

By : DATO' SRI MOHD NAJIB TUN ABD RAZAK
Venue:
Date : 10-08-2004
Title: OFFICIAL OPENING OF THE FEDEX EXPRESS WORLD
SERVICE CENTER, SHAH ALAM

Mr. David Cunningham, President, FedEx Express Asia
Pacific
Division,

Mr. Peter Yin, Regional Vice President, FedEx Express
South
Pacific,

Ms. Lily Tay, Managing Director, FedEx Express Malaysia,

Distinguished guests,

Ladies and Gentlemen,

Assalamualaikum wrt. Wbt. And a very good morning.

First and foremost, allow me to express my appreciation to FedEx Malaysia for inviting me to officially open its new operations centre here in Shah Alam. I am delighted to be here with all of you to mark this auspicious occasion, which is yet another feather in the cap for FedEx, another milestone in the success story that it has shaped for itself in Malaysia.

I am pleased to note that since it began express operations in Malaysia in 1993, FedEx Malaysia has grown by leaps and bounds. Not just in terms of the volume of cargo it handles but also in terms of the size of its operations. Understand that besides this facility, there are a total of eight other such facilities in Peninsular Malaysia and Sarawak, as well as the two main gateway facilities located in KLIA and Penang. Operating with staff strength of 427 employees and a vehicle fleet of 87, clearly FedEx has established firm roots in Malaysia, and we are hopeful that this will only be strengthened over time.

Ladies and gentlemen,

Indeed the success of FedEx in Malaysia is a reflection of the vitality of the logistics and supply chain industry in the country and of the Malaysian Economy in general. Air cargo in particular, a sector in which FedEx has carved a niche for itself, has recorded substantial growth. Air cargo movement in Malaysia rose from 381,457 metric tonnes in 1994 to 872,436 metric tonnes in 2003, an increase of more than 200% in just 10 years. Last year alone, air cargo movement rose by 7.6%, reflecting the continued growth in this sector and the improvement of the overall economic climate.

Supply chain management companies and logistics providers would do well to capitalize on this bright outlook and maximize their opportunities. The current regional and domestic economic climate, which is seeing a positive trend, is ideal for such companies to embark on expansion plans to strengthen their presence and work towards increasing their market share. I am glad that FedEx has decided to establish yet another operations center here in Shah Alam. The establishment of this facility in such proximity to the industrial belt in Selangor is clearly a well thought-out strategic move. Not only does it speak volumes about the keen business sense of the management of FedEx Malaysia in striking while the iron is hot, it also reflects the confidence that is shared by many multinational corporations towards investing in Malaysia.

On the part of the government, we have implemented and will always continue to implement policies and initiatives to facilitate foreign corporations and companies wishing to set up or expand their businesses in Malaysia. We are delighted that these policies and initiatives have shown positive results with foreign investment into the country showing a definite upswing. As a matter of fact we are confident that many more multinational corporations will find that Malaysia's business friendly policies, continued political stability, considerable pool of multi-skilled and multi-lingual work force, strategic geographical location and extensive state-of-the-art infrastructure which includes comprehensive communications networks and ultra-modern cargo handling facilities, seaports and airports, all of which are available at a relatively low cost, are extremely conducive for business.

Given all these factors, perhaps it would not be too presumptuous to say that many corporations will find Malaysia a most ideal location to establish the nerve center or hub for their operations in the region. As we move forward in embracing this globalized world, Malaysia will undoubtedly grow from strength to strength as it strives to remain a key player in international trade. We do hope that many more multinational corporations like FedEx will not only join us on this journey, but also contribute towards the future excellence of Malaysia.

Ladies and gentlemen,

Globalisation is so much a part of our world today that even the use of the term "globalisation" has become somewhat of a cliché. The world has become so interwoven politically, economically and technologically, that the varied networks interlinking nations can never again be unravelled. Long gone are the days when nations and peoples lived in isolation, only concerned with what transpired in their immediate surroundings. Today geographical distances and boundaries pose no hindrance to communication. Cultures have become enmeshed, and needs and wants across the four corners of the world have become identical. This has propelled global demand for products and services to a scale unprecedented in human history. Trans-continental and trans-national trades have become the lifeblood of the modern world.

As nations gradually deregulate their markets to facilitate free trade, competition becomes the order of the day. Nations compete to become the most attractive to businesses, to win the lion's share of investments and to ensure that their products and services have the biggest share in the consumer markets of the world. Malaysia is not left behind in this globalisation race. As one of the world's biggest trading nations, Malaysia is ever looking towards strengthening her position in the stage of global commerce by participating in partnership agreements and regional trade arrangements. It is a well known fact that Malaysia is party to the ASEAN Free Trade Agreement (AFTA) which will soon come into full force, and most recently Malaysia has linked a Trade and Investment Framework Agreement (TIFA) with the United States. These agreements signal Malaysia's move

to establish stronger trade relationships with its trading partners.

Already, intra regional trade in ASEAN is on the rise, with the whole of ASEAN emerging as the primary markets for Malaysian goods and services, consuming 25.8% of Malaysia's total exports for the whole of last year, with a value of nearly RM99 billion. The USA, meanwhile is the biggest single market (after ASEAN) for Malaysian goods and services, with exports to the USA accounting for 18% of Malaysia's total exports with a value of over RM68 billion in 2003. The AFTA and the TIFA with the USA is sure to lead to even better economic ties between Malaysia and her trading partners and trade is most certain to improve as a result.

It is within this scenario that the transportation, supply chain and logistics industry has flourished. This industry, which is made up of companies that supply the systems and software, operate warehouses and run whole fleets of vehicles that move raw materials, goods and documents across the globe, forms the heart of modern day commerce. These companies are the very entities that have crystallized the globalization phenomenon.

This robustness of international trade and commerce is especially significant for Malaysian companies. As markets around the region and across the world remove barriers to trade, Malaysian companies will have new opportunities to expand their trade as they diversify their export markets. The expansion of trade within existing markets and the move into new markets will only be successful if such markets are equipped with vital transportation links to facilitate the movement of goods. As a key component in the all important supply chain, courier companies such as FedEx play a pivotal role as enablers of global trade by developing shipment routes and networks and improving the connectivity of markets.

As a trading nation, it is important for Malaysia that the supply chain that supports the movement of Malaysian goods is one that is effective, secure and would not undermine the competitiveness of the goods. Security is particularly important especially in the wake of the 9/11 tragedy and in light of the volatility in the current global political scenario. The ripples of fear that terrorism has inflicted

upon the world have caused nations and individuals to be extra cautious.

Courier and cargo companies of the world must therefore bear the burden of ensuring that appropriate safety and security measures are imposed on every single load carried by their fleet so that the global network for the flow of goods is never hijacked and abused for purposes of terror and destruction which, should it happen, would undoubtedly bear disastrous consequences on the courier's brand and the reputation of their clients and their home countries.

At the same time courier companies must ensure that whatever precautionary measures they adopt do not pose as a hindrance to the cost-effectiveness of the services they offer. It is therefore of the utmost importance that logistics and courier companies not only ensure safe and timely delivery, but also keep abreast of new developments and incorporate new technologies in their operations and services to lower costs so that exporters utilising their services are able to remain competitive.

Ladies and gentlemen,

For Malaysia, logistics and courier companies play a pivotal role in conveying Malaysia's exports to the world. Courier companies are the conduits that allow Malaysian goods to become accessible to consumers worldwide. In this manner logistics and courier companies are contributing to the future growth of Malaysia's exports since such growth would largely depend on the ability to ship them to the designated markets in the most efficient and cost effective manner.

I do hope that these companies realize the important role that they have to play in ensuring that the national vision can be successfully attained. I hope companies like FedEx view Malaysia, not just as another strategic business location, but also as a long term partner. As Malaysia grows in terms of its trade and economy, so too will the volume of business that is available for companies like FedEx, and as these companies take advantage of the business opportunities that are available, and as they provide good, efficient and secure services, this will in turn boost the economy and trade. Such is the symbiotic relationship between these

companies and Malaysia, that without a doubt a good and strong partnership will yield a continuous win-win situation.

I would like to once again congratulate FedEx Malaysia on the establishment of this new center in Shah Alam. I hope more companies in this industry will make an example of FedEx's success and I hope that as they do so, the logistics and courier services industry in Malaysia will become stronger and more vibrant. I trust that this milestone will not cap FedEx's expansion in Malaysia and I hope that FedEx will remain a key player in the Malaysian economy for many years to come.

Thank you.

Office of the Deputy Prime Minister
Putrajaya
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