa, South America and the Caribbeans.

The understanding with Union Complejos, according to Ibrahim, involves studying the possibility of Bernas investing in rice production in Cuba.

The Cuban Ministry of Agriculture is keen to boost the nation's rice production which has suffered considerable output decline due largely to a shortage of inputs in recent years.

Like many former Eastern Bloc countries, Cuba suffered a substantial cutback in assistance from Russia following the collapse of the Soviet Union and the end of the Cold War.

"The MOUs mark a crucial first step for Bernas' involvement in Cuba and the Carribeans," said Ibrahim.

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