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Myanmar sales seen contributing RM1bn

ELECTRICAL appliances manufactured by Malaysia Electric Corp Bhd (MEC) to be sold in Myanmar are expected to contribute about RM1 billion in annual sales to the company.

MEC has also just received a US\$500 million (US\$1 = RM2.48) order from West Asia for its electrical products.

Kuala Lumpur Industries Holdings Bhd (KLIH) chief executive officer Datuk Seri Teong Teck Leng said KLIH-controlled MEC hopes to capture about 10 to 20 per cent of Myanmar's market, which is worth about RM5 billion.

This will translate to about RM1 billion in sales a year to the company, he told reporters after a signing ceremony yesterday.

In Myanmar, MEC products will be distributed by Formula Unit Sdn Bhd.

MEC's marketing arm, MEC Sales & Service Sdn Bhd, signed a distribution agreement with Formula Unit yesterday.

The agreement with Formula Unit, owned by Dr Choy Fook On, will be for an initial period of three years.

The first shipment of about five to ten 40-foot containers with products worth at least RM5 million will arrive in Myanmar by end-April. They include air-conditioners, refrigerators, rice-cookers, colour television sets and other home appliances.

Formula Unit is proposing to set up a company, Myanmar Trading Enterprise, to distribute the products in Myanmar.

Thirty per cent of the equity interest in the proposed company will be held by Myanmar investors as required by the investment law there.

MEC products are sold in Australia, Singapore and other Asean countries, said Teong.

He added that MEC hopes to export 70 per cent of its products to various markets in three years.

Teong also said that once its factory in Gambang is completed, turnover from its air-conditioners and refrigerators will be about RM2 billion a year.

MEC, under the national electrical appliances project, is developing a RM4 billion MEC City in Gambang, near Kuantan.

Prime Minister Datuk Seri Dr Mahathir Mohamad is expected to launch MEC City on Monday.

MEC City will comprise the MEC manufacturing core, support services industries, research and development as well as training centres, residential and social zones, commercial centre and sub-centres, and recreation and parkland zones.

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