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### Sime Darby takes up 'look north' challenge

SIME Darby, Malaysia's best-known conglomerate, has taken up the challenge issued by Thai Prime Minister General Chavalit Yongchaiyudh to look northwards to take advantage of business opportunities available nearer home.

Sime Darby acquired a controlling stake in Morakot Industries PLC of Thailand which will enable the conglomerate increase Malaysia's presence in Thailand.

The acquisition comes hot on the heels of observations by Prime Minister Datuk Seri Dr Mahathir Mohamad last week when he said ties between Malaysia and Thailand in terms of investment are not as impressive as that in trade, and that despite numerous opportunities and incentives offered by the two countries.

Bangkok Bank of Commerce Plc signed a letter of consent for BDO (Thailand) Ltd, a subsidiary of Sime Darby Group, to acquire a controlling interest in Morakot, a company listed on the Securities Exchange of Thailand. The signing ceremony held in Kuala Lumpur was witnessed by Chavalit.

Morakot, a leading manufacturer of cooking oil in Thailand, commands more than 30 per cent of the estimated 5 billion baht (100 baht = RM10.30) cooking oil market in Thailand.

The new acquisition will provide Sime Darby with significant synergy with its core plantations activity.

Sime Darby group chief executive Datuk Nik Mohamed Yaacob said the acquisition represented an important part of Sime Darby's strategy to increase its investments and presence in Thailand and subsequently in Vietnam, Cambodia, Laos and Myanmar.

At present, Sime Darby, through its Thai trading company, Mecomb (Thailand) Ltd, has a licence which allows it to trade in and distribute most manufactured products.

Sime Darby Group has a significant presence in the refining and distribution of "halal" oil to the West Asian countries. The company's cooking oil is the first in Thailand to be given the "halal" certification.

Plans are underway for Morakot to diversify into soft oils and construction has started on a crushing and refining plant for soyabean and sunflower seeds.

Morakot has received a number of awards and these include the International Asia Award for quality control, the 1995 Asia-Pacific Award for being the outstanding palm oil manufacturer and the 1995 Gold Medal for Quality in both the manufacturer and products classification.

The geographical scope of the Sime Darby Group's plantation activities complemented with the wide range of products distributed by Mecomb (Thailand) Ltd, making Sime Darby's presence in Thailand meaningful.

The conglomerate is becoming an even more significant palm oil producer and downstream player and it already manages over 99,500ha of palm oil, rubber and fruit crop plantations in Malaysia and West Kalimantan, Indonesia together with associated processing, distribution, research and property management activities.

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