

TGD Express to strengthen regional network

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SHAH ALAM: GD Express Carrier Bhd (GDex) is looking to expand into Indonesia and Thailand, as the courier services provider seeks to strengthen its regional foothold.

The company was looking for local partners for potential tie-ups or to set up its own ground operations network in these countries.

GDex, which has a regional office in Singapore, is ready to fund these expansion plans with its approved share placement that could potentially raise close to RM200mil or bank borrowings.

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"Apart from Indonesia, we are also looking at other countries in the Asean region. Our next target is Thailand.

"Our plan is to expand into at least one more Asean country in the next two to three years," he told reporters after the company's AGM yesterday.

Teong added that the regional expansion plan had been in the pipeline for a few years now, and it would be carried out more aggressively now in view of the upcoming Asean Economic Community (AEC).

Expected to take shape by end-2015, the AEC would help transform Asean into a single market and production base of 600 million people, with free flow of goods, services, investments and skilled labour.

With around 40,000 small and mid-sized businesses among its clients, GDex is 26% owned by Singapore Post Ltd (SingPost), the national postal system of Singapore.

In late May, Alibaba Group Holding Ltd, China's biggest e-commerce company, spent S\$312.5mil (RM802mil) to acquire a 10% stake in SingPost to develop its logistics base in South-East Asia.

Teong said GDex was looking to increase its fleet of trucks by 100 from the current 500 over the next 12 months.

"We are also looking at stepping up our hub capacity to handle 150,000 packages a day from the present 80,000 packages. This is underpinned by the strong demand of the e-commerce business," he said.

Domestically, GDex commands about a 14% to 15% market share.

Teong said that although the online business was still small in the country, it was a segment that the company would want to further tap into due to its strong uptrend, as the country was moving towards achieving developed-nation status.