

Covid-19 drives digitalisation of logistics industry



PETALING JAYA: The Covid-19 pandemic has pushed the logistics industry to re-evaluate and re-strategise its operations towards digitalisation.

The Malaysian Investment Development Authority (Mida) said the move has boosted productivity and enhanced business flow, both of which are fundamental for business sustainability.

During the implementation of the movement control order (MCO), the logistics industry – particularly the e-commerce and e-fulfillment services – were declared as essential services and allowed to operate.

Mida said this was a vital move as consumers had turned to online platforms to shop during the MCO.

Goods, especially food and grocery deliveries, were in high demand.

"This created an abundance of business opportunities, and some businesses adapted by quickly digitalising their operations to leverage the new business environment, " the agency noted in its June newsletter released yesterday.

The agency cited one of Malaysia's courier services company, GD Express Sdn Bhd (GDex), as an ideal example of how industry players have turned to digitalisation to cope with the current business climate.

Mida said prior to the MCO, the company had already implemented technologies such as the Application Programming Interface for its more tech-savvy customers such as Lazada.

However, with the movement restrictions and work-from-home guidelines in place, GDex introduced a programme to push more of its clients, particularly those that operate in more traditional manners, to adopt digital platform as part of their business model to minimise service disruptions and increase efficiency.

By April 2020, GDex's goods delivery volume had gone up sevenfold, and it went up even further in May. Given the imperative role of technology during the pandemic, Mida said logistics companies are compelled to recognise the importance of technology advancement and adoption. —
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