

Haulage industry facing 30-40% overcapacity: Mirzan

KUALA LUMPUR: The haulage industry is facing an overcapacity of between 30% and 40% due to reducing cargo volume amidst the economic slowdown, said Container Hauliers Association of Malaysia (CHAM) president Mirzan Mahathir.

He said the situation has been exacerbated by the entry of newly-licensed players into the haulage industry. This has heightened competition.

Mirzan, who is also Konsortium Logistik Bhd executive chairman, said there are now about 30 licensed hauliers, compared to only five a year ago. An additional 20 more companies have yet to start their operations.

He added that consolidation within the haulage industry is a necessity in view of the overcapacity. "There is a lot that needs to be done, not only by Kon-

sortium Logistik, but the others," he said on Nov 30, at the company's extraordinary general meeting.

He said Konsortium Logistik itself was facing an overcapacity of about 20%. He said that some unutilised prime movers and trailers are being redeployed for non-haulage activities.

"We are handling the situation with better cost management measures and transforming the way we do business to get through this difficult period," said Mirzan. He added that the group does not expect additional capital expenditure on prime movers and trailers for the next two years.

He expressed confidence that the Konsortium Logistik group would be able to weather the current slowdown and was poised to become a leader in the haulage business. — *theedgedaily.com*