

PKT to boost revenue from fast-moving goods sector

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PKT Logistics Group Sdn Bhd, a freight forwarding company based in Port Klang, aims to capture a quarter of the country's potential RM2 billion logistics revenue in the fast-moving consumer goods (FMCG) market by 2013, says its top executive.

Eighty per cent of the company's overall revenue comes from automotive logistics today, while the balance is contributed by FMCG logistics.

PKT recently embarked on a diversification strategy to penetrate into the lucrative FMCG segment to help in its vision to become a billion ringgit company by then.

"The FMCG sector is currently dominated by large foreign logistics multi national companies (MNCS), which from our observation have in these tough economic times managed to maintain and in some cases even record growth," PKT managing director and group chief executive officer Michael Tio said after a signing ceremony in Kuala Lumpur yesterday.

To further enhance PKT's offerings in the FMCG sector, it has invested about RM120 million to develop a modern logistics hub on 10.8 ha of industrial land at Section 32, Shah Alam, Selangor.

Tio said the new facility will focus on the FMCG business.

"We want to achieve the ideal revenue ratio of 60:40 for auto and FMCG logistics respectively by 2011. This is because the FMCG business is growing faster than the auto business," he added.

Under Phase 1 of the development, with an initial RM50 million in investment, the hub will feature a corporate headquarter and a warehouse.

Yesterday, PKT announced that it has secured a contract to build and rent the entire 365,00 sq ft of Phase 2, dubbed as the "Waves", to a leading FMCG company.

PKT expects to hand over the RM70 million warehouse and two-storey office facility to a Swedish MNC tenant in the third quarter of 2010.

Earlier, PKT signed a RM2.5 million contract with ECnet (M) Sdn Bhd to provide integrated total e-logistics solutions for the next three years.