



## News in Brief on Logistics Developments in Asia

### Editorial Commentary - Asia Logistics Going Through a Consolidation Process

Besides DHL making the news and TNT making the waves, Asian logistics companies are gaining their own rights in this highly dynamic field. Toll has announced its acquisition of Sembcorp Logistics and just recently Accord Express, a home-grown Singapore company has announced a merger with the logistics arm of Korean consumer giant. What's going to be in store for Asian logistics companies over the next few years. The big are certainly getting bigger. Will they be facing the same challenge similar to the time when the supermarkets and hypermarkets started to invade the developing countries and killing off the business of the "moms & pops" players? At Supply Chain Asia, it is certainly our belief that this consolidation process will only pick up pace. For Asian players and supply chain professionals working in this field here, we will all in for an exhilarating ride over the next few years.

### M&A News – Toll to Buy Sembcorp Logistics in a deal worth up to USD853 million

Toll Holdings, Australia's biggest land transport group, said on Monday that [SembCorp Industries](#) had accepted its offer for the SembLog logistics unit, in a deal worth up to S\$1.4 billion (US\$865.3 million). SembCorp Industries holds 60.01 per cent of SembLog, Southeast Asia's largest logistics firm, which has operations in 15 countries including China, Thailand, Malaysia and India. Toll said it agreed to pay S\$749 million (US\$463 million), or S\$1.70 a share, for SembCorp's 60 per cent stake in SembLog. It added it would raise its offer to S\$1.4 billion, or S\$1.80 a share, if it gets acceptances above 90 per cent, which would allow it to delist SembLog.

### Events - Logistics Megatrends Forum Bangkok 2006

Bangkok, Thailand. Don't miss your chance to be able to network with fellow logistics and supply chain professionals in Asia. Join the 175 people who have registered for the [Logistics Mega-trends Forum Bangkok 2006](#) that will be held at Tawana Ramada Hotel Bangkok from 28-29 March 2006. Visit us at [www.supplychainasia.com/megatrends.html](http://www.supplychainasia.com/megatrends.html) for more information. Visit [www.supplychainasia.com/delegates.html](http://www.supplychainasia.com/delegates.html) to view a sample of the delegates attending this event.

### SCM News – Intensifying Competitive Environment

A market survey done by [Frost & Sullivan](#) recently about SCM market shows that competition has become more and more intensified. The market for supply chain management (SCM) is increasingly gaining momentum with the introduction of RFID technology and the retail expansion happening around the globe. Also, there are signs of consolidation in the supply chain space due to the evolution of software suites, which are cost-effective and have minimal integration issues. "Competition in the supply chain space is intensifying mainly after the entry of ERP vendors, who provide end-to-end solutions which incorporate SCM functionalities within them," notes Frost & Sullivan Research Analyst, Raja Srinivasan. "The fragmented market is entering into a consolidation phase which is evident from the recent mergers and acquisitions and this trend is expected to continue in the near future." This is good news for companies looking for partner in supply chain solutions because they can enjoy their increased bargaining power and also improved quality of service provided by SCM solution providers.

### Supply Chain News – ModusLink's Global Growth Continues with Expansion of Asian Footprint

Waltham, Mass. February 21, 2006 - Moduslink Corporation, a subsidiary of CMGI, Inc. (Nasdaq: CMGI), today announced that it is expanding its Asian footprint to accommodate continued global growth and increased client interest in leveraging emerging Chinese markets as part of their global supply chain strategies. To meet client requirements for low-cost production, increased efficiency, and close to customer fulfillment, ModusLink is adding a sixth solution center in Shanghai, China and is relocating and expanding its Fujian facility to accommodate growing client demand in the area. Both solution centers will offer full service, end-to-end capabilities and will begin production in March 2006. The new facility in Shanghai adds more than 54,000 sq. ft. of operating space and is strategically located within the Caohejing (EPZ), facilitating faster exportation to companies and supply partners "in zone" and across the globe. Both facilities will deliver a broad range of forward supply chain services, including design and consulting, demand and materials planning, sourcing and procurement, inventory management, assembly and packaging, and fulfillment to clients.

### RFID News - Gen 2 Spec Gets Major Acceptance

Generation 2, the UHF (ultra high frequency) air protocol for tags and readers, is garnering major acceptance as reported in the RFID Conference in Dallas. The specification, ratified by standards forming body EPCglobal Inc. in 2004, is being adopted on a wide scale by customers and hardware manufacturers. The real star quality with Gen 2 seems to be its ability to become a global standard (with the help of the International Standard Organization) versus any real leap in functionality. Gen 2's functionality is designed to be "light years ahead of Gen 1," with better read rate performance, better write performance, a lower incidence of so-called ghost reads and more overall security, according to EPC's Hutchinson.

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An aerial view of PSA ports in Singapore

### Events Highlights

[28-29 March 2006. Logistics Megatrends Forum Bangkok 2006.](#)

[4-6 September 2006. Fundamentals in Supply Chain Management. A 3-days Logistics Executive Program. Tawana Ramada Hotel, Bangkok, Thailand.](#)

[8 September 2006. Asia Logistics CEO Summit. Hyatt Hotel, Bangkok, Thailand. \(By Invitation Only\)](#)

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