

**LOGISTICS COST DETERMINANTS AT CTRM  
AERO COMPOSITES SDN BHD**

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## **ABSTRACT**

In year 2006 Composites Technology Research Malaysia Aero Composites Sdn Bhd exhibited 20% of the company expenditure comes from logistics. Among the problems faced by the company this study was conducted to examine the logistics costs influenced at Composites Technology Research Malaysia Aero Composites Sdn Bhd. The objective of this study was to identify the major factors that affect logistical costs of Composites Technology Research Malaysia Aero Composites Sdn. Bhd. To meet the objectives, researcher used two methods that is trend analysis and regression analysis. For trend analysis, the researcher wanted to figure out the fluctuation to the logistics costs. In addition for the major factors that affected the logistics costs, researcher used regression analysis in order to understand which factors that influence logistics costs more.

This study found out the trend shows that logistics costs at CTRM AC Sdn Bhd do have a variability which consists of the increased and declined of the slope. In other hand, by using regression analysis it showed the variables significantly towards the logistics costs. Among the eleven variables only four were significant which were the Gross Domestic Product for Malaysia, the United States and the United Kingdoms and the Exchange Rate for the United Kingdoms.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

This chapter serves as a general outlook of the research. It will provide information such as the background of the study, company background, problem statement, research questions, research objectives, scope and coverage, significance of study, limitations of study and definition of terms.

#### **1.2 Background of Study**

Logistics became a topic for discussion in the Business World in the 1960's and 1970's and rose to prominence in the 1980's. It was truly in the 1990's; however, that Logistics began to garner the appreciation it deserved. In the twenty-first century and beyond, the creation of a sleek, flexible, and effective supply and value chain will no less than define the success or failure of organizations and perhaps even entire business types (CLM, 1998).

The scope and role of logistics have changed dramatically in recent years. Logistics has traditionally played a supportive role to functional areas such as marketing and production, and its scope was limited to transportation and warehousing. More recently, logistics has become more prominent and is recognized as a critical factor of competitive advantage (Garland Chow, Trevor D. Heaven, Lennart E. Henriksson, 1994). The growing importance of logistics arises from companies going global to access new markets, realize greater production efficiencies, and tap technological competencies beyond their own