

Maersk to invest over US\$500 million in Southeast Asia

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(left to right) Elaine Low, Area Managing Director, Maersk Southeast Asia, Ditlev Blicher, President of Maersk Asia Pacific, Vincent Clerc, CEO of A.P. Moller-Maersk

Maersk will invest more than US\$500 million in expanding its supply chain infrastructure to support Southeast Asia's emergence as a global production hub and a consumption powerhouse.

Maersk's planned three-year investment will target its Logistics & Services arm, but at the same time, a significant amount of investment will also be channeled into its Ocean and Terminals infrastructure.

Maersk believes the investment will create job opportunities for local talents on top of automation efficiencies and scale the company's existing network footprint in the region.

Vincent Clerc, CEO of Maersk, commented, "Southeast Asia is the fastest growing area in Asia Pacific. A digitally savvy population, coupled with an e-commerce boom, Government's efforts to capitalize on global manufacturing

diversification, growing regional brands, and rising inter-regional trade is spurring sustained growth in this area. Our investment reflects the commitment to being the global logistics integrator addressing the changing needs of our customers, now and in the future while remaining steadfast to our decarbonization agenda."

The investment was announced on the sidelines of a recently concluded global executive board meeting in Singapore. It aims to build supply chain resilience, lower the cost of trade, which tends to be 2x-3x higher in certain Asian markets and offer value-added outcomes to its customers.

Maersk will invest in scaling its warehousing and distribution footprint by up to 50% across the area to augment its ocean, air and land capabilities, serving both international and domestic markets and demand. By 2026, Maersk expects to add nearly 480,000 m² capacity spread across Malaysia, Indonesia, Singapore, and the Philippines.

With these investments, the Danish ocean carrier will be able to better serve customers with mega distribution centres that are strategically located, sustainable and equipped with advanced automation to drive increased efficiencies.

One of the notable investments will be at the Port of Tanjung Pelepas in Malaysia, where it is poised to become a key integrated logistics hub with multi-modal connectivity to simplify our customers' supply chain domestically and connecting to the world. Furthermore, Maersk is also investing in increasing its landside warehouse capacity at Singapore's Changi Airport.

On landside connectivity, Maersk will invest in increasing its haulage truck capacity in Southeast Asia with the capability to offer greener solutions depending on its customers' needs. It will also pilot biodiesel-based haulage trucks and introduce EV trucks by 2024.

On the ocean and terminal front, Maersk continues to invest in expanding its infrastructure across the region through APM Terminals, to support enhanced ocean network design and bring additional transshipment to the region. Additionally, the company is working closely with authorities in the region to explore opportunities in building green fuel infrastructure to support its future green vessel fleet.