

FELDA-Lulu Hypermarket Tie-Up Benefits Society At Large, Says Najib
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By Massita Ahmad

ABU DHABI, May 19 (Bernama) -- Prime Minister Datuk Seri Najib Tun Razak said he believes the collaboration between Felda and Lulu Group International to set up a unique concept of Halal hypermarkets in Malaysia will benefit both organisations as well as society at large.

Najib, who is also the Finance Minister, Monday witnessed the signing of a memorandum of understanding (MoU) between FELDA and Lulu Group which will see the latter opening up its first Halal hypermarket in Malaysia by 2016.

"Many parties will benefit through the establishment of Lulu Hypermarket in Malaysia as it will provide 2,000 direct job opportunities as well as 5,000 indirectly," the Prime Minister told Malaysian journalists after the signing ceremony in Abu Dhabi.

The MoU was signed by FELDA Director General, Datuk Faizoull Ahmad and Lulu Group Managing Director Yusuffali M.A., and was witnessed by FELDA Chairman Tan Sri Mohd Isa Abdul Samad.

Lulu Group will open up 10 Halal hypermarkets with each hypermarket expected to create more than 200 jobs at all levels.

"FELDA will provide the hypermarket buildings for lease to Lulu, which will in turn create a state-of-the-art logistics centre.

"Lulu has also proposed that FELDA venture into organic farming, products of which are in high demand overseas, and this is one area FELDA will go into," Najib said.

FELDA, or the Federal Land Development Authority, confirmed its position as the land developer for the construction of the hypermarket buildings for Lulu Hypermarket in Malaysia.

Lulu will then lease the hypermarkets for possibly up to 15 years.

The Prime Minister said the MoU is in line with the government's aim of transforming FELDA into a successful local and foreign business conglomerate.

"Our strength all this while has been in palm oil production, but now we also want FELDA to diversify its products," he said, noting that this would depend on FELDA being able to find a strategic partner with strengths in business and the whole international supply chain.

The start-up investment for every Lulu hypermarket is around US\$30 million to US\$40 million (RM96 million to RM128 million), with total investment for the initial stage estimated at around US\$200 million (RM640 million).

The development will capitalise on FELDA's strategic land banks nationwide, with the Klang Valley as the premier entry point of the Lulu hypermarkets in Malaysia.

Najib said Lulu's first hypermarket in Malaysia will be built in Kuala Lumpur within a year, with hypermarkets in Kota Baharu, Bukit Katil, Ipoh, Nilai Icon City and Shah Alam to follow.

FELDA is also exporting selected products under the FELDA Best brand to Lulu Hypermarkets in the United Arab Emirates.

These include frozen foods -- Aloo Curry Puff, Tapioca Cake, Fried Aloo Bun, Red Bean Fried Bun, Sweet Potato Cake, Fried Sambal Bun and Doughnut -- as well as fresh Cavendish bananas, Golden melons, MD2 pineapples and jackfruits.

Najib said Lulu Group will import US\$34 million (RM109 million) worth of products from Malaysia this year and US\$50 million (RM160 million) next year.

The UAE-headquartered Lulu Group is today the undisputed leader in the hypermarkets business in the Gulf Cooperation Council (GCC) region with 109 stores across nine countries serving more than 600,000 shoppers a day.

The group, which reported a sales turnover of US\$5.4 billion (RM17.2 billion) last year, is ranked by Planet Retail as the No. 1 grocery retailer in the Middle East region while international auditors Deloitte ranked them as one of the top 10 fastest growing retailers in the world.

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