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KPB aims to go into air cargo business

KONSORTIUM Perkapalan Bhd (KPB) is looking to venture into the air cargo business, and become a complete transportation group that offers land, sea and air transport services.

KPB executive chairman Mirzan Mahathir said the group is convinced that air cargo is a growing and strategic business and is currently evaluating several options.

He said potential users of air cargo services include manufacturers of very high-tech and expensive components, which need to be transported as fast as possible.

Speaking to reporters at the National Conference on Mergers and Acquisitions in Kuala Lumpur yesterday, Mirzan also did not rule out the possibility of potential clients coming from investors in the Multimedia Super-Corridor.

The two-day conference is organised by the Asian Strategy and Leadership Institute (Asli), of which Mirzan is also the president, in association with Price Waterhouse.

He said negotiations on KPB's venture into air cargo operations were on-going with several local and foreign parties.

Mirzan said the new venture need not necessarily involve the acquisition of an existing air cargo operation. "We are looking at a wide range of possibilities, such as service partnerships and technical agreements," he said.

The company is also keen to move into the air cargo business because there is no strong local operator in the industry at the moment.

"Unlike shipping, where we have well-established competitors, air cargo is relatively without any strong presence (by any one company)," Mirzan said.

Meanwhile, KPB is also interested in acquiring a stake in West Port, near Port Klang, as it will help strengthen the company's overall logistics network.

"Port management is certainly an area of great interest for us. And West Port is important because it has the capacity and can be tailored to customers' needs. It is a 'greenfield' project. It could become a major hub for the region," Mirzan said.

KPB is one of the five licensed container hauliers in the country. The company's subsidiaries are involved in inland container depot operations, shipping, freight forwarding, shipping agency, warehousing and distribution, travel and insurance.

The group's ongoing restructuring exercise is aimed at streamlining its business activities into clearly defined strategic divisions - land-based logistics and related services under KPB; and sea-based logistics under DiPerdana Corp Bhd, which will become a KPB subsidiary upon completion of the exercise.

The restructuring is in line with the Government's call to rationalise the transport industry and to inject greater efficiency and productivity into the logistics chain.

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