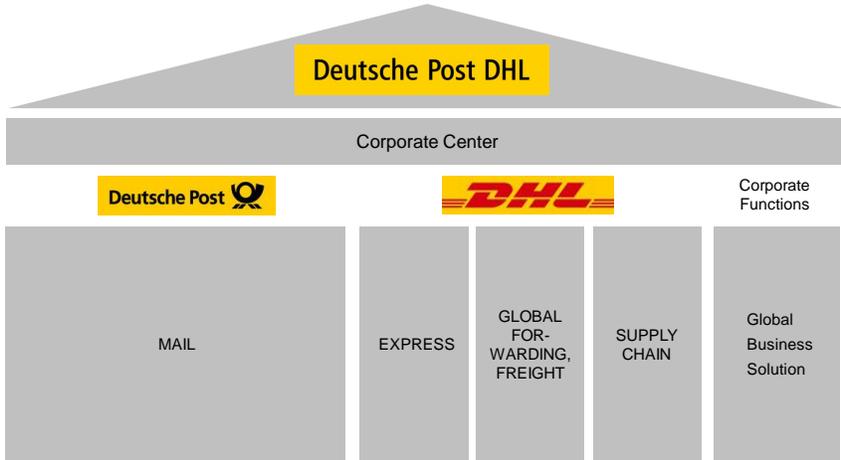


LOGISTICS TRENDS

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Brussels, April 27, 2011



DP DHL CORPORATE STRUCTURE



TRENDS IN LOGISTICS

Four important developments are shaping the future of logistics

- 1 **Shifting trade patterns**
 - Underlying social, demographic and economic developments are re-shaping trade flows
- 2 **Customization (mostly on sector level)**
 - Customers want solutions that meet their specific logistics needs
- 3 **Information management**
 - Logistics is increasingly about supply chain information management and not only about physical handling of the flow of goods
- 4 **Cost & carbon efficiency**
 - Customers are increasingly more aware about the costs and carbon footprint associated with their supply chains

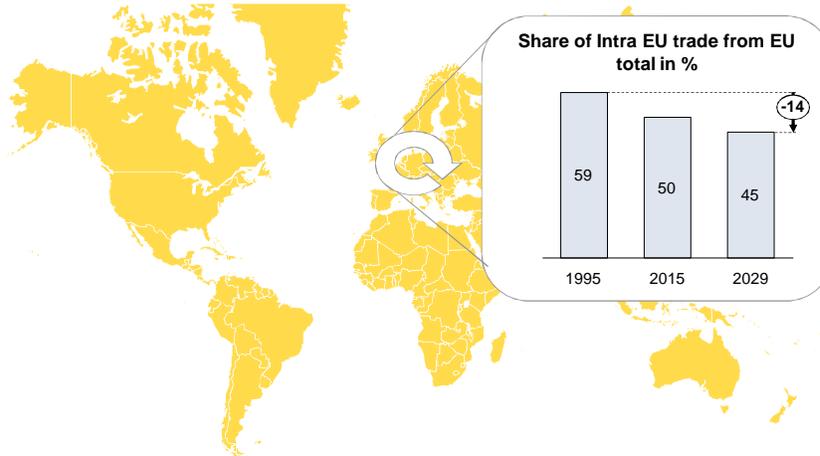
1 SHIFTING TRADE PATTERNS

The 3 high growth triangles of trade today represent nearly 50% of total trade and are expected to grow fast in the coming years



1 SHIFTING TRADE PATTERNS AND THE EU

Intra EU trade remains important but its share of total EU trade is diminishing



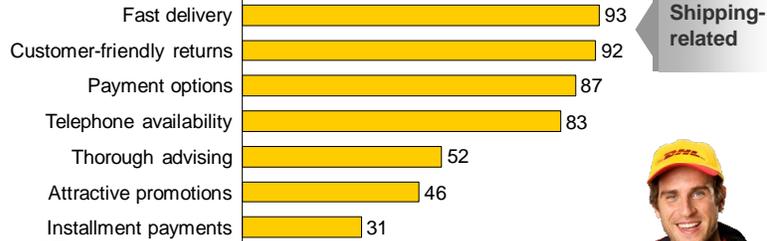
2 CUSTOMIZATION & SECTOR DRIVEN APPROACH

Each industry has different logistics needs and logistics providers are increasingly focusing on developing sector specific solutions

Sector	General Trends	Logistics Needs
 Life Sciences	<ul style="list-style-type: none"> • Consolidation via M & A, patent expiry of major drugs • Growth of generic companies globally (e.g. Indian generics) • Increase in compliance regulation • High demand in EU & US 	<ul style="list-style-type: none"> > More global production & need to involve in trade > Demand for compliance advice > Increase in temperature controlled transport/ cold chain
 Technology	<ul style="list-style-type: none"> • Outsourcing production to business partners esp. in Asia, while retaining the IP of these products • Cost pressure from end consumer – cheaper and better • Increasing design capabilities in Asia 	<ul style="list-style-type: none"> > Driving down cost through logistics innovations and process improvements > Speed to market for new products (e.g. postponement strategies) > Reverse logistics/ recalls
 Fashion & Apparel	<ul style="list-style-type: none"> • Growing sales in emerging markets • A lot of manufacturing continue to move to low cost economies leading to long and complex supply chains • When speed to market is required, nearshoring for part of production • Customer show awareness for environment 	<ul style="list-style-type: none"> > Vendor management of suppliers in offshore locations > Visibility during transportation > Increased commitment to carbon reduction

2 CUSTOMIZATION & SECTOR DRIVEN APPROACH

Services that matter in e-commerce (classification as "important" in percent)



- We're not just an anonymous provider "bringing parcels from A to B"
- We have a profound interest in our customers' business success
- We work with our customers to develop and support appropriate business models



Source: "Web Shopping 2009" trend study commissioned by the BVH

3 INFORMATION MANAGEMENT

Logistics increasingly is about information management and process optimization

▶ **Visibility along the supply chain:**
ability to know where particular good is along its path to consumers

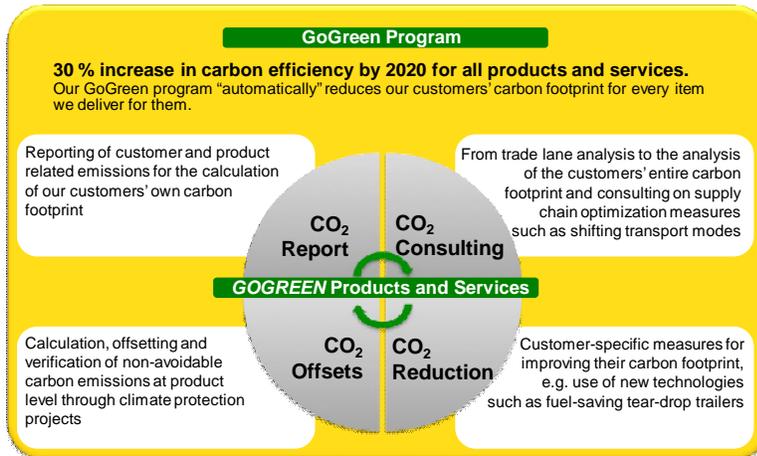
▶ **Data storage and usage:**
storing the visibility data and using it to optimize logistics performance

▶ **Electronic data interfaces between customers and logistics providers (and even governments):**
Removing double work, speeding up processes, reducing costs



4 CARBON EFFICIENCY

With **GOGREEN** we help our customers reduce their carbon footprint



WHAT POLICY TO MEET THE TRENDS IN LOGISTICS?

1 Shifting trade patterns

- Reach agreement on a **WTO trade facilitation agreement**, including a chapter on expedited clearance procedures.
- Obtain commitments in the services negotiations in the **Doha Round**
- **In FTAs between the EU and 3rd countries**: obtain market access and national treatment commitments for express delivery services, road transportation etc.
- The antiquated **restrictive bilateral regulatory framework** governing aviation no longer fits today's global economy and needs to be revised

2 Customization and e-commerce

- **Data Privacy/Security**: balance necessary data flow with privacy concerns
- **VAT harmonisation**
- **Eliminate restrictions to cross-border access or sales**
- **New Single Market Act**
- **IPR enforcement** should not hamper supply chain
„FRONTEX for goods“, screening of shipments are insufficient

3 Information management

- **Data Privacy/Security**: balance necessary data flow with privacy concerns
- Standardization of **data structures for the communication messages**
- Standards for **data security** for connecting the IT systems of companies along the same supply chain to exchange track and trace data

WHAT POLICY TO MEET THE TRENDS IN LOGISTICS?

4 Cost & carbon efficiency

- Need to urgently complete **Internal Market for all transport modes!** rail, air, road (i.e cabotage)
- Ensure efficient and rapid functioning of the **rail freight corridors**
- **Incentivize and/or fund intermodal solutions for extra-EU freight** transport coming into and out of the EU
- **Transport price regulation(s) impact SMEs and power-sellers**
ETS, carbon tax, road charges (Eurovignette III)
- Promote financial (e.g., tax and charges rebates) and in-kind (e.g., privileged access to city center) **incentives for end users of commercial vehicles** to ensure rapid deployment of greener vehicle solutions, aerodynamic features and ITS devices
- Allow operations in the EU of **longer and heavier vehicles** when possible, including for EU cross-border operations
- **Carbon accounting methodology** (CEN, EU SmartWay)
- **Transport Policy White Paper: 30 % above 300km shift from road to rail/waterways in 2030**
What about Express, next-day-delivery, E-commerce?
- **City planning** needs to include logistics players to ensure delivery
Access restrictions, night driving bans, consolidation centres
- Develop a **standardized load factor measurement** to optimize the capacity utilization of trucks, stimulate the development of technologies for measuring load factors, create bodies to collect the data for the industry and schemes that incentivize utilization improvements
- Ensure utilization of **45ft intermodal loading unit for intra-EU transport**
- Need an **integrated policy approach** between IMCO, TRAN, ITRE, ENVI,...

Q & A

Additional questions? Please contact:

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