

Freight Management to tap into South-East Asia markets

Written by K Vinotharan

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Local logistics company, Freight Management Holdings Bhd (FMHB) says it will focus on developing its business within the South East Asian in efforts to develop its business amid the tough global economic environment.

Its managing director Chew Chong Keat said that being a freight company that involves transportation of goods via land, sea and air, the company's business depends largely on the global economy which at the moment is not doing very well.

"Countries like India, Sri Lanka and Philippines for example are emerging markets and there is a high potential for these economies to mature in the long run and my aim is to tap into these countries by end of next year," he told reporters after the company's annual general meeting (AGM) in Shah Alam yesterday.

Furthermore, Keat said that the implementation of the Asian Economic Committee (AEC) next year will provide the company with good market access to these South East Asian market.

He, however, said that 2015 will remain a challenging year mainly due to competition.

"Malaysia being a free market where everyone is able to start up a logistic company with ease will increase competition.

"We need to strengthen our core business in order to remain sustainable in the tough market," he said. Chew said that the company outsources its air and sea transportation.

He said that the company's sea transport of goods remains its biggest chunk of revenue contribution with 56% of its business revolves around sea transport.

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“Sea transportation will always be our main revenue contributor as it is the most cost efficient way to transfer goods. Almost 90% of the global logistics companies uses sea as its main transportation,” he added.

Meanwhile, commenting on the impact of the decline in the global oil prices on the company, Chew said that there is no direct impact on the company.

“The surcharge that we pay fluctuates with the oil prices as such, prices of oil do not affect us,” he said.