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SMIS-LOGISTICS

SMILE SCHEME TO PROVIDE LOGISTICS AND FINANCING TO SMIS

SUBANG, April 7 (Bernama) -- Konsortium Logistik Bhd (Konsortium) today launched its SMI Logistics Enterprise (SMILE) scheme to provide logistics and financing assistance to small and medium (SMIs) scale industries in line with the government's call to help SMIs growth.

Through the strategic tie-up with Multi-Purpose Bank Bhd, Konsortium would support the growth of SMIs by providing significant sophisticated logistics capabilities and make available special financing facilities that would help reduce the cost of inventory for the SMIs.

Launching the scheme, Transport Minister, Datuk Seri Dr Ling Liong Sik applauded the SMILE scheme for being the first of its kind in the logistics sector to be proactive in offering services to SMIs.

"The scheme helps to not only support the growth of SMIs with full logistics capabilities and superior service quality but also offers subsidised SMI financing through their partnership with Multi-Purpose Bank," he said.

He said the provision of those capabilities and facilities would enable the SMIs to fully concentrate on their core business while Konsortium and Multi-Purpose Bank would take care of the logistics and financing.

"Such a smart partnership will enhance the development of SMIs and subsequently increase their contribution to the economy," he said, adding that logistics were the backbone of SMIs as without good logistics services, export would not be possible.

Quoting the 1992 Annual Survey of Manufacturing Industries, he said SMIs accounted for 84 percent of the total manufacturing establishments. However, their contribution to total value-added and employment was only 28 percent and 33 percent, respectively.

Ling said, in recognition of the increasing importance of SMIs to the economy, the government had adopted a two-prong strategy -- the first was to promote production efficiency while the other was to consolidate, strengthen and extend the outreach of existing SMIs programmes.

"These include nurturing of entrepreneurs and enterprises through training, providing business opportunities, as well as financing and supporting infrastructure," he said.

Konsortium's executive chairman and president, Mirzan Mahathir, said the intention of the SMILE scheme was to make SMIs competitive by helping them manage their inventory better thereby enabling them to increase orders and thus giving Konsortium more business.

He said through the scheme, SMIs which were currently customers of Konsortium, would enjoy working capital facilities at very attractive rates through Multi-Purpose Bank.

Mirzan said as a logistics service provider with years of experience in moving inventory for a diverse set of customers, Konsortium was in a unique position to help the SMIs.

"We can help streamline the supply chain for them thus enabling them to increase customer satisfaction, maintain an optimal inventory level, even increase turnover without significantly increasing their working capital," he added.

On the financial scheme, chief executive director of Multi-Purpose Bank, Ng Siek Chuan, said eligible SMIs did not have to pay higher than five percent on interest rate as compared to the usual six percent SMI loan interest rate.

"We are able to offer a SMI financing package that is priced well below the base lending rate of financial institutions," he said, adding that the aim was for the SMI company to tie-up with Konsortium as a business partner.

Ng said the range of financing was from RM200,000 to RM1.5 million per customer and it did not require any tangible security.

At the same function, Konsortium also signed a sale and purchase agreement with Volvo Malaysia Sdn Bhd to buy 75 units of their new FM10 and 15 units of their FL7 prime movers worth a total of RM22 million.

The prime movers would be used by their haulage and trucking operations to enhance their services throughout Peninsular Malaysia.

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