

**Mom-and-pops can sell Kedai Rakyat items too, says Mydin**  
**The Malaysian Insider**  
**September 08, 2011**  
**By Yow Hong Chieh**

SUBANG JAYA, Sept 8 — 1 Malaysia brand goods can be sold by all retailers and are not exclusive to the government-backed Kedai Rakyat, says Mydin Mohamed Holdings Bhd managing director Datuk Ameer Ali Mydin.

He said this included sundry shops that wished to stay competitive with hypermarkets that could exploit huge economies of scale to keep retail prices low.

"The products sold in Kedai Rakyat, they can buy from us. They can sell. We're not an exclusive cartel," he told The Malaysian Insider in an interview.

Ameer Ali (picture) explained that higher profit margins could be realised from generic items that were cheaper to produce than branded equivalents, where marketing and packaging costs account for up to 45 per cent of the retail price.

He said this was the strategy used by hypermarkets which earn the most profit from store brand products that they marked up by 20 to 30 per cent, adding that Kedai Rakyat generic items retailed at only five to 10 per cent above cost to cover the outlet's operations.

Ameer Ali also said retailers who carried 1 Malaysia brand products would help the government reach a wider population of the urban poor as Mydin was unable to set up many Kedai Rakyat outlets at one go.

"Let's be practical. I cannot open 500 Kedai Rakyat overnight. What is the time taken to open an outlet, the capex required," he said.

"I mean, one shop, RM250,000. Ten shops, RM2.5 million. One hundred shops is RM25 million. I also have limits. But they (sundry shops) can always buy the product."

Ameer Ali added that he has received many enquiries from parties interested to franchise Kedai Rakyat 1 Malaysia but stressed that it would be hard for small retailers to hold to the social objectives underpinning the concept.

"They don't understand that this is a non-profit thing. If I ask you to do a franchise, you at the end of the day want to make money. So it's very difficult for you to do this kind of business. But if you want to buy and sell, it's free trade out here."

Prime Minister Datuk Seri Najib Razak launched the first of many Kedai Rakyat 1 Malaysia at the Kelana Jaya LRT station in June. There are now three such shops in the Klang Valley.

The first 2,000 sq ft shop operated by Mydin offers 250 generic products like rice, oil, flour, bread, eggs, milk powder and diapers at prices 30 to 40 per cent lower than market rates as well as branded goods.

Najib said more Kedai Rakyat 1 Malaysia will be set up in other locations similar to the 1 Malaysia clinics his administration has established in states like Sabah and Sarawak.

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