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KONSORTIUM PERKAPALAN-PARTNERS

KPB SEEKS PARTNERS TO EXPAND LOGISTICS SERVICE

PETALING JAYA, July 28 (Bernama) -- Konsortium Perkapalan Bhd (KPB), which is to be renamed Konsortium Logistik Bhd, will seek foreign and local partners to expand its logistics service coverage, and build itself into a stronger competitor in Southeast Asia and South Asia region.

The company is transforming itself in order to compete effectively in the region in the market for logistics service, encompassing transportation, warehousing, ports and airports, and value-added services, said group executive chairman, Mirzan Mahathir.

"We want to be able to have a presence in the region, but without having to invest in every single location," he said after KPB's extraordinary general meeting (EGM) here today.

"We are looking at what is known as third party logistics to our customers, so that we don't invest so much in the physical aspect of it," he added.

It is almost like a franchise approach, with KPB ensuring that the service provided by the local partners are at the level that the company is comfortable with, and therefore could offer as part of its local offering in its network, he explained.

Mirzan said as a logistics company, KPB must expand its coverage to meet customers' requirement, which could range from within the entire country or the entire region.

He said KPB's strategy in the longer term is to move away from having significant shareholdings in its partners.

Mirzan said equity participation is only required as a catalyst to ensure that the logistics standard as required by KPB is in place, and for funds for the growth of the local partners.

He said KPB had identified some Malaysian and foreign companies as its local partners.

Mirzan said in order to provide better services and to improve coverages, KPB plans to invest in building up its logistics service through training its people, upgrading business processes and developing an excellent information infrastructure.

On the funds required for KPB's transformation, Mirzan said that the company's shareholders had given the approval for a private placement of new shares of up to 10 percent of its issued and paid-up capital.

He said that the pick-up in the economy also meant that funds are available in the market and that the company's business is also generating healthy cashflow.

Apart from private placement to raise funds, KPB is not looking at other methods for the moment, but this did not mean that it will not do so subsequently in order to achieve its objective to be a stronger regional player by 2001.

He said that currently the number of companies in Thailand and India which had expressed interest to use its services had been on the rise.

KPB is also increasing the depth of its services in Thailand, Indonesia and the Philippines.

He viewed South Asia as the potential market for KPB's services although the infrastructure in this region is still inadequate for logistics service.

KPB, currently at third spot among top hauliers in Malaysia, with a market share of 22 percent, expects better turnover this year following the

growth in container volume, while the significant inflow of investments to Malaysia will see additional logistics movements, Mirzan said.

On the company's results, he said, "for the first quarter, it is okay and it was better in the second quarter. So we are on track." -- BERNAMA

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