



UNIVERSITI TEKNOLOGI MARA

**AN OVERVIEW IN IMPLEMENT GREEN LOGISTICS:
A CASE STUDY AT KONTENA NASIONAL BERHAD
(KUANTAN BRANCH)**

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ABSTRACT

Green logistics is one of the environmental friendly terms that relates with producing, supplying, and moving goods in a sustainable manner. The impact of practicing green logistics is not only towards the environment itself but also indirectly give impact towards the society and business. Today, many developed countries have put great efforts towards practicing green logistics to obtain benefits and there are claims that green logistics can be an effective tool and strategy to increase competitive advantage for business survival. Therefore, the objectives of this study are to understand the green logistics practised at Kontena Nasional (KN) Kuantan and to explore the implementation of green logistics to KN operations. The results of this study were obtained through face-to-face interview with 8 respondents who are decision makers, implementers and users at KN Kuantan. The data was analyzed using the Textual analysis, later compared to the literatures about green logistics and environment pollution. The knowledge of green logistics, benefit of green logistics, green logistics activities, green logistics activity (company focus), and impact of implementation & not implementation green logistics are a part of the findings. The result from this study is expected to assist the researcher in deriving a better understanding of the green logistics activities that are undertaken by KN Kuantan and how these activities are being dealt with in their operation. This study also revealed economic and environment aspects are positively significant with level of green logistics activities.

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF STUDY

According to the Economic Planning Unit (Primes Minister's department) (2014) the logistics industry is the backbone of global supply chain and is increasingly recognised as the key to stimulate trade, facilitate business efficiency and spur economic growth. In Malaysia, the logistics industry is highly fragmented, comprising of many small and medium sized logistics company. The logistics activity is either outsourced to professional logistics service provides or performed internally as in-house logistics by manufacture or distributors. In logistics the core component is transportation; however it scopes covers a wide range of other areas such as storage, warehousing, trucking services and equipment maintenance.

Green logistics term or logistics goes green are no longer a novelty in the world of logistics due to the role of logistics services that has radically changed according to globalization demands and the emerging market conditions. Therefore, logistics could not avoid from making its activities become sustainable and environmental-friendly, since it become one of the main contributor to environmental degradation.

The objective of implement the green logistics is to reduce impact on the environment, lower production cost, and improve product value. In addition, green logistics can also lead to decrease the inventory level, reduce logistics cost, increase revenue and profit, improve service, enrich information for reverse logistics, and enhance company image. The effective environmental-friendly management not only affects an organization's operational and economic performance but also increases its competitiveness in the long run.