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DMIB-KLB

DMIB AND SIME TYRES SIGN LOGISTICS AGREEMENTS WITH KLB

PETALING JAYA, May 12 (Bernama) -- DMIB Bhd and Sime Tyres Marketing Sdn Bhd have formed a strategic alliance with Konsortium Logistik Bhd (KLB) which would help boost the companies' tyre sales in both the domestic and export markets.

DMIB Bhd managing director Jafar Carrim said the logistics agreements formalised today would also contribute towards the company achieving 50 percent exports target by 2003 from the present 25 percent.

He added the agreement, which saw the company outsourcing its logistics requirements to KLB, would help DMIB focus on its core activities of product enhancement, manufacturing and marketing.

He added in the past 30 years, DMIB has been handling its logistics cost well and keeping it below two percent of the company's turnover.

"However, as a result of the financial crisis which the country underwent for the last two years, we found that that we had to focus on certain issues as a matter of priority and a result we sought out people who would be able to undertake certain tasks for us," he said.

Jafar was speaking to reporters after the signing ceremony between DMIB, Simex Marketing Sdn Bhd, Sime Tyres Marketing Sdn Bhd and KLB here today.

Under the agreement between DMIB and KLB, the latter would facilitate the receiving, handling and storage of DMIB products for distribution to more than 300 dealers in the Klang Valley, Negri Sembilan, Pahang, Kelantan and Terengganu.

As such, KLB would manage DMIB's three major logistics: the collection of various range of tyres from the DMIB Base Store in Petaling Jaya, storing of the products and retrieving them upon orders.

As for Sime Tyres Marketing, KLB would handle the receiving of tyres from its plant in Alor Setar, Kedah for storage and final distribution to dealers.

KLB currently handles DMIB's international export activities such as vessel nomination, custom clearance, storage and cargo stuffing and unstuffing of tyres, mattresses and golf balls to countries like Europe, Australia and Japan.

In addition, Jafar said the tariff reduction on tyre-related products to 20 percent from the previous 40 percent since January 2000, under the Asean Free Trade Area agreement, has significantly benefitted the company.

As a sole tyre manufacturer in the region, he said the tariff reduction would relate to cost savings thus allowing DMIB to be more competitive in the Asean market which has a population of some 500 million people.

Meanwhile, KLB executive chairman and president, Mirzan Mahathir said this agreement would enable DMIB to minimise its inventory costs and save considerable time which would translate into greater operational efficiency and profits. -- BERNAMA

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