

Origins of **Malaysia's largest** wholesale centre

Nilai 3 Wholesale Centre is a major tourist attraction in Nilai. It wouldn't be what it is today, if not for the economic downturn and the unconventional foresight of Datuk Wong Ah San

By Tan Thiam Hock

If you're looking for bargains in an extensive range of merchandise such as clothes, textiles, carpets, antique furniture, household decorative items, handicrafts, electrical appliances, earthenware, children's toys and car accessories, Nilai 3 Wholesale Centre is the place to be.

Busloads of tourists come to shop at the 600-odd outlets, especially during weekends. But things were not as rosy during its humble beginnings. Nilai 3 was originally an industrial estate that catered for SMEs. The developer sold and completed 889 industrial units in 1999, just two years after the financial crisis first struck.

"The purchasers received their CFs in September 1999. All the units were sold earlier but because of the economic downturn, these purchasers failed to set up their businesses when the units were ready. It was a matter of bad timing," said Datuk Wong Ah San, managing director of Nilai 3 Wholesale Centre Management Sdn Bhd.

"These purchasers came to enquire if

we could do something to assist them. Ever since they bought the lots, they couldn't run their businesses and they also couldn't sell or rent out the units. So, we thought it over and after some negotiations with the local authority and state government, we converted this industrial estate into a warehouse sales estate in 2001 and from there, we developed this wholesale centre.

"That was how Nilai 3 Wholesale Centre came about. In December 2001, we launched the centre with an initial 20 shops. We rented the lots back from the purchasers and offered six months of free rental to operators. The response was very good and within one month, and all these 20 shops were taken up by wholesalers who mainly offered products imported from China," recalled Wong.

Although it was not the company's initial intention to cater for the Malay market alone, it gradually moved towards that direction. "Business is such that where there is a demand, we move towards it. The best type of products to offer here are those that cater for the Malay market, as they account for more than 80 per cent of the total visitors.



ThankQ Outlet's Interior

"They come mainly from outstation and every week there are coaches from Kelantan, Terengganu, Perlis and from as far as Singapore and East Malaysia. During the weekends and holidays, we see a lot of cars from Singapore here. As the prices of the goods here are low enough to be resold at a profit, we also have people who buy in bulk, in container loads," explained Wong.

By 2005, Nilai 3 had about 300 shops in operation and was awarded the title of Largest Wholesale Centre by the Malaysia Book of Records. Wong reckons that they are still the largest now as they've since doubled the number of shops to more than 600. The operators here are mainly Chinese, Malays, Pakistanis and other foreigners such as Egyptians.

According to Wong, there are still a few hundred lots available for sale or lease, but not in the prime locations. These units that were built more than 10 years ago, are going for RM200,000 but they would require some refurbishment work.

With the new access road connecting the Nilai-Pajam toll to Nilai 3 expected to be ready by June, even these units at the back portion will soon become prime locations. This road will shorten the journey from the original 7.5 km to only 1.5 km and thus allow faster and easier access for visitors.

In comparison, the prime lots at the front portion are going for RM400,000 to RM500,000. These units were initially sold at RM200,000 to RM240,000. Rental rates are now between RM3,000 to RM5,000 depending on the exact location.

The company is planning to bring in other local specialist products that would attract tourists, such as handicrafts and souvenirs. "Operators and manufacturers of new products who wish to operate here can always talk to us and we will assist them and try to offer as many incentives as possible. We currently lack products for the Chinese market and would like to invite those with such items to join us," said Wong.

So far about two-thirds of the 430 acres in Nilai 3 have been developed and the company has another one-third left. "In fact, we'll be launching another 210 units of double-storey shop lots and the response has been very encouraging. These purchasers are interested not in buying single units, but entire rows.

"Apart from the wholesale centre, we have also started a wholesale wet market. Now, I'm focusing on efforts to promote perishable wet market products such as seafood, vegetables and fruits, initially for the local market but ultimately for the import and export market as well," he revealed.



Chin Wi Chan

Pioneer Nilai 3 Operator Enjoys Brisk Business

When Chin Wi Chan was first invited by Datuk Wong Ah San to operate a wholesale and retail business at Nilai 3 Wholesale Centre, he was reluctant to do so as he had no prior experience whatsoever in running such a business. At that time, Chin was in the construction line and was a subcontractor for the Nilai 3 industrial project. However, Wong managed to persuade him by offering full support for his business.

So, Chin started his Malay wedding accessory and artificial flower business in 2002 as one of the first 20 pioneer outlets at Nilai 3 and he hasn't looked back since. The business broke even and became profitable since 2005 and he has expanded his business from the initial three shop lots to eight.

Chin is now the managing director of the ThankQ group of companies. He is very happy with his newfound business and currently employs 40 to 50 staff to help him run the outlet.

"Every Saturday, at least 40 to 50 busloads of visitors come here from Johor, Kelantan, Terengganu, Kedah, Penang, Perak and other states. During the Hari Raya Puasa season, there'll be more than a 100 buses. Our customers come from afar as we offer a wide variety of new products.

"Among the accessories offered are door gifts and bunga telur, which are specifically created by ThankQ's in-house designers. Nilai 3 is now a very good location to run my business as everyone already knows about this place, even from as far as Singapore, Sarawak and Labuan. They all fly over here," he shared.



Datuk Wong Ah San