



PERSEKUTUAN PENGHANTAR FRET MALAYSIA

(FEDERATION OF MALAYSIAN FREIGHT FORWARDERS)

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

Tel : 603-3165 3082 | Fax : 603-3165 3081 | Email : secretariat@fmff.net | Website : www.fmff.net

FMFF COUNTRY REPORT

For

47th Executive Council Meeting of

**The Federation of Asia Pacific Air-cargo Associations via Zoom Teleconference
on 29th June 2021**

FMFF was established in 1987 as the National Association for logistics services providers. FMFF has more than 1500 company members throughout Malaysia.

In 2000, Ministry of Transport recognized FMFF as the National Association to represent the logistics industry at both National and International level.

FMFF Council is represented by 52 council members from the State Associations, who themselves are the State Associations' accredited representatives to the Council.

Exco members for the term 2019 to 2021:

Mr Alvin Chua Seng Wah	– President
Mr Krishnan Chelliah	– Deputy President
Mr Vijay Pillai	– Vice President
Dato' Johnson Dai	– Vice President
Mr Joseph Chung	– Vice President
Dato' Tony Chia	– Vice President
Ms Prunella Phoong	– Hon. Secretary General
Mr Victor Francis Beins	– Hon. Treasurer General

Association members of FMFF are:

Selangor Freight Forwarders & Logistics Association	- SFFLA
Penang Freight Forwarders Association	- PFFA
Johor Freight Forwarders Association	- JOFFA
Sarawak Forwarding Agencies Association	- SFAA
Sabah Freight Forwarders & Logistics Association	- SABFFLA
Sarawak and Sabah Shipowners Association	- SSSA
Bumiputra Logistics Entrepreneurs Association	- PPLB



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1. Covid-19 pandemic and effects

Since March 2020, the government had implemented various degrees of Movement Control Orders (MCO) to control the spread of covid-19 pandemic. Apart from Movement Control Order, there was also Enhanced Movement Control Order (EMCO), Conditional Movement Control Order (CMCO) and now, since 25/5/2021, the Government has implemented FMCO (Full Movement Control Order). Under the FMCO, only essential services and sectors were allowed to operate while other non-essential sectors were not approved to operate. Ports, Airports, transportation, distribution, food supply chains were among the approved sectors.

2. Logistics as essential services

Ministry of Transport has approved logistics services to operate during the Lockdown period as essential services. Beginning 18/06/2021 until 28/06/2021, Ministry of Transport have also approved every Monday, Wednesday and Friday during the FMCO to clear imports of non-essential goods from the ports to importers' warehouses and move ready to go non-essential export cargo from exporters' premises to ports.

These exercises were planned to ease congestion at container yards of the ports and also allow non-essential goods (imports and exports) to be imported and exported

3. FMFF had to declare 'force majeure' on three occasions as the movement restrictions by the government to control the spread of covid-19 infection affected the ability of FMFF members to efficiently discharge their responsibilities.

"Force majeure" was declared from 13/01/2021, 25/05/2021 to 07/06/2021 and from 08/06/2021 until further notice, as per our STC:

General Liability (FMFF STC)

31. (a) Except in so far as otherwise provided by these conditions, the Company shall not be liable for any loss or damage whatsoever arising from

(vi) riots, civil commotion, strikes, lockouts, stoppage or restrain of labour from whatsoever cause or force majeure. Force majeure shall include any acts of God (natural calamities/disasters), act of man, act of parliament or in the case of war, action of foreign enemies, terrorist activities, government sanctions, blockage, embargo, epidemic or pandemic and Government action to contain the epidemic/pandemic, including actions by WHO and other International Organisations. A party shall not be held liable for delay in performing its obligations under this Agreement if any condition under (vi) occurs. The non-performing party must make every reasonable attempt to minimize delay of performance. In the event of any incident that falls under force majeure and the event continues for a length of time, exceeding 120 days, either party may terminate the Agreement, repaying the full amount of the deposit within 10 days of Termination notice.

During the force majeure, FMFF members shall not be liable or held responsible for any delays, damages or deterioration to goods, consequential losses or any incidental charge



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arising from our members inability to perform or discharge any of its obligations and responsibilities.

While every endeavor would still be made by our members to ensure the efficient discharge of our duties in the clearance of goods with Customs and other government agencies, from the Terminals, import and export delivery chain, affreightment contracts, warehousing, transport and handling, the best plans can still be affected by unforeseen and unplanned circumstances, incidents and factors, beyond our members' control.

Notwithstanding that, our members shall continue to exercise utmost due care and diligence in the discharge of our responsibilities to our customers.

2. FMFF/AFFA STC:

On 01/05/2021, FMFF officially launched its revised FMFF/AFFA STC. The revised STC covers all modes of transport, including regional and international multimodal movements. The liability regime also takes into cognizance the international conventions for sea, inland waterways and air transport.

4. Air cargo Tonnage:

In 2020 Malaysia recorded 706333 metric tonnes of air cargo as against 849637 tonnes in 2019, a decrease of 143304 metric tons or -16.9% compared to the preceding year.

For the corresponding months of January to April 2021, air freight volume was 277738 metric tonnes against 250200 metric tonnes for the corresponding period in 2020, an increase of 11.0%. Air cargo tonnage in 2021 is expected to have a moderate increase over 2020 volume.

Passenger traffic was severely affected, with only local services while regional and international passenger services were severely restricted or ceased.

Air freight rates saw a sharp increase, with cargo capacity lagging behind increased demand for air freight services. Demand for air freight was also partially due to some switchovers from sea route to air and for high value and urgent shipments.



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