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KONSORTIUM-TRANSFORMATION

KONSORTIUM LOGISTIK'S TRANSITION TO AFFECT ITS BOTTOMLINE

PETALING JAYA, June 30 (Bernama) -- Konsortium Logistik Bhd's continuous effort to transform itself as more customer-focused, competitive and technology driven is expected to have some adverse impact on its bottomline this year.

"This year we do see growth but there are a lot more investments on systems and restructuring, which would obviously have some impact on the financial statement," said executive chairman and president Mirzan Mahathir.

"I would consider this year as a transformation and investment year, the year of action," he told reporters after the company's annual general meeting here today.

"Previously, we were a haulage and shipping company, but now we are transforming ourselves to become more of a logistics coordinator for our customers," he added.

Konsortium Logistik's initial spending on Information Technology (IT) this year was about RM10 million, he said.

He said Konsortium Logistik was trying to put in place all the people, the organisation and systems to ensure that it had everything in place to offer its customers much better services utilising information technology as well as professional logistics expertise.

By next year, Konsortium Logistik expects to become a much more competitive regional logistics service provider, Mirzan said.

For the year ended December 31, 1999, the company recorded a higher pre-tax profit of RM43.510 million from RM40.297 million in 1998.

Mirzan said the company was also continuing with its expansion in South-east Asia and South Asia to develop its regional network.

The development cost for regional presence this year is between RM5 million - RM10 million, he said, adding that substantial investments had been made in Indonesia, Thailand and India.

"Each of these countries obviously have larger population and larger domestic requirement for logistics compared with Malaysia, and in the long run have a lot of potential," he added.

It is a trend for multinational clients to appoint only logistic partners with regional presence, he added. -- BERNAMA

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