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SME SPOTLIGHT

Logic lies behind Pan Asia's beginning

By PAMELA CHEW

PAN Asia Logistics was established in December 2002 as a result of the partnership between a group of residents in Singapore, local and expatriate, and the German family-owned freight forwarding company, Karl-Heinz Dietrich (KHD).



Small is beautiful: Mr Bischoff says Pan Asia's compact size permits more personal service to clients

KHD was looking to tap the Asian market, but did not want to expand its own operations in the region. On the other hand, the group of professionals in Singapore with experience in the logistics industry were contemplating opening their own freight forwarding business.

Thus the partnership was born.

Pan Asia Logistics managing director Christian Bischoff said that while KHD - a 40 per cent shareholder in Pan Asia - has extensive operations in Europe and most parts of the world, the German firm will not expand into Asia, now that Pan Asia takes care of business in this region.

Pan Asia employs over 500 in-house and contract employees in Asia.

It currently has eight offices in Asia: in Vietnam, Indonesia, Malaysia, Singapore, Thailand and Hong Kong, and it has major operations in China and Korea.

The company plans to expand to Australia and Taiwan this year, and Mr Bischoff said details would be finalised in the second half of the year.

Air freight makes up the bulk of Pan Asia's freight business. The firm handled a total airfreight volume of 25,500 tonnes in 2006 - 11,000 tonnes was for import, and 14,500 tonnes for export.

Ocean freight volume was over 20,000 TEUs (twenty-foot equivalent units).

Mr Bischoff said that Pan Asia's airfreight services contribute most to the company's turnover, and that the firm has been successful due to its 'total customer focus'.

Before 2002, the logistics industry was fragmented with various agents dealing with specific services - airfreight, sea freight and warehousing.

And with more multinational clients restructuring and moving into Asia, there was a need for more experienced service providers that could offer a comprehensive solution for their

logistics needs.

Mr Bischoff said that partnering KHD brings to the plate a well-known name in the industry and also provides existing connections that are a boon to Pan Asia.

Mr Bischoff is a logistics veteran who has spent 20 years in Asia. With his experience and familiarity with regional dynamics of the industry, Pan Asia's clients can rest assured that 'logistics-related problems can be rectified in a time-efficient manner'.

He said that Pan Asia is 'comfortable' being a small logistics company as it allows a short chain of command to be maintained, thus allowing it to provide a more personal service to its clients.

South-east Asian operations are directed from its headquarters in Singapore. Connections are maintained with its partner KHD in Europe and the Americas.

In Singapore, it has three offices and two warehouses, servicing clients such as Kraft, Ferrero, Ericsson and Siemens.

It also boasts an impressive automobile clientele with names like Mercedes Benz, Volvo, BMW and DaimlerChrysler.

For DaimlerChrysler, for instance, Pan Asia provides services in areas such as air and ocean freight customs clearance and handling and local transportation. It also does 'milk run' delivery to Singapore dealers with up to six trucks a day making their rounds.

It also provides warehouse facilities and dangerous goods handling and consultation, shipment track and trace, and KPI measurements.

The company made a profit in 2004 with its annual turnover of \$36 million, one full year after the company was set up.

Mr Bischoff said that as for turnover per business sector, international forwarding forms the bulk, contributing 90 per cent, while warehousing and distribution makes up the rest. Turnover for 2006 was \$59 million and the projected turnover for 2007 is \$70 million.