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MIRZAN-HAULAGE

ONLY SKILLED & COMPETENT HAULIERS SHOULD OPERATE, SAYS CHAM CHAIRMAN

By: Tengku Noor Shamsiah

KUALA LUMPUR, Jan 25 (Bernama) -- Only skilled and competent haulage

companies should be allowed to operate in order to develop the industry and

make it competitive regionally, the chairman of the Container Hauliers

Association of Malaysia (CHAM), Mirzan Mahathir said.

"We should have companies that are very focused on certain sectors. Let them build the competence and allow them to invest in the people and create competitive advantage," he said.

"Let's not introduce people who have no history at all," he said,

adding that allowing those without expertise into the haulage industry had

resulted in a deterioration in the financial standing of companies in the

industry and their capability to reinvest.

"The government has the power to actually develop this industry in a

proper way, where the skilled and competent in the industry are retained,

so that we can become a very competitive force within the region," he told

Bernama in an interview recently.

"But what we have done actually has destroyed value in the industry,"

he said, referring to the government's move to increase the number of

haulage companies from six previously to the current 68 through the issuance of new licences.

Mirzan, who is also the executive chairman and president of Konsortium

Logistik Bhd, said CHAM had finally, after two years of lobbying, managed

to get an assurance from the government that no more licenses would be issued.

Licences were very much controlled in the past and that allowed the

companies to be profitable and reinvest, he said.

With the increased number of haulage companies, he said the expertise

of the original five companies were scattered to the new players and resulted in salary inflation as the new companies attracted the

experienced
personnel.

"Everybody knows a little bit and not everything about the field. That in my mind, affected the service level," he said.

He said that his company also lost some of its good people which affected its service level.

"What is worse, the industry is facing a new world with the implementation of the Asean Free Trade Area (AFTA) as we would eventually have to compete with haulage companies from other countries who see Malaysia as a lucrative market because of its large trade volume," he said.

Konsortim Logistik, MISC Haulage Services Sdn Bhd, Kontena Nasional Bhd, Diperdana Holdings Bhd, Multimodal Freight Sdn Bhd and Perceptive Logistics Sdn Bhd are members of CHAM.

"Konsortium is in the process of consolidation with Diperdana Holdings and if we are able to do that successfully, we may be the biggest player (in the country)," he said.

Mirzan also said that there was a need to review the conditions for licenses so that demand and supply could be better matched.

Currently, a licensee must own their own prime movers and trailers, but there is a need to allow haulage companies to bring outside capacity temporarily during peak periods, he said.

"We should be able to bring in additional capacity when the demand requires. We must figure out the way to do this without impacting the container haulage industry," he said.

On whether CHAM wanted to see a tariff hike, Mirzan said it was difficult to impose a price on the customers.

Customers must recognise the value for the services provided, he said.

He, however, said that costs had gone up right from diesel, tyres, and to insurance.

Even the prime movers or trucks which used to cost RM300,000 now have increased to RM700,000.

When asked whether the industry should have one association instead of two, with the other being the Federation of Malaysian Hauliers (FMH),

Mirzan said: "When you have two associations, there's bound to be suspicions. It is already bad now that there are suspicions among various

companies."

He said that CHAM has had some informal discussions with the other

association. -- BERNAMA

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