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MEC to sign deal with Yemen and Mongolia

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AS further testimony of the international acceptance of Malaysian-made products, Malaysia Electric Corporation Bhd will sign distributorship agreements with two foreign companies in Yemen and Mongolia on Thursday.

This comes hot on the heels of last week's deal with luxury store Harrods owner Mohamad Al Fayed to market MEC products at 25 Harrods outlets worldwide, including one to be opened at KL International Airport in Sepang.

MEC Sales & Services Sdn Bhd chief operating officer Ong Eian Siew said the signing ceremony was expected to be witnessed by Prime Minister Datuk Seri Dr Mahathir Mohamad and visiting Yemeni President Ali Abdullah Saleh.

The Yemeni distributor, AG Radman Group of Companies, will be represented by its chairman Abdul Ghalil Radman. The Mongolian distributor, Nomin Trade Co Ltd, will be represented by director S. Bayarsaikhan.

Prior to these agreements, Ong said, MEC had already made four shipments totalling US\$300,000 (RM1.2 million) to Yemen and five shipments totalling US\$80,000 to Mongolia, since October last year.

The shipments mostly comprise colour television sets and air-conditioners.

"Our aim is to export some US\$2.5 million worth of electrical appliances to Yemen throughout the year. We are targeting about US\$1.5 million for 1998 and 1999 for Mongolia."

Two shipments to Mongolia and another one to Yemen would be made later this month, Ong said during an interview at MEC head office in Bukit Raja Industrial Park in Klang, Selangor, yesterday.

MEC's 30 foreign markets include Australia, New Zealand, Cambodia, Myanmar, Hong Kong, South Africa, Brazil, Venezuela, Chile, the Netherlands, Belgium, Cyprus, Bosnia and the Middle East.

Besides marketing its product via agents in the 30 countries, MEC has also set up its own sales centres in Myanmar, Vietnam, Cambodia, United Arab Emirates, Hong Kong and Australia.

In addition, the company is mulling over establishing more regional and service centres to carry out indepth studies of local markets and selection of right distribution.

Ong said MEC had recently opened its first overseas warehouse in Dubai, to facilitate greater access to its existing Middle East markets such as Kuwait, Bahrain and Lebanon.

In addition, the Dubai operation could be a springboard for potential markets in Northern Africa and Commonwealth of Independent States like Tajikistan, he said.

The Dubai warehouse, at the free port of Jabel Ali, is well-positioned for the Middle East market which he estimated to be about US\$500 million annually.

Ong said the decision to establish bigger operation instead of merely setting up sales operations or having foreign agents was in line with the company's medium-term goal to carve a niche for MEC brandname and to challenge established international players.

"The first step is to build MEC brand name in the global markets. When this is successful, our products can easily compete with established Japanese and Korean manufacturers..."

"Based on feedback, MEC products have received good response in all the

30 countries."

Ong noted that MEC placed strong emphasis on research and development in a bid to enhance product quality and strengthen the image of MEC products to the global community.

This was reflected in MEC's latest product, the omelette maker, which is a result of intensive study and testing at its R&D centre in Melbourne, Australia. Its special heat-resistant casing makes it safer to handle.

He said the omelette maker would be locally manufactured at MEC City in Gambang near Kuantan, next month, with the production capacity forecast at about three million units per year.

Since its launch in Australia in November, about 80,000 units of the product has been exported.

MEC City, a modern and sophisticated one-stop international trade centre for locally-made electrical appliances, is a national project jointly developed by the Pahang State Government (10 per cent), Kuala Lumpur Industries Holdings Bhd (60 per cent) and Government-owned Khazanah Nasional Bhd (30 per cent).

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