



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 : sekretariat@fmff.net | Website : www.fmff.net

Federation of Asia-Pacific Aircargo Associations (FAPAA)

50th FAPAA EXECUTIVE COUNCIL MEETING &

ANNUAL GENERAL MEETING

**13th JUNE – 15th JUNE 2024 @ Double Tree by Hilton Perth Waterfront,
Australia**

1. Air Cargo Tonnage

	2019	2020	2021	2022	2023
IMPORT	315,497	374,680	301,204	361,941	307,650
EXPORT	534,135	427,363	819,781	513,785	386,339
TOTAL	849,632	802,043	1,120,985	875,726	693,989

In 2023, Malaysia Imported 307,650 metric tonnes against 361,941 metric tonnes in 2022, decreased 54,291 metric tonnes or 15% compared to the preceding year.

Malaysia exported in 2023, 386,339 metric tonnes against 513,785 metric tonnes in 2022, decreased by 127,446 metric tonnes or 25%.

Total of 875,726 metric tonnes in 2022 against 693,989 metric tonnes in 2023. The tonnage dropped by 181,737 metric tonnes or 21%

Total of 693,989 metric tonnes for both Import & Export.

2. PENANG CARGO TERMINAL EXPANSION.

The Penang International Airport is an important air-cargo hub as it manages about 70% of the air cargo into the country due to large presence of multinational corporations and semiconductors manufacturing companies in the state.

The 70% includes the cargo trucked to Kuala Lumpur and Singapore to be shipped out.

The cargo from Penang needs to be sent to Kuala Lumpur as there's a shortage of air freighters flying out of Penang.



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Penang International Airport (PIA), the gateway into the north of the peninsula, is poised to become the second biggest airport in the country, with a RM1.5bil expansion project to be completed in 2028. Currently, 16 commercial aircraft can park at the terminal.

With the expansion, PIA will be able to take 28 planes at any one time with an additional six parking bays and six remote parking bays.

The new design will nearly double PIA's annual handling capacity of 6.5 million passengers per annum (MPPA) now to 12 MPPA, equalling Kota Kinabalu International Airport's (KKIA) capacity. KKIA now has 16 aircraft parking bays.

The PIA expansion would include the construction of a new multi-storey car park with an additional 1,700 parking bays, increasing the capacity to 3,400 lots. PIA now has a RM70 million seven-storey car park which opened last April.

The expansion will also double the terminal's gross floor area to 115,000sq m from 55,000sq m, according to Malaysia Airports Holdings Bhd (MAHB).

"The physical work will start in the third quarter of 2024, and the terminal expansion construction in the third quarter of 2025 will take 33 months to complete. The targeted completion date is in the second quarter of 2028".

The new terminal design is expected to include a holistic, robust and vibrant terminal environment.

PIA would enhance the socioeconomic development of the Northern Corridor states and the Penang industrial sectors.

"The proposed airport expansion does not interfere with Silicon Island as it focuses on terminal expansion only.

The 87-year-old PIA has undergone several infrastructure expansions over the years, with the first from 1977 to 1979, giving it an annual capacity of 1.5 million passengers.

It was again upgraded in 1998 to accommodate 3.5 million passengers. In 2013, its capacity was increased to 6.5 million passengers.



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Travel growth surged and by 2019, the airport was handling 8.3 million passengers yearly, leading to overcrowding at the terminal and calls for another upgrade.

Penang International Airport is one of the oldest airports in the country.

First called the Bayan Lepas International Airport, it was completed in 1935.

It was modernised in 1979 and expanded in 2013 and is now the third busiest airport in the country in terms of passenger traffic, after KL International Airport (KLIA) and Kota Kinabalu International Airport (KKIA).

The airport experienced its peak passenger traffic of 8.3 million in 2019, surpassing its capacity of 6.5 million passengers, leading to calls for its expansion. In 2022, at the tail end of the Covid-19 pandemic, it saw 4.5 million passengers. Last year, the number rose to nearly seven million.

Last year, it recorded 9 million passengers per annum even though the country's borders reopened in April. This showed that there is a trend of increasing numbers of passengers at the PIA so there is an urgent need for the expansion.

The last time the PIA was upgraded was back in 2009 and it was completed in 2013.

The expansion project will be able to increase the capacity of passenger arrivals from 6.5 million to 12 million passengers per annum.

3. AIRFREIGHT RATE

Air freight charges for Asian destinations, while to the Europe and United States remains unchanged.



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4. Education & Training Report:

1. Summary of Training Completed Year 2023

NO COURSES	MONTH	PAX
1 CUSTOMS AGENT COURSE (PFFA)	JAN-FEB	35
2 SFFLA UNESCAP COURSE IN FREIGHT FORWARDING	FEB-MAR	18
3 FIATA DIPLOMA - MODULE 6 (ONLINE)	FEB-MAR	12
4 SFAA UNESCAP COURSE IN FF (ONLINE)	MAR	21
5 FIATA DIPLOMA - MODULE 7 (ONLINE)	MAY	11
6 CUSTOMS AGENT COURSE (JOFFA)	MAR	24
7 CUSTOMS AGENT COURSE (SFFLA)	MAR	40
8 SFAA UNESCAP COURSE IN FF (ONLINE)	MAY-JUN	23
9 SFAA UCP600	MAR	20
10 SFAA IMDG FUNCTION SPECIFIC	MAR	20
11 SFAA IATA DGR	MAR	20
12 FIATA DIPLOMA - MODULE 7 (ONLINE)	MAY	11
13 SFAA IMDG GENERAL AWARENESS	APR	20
14 SFAA UCP600	MAY	20
15 SFAA IMDG FUNCTION SPECIFIC	JUN	20
16 SFFLA UNESCAP COURSE IN FREIGHT FORWARDING	MAY-JUN	19
17 FIATA DIPLOMA - MODULE 8 (ONLINE)	JUN-JUL	18
18 SFFLA UNESCAP COURSE IN FREIGHT FORWARDING	JUL-AUG	22
19 FIATA DIPLOMA - MODULE 9 (ONLINE)	JUL-AUG	15
20 FIATA DIPLOMA - MODULE 10 (ONLINE)	AUG-SEP	13



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21	SFAA UCP600	JUL	20
22	SFAA IMDG GENERAL AWARENESS	JUL	20
23	SFAA IMDG FUNCTION SPECIFIC	JUL	20
24	SFAA UNESCAP COURSE IN FF (ONLINE)	JUL-AUG	21
25	SFAA UCP600	AUG	20
26	CUSTOMS AGENT COURSE (LFFA)	SEP	31
27	FIATA DIPLOMA - MODULE 12 (ONLINE)	SEP-NOV	12
28	SFAA UCP600	SEP	20
29	SFAA IMDG GENERAL AWARENESS	SEP	20
30	CUSTOMS AGENT COURSE (SFFLA)	SEP-OCT	39
31	SFAA IATA DGR	SEP	20
32	SFFLA UNESCAP COURSE IN FREIGHT FORWARDING	SEP-OCT	21
33	SFAA UCP600	OCT	20
34	SFAA IMDG FUNCTION SPECIFIC	OCT	20
35	CUSTOMS AGENT COURSE (PFFA)	OCT	40
36	CUSTOMS AGENT COURSE (SFFLA)	OCT	39
37	CUSTOMS AGENT COURSE (SFFLA)	NOV	39
38	SFAA UCP600	NOV	20
39	SFAA UNESCAP COURSE IN FF (ONLINE)	NOV-DEC	22
40	SFAA IATA DGR	NOV-DEC	20
41	SFAA UCP600	DEC	20
42	CUSTOMS AGENT COURSE (SFFLA)	DEC	38
43	SHIPPING AGENT COURSE (SFFLA)	DEC	39



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2. JPK related Activities & Certification

1. Pending WIM review by JPK.
2. Pending new guideline for PPT certification by JPK.

3. Academia-Industry Collaboration

1. 5th January 2024 – Signed MoU with HELP University to collaborate on training, module development, workshop, internship place and continuous professional development. To collaborate with HELP University to organise a national level symposium and launch the Centre of Excellence for Logistics industry. Sharing on best practices and advancement in processes/technology in logistics sector.

4. Engaging Various Platform/Universities for Potential Collaboration

1. 20th December 2023 – Pre-x-mas networking lunch at HELP University.
2. 10th January 2024 – WiseTech platform demonstration on DG eLearning materials. To deliberate on incorporation into existing training module.
3. 16th January 2024 – Meeting with Global Institute of Studies (GIS) on potential collaboration for training.
4. 19th January 2024 – Meeting with CAAM regarding accreditation to become training provider for Air Cargo DG training. Pending new guideline from CAAM (expected Mar-24)
5. 2nd February 2024 – Meeting with CLLB on potential collaboration to offer IMDG training and enhancing FIATA DG module.
6. FMFF-WiseTech has entered into discussions to a potential training business opportunity with the signing of NDA on 30/03/2022.

Status Update

1. Air IATA DG Training:

Both parties had jointly submitted a proposal to CAAM (dated on 22/03) to jointly conducting DG training for aviation cargo, in which CAAM has no objection to the proposal (dated on 19/04). However,



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according to CAAM, the application for the ATO (Approved Training Organisations) has been put on-hold and the new guidelines will only be finalised in Oct-2024. Hence, FMFF-WiseTech is working on building the capabilities of Trainers in anticipation of the upcoming CAAM ATO application.

2. Sea IMDG Code DG Training:

Working in parallel, FMFF-WiseTech is looking at offering IMDG Code training for Seafreight, in which WiseTech Academy (WTA) has unlocked the access for FMFF Trainers to audit the eLearning course content and engage relevant authorities endorsement to roll-out the training to members.

Upon deliberating on the potentials, FMFF-WiseTech will be looking at finalising the partnership agreement in June-2024.

5. Upcoming Activities for Year 2024:

NO	COURSES	MONTH	PAX
1	SFFLA UNESCAP COURSE IN FREIGHT FORWARDING	Feb-24	20
2	SFFLA UNESCAP COURSE IN FREIGHT FORWARDING	May-24	20
3	SFFLA UNESCAP COURSE IN FREIGHT FORWARDING	Jul-24	20
4	SFFLA UNESCAP COURSE IN FREIGHT FORWARDING	Sep-24	20
5	SFFLA UNESCAP COURSE IN FREIGHT FORWARDING	Nov-24	20
6	CUSTOMS AGENT COURSE (SFFLA)	Feb-24	40
7	CUSTOMS AGENT COURSE (SFFLA)	May-24	40
8	CUSTOMS AGENT COURSE (SFFLA)	Jul-24	40

6. JPK related Activities & Certification

1. Laptop rental/procurement for PPT assessment and customs declaration - data entry training.
2. To register PPT candidates for SKM-2 assessment under SFFLA (JPK PPA)
3. To arrange for PP-PPT to consult the PPT candidates for SKM-2
4. To arrange for PPL-PPT to assess the PPT candidates for SKM-2
5. To promote JPK Certification to all logistics and freight companies.



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7. Written Instructional Materials (WIM) Development

1. Develop WIM for theory and practical (Level 3) – for SLDN scheme.
2. Develop exam questions for theory and practical assessment (Level 3) – for SLDN scheme.

8. FIATA Module Enhancement/Development

1. New training module for environmental, social, and corporate governance (ESG) & digitalisation – FIATA Diploma

9. Collaboration

1. FMFF-Sunway University UNESCAP training for students – May-24
2. MoU signing with WiseTech to offer online learning.
3. MoU signing with CLLB to offer face-to-face DG learning.



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10. Imposition of Service tax for the logistics industry, w.e.f. 01/03/2024

Government has implemented service tax on a wider scope of logistics service to boost Government revenues. FMFF and relevant stakeholders held numerous meetings to discuss the impact and ramifications of the intended implementation. After several meetings, Government have agreed to allow B2B exemptions for those in the same category of services, to eliminate the compounding or cascading effect of the tax.

Government has also agreed to exempt service tax for door-to-door-services, subject to certain criteria.

Notably, government has also agreed to exempt ocean freight from taxable service and exempt logistics services provided within Free Zones, Bonded warehouses and Licensed manufacturing warehouses (known as special areas) and the duty-free islands of Langkawi, Labuan, Pangkor and Tioman (Known as Designated areas) and between Special areas and Designated areas.

FMFF is presently following up with Customs to clarify and confirm certain aspects of service tax implementation for the logistics industry to inform and advise our members.



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