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KONSORTIUM-LOGISTICS

KONSORTIUM TO OFFER AUTOMOTIVE LOGISTIC SERVICES IN THAILAND

PETALING JAYA, Dec 15 (Bernama) -- Konsortium Logistik Bhd will be more aggressive in looking for opportunities to expand its automotive logistics business to Thailand next year.

"We have been exploring it for this past year. We have made contacts there and are going to make a move in order to secure some businesses in 2004," said executive chairman and president, Mirzan Mahathir, at a press conference after the company extraordinary general meeting.

He said Konsortium intended to enter the Thailand's automotive logistic market with a partner.

He said the company already had a branch in Thailand and was going to deploy people to enter the automotive logistic business.

"I think we got something to offer to the Thailand's market," he said, pointing to the fact that the company already had the experience by providing such services to Perusahaan Otomobil Nasional Bhd (Proton) and Perusahaan Otomobil Kedua (Perodua).

Proton and Perodua accounted for more than 70 percent of the group's automotive logistics business in 2002.

On the weaker car sales by Proton this year, Mirzan said while it posed a challenge to the group this year, it has not badly affected the group's automotive logistics business as the demand for the service from Perodua were "holding up".

Mirzan said 2003 was a tough year for Konsortium due to the uncertainty in the trade environment following various events such as the Iraq war and SARS outbreak, while the US economy started to turn positive in the third quarter.

He said Konsortium also felt a bit of pain from the gross discounting in the containers haulage industry, because it was in the midst of a merger.

However, the group now has nearly completed its acquisition of the assets and liabilities of Diperdana Holdings Bhd for RM80 million and raising its stake in KP Asia Auto Logistics Sdn Bhd to 100 percent by acquiring the remaining 49 percent for RM12.667 million, all of which would be paid by the issuance of Konsortium shares at RM1.60 each.

Mirzan said the acquisition of the interest in KP Asia Auto will be completed within this month, while the acquisition of assets and business of Diperdana will be completed in January next year.

The full effect of the price war in the industry which started last year and continuing throughout this year, was now being felt by the industry, he said, adding that this was a very bad year.

He said it was difficult for the rates in the container haulage industry to go much lower than the preset level as many of the players were not making money at the moment.

"I think this the level will stay. It is very difficult to be more competitive than what it is now," he said.

He said for the 20-footer deliveries from Port Klang to Kuala Lumpur, there are at the moment 20-30 percent discount to the existing Container Hauliers of Malaysia's published tariff of RM250 due to the overcapacity in the industry.

He said the rate will only go up if there was more demand and there was no new capacity coming up. -- BERNAMA

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