

# Konsortium to shed 500 workers

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**KUALA LUMPUR:** Konsortium Logistik Bhd will shed up to 500 personnel in two separation exercises ahead of its acquisition of Diperdana Holdings Bhd's haulage business, sources said.

Sources told *theedgedaily.com* the container haulage company will lay off 250 staff next month, and the remaining 250 will have to go by the year-end.

The company currently has a staff strength of 1,700.

The layoffs are partly because of an internal rationalisation exercise and industry over-capacity that has not spared Konsortium.

It is believed that more layoffs will follow, particularly after the acquisition of Diperdana's haulage business, which is anticipated at the year-end.

Konsortium executive vice-president Loo Hooi

Keat confirmed the matter.

He said the company would lay off some 250 to 300 people, but the figure "could go up to 500" from all units.

"We will do it via a voluntary separation scheme. We have to do this ... it is not that we want to do it," he said in a telephone interview.

Loo could not say how much the exercise would cost, but said it could be "a couple of million".

He said Konsortium has undertaken a rationalisation exercise that had brought its subsidiaries directly under the management control of the parent company.

"We have to be cost-effective to be able to compete."

Late last year, Container Hauliers Association of Malaysia president Mirzan

Mahathir said the haulage industry was faced with an overcapacity of between 30% and 40% due to decreasing cargo volume amid an economic slowdown.

He also said the situation was exacerbated by the entry of newly-licensed players into the industry, which had heightened competition. Mirzan is also Konsortium's executive chairman.

Loo anticipates more difficult patches moving ahead as Konsortium gears itself for stiffer competition in a tough economic environment, though some analysts were of the view that the domestic recovery is imminent this year.

"My view on the outlook is not optimistic, but I hope I am wrong. It is better to be on the conservative side," he said - *theedgedaily.com*