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PKT plans RM120mil regional logistics hub

By SHARIDAN M. ALI

PKT Logistics Group Sdn Bhd will invest about RM120mil to develop a modern logistics infrastructure on 27 acres of industrial land in the next three years.

Managing director and group chief executive officer Michael Tio told *StarBiz* that the new facilities would focus on the fast-moving consumer goods (FMCG) business.



Michael Tio

Currently, PKT Logistics' core business is auto logistics, which contributes about 80% of its turnover.

"We want to achieve the ideal turnover ratio of 60:40 for auto and FMCG logistics respectively by 2010.

"This is because the FMCG business is growing faster than the auto business, which did not record any growth last year," he said.

Besides serving FMCG companies, PKT Logistics also plans to develop cold room facilities to cater for food and beverages companies.

He said the expansion plan would be in line with the company's vision to be one of the leading logistics players in the Asean region.

"Our objective is to promote Malaysia as the hub of FMCG logistics for Asean countries.

"Also, we want to move up the value chain by offering sixth party logistics services and total supply chain management," he said. This will include procurement management, sub-assembly works and packaging services for its customers.

Tio said the development of its new facilities, located at Section 32, Shah Alam, would comprise three phases.



An artist's impression of PKT Logistics' new warehouse.

Phase one, with RM48mil to RM50mil investment (including the value of a 10-acre land) will feature a five-level corporate headquarters, 150,000-sq-ft warehouse and 2.5 acres of open container yard scheduled



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to be operational by next February.

The new warehouse will be equipped with 35 dock-level loading bays, 15,000 racks, 24-hour CCTV monitoring, advanced warehouse management system and radio frequency identification.

"It can act as a distribution and cross-docking centre (receiving centre) for our customers," he said.

The container yard, according to Tio, could be an alternative area for importers to store their containers, as the free storage period for import containers at Port Klang would be reduced from five days to three days effective next month.

"A few multinationals have indicated interest in taking up the entire warehouse, prompting us to accelerate phase two sooner than expected," he said.

Phase two includes another warehouse, to be followed by the phase three development of a manufacturing and sub-assembly centre, packaging plant as well as research and development centre for the auto market.

On its existing warehouse in Rantau Panjang, Port Klang, Tio said the 11-acre facility would be utilised for its general cargo customers after the new facility was operational.

Asked whether the company was interested in being listed on Bursa Malaysia, Tio replied that was one of the company's objectives but would only materialise when the time was right.

Established in 1974, PKT Logistics initially offered only Customs brokerage services but is now offering total logistics services.

Besides local operations, it has also ventured into Thailand, Indonesia and Vietnam.

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