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MBC boosts Malaysia's business links with Uganda

Dzulkarnain Taib in Kampala

KAMPALA, Sun: Malaysia has strengthened its presence in the eastern African nation of Uganda with the establishment of the Malaysian Business Centre (U) Ltd (MBC), a joint venture between Masscorp Trading Sdn Bhd and Malaysian businessman Sekaran Vellasamy.

Masscorp Trading holds a 60 per cent interest in MBC while Sekaran owns the balance of the retail cum showroom set up with a paid-up capital of US\$100,000 (US\$1 = RM3.80).

Masscorp Trading in turn is a wholly-owned subsidiary of Malaysian South-South Corp Bhd (Masscorp Bhd) which is a consortium comprising 85 Malaysian shareholders from the corporate sector.

MBC, as its name implies, functions as a services and trade information centre in Uganda, a country which has roughly the same number of people as Malaysia but is slightly smaller in size.

Since it began operations in May, MBC has brought in eight containers of assorted Malaysian-made products with an estimated value of US\$200,000.

The goods range from electrical and household appliances to food and beverages under various local brandnames.

According to Masscorp Trading managing director Tan Sri Tee Hock Seng, MBC plans to bring in average of two to three containers from Malaysia every month. This will work out to between 24 and 36 containers a year with a value ranging from US\$600,000 to to US\$900,000.

Demand for Malaysian goods is on the rise with MBC receiving an increasing number of enquiries from Ugandan business circles for products such as disposal medical equipment, stationery, office equipment, computers, cold rooms, construction materials and tyres, Tee said in interview.

He added that in the past, most Malaysian products were exported to Uganda via Singapore or were imported by Uganda from Dubai.

The setting up MBC, he said, has addressed the long-standing need of a direct link with Malaysian exporters.

Tee, who is also Bina Puri Holdings Bhd chairman, is confident that Malaysia's business ties with Uganda will grow.

"Uganda is a good place to do business but it will take time. We have been in the southern region of Africa for more than seven years and this is the right time to establish ourselves in Uganda which can be used as a launching pad into the eastern African region," he said.

The freshly painted building houses a distribution office on the ground floor and the warehouse on the first floor. "This is the most beautiful warehouse you can find in the whole of Kampala," Sekaran said proudly.

MBC's offices are located on the first floor with one permanent representative from Masscorp Trading stationed in Kampala.

Sekaran said another storey is under construction. It will be used for a light activity, such as the assembling and packaging of rubber or electrical products.

The setting up of MBC is timely as the Ugandan economy, which is donor aid-dependent, is beginning to pick up steam after a long period of political instability, he said.

"Malaysian products have already been established in Uganda for quite some time. They are very popular among Ugandans because the packaging is very impressive and colourful, and the quality is high.

Business has been brisk since the opening of MBC early this year.

The official opening of the centre by Prime Minister Datuk Seri Dr Mahathir Mohamad coincided with the Global2001 Smart Partnership International Dialogue in Kampala.

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