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Partnering to Ensure Security of the Supply Chain

Submitted by: DHL



Secure Trade in the APEC Region (STAR V)
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27-28 June 2007



Partnering To Ensure Security of the Supply Chain

APEC STAR V CONFERENCE Sydney 27 - 28 June 2007

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Conference of Asia Pacific Express Carriers (CAPEC)



- · Regional representative body of the Air Express Industry in Asia Pacific since January 1996
- . Founding Members : DHL, FedEx, TNT, UPS
- Affiliated to the Global Express Association (GEA) based in Brussels and other regional Express Industry Associations (XLA, EEA, CLADEC)
- · Website http://www.capec.org

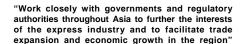








CAPEC's MISSION











What is the Air Express industry?

- · US\$155 billion in global revenues
- · Over 30 million shipments daily
- 1, 200,000 employees
- 170,000 vehicles
- 1,700 aircraft
- · Operations in over 220 countries
- · Continuous 20% annual growth between 1996 and 2005
- By 2017, Air Express industry is expected to represent almost 36% of global air cargo with an average growth rate of 18%











The Express Industry is Unique



- Speed and Reliability
- Nothing Stands Still
- · Fully integrated, door-todoor delivery
- Global
- Full Custodial control
- "Track and trace" technology









Speed is critical to Express Delivery Services

- · Speed and volume are the economic drivers of **Express Delivery Services.**
- · Revenue falls if speed or volume falls.
- · If revenue declines there is no money to invest in technology.























Why customers use Express **Delivery Services**



- · Rapid, reliable delivery reduces need for large inventories and warehouse costs
- Global manufacturers demand faster (24-48 hours) and time-definite delivery of shipments
- · Express delivery of samples where design is of paramount importance









Why customers use Express **Delivery Services (Cont'd)**



- · Small and medium size enterprises (SMEs) leverage global air express economies of scale
- · Key role in after sales-service with replacement









Illustration of how air express impacts an economy



- · 32% of small and medium size enterprises (SMEs) would lose orders
- · 16% of UK firms would have to relocate overseas
- 84% of new economy firms would be badly affected

Impact if no, or inefficient, air express

· 32% of companies would reduce investment and expansion

Impact of an open air express industry

- · 44% of companies would increase investment
- · 41% of companies would add more employees

Source: Oxford Economic Forecasting

Source: US-China Business Council









Partnering To Ensure Security of the Supply Chain

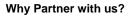
- · Changing the rules will not change people's behaviour
- . Borders are human, not lines on a page
- · Quality comes from consistent high performance.













- · The world's leading integrated air express carriers. We have over 30 years of global expertise in ensuring a secure supply chain
- We want to partner with the APEC governments to develop effective and cost efficient security measures that do not impede the flow of trade
- . CAPEC is a resource used by countries throughout Asia to assist in the development of security regulations









10 Air Express Security Benefits

- 1. Track and Trace door to door
- 2. We see the shipper and the package
- 3. We have full custodial control
- 4. A record is kept of every transaction
- 5. Secure facilities and vehicles























































FedEx.

