

## **Malaysia Courier, Express, and Parcel (Cep) Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)**

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### **Report description:**

The Malaysia Courier, Express, and Parcel (CEP) Market is anticipated to register a CAGR of more than 9% over the forecast period.

#### **Key Highlights**

The Malaysian CEP market has great opportunities in the future for CEP operators. During the COVID-19 pandemic, delivery operations were not severely affected compared to other countries. Despite the global pandemic and an unexpected administration transition in 2020, the commercial environment for the CEP market remains promising, with e-commerce and pharmaceutical sales increasing significantly compared to pre-covid trends. Fast, efficient, and reliable order fulfillment is critical for sustaining customer satisfaction in express delivery, but it is also one of the company's most difficult tasks.

With revenue of over USD 6.3 billion in 2021, Malaysia ranked 35th among all e-commerce markets, ahead of Israel and behind Denmark. The Malaysian e-commerce market grew by 30% in 2021, contributing to a 15% global growth rate. Global e-commerce sales are anticipated to rise over the coming years, much like Malaysia's. Over the coming years, the global expansion will continue as new markets develop. East and Southeast Asia, with their expanding middle class and lagging offline infrastructure, will be the driving force behind this progress. Malaysia is even anticipated to beat the global average of 6% with an annual growth rate of 15% between 2021 and 2025.

In Malaysia, the courier, express, and parcel (CEP) market is expanding quickly with the nation's e-commerce sector, bringing in considerable profits for the sector. Online retailers and logistics operators face opportunities and challenges due to the exponential growth of the country's e-commerce sector. The CEP business is primarily driven by the expansion of e-commerce, but in the future, the need for perishables and the expansion of the nation's life sciences industry may also assist the expansion of express delivery.

To keep up with the five e-commerce trends in 2022, which include third-party logistics (3PL) services, direct-to-consumer (D2C)

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fulfilment, optimizing last-mile logistics, sustainability, and technology, the Malaysian logistics industry will need to look at developing its infrastructure and changing operating models.

## Malaysia CEP Market Trends

### Growth in domestic courier services driving CEP market in Malaysia

After typically experiencing a rise in parcel volumes in 2021 due to the emergence of e-commerce nationally, Malaysia's courier and delivery firms anticipate a better result this year. One company, Ninja Van, was able to deliver 100 million packages as of July 2021, which can be attributed to the trend of Malaysians supporting local brands to aid businesses in recovering from the difficult previous two years. To improve its ability to support the expansion of regional SMEs (small and medium enterprises) and businesses.

Ninja Van will concentrate its efforts in 2022 on adding up to 500 new employees, outfitting its sorting centres with automatic conveyors to boost efficiency, and expanding its services to include non-e-commerce sectors. Ninja Van has begun operating seven days a week throughout Malaysia. They have plans to diversify into new markets and offer new goods and services that will push their shippers to new heights and fuel their growth in the future. It has currently served up to 25,000 active consumer and SME users, exceeding its overall active user count in 2020 by almost 152%. It has also been able to deliver more than 12 million orders with twice as many active drivers as in 2020.

A Collection and Delivery Centre (PUDO) Infrastructure Network Plan is being developed by the Malaysian Communications and Multimedia Commission (MCMC) as a unified platform for local delivery locations. The initiative, which includes several industry partners, is separated into two phases, according to a statement released by MCMC today. The first stage is the consolidation of all local PUDO delivery points by different businesses under one roof, and the second stage will link the integrated platform with the online market.

As part of its expansion plans in Malaysia, a NEW player in the courier and logistics service industry, Flash Malaysia Express Sdn Bhd, hopes to open up 10,000 job possibilities. The St. Regis Hotel Kuala Lumpur hosted the company's national launch. The company is a commercial subsidiary of the Flash Group. Flash Express Malaysia, which at first only operated out of one hub in Klang, now formally serves over 30,000 deliveries every day across the nation from eight hubs in Peninsular Malaysia and one hub in each of Sabah and Sarawak.

### Growth of e-commerce in Malaysia propelling CEP market

According to the Department of Statistics Malaysia, Malaysia's e-commerce revenue totalled RM290.3 billion in the fourth quarter of 2021 (4Q21), up 4% every quarter and 18.3% on an annual basis. The overall performance of e-commerce revenue in 2021 was RM1.1 trillion, up 21.8% from the previous year. The growth was led by the sub-sector of wholesale and retail commerce, which saw a gain of 50,575 people (or 2.7%), and was followed by the sub-sector of transportation and storage, which saw a gain of 13,507 people (or 4.2%).

E-commerce is a significant component of the development of the digital economy and a key catalyst for company growth, particularly for micro, small, and medium-sized firms (MSMEs), which are the engine of the economy of the country. The National E-Commerce Strategic Roadmap, which is driving Malaysia's aim to have an e-commerce market size of RM 1.65 trillion by 2025, states that this is the first time that income from e-commerce transactions has broken the RM 1 trillion barriers.

Opportunities and difficulties are both present in this new economy. For starters, companies and people can now reach beyond

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local borders and take advantage of a market that is becoming more global and borderless. However, it also implies that business owners who reject e-commerce run the danger of failing. The government has numerous programs and initiatives in place to assist MSMEs in starting their e-commerce journeys. To promote the adoption of e-commerce and e-payments, Belanjawan 2021's Go-eCommerce Onboarding and Shop Malaysia Online initiatives have been spearheaded by Malaysia Digital Economy Corporation (MDEC), the country's leading digital economy agency.

## Malaysia CEP Market Competitor Analysis

Malaysian Courier, Express, And Parcel (Cep) Market is fragmented in nature with a mix of global and local players, this makes the sector highly competitive. Some of the strong players of the country include Deutsche Post DHL, United Parcel Service Inc, City-Link Express, Pos Laju (Part of Pos Malaysia), GD Express Sdn Bhd. The surge in e-commerce sales has presented logistic companies with both opportunities and challenges in terms of speed, delivery, and other criteria. Global companies with a lot of money and assets have put a lot of money and assets into sophisticated storage and fulfilment centres, and they are reaping the rewards. Regional and local businesses, on the other hand, are developing better sector solutions to fulfil the demand. The major differentiating factors or services that differentiate Express vendors in this industry are the value-added services provided by service providers. In the competition between providers, price, reliability, delivery speed, and supply chain capacity are all variables. They're also striving to achieve and sustain a competitive advantage by adding value-added services to their product offering.

Additional Benefits:

The market estimate (ME) sheet in Excel format  
3 months of analyst support

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