

Malaysia Courier, Express, And Parcel (CEP) - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The Malaysia Courier, Express, And Parcel Market size is estimated at USD 1.51 billion in 2024, and is expected to reach USD 2.91 billion by 2029, growing at a CAGR of 14.03% during the forecast period (2024-2029).

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 remained promising, with e-commerce and pharmaceutical sales increasing significantly compared to pre-COVID-19 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 expansion of e-commerce primarily drives the CEP business. Still, 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.

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To keep up with the five e-commerce trends in 2023, which include third-party logistics (3PL) services, direct-to-consumer (D2C) fulfillment, optimizing last-mile logistics, sustainability, and technology, the Malaysian logistics industry will need to look at developing its infrastructure and changing operating models.

Technology improvements, such as the use of digital technologies with crowdsourcing delivery models, are also creating a good picture for the business. These technologies help service companies increase their overall operational effectiveness and successfully meet consumer needs. The market is expected to be further fueled by additional factors such as quick urbanization, increased consumer spending power, and considerable expansion in the manufacturing industry.

Courier Service in Malaysia Market Trends

Growth in domestic courier services driving CEP market in Malaysia

After typically experiencing a rise in parcel volumes in 2022 due to the emergence of e-commerce nationally, Malaysia's courier and delivery firms anticipate a better result in 2023. One company, Ninja Van, has been gaining a reputation in the market as their day-to-day deliveries are increasing, 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 Malaysia is speeding up automation and upgrading several other operations in conjunction with its 8th-anniversary campaign. With the latest integrated automation system, the package sorting process is now enhanced with weighing functions and size detectors, and it is targeted to be able to scan up to 30,000 packages per hour.

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 quarterly performance data, the e-commerce sector in Malaysia experienced a 10.44% annual and 1.6% quarterly increase in the first three months of 2023, resulting in a record income of MYR 291.7 billion (USD 62.40). This indicates a consistent improvement compared to the previous quarter. In 2022, the country's e-commerce income reached MYR 1.1 trillion (USD 0.24 billion), showing a 6.0% increase compared to 2021.

The Department of Statistics Malaysia (DOSM) reports that the increase in spending on e-commerce was driven by transactions in the local market, particularly in the manufacturing sector (MYR 104.5 billion or USD 22.36 billion) and the international market, specifically in the service sector (MYR 514.4 billion or USD 110.04 billion). In terms of e-commerce transaction income by state, Selangor recorded the highest income with MYR 341.4 billion (USD 73.03 billion), followed by WP Kuala Lumpur (MYR 239.2 billion

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or USD 51.17 billion) and Penang (MYR 89.4 billion or USD 19.13 billion).

In terms of customer category, the highest e-commerce income in Malaysia was achieved through Business to Business (B2B) transactions (MYR 713.1 billion or USD 152.55 billion), followed by Business to Consumer (B2C) transactions (MYR 308.9 billion or USD 66.08 billion) and Business to Government (B2G) transactions (MYR 15.1 billion or USD 3.23 billion).

Courier Service in Malaysia Industry Overview

The Malaysian Courier, Express, And Parcel (CEP) market is fragmented in nature with a mix of global and local players, which makes the sector highly competitive. Some of the strong players in the country include Deutsche Post DHL, United Parcel Service Inc, City-Link Express, Pos Laju (Part of Pos Malaysia), and 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 fulfillment centers, and they are reaping the rewards. Regional and local businesses, on the other hand, are developing better sector solutions to fulfill 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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