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FLOUR CONSUMPTION TO INCREASE IN VIETNAM

By: Ghazemy Mahmud

HANOI, Jan 14 (Bernama) -- Flour consumption in Vietnam is set to grow with the increase in the purchasing power of the local population enabling them to consume a wide variety of food items, Malaysian general manager of Vimaflour Teh Wee Chye said today.

"Flour consumption in Vietnam, though low at this juncture, will certainly grow in tandem with the increase in the Gross National Product (GDP) of the country," he said after a Malaysia-Vietnam joint venture flour plant officially began production in Ha Long City 120km northeast of here.

He said plans were already underway to double the production capacity of the plant in expectation of increased demand.

"For Vietnam, flour milling was an import substitution industry and Vimaflour is committed to the long term development of the flour milling industry here," he told Bernama.

The US\$30 million (about RM129 million) flour milling complex is situated at Cai Lan deep water port at Ha Long City in Quang Ninh province which borders China.

The Vimaflour flour milling complex, is a joint venture between Malayan Flour Mills Bhd and Vietnam's Northern Food Corporation. Malayan Flour Mills owns 70 percent of the joint venture.

Earlier in his speech, Malaysian ambassador Datuk Zainal Abidin Mahamad Zain said the joint venture company was a reflection of the mutual benefits that are to be gained from such a cooperation.

"It is a win-win situation for both parties," he added.

Meanwhile, Vimaflour chairperson Chao Thi Hao, said the flour milling complex was the most modern in Vietnam.

She said there had been commitment in the transfer of technology, training of human resources and investment in the latest equipment.

The joint venture, she added, was one of the successful results of the official visit by Prime Minister Datuk Seri Dr Mahathir Mohamad to Vietnam in 1992. A Memorandum of Understanding was signed by both parties in September 1992. -- BERNAMA

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