

THE Malaysian logistics industry must buck up and move up the value chain to stand a chance of becoming Asean's next logistics hub, says PKT Logistics Group Sdn Bhd chief executive officer and managing director Datuk Seri Michael Tio.

Using Singapore as a benchmark, Tio pointed out that the island state's logistics sector was contributing 6.19% to its gross domestic product (GDP), with each logistician bringing home an average revenue of RM485,000 per year.

In comparison, he said Malaysia's logistics industry only contributed 3.8% to GDP and each logistician took home only about RM85,500.

"That means Singaporean

logisticians make five times more than Malaysians.

"This is because Malaysia is still very much in the traditional 3PL services, which is low-value and labour-intensive, while Singapore focuses on 4PL, 5PL, 6PL, and 7PL in high volume and highly automated," he added.

Tio said this when delivering the virtual keynote address titled 'Logistics Transformation in

Address weaknesses to move up value chain, logistics industry urged

GDP contribution of the logistics industry to 6.5% by 2030.

Assuming that salary increases 10% per annum as well, the sector could potentially create over 400,000 new jobs, he added.

"To achieve that, we must heed the key recommendations from the OECD Competition Assessment Reviews that address our weaknesses and move up the value chain," he added.

Tio said Malaysia had ample potential to vie for the top spot in the region as the country was equipped with comprehensive infrastructure and good connectivity on land, air and sea.

Unfortunately, Malaysia's recent ranking in the Logistics Performance Index fell behind that of Thailand and Vietnam because of restrictive licensing regulations and poor implementation of the Electronic Declaration Interchange system, he said.

Policy issues aside, Tio was

hopeful in transforming the industry by focusing on nurturing future logistic experts through the company's education arm — Peninsula College.

The college just opened its doors at The Ship Campus located in Batu Kawan Industrial Park, Penang.

"We strongly believe in teaching in a working environment.

"Hence, having our college close to industry players is key to preparing students with real-life experiences and readiness for employment," he said.

In his own capacity, Tio actively contributes his expertise as Adjunct Professor at Universiti Utara Malaysia (UUM), Universiti Malaysia Kelantan and Universiti Pendidikan Sultan Idris.

He also received an honorary doctorate in Logistics Management from UUM in 2018 and was named 2019 Best CEO of the Year by Education Ministry.



Tio: PKT Logistics Group is focussing on nurturing future logistics experts through its education arm, Peninsula College.

Malaysia' at the Advanced Intelligent Maritime Safety and Technology 2021 (Ai-Mast 2021) conference organised by Universiti Malaysia Terengganu.

Looking into the future, Tio said Malaysia should aim to raise the