

Kontena Nasional: 50 years providing comprehensive logistics solutions

The container haulier remains positive with its projection towards end of 2021 on the capacity of being an essential service provider

by NUR HANANI AZMAN

THE logistics industry has now become a vital part of supply-chain management and provides significant contributions to the national economy by creating employment, and contributing to national income and foreign investment.

Today, all industries are dependent on the logistics sector due to its role in revitalising and improving competition.

Despite the Covid-19 pandemic presenting vast logistics challenges everywhere, Kontena Nasional Bhd (KNB) which began operations in 1971, has strategised its business operations that would allow it to mitigate the impact.

As Malaysia's premier logistics company with 50 years of experience, KNB is aware that no one and no business is spared from the effects of the Covid-19 crisis.

KNB CEO Nik Muzani Nik Abdul Aziz said as an essential services provider, KNB continues to support its customers.

"We remain positive with our projection towards the end of 2021 on the capacity of being an essential service provider. We contribute to propelling the government and nation into the economic recovery," he told *The Malaysian Reserve (TMR)* recently.

Last year, KNB secured numerous contract extensions ranging between one and three years from customers across various sectors and industries, namely oil and gas, chemical, automotive and manufacturing and telecommunication, among others.

Since its inception, KNB has expanded its business from just container haulage to international freight forwarding, warehousing, distribution, supply chain solutions, cold chain solution and halal logistics.

Today, KNB — a wholly owned subsidiary of NCB Holdings Bhd — is one of Malaysia's largest one-stop logistics companies providing comprehensive logistics solutions customised to customer's requirements.

It is Malaysia's first halal logistics provider, certified by the Department of Islamic Development Malaysia, offering a full range of halal logistics services including halal transportation, halal warehousing and "samak" services for containers.

Whatever the "new normal" looks like after the pandemic, the rise in e-commerce activities will lead to higher demand for logistics and warehousing space within the region.

The accelerated shift from traditional retail to online order fulfilment will continue to generate strong demand to propel sustainable growth into the future.

Acknowledging this potential growth, KNB allocated capital expenditure of RM10 million for the development of IT and infrastructure.



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Kontena Nasional's major milestones

1971
Establishment

1973
Freight Forwarding

1973
Multimodal Transport Operator

1971
Port Klang Branch opening

1973
Johor Branch opening

1974
Penang Branch opening

1983
Ipoh Branch opening

1990
Kuantan Branch opening

1974
ICD operations

2015
MMC take over

2020
3PL

"With 150 prime movers, trucks and 900 trailers, KNB — a member of MMC Corp Bhd — has the capability to deliver shipment with marked strength and competency.

"We plan to replace our fleet with new ones to increase productivity by the first quarter of 2022," Nik Muzani added.

Internationally, KNB offers an extensive network of agents with a presence in Asia, Europe, America and Australia.

"We have plans to expand our footprint through partnership by focusing on locally grown companies in the respective countries," he said to *TMR*.

In December 2015, MMC took over KNB and Klang-based Northport (M) Bhd after it acquired their parent company, NCB Holdings. The purchase was made via MMC's wholly owned subsidiary MMC Port.

Although KNB in the past made huge losses, it managed to turn around the company following its restructuring exercise and the takeover by MMC.

In the financial year 2020 (FY20), KNB looked to realise further gains in operational and cost efficiencies including restructuring its haulage operations in several locations.

Its haulage operations achieved greater reliability and efficiency, with reduced downtime and faster turnarounds. Fleet availability was also improved.

KNB also made strides towards third-party logistics (3PL) in its freight forwarding operations.

Another highlight was KNB's continued diversification into specialised and niche markets such as high security



The shift from traditional retail to online order fulfilment will continue to generate strong demand

and sensitive cargo.

"The demand for third-party warehouses is expected to remain positive in FY21, despite the uncertainty that Covid-19 has brought to the global market.

"The proliferation of e-commerce and the increasing transition of cold chain distributors to online sales is creating greater demand for warehousing and cold chain facilities," Nik Muzani said.

In a market defined mostly by rates and prices, the company will be looking to scale up the value chain to offer its customers a more comprehensive logistics solutions and experience by giving more value-added services.

"KNB pioneered the industry and served as a training institution in the logistics industry. We are proud to witness that our success has been emulated by other

players in the logistics industry in Malaysia.

"The company is still relevant since its inception, especially with government entities and its agencies. Low staff turnover translates to loyalty, as we care for our staff welfare," he added.

KNB created history in the halal industry by being the recipient of the Malaysian Halal-related Service Provider Award for 2011 and the Frost and Sullivan Malaysia Excellence Award for Halal Logistics Service Provider of the Year for 2011. KNB also received the Halal Industry Award in 2010.

"We are also the country's first container haulier with MS ISO 9001: 2008 Quality Management System Total Logistics Provider recognition.

"We are a business organisation. Our principal business is transportation, our objective is prompt delivery, while our responsibilities are to participate in the nation's growth and to provide a challenging and rewarding environment to our people," Nik Muzani said.

KNB's vision is to be the premier supply chain solution provider in the markets by offering total services to its customers.

"We want to be part of our customer's value chain, having skilled, experienced and knowledgeable staff to meet customers' needs and wants as well as satisfying the needs of our stakeholders," he added.

Moving forward, KNB is committed to remaining agile amid economic challenges, competitive market and ever-changing technology.