

CN 12255
496
HF
S419
RG7
2002

**A STUDY ON THE FEASIBILITY OF SETTING UP
TERMINAL MAKANAN NEGARA
(TEMAN)
AT KUCHING SARAWAK**



BY

**ROSLAN AHMAD DARUS
98175869**

**BACHELOR OF BUSINESS ADMINISTRATION (HONS) MARKETING
FACULTY OF BUSINESS AND MANAGEMENT
UNIVERSITY OF TECHNOLOGY MARA**

OCTOBER 2003



TABLE OF CONTENTS

	Page
Title page	i
Declaration of Original Work	ii
Letter of Submission	iii
Acknowledgement	iv
Table of Contents	v
List of Tables	ix
List of Charts	xi
List of Figures	xii
Abstract	xiii

CHAPTERS

1.0 INTRODUCTION	1
1.1 The Function of Wholesale Market	6
1.2 International Trends in Wholesale and Retail Marketing	8
1.3 Food Wholesale Markets Around The World	9
1.3.1 Japan	9
1.3.2 Hong Kong	10
1.3.3 South Africa	11
1.3.4 Australia	13
1.4 Background of Study	14
1.5 Conceptualization of TEMAN	17
1.6 Strategic Objectives of TEMAN	18
1.7 Functions of a TEMAN	19
1.7.1 Collecting and delivering function	19
1.7.2 Pricing function	20
1.7.3 Accounts settlement function	21
1.7.4 Data processing function	22
1.8 Trading Principles in TEMAN	23
1.8.1 Regulations covering cargo collection methods	23
1.8.2 Relations covering sales methods	24
1.9 Social Obligations of The Government in Forming TEMAN	28
1.9.1 Security of Food Supply	28
1.9.2 Creation of Effective Pricing Mechanisms	29
1.9.3 Quality and Hygiene Control	30
1.9.4 Market Information	31

ABSTRACT

In most countries wholesale markets remain as essential link between production and consumption. That such markets should be well managed is essential as the efficiency of their operation directly affects the cost of carrying out produce marketing. High marketing costs inevitably lead to lower prices for producers and higher prices charged to consumers. Therefore, in this study the researcher has explored the real situation that exist in the current wholesale market system in Malaysia. The study had found that by setting up the actual concept of TEMAN, it will increase efficiency and transparency of the food supply chain as a whole. In other word, the members of the wholesale market will be benefited in various aspects. TEMAN will also contribute to the realization of an integrated and controlled supply chain. As a conclusion, TEMAN is expected to realize several values from the wholesale market in several aspects such as reduction and control of overall costs, effective use of asset, allow introduction and adoption of new operating procedures and equipment and compliance with new statutory requirement. Lastly, TEMAN will accelerate growth in the agriculture sector and position Malaysia favorably as a global food hub.

1.0 INTRODUCTION

A food wholesale market is a place where producers, manufacturers, importers and traders (wholesalers) subdivide food into small lots and sell large quantities of food goods to shops, canteens, kiosks and other commercial buyers. It is not intended to supply goods directly to housewives¹. In other words, a wholesale market is allocation where a number of traders (wholesalers) can regularly trade together in order to sell a range of goods that are similar in type to buyers who require goods of different quality, quantity and price.

Through the combined efforts of the participating wholesale companies, the market acts as a mechanism for taking large quantities of goods from producers, manufacturers and importers and immediately subdividing these consignments into smaller lots to be sold to businesses requiring supplies on a regular or sometimes daily basis.

Such markets are not intended to supply goods directly to the housewife and should not be promoted as such. Selling goods to the domestic customer will only serve to undermine the commercial relationship the wholesalers have with their commercial clients. In the longer term, the commercial buyers are far more important to wholesalers as it is they who will create sufficient demand to allow

¹ Kobayashi, Kohei (2000), "Development of Wholesale markets in Asian Selected Countries" Proceeding of The Regional Seminar, Bangkok

2.0 LITERATURE REVIEW

2.1 AN OVERVIEW OF WHOLESALE MARKET DEVELOPMENT IN ASIA

Significant development has taken place in wholesale markets in most Asian countries. In the 1970s, the Indian Government realized the importance of wholesale market development and introduced the concept of 'markets of national importance' in which it promoted the development of wholesale markets in each of the States and encouraged States to formulate Market Master Plans to promote the development of regulated wholesale and assembly markets. From the 286 regulated markets in 1950, India has 7161 regulated markets (March 2001).¹¹

The predominance of New Delhi as the main wholesale market of the country and its role both as a Terminal market and a Transit market is a matter of concern in India. It is estimated that over 30 per cent of the produce going through New Delhi's Azadpur wholesale market is in fact produce originating from a different

¹¹ Drakis-Smith (2000), "Third World Cities: Urban Food Distribution in Asia and Africa" *The Geographical Journal*, 157(1)