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SingPost boosts e-commerce logistics arm with \$60m acquisition

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SingPost, the national postal service of Singapore, is continuing to expand its e-commerce business with plans to buy a local freight forwarder.

The company said today it has agreed to acquire a 62.5% stake in Famous Holdings Pte Ltd (FH) for S\$60m (\$49m USD).

The two firms have also agreed on an option for SingPost to buy the remaining 37.5% stake at the end of 2015, for a price that will be determined on an agreed formula.

FH was established as a freight consolidator and forwarder back in 1988 with a single office in Singapore, under the name Famous Freight Forwarding.

It has since expanded to a network of six offices in Asian and Pacific rim countries – Singapore, Japan, Australia, China, Malaysia and the United States – trading as FPS Global Logistics.

SingPost said adding FH to its Group was part of its effort to build its logistics business, particularly in the light of e-commerce growth.

Wolfgang Baier, the SingPost chief executive, said many of FH's customers were in the e-commerce area, adding that the company's capabilities in freight forwarding complement the Post's own e-commerce logistics capabilities in regional fulfillment, warehousing and delivery.

"Over the past 18 months, we have been strengthening our regional logistics capabilities with new or expanded facilities including additional warehouses and a second regional airfreight hub in Singapore, as well as strategic partnerships with postal peers and industry operators," said Dr Baier.

"This investment in an experienced freight-forwarding company with a strong regional network further complements our efforts to grow our regional logistics and e-commerce business where customer demand for integrated solutions is strong."

SingPost said FH is a member of the Famous Pacific Shipping Group, a worldwide network of strategic alliances with consolidators covering South East Asia, Europe, North America, South America, the Middle East, Australia and Africa, which can ship to almost any major destination in more than 100 countries.

Source: Post&Parcel/SingPost