



PERSEKUTUAN PENGHANTAR FRET MALAYSIA

(FEDERATION OF MALAYSIAN FREIGHT FORWARDERS)

c/o: Wisma SFFLA, 23, Jalan Cemerlang, 42000 Port Klang, Selangor Darul Ehsan, Malaysia.

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Re : Press Statement on Logistics Services during Movement Control Order (MCO)

1. The Federation of Malaysia Freight Forwarders (FMFF) representing more than 1300 company members nationwide request for clear directions and guidelines from the Government whether the logistics services, which includes transport and warehousing services are deemed as essential services.
2. There have been so many contradicting statements, media statements, guidelines issued by different ministries that FMFF cannot properly answer or advise our members whether they can operate or otherwise.
3. The situation is further aggravated by actions and different interpretations by enforcement agencies, when they stop our trucks or direct our offices to close.
4. We have written to Ministry of Transport and Ministry of Home Affairs to confirm whether we are essential services, as in item 12 of the essential services issued by NSC. We have yet to receive a reply from these Ministries. Port Klang Authority is in agreement that logistics services are essential services but the actions of enforcement agencies seemed to suggest otherwise.
5. Our trucks have been stopped and were told to abide by the following by the Police manning roadblocks:
 - i) Driver must have work travel pass and provide proof that they have gone to Govt clinics/hospitals for testing of covid-19, with the necessary endorsement/stamp by the clinic/hospital
 - ii) that drivers/companies need approval from NSC to transport goods
 - iii) that only medicine and food can be transported.
6. These confusing and contradictory actions and requirements are overwhelming and contrarian to the announcement by MITI on the approval for logistics services rendered to manufacturers of essential goods and non-essential goods recently approved by MITI.
7. We then have an announcement by YB Minister of Defence that we need work travel passes to be issued to staff to travel to work. FMFF have written to both MOT and MOHA for approval to issue work travel passes to our members' and staff to travel to work and we have yet to receive any reply from these 2 agencies.



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8. In the meantime, goods that have been imported before implementation of MCO have arrived at the ports. And if these goods are not under the approved list, they cannot be moved out from the ports. Each container that cannot be delivered will incur demurrage charges from shipping lines and storage and removal charges from ports. This will add to the final costs of the delivered goods to manufacturers and importers. Inevitably, the final consumer bears all these additional costs and manufacturers may face disrupted production schedules and loss of market.

Similarly, exports of non-approved goods cannot be sent to ports for shipment, resulting in cancelled contracts and loss of business.

Essential goods only make up about 20 to 30% of total cargo throughput in the Port. It would not be worth to risk the health and lives of our staff to clear this small volume of cargo. And the hassle our staff and drivers are facing at every roadblock. We also need to sanitize and clean our office daily and this add to more people coming to office.

9. Ports storage capacity may not be able to cope with a large number of undelivered containers and, as experience tells us, there would be a huge backlog to clear from the ports after the MCO. With other non-essential goods making up 80% of the cargo volume, the huge volume of undelivered cargo would start a huge backlog and be a potential time bomb that would affect port operations efficiency and capacity.

10. Logistics is an essential service that underpins the national economy. It is a manufacturing related activity and the nexus between manufacturing and logistics is clear.

11. Taking into consideration all the conflicting and contradicting guidelines, harassment from enforcement agencies and the slow or no response from the relevant Ministries that we have submitted our issues, FMFF may be compelled to advise all its members to cease operations immediately. until the Government is able to approve and facilitate the operations of the logistics industry.

12. Notwithstanding the above, our members will still facilitate clearance and transport of medicine, medical products, foodstuff and any other products deemed to be very essential to the country.

Alvin Chua
President
FMFF



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