



**PERSATUAN SYARIKAT PENGHANTARAN EKSPRESS MALAYSIA
(ASSOCIATION OF MALAYSIAN EXPRESS CARRIERS)**

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For immediate release

REITERATION ON RATIONALE FOR FREEZE ON NEW COURIER SERVICE LICENCES

We refer to Umno president Ahmad Zahid Hamidi's call for a rethink of the two-year moratorium on the issuance of new courier service licences to meet increasing customer demands, as reported by Free Malaysia Today on 8 February 2021. The Association of Malaysian Express Carriers (AMEC) would like to thank Ahmad Zahid Hamidi for his interest and concern on the recent ongoings of the postal and courier industry.

AMEC, which comprises 25 major courier companies in Malaysia and is in communication with all licensed industry players and regulators on the state of affairs of the industry, wishes to reiterate the rationale for the two-year moratorium on new courier service licences, which runs from 14 September 2020 until 15 September 2022.

On 26 October 2020, the Malaysian Communications and Multimedia Commission (MCMC), with the consent of the Minister of Communications and Multimedia Malaysia, had implemented the moratorium to allow the government as well as postal and courier industry players to address the various industry challenges stemming from technological changes and market trends. This decision was made through the licensing authority under the Postal Services Act 2012. The moratorium is also in line with the official call sent by AMEC last August.

At present, the local postal and courier industry is in need of reforms to collectively address new challenges triggered by the technological boom and ensure sustainability in the long run. Among the issues faced by industry players are price dumping by new entrants and the imposition of 6% service tax on selected postal and courier companies, which does not apply to other transporters. Such condition of operations is unhealthy and unsustainable, with no true winners at the end of the day.

The issue of price dumping has affected many industry players who are unable to match prices and are losing money. In fact, some industry players have resorted to cut corners by not rewarding employees and cutting staff salaries and/or commissions. Hence, there is an urgent need to set a framework to determine the base price for parcel delivery, in order for the industry to sustain itself.

As such, AMEC has the ambition to develop and formalise a consumer code of ethics through the National Postal Forum, alongside government agencies, regulators and consumer groups. The consumer code of ethics is envisioned to govern and oversee the practice of quality courier service and customer service in the postal and courier industry. In addition, the Postal Forum will ensure that the 60,000 courier employees in the nation will be compensated sufficiently to provide quality service to consumers.

In February 2020, AMEC was designated by MCMC under the Postal Services Act 2012 to establish and manage the National Postal Forum. The independent Postal Forum, with its inclusive framework, serves to oversee matters concerning the interest of industry players and consumers. AMEC is currently recruiting new members and raising funds to manage the Postal Forum.

Given the aforementioned tasks, the two-year moratorium will allow all stakeholders of the local postal and courier industry to assess the situation and challenges at hand, as well as decide on the necessary conditions to be implemented for the industry's self-regulation. AMEC is hopeful of the collective efforts by the postal and courier industry stakeholders that will spur the transformation of the local postal and courier industry to be more efficient, reliable, and sustainable.

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