

24/06/1997

Konsortium Perkapalan not buying into MISC

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KONSORTIUM Perkapalan Bhd (KPB) has denied that it is buying a stake in transport competitor Malaysia International Shipping Corp Bhd (MISC). KPB group executive chairman Mirzan Mahathir yesterday refuted speculation that it is acquiring a stake in MISC.

"At this stage, there are no plans (to acquire a stake)," he said when asked to comment on a foreign news agency report on the matter. The report, quoting analysts and traders, said MISC's shares rose 6.3 per cent last week due to speculation of an acquisition.

Responding to another query, he denied that the group made a submission to the Economic Planning Unit of the Prime Minister's Department on the acquisition of a stake in MISC.

Mirzan, however, said that if an opportunity arises, the group will do its homework to see whether an acquisition makes strategic sense. "If it makes sense, we will look at it," he said, adding that no studies have yet been carried out.

"We should not stop at looking at opportunities that will be beneficial to shareholders," he said.

The group, he said, will continue to see how it can do more. In recent years, KPB's load capacity has grown from 300,000 deadweight tonnes (dwt) to about one million dwt currently.

"If it makes sense for the group to be larger still, we have to weigh it," he said.

Mirzan was speaking to reporters after the group's annual and extraordinary general meetings held in Selangor yesterday.

Meanwhile, the group, in a bid to rationalise the country's road haulage system and develop its network, is in the process of setting up an umbrella organisation for lorry operators.

"We need to make the movement of goods on land in this country more efficient," Mirzan said.

Currently, lorry operators, especially the smaller ones, have problems securing cargo, especially on their return journey. They also face the problem of not having enough funds for maintaining their vehicles, Mirzan said. Collecting payment from their customers, too, is an issue.

In this respect, KPB is inviting all lorry operators to work with the group whereby they are ensured a steady stream of cargo and to help them maximise their capacity utilisation. To facilitate this, the group plans to have at least six to 10 distribution centres at strategic locations in Peninsular Malaysia, Mirzan said.

At the moment, it has 50 lorry operators - mostly single lorry owner operators and small to medium-sized companies - under the system, Mirzan disclosed. Ultimately, the group intends to have several hundred lorries under the umbrella organisation.

Apart from being able to depend on the group's infrastructure, lorry operators can benefit from the group's latest investment in information technology which tracks consignments using a satellite device.

KPB has a strategy for the transportation of raw materials from the source to where it is required. "We want to look at the area of specialised logistics chain, for example, energy, where we can carry coal for Tenaga Nasional and other energy utilities," Mirzan said.

Commenting on its port projects, he said the group is continuously looking at opportunities, especially along the Western Pacific rim and the

Indian Ocean rim, including the eastern seaboard of Africa. However, KPB will not invest in port facilities isolation.

"We want each investment to add value to our entire operations," said Mirzan.

Its port project in Sadao, Thailand, and the one in New Delhi are due to start operations this year whereas its latest venture in Jawarhalal Nehru Port is expected to contribute more significantly in two years' time.

"Our intention is not to build up ports per se but to use port operations to move goods to customers." Thus, he added, the group will be interested in making capital investment in port operations if it leads to swifter movements of cargo.

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