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Company aims to be global competitor in logistics business

KONSORTIUM Perkapalan Bhd has embarked on a vigorous plan to transform the company into a strong regional and global competitor in the logistics business by the year 2001.

The plan known as "Vision 2001" would see the company entering into synergistic tie-ups with partners who were capable of providing both market access and niches, particularly in Southeast Asia and South Asia, its executive chairman Mirzan Mahathir said yesterday.

"The type of partners we are looking for are those who already have sufficient inventories as well as established business links.

"We have identified one possible partner in Malaysia who can contribute to our business strength and another in India.

"Extensive discussion has been carried out with the Indian counterpart," he said, adding that the company was not keen in acquiring existing businesses to realise its goals.

"Acquisition is not necessary and should only be carried out as the last resort. After all, we do not know what problems we are going to face by buying over companies."

Mirzan said this at a Press conference after the company's extraordinary general meeting in Petaling Jaya.

The EGM was held to seek shareholders' approval for the company's transformation of business activities and the change of its name to Konsortium Logistik Bhd.

The name change is intended to better communicate the group's core business activities and strategic direction in facing the challenges of the new millennium.

In addition, the EGM was also intended to seek approval for the purchase of a 112,709 sq metres freehold industrial land with an office building and warehouse from Pelikan Asia Production Sdn Bhd for a sum of RM36 million.

The property located in Puchong will serve as a base for the company to build its operations and gain valuable experience. Both resolutions were approved by the company's shareholders.

On funding of the transformation exercise, Mirzan said the cost would not be substantial. As such, the company would source from internal funds the amount required "as the company is still generating good cash flows."

"We plan to invest in building up our logistics service through training our people, upgrading our business processes and developing an excellent information technology infrastructure.

"We want our working environment to be one of professionalism, dynamism and creativity. This will allow us to present our customers with innovative solutions that will enhance our bottomlines."

On the company's growth projection for this year, Mirzan added:

"Our second quarter performance has been encouraging with the volume of our containers showing remarkable increase as compared to last year.

"Our business is a leading indicator of the country's economic recovery as evident in the fact that many export and import businesses have picked up.

"We, therefore, expect our growth this year to trek the Government's Gross Domestic Product projection."

For the financial year ended Dec 31, 1998, Konsortium Perkapalan recorded a group pre-tax profit of RM41.172 in 1998, down 20.3 per cent

from RM51.653 million in 1997.  
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