



PPM-026-14-01102019

AIRFREIGHT FORWARDERS ASSOCIATION OF MALAYSIA (2019)

Our Ref : AFAM – Cir 2023 / 05 / 15

Date : 15th May 2023

**CIRCULAR TO:
ALL FREIGHT FORWARDERS**

Dear Sir/Madam,

RE: PROPOSED REVISION OF CARGO TERMINAL, SCREENING & COLD ROOM CHARGES BY MAB KARGO SDN BHD (MAB KARGO)

We refer to the above matter. MAB Kargo is proposing to revise the current TC loose, screening and cold room charges with effect from 1st June 2023 due to market increases and minimum wages that has affected the industry over the last few years.

The proposed changes are outlined in the draft circular from MAB Kargo dated 27th April 2023, a copy of which is attached for your reference.

The table below and the key notes summarizes the TC loose revision history and justifications as provided by MAB Kargo.

Rev. No	Year	Rate TC Loose	Justifications
01	2013	0.20 to 0.25 (+25%)	Introduction of min wage RM900 (2013), upgrading of MAB Kargo ACC capacity from 650k tonnes per annum to 1 mil tonnes per annum with total investment cost >RM100 million (2011-2013)
02	2018	0.25 to 0.30 (+20%)	Revision of min wage RM1,000 (2016), replacement of GSE (60 units forklift and 55 units tractor)
03	2023	0.30 to 0.33 (+10%)	Revision of min wage RM1,200 (2020), RM1,500 (2022), expansion of agent BUP area in KUL, PEN. Upgrade of equipment and facilities in other cargo terminals, upgrade of PER facility in KUL to fully airconditioned.

Key notes:

1. TC loose was set at RM0.20/kg and TC SLAC at RM0.15/kg since 1999.
2. TC SLAC remains at RM0.15/kg and excluded in the proposed 2023, rate remain the same since last 24 years.

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3. While TC loose increased by 65% since 1999, the manpower min wage has increased by 66.6% (RM900 to RM1,500) since 2013.
4. Cost of doing business has also increased significantly post Covid-19 with higher manpower cost for both locals and foreign workers. (Cost for contract staff increased over 30% Post Covid compared to previous contract rates). New investment is needed to improve Business Continuity Plan (BCP) to remain resilient in facing future challenges.

In light of the above, AFAM hereby writes to inform all freight forwarders of the said proposed changes and look forward and seek the feedback of the industry on the same.

Please let us have your feedback with justification from the industry with regards to the proposed changes latest by 5pm, Friday, 19th May 2023 so that we can forward your concerns to MAB Kargo.

Thanking you in advance.

Yours sincerely'



Walter Culas
Chairman

C.c. Mr. Mark Jason Thomas
Chief Operating Officer
MAB Kargo Sdn Bhd
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Circular

To : All Valued Customers and Business Partners

From : Chief Executive Officer, MAB Kargo

Ref : XXXXXX

Date : 27th April 2023

Re : REVISION OF TERMINAL HANDLING RELATED CHARGES FOR CARGO
TERMINALS OPERATED BY MAB KARGO

Dear All Our Valued Customers and Business Partners,

We wish to advise that effective 01st June 2023, the following cargo terminal handling charges shall be revised;

1. TERMINAL CHARGES (TC) FOR LOOSE CARGO

Station	Current (MYR / kg)	New rate (MYR / kg)
KUL	0.30	0.33
	Min. charge MYR 30	Min. charge MYR 33
Other Stations	0.22	0.25
	Min. charge MYR 22	Min. charge MYR 25

2. Other Terminal Related Charges (All Stations)

All Station	Current (MYR / kg)	New rate (MYR / kg)
Security Screening Charges (Loose)	0.15	0.18
	Min. charge MYR 15	Min. charge MYR 18
Cold Room Storage (applicable for terminals with cold room facility only) (per kg per day)	MYR 1.50	MYR 1.50 (From NFD up to 48 hours)
	Min. charge MYR 30	MYR 1.75 (48 hours to 96hrs)
		MYR 2.00 Beyond 96hrs
		Min. charge MYR 30

Remarks:

1. "Other station" refers PEN, KCH, MYY, SBW,BTU,BKI,TWU,SDK,LBU, and LGK Station which are operated by MAB Kargo.
2. For SLAC Terminal Charges (TC) in KUL and PEN, the rates shall remain the same until further notice

The revision is necessary due to the followings;

1. Increase of operational costs due to revision of minimum wages effective 01st May 2022 which constitute the bulk of cargo terminal operations cost.
2. To keep up with current inflation rates which have driven overhead cost high in spite of multiple cost containment initiatives.
3. Improved operational resilience by having a more robust Business Continuity Plan (BCP) to prepare for future challenges.
4. Fund future investments for better service deliveries and improve overall handling efficiency including extension of ULD build up area for freight forwarders in PEN and KUL.
5. Upkeeping and maintenance of equipment and facilities in all cargo terminals throughout Malaysia and introduction of automation and digital initiatives for improved customer experience.

We truly appreciate your understanding on the revision of the charges, and we seek your continuous support of MAB Kargo.

Thank you.

Best Regards

Mark Jason Thomas
Chief Executive Officer MAB
Kargo Sdn Bhd



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