



PROVIDING COMPREHENSIVE SOLUTIONS

As an enabler of global trade, Deutsche Post DHL Group employs approximately 5,70,000 people in over 220 countries and territories worldwide. Its Global Forwarding Freight division ended 2019 as the leader in the air freight market with 1.9 million tonnes air freight export and ranked second in the ocean freight market with 3.2 million twenty-foot equivalent units (TEU).

Deutsche Post DHL Group is the world's leading logistics company that connects people and markets. The Group owns two major brands – DHL and Deutsche Post. While the later is Europe's leading postal and parcel service provider, DHL offers a comprehensive range of parcel and international express service, freight transport, and supply chain management services, as well as e-commerce logistics solutions.

From a government-controlled

deficit-ridden national agency, known as Deutsche Bundespost (1990), to a profitable European mail and parcel service provider called Deutsche Post DHL Group, the company has steadily covered its journey to become the global logistics market leader traded on the stock exchange. Deutsche Post AG went public in November 2000 and has been listed on the DAX 30 (Germany) since March 2001. In September 2013, Deutsche Post AG additionally joined the Euro Stoxx 50 Index.

by **SANJAY BAKSHI**

EUROPEAN POSTAL SERVICE EVOLUTION

The Group's emergence and evolution are deeply embedded in Europe's postal service history whose origins date back to 1490 when Franz von Taxis, a descendant of a courier-operating family, founded the modern postal system in the continent. Later on in 1646, Prussian Elector Friedrich Wilhelm founded the Prussian state postal service by issuing postal regulations. In 1844, Europe saw

EXPRESS INDUSTRY'S LARGEST AIRSIDE FACILITY OPENED IN INDIA

With an investment of €22 million over the next 10 years, DHL Express has opened the express industry's largest airside facility in Bengaluru, India. When operating at full capacity, this new and expanded facility can handle more than 90,000 tons of shipment per year and will reduce daily cut-off time for shipment pick-up by up to 60 minutes.

Located within the Kempegowda International airport, this newly expanded Bengaluru Gateway by DHL Express spans over 112,000 sq. feet, over four times larger than the previous facility. The additional capacity enables DHL Express to offer 12 to 24 hours faster connection and delivery of imported goods across India.

another development in postal services when Danzas, a French shipping and transport company, assumed the responsibility for international mail on behalf of the Swiss PTT, guaranteeing the delivery between Switzerland and England within 24 hours. Thirty years later, 22 European nations signed an international agreement on reciprocal transport of mail called General Postal Union to be renamed Universal Postal Union four years later, and to be declared a UN specialised agency in 1948. The ground for Deutsche Post was laid down when German Chancellor Bismark united the post and telegraphs administration of German empire into one administrative body 'Reichs-Post und Telegraphenverwaltung' to assert the state's sovereignty and control of news communication within the empire, which further came under the Reich Ministry of Posts' administration as an independent enterprise in 1924. In 1950, Deutsche Reichspost was succeeded by Deutsche Bundespost as a government agency responsible for national and international postal services and telecommunications offering extra services such as postal

TABLE 1

Group's revenue (In € Million)	FY16	FY17	FY18	FY19	FY20	H1, FY20	H1, FY21
Revenue	57,334	60,444	61,550	63,341	66,806	31,401	38,333
EBIT	3,491	3,741	3,162	4,128	4,847	1,504	3,994

SOURCE: DHL; FY: Jan-Dec

TABLE 2

Group's markets (In € Million)	FY19	FY20	H1, FY20	H1, FY21
Germany	19,040	19,814	9,509	10,627
Rest of Europe	18,772	19,012	8,903	11,133
Americas	11,841	12,993	5,993	7,801
Asia-Pacific	11,075	12,260	5,681	7,254
Others	2,613	2,727	1,315	1,518

SOURCE: DHL; FY: Jan-Dec

TABLE 3

Division revenue (GFF) (In € Million)	FY19	FY20	H1, FY20	H1, FY21
Revenue	15,128	15,914	7,721	9,987
Global forwarding	10,680	11,681	5,664	7,616
Freight	4,565	4,345	2,114	2,433
Others / Adjustments	-117	-112	-57	-62
EBIT	521	590	264	528

SOURCE: DHL; FY: Jan-Dec

giro (personal money transfer model), savings bank, newspaper, pension payment, broadcasting and bus services. DHL became part of Deutsche Post much later in 2002 (refer Timeline).

GROUP OVERVIEW

The Group's 2020 revenue is almost €67 billion growing at a CAGR of 4 per cent between 2016 and 2020. Earnings Before Income Tax (EBIT) at €4.8 billion during the same year, is 7 per cent of the revenue and has grown at a CAGR of 9 per cent over 5-year period. In terms of half-year performance, Group's revenue increased 22 per cent in H1 FY21 over H1 FY20, while EBIT increased by astounding 166 per cent. Native Germany and rest of Europe are its biggest markets, each contributing an average of 28-30 per cent in Group's total revenue. However, the markets which delivered the higher revenue growths during half-year period are the Americas and Asia-Pacific regions at 30 per cent and 28 per cent respectively.

As a Group, Deutsche Post DHL employs approximately 5,70,000 people in over 220 countries and territories worldwide. The Group has five operating

divisions – Post and Parcel Germany, Express, Global Forwarding Freight, Supply chain and E-Commerce solutions. Each division is managed by its own divisional headquarters and subdivided into functions, business units and regions for reporting purposes. Though the Group's management functions are centralised corporate functions, the internal services that support the entire Group are consolidated in its Global Business Services unit.

GLOBAL FORWARDING FREIGHT (GFF) DIVISION

The activities of DHL Global Forwarding Freight division comprise the transportation of goods by road, air and sea. The services include standardised transports as well as multimodal sector-specific solutions, together with customised industrial projects which its 43,000 employees in over 150 countries deliver for more than 175,000 customers. The division has asset-light business model which is based on brokering transport services between customers and freight carriers. The global reach of the division's network allows it to offer efficient routing and

DHL TIMELINE

- **1969:** Adrian Dalsey, Larry Hillblom and Robert Lynn, using initials of their last names, together form the company DHL in San Francisco introducing a new industry sector of international air express service
- **1971:** DHL rapidly expands network in the far East and in the Pacific Rim; Also begins offering services in Japan, Hong Kong, Singapore and Australia (1972) and later in Europe (1974, Latin America (1977) and the Middle East & Africa (1978)
- **1979:** DHL adds parcel delivery to its list of services that is limited to delivery of documents till now
- **1986:** DHL enters into JV with China, making it the first express company to operate inside the country
- **1989:** Meanwhile in Europe, Deutsche Bundespost (Germany) is restructured into three sectors – Deutsche Bundespost Postdienst, DBP Postbank and DBP Telekom – as a result of the first postal reform; British National Freight Consortium (NFC) creates the Exel brand – the largest transport, relocation and contract logistics company in the UK, focusing on distribution and warehousing for manufacturers and retailers
- **1990:** The East German Deutsche Post is incorporated into Deutsche Bundespost
- **1995:** Introduction of second postal reforms marked by conversion of three Deutsche companies into stock companies under private law, federal government shares are offered for sale to private shareholders; Federal Posts and Telecommunications agency is founded, representing federal government's interests as a shareholder in the three stock corporations in the supervising and coordinating capacity
- **1996:** Massive investments in logistics technology result in faster delivery of letters and parcels throughout Germany, and reorganisation and modernisation of production at 33 parcel centres speed up the distribution process; By 1998, a network of 83 high-tech production centres is in place
- **1997:** Deutsche Post AG begins global expansion in response to the growing number of customers seeking a single service provider for their national and international shipping needs; Germany passes a

- new Postal Act introducing greater competition, making Germany the forerunner in liberalisation of the postal markets in Europe
- **1998:** Deutsche Post acquires 25 per cent share in the DHL International Ltd giving birth to strategic cooperation between Europe's largest postal company and the worldwide market leader in international courier shipments; Parcel and express services across Europe starts with investments in leading European companies; A Europe-wide distribution network operating under brand name Euro Express is set up whose success is driven by its partners and subsidiaries in more than 20 European countries; Entry into North American mail market is made with acquisition of Global Mail (USA) – the largest private provider of international mail services in US
- **1999:** Swiss logistics provider Danzas and the largest American service provider in the field of international airfreight, Air Express International (AEI) are also acquired to be integrated into the intercontinental divisions of Danzas; Acquisitions provide Deutsche Post with a dense transport network and an impressive portfolio of value-added services; Federal government of Germany sells its shares in Postbank to Deutsche Post AG
- **2000:** Deutsche Post goes public in November with largest IPO of

- the year in Germany and the third-largest worldwide
- **2001:** 1st AGM is held in the Kölnarena with ~6,000 shareholders
- **2002:** Deutsche Post AG acquires Lufthansa Cargo's share in DHL increasing its majority stake to 75 per cent, then makes DHL its wholly subsidiary in December 2002 after acquiring the remaining shares from two investment funds and Japan Airlines; Value-creation programme STAR is launched as guiding principle across all functions, organisational units, locations and employees
- **2003:** Deutsche Post AG bundles its entire express and logistics business under DHL brand with bringing the courier and express business (formerly DHL), the parcel business (formerly Euro Express) and the logistics business (formerly Danzas) together under the new brand; Group's first environmental report titled 'Naturally networked' is published
- **2004:** Postbank goes public by launching IPO - largest new issue in Germany since Deutsche Post AG's IPO; Deutsche Post presents the first Human Resources and Social Report in the company's history
- **2005:** Deutsche Post acquires UK's Exel for €5.5 billion; DHL introduces new corporate wear, delivering 1.4 million clothing items to 110,000 DHL employees in over 200 countries within 9 months; Most of Deutsche Post

- shares are held privately with over 53.8 per cent of all Deutsche Post shares now in free float
- **2006:** The Group launches its 'First Choice' service campaign initiating over 1,000 individual projects worldwide to increase customer satisfaction among both private and business customers
- **2007:** DHL Innovation Centre opens in Troisdorf near Bonn where projects are realised together with innovation partners including IBM, Intel and SAP and maintaining research partnerships with logistics institutes of Massachusetts Institute of Technology (MIT), Boston and Saragossa as well as the German Fraunhofer institutes; Capital market programme for shareholders 'Roadmap to Value' is introduced
- **2008:** DHL opens its European air freight hub at Leipzig/Halle airport in Germany expanding its international network, the hub being its first self-sufficient facility in regard to electricity, heating and cooling energy and uses rain-harvested water for washing the aircraft; Global climate protection programme 'GoGreen' starts
- **2009:** The Group is renamed as Deutsche Post DHL Group, interlinks DHL divisions; Deutsche Post AG sells 22.9 per cent of Postbank stake to Deutsche Bank as first tranche in the sale process to gradually withdraw from banking business



“FREIGHT RATES WILL REMAIN ELEVATED,” SAYS NIKI FRANK

Continued congestion at major ports—both in supplier as well as importing destination countries—which are seeing their largest backlogs this year, along with demand exceeding supply would mean that freight rates—both ocean freight and air freight—will remain higher than the normal, according to Niki Frank, CEO South Asia and CEO India at DHL Global Forwarding.

“During this time of the year, most companies are setting their budgets for 2022. When speaking to many of our customers over the last few weeks, I observed that most of them have a realistic expectation of the freight market for the coming year. Unfortunately, some customers are still pretty naively expecting a ‘return to normal’, Frank said in a recent post on his LinkedIn account.

“In my view, there is no ‘normal’ anymore and we should rather talk about a ‘new reality’. And at least for 2022, this reality will be continuously elevated freight rates due to demand exceeding supply, both in ocean freight as well as in air freight,” he added in the post.

multimodal transport options. The global forwarding component dominates division’s business, contributing an average 73 per cent to the total revenue.

The division ended 2019 as the leader in the air freight market with 1.9 million tonnes air freight export and ranked second in the ocean freight market with 3.2 million twenty-foot equivalent units (TEU). However, things turned challenging in 2020 with arrival of COVID-19 pandemic impacting global forwarding market. The division also suffered a significant drop in volumes. The capacity shortage, particularly in the air freight, caused freight rates to increase, at times considerably. As per International Air Transport Association (IATA), there was a 10.6 per cent decrease in total freight tonne kilometres flown worldwide still DHL Forwarding managed to increase its 2020 revenue by 29 per cent over 2019. On the other hand, ocean freight market also suffered from volume drops during 2020 with a number of key distribution points experiencing congestion and delays as freight carriers attempted to adjust capacity to match



Despite all odds, DHL e-commerce division achieved an overall global on-time delivery quality of above 94 per cent in 2020.

TABLE 4

Revenue Transport wise (Global Forwarding) (In € Million)	FY19	FY20	H1, FY20	H1, FY21
Air freight	4,772	6,137	2,975	3,824
Ocean freight	3,604	3,441	1,703	2,749
Others	2,304	2,103	986	1,043

SOURCE: DHL; FY: Jan-Dec

TABLE 5

E-Commerce Solutions' revenue (In € Million) & regions	FY19	FY20	H1 FY20	H1 FY21	SERVICES IN THE REGION
Division Revenue	4,045	4,829	2,158	2,888	
Americas	1,153	1,629	702	984	Nationwide domestic delivery in US and cross-border shipping from the US and Canada
Europe	2,307	2,618	1,208	1,573	Domestic deliveries in 7 countries and pan-European cross-border shipping via the DHL Parcel Connect Platform
Asia	586	593	251	336	Nationwide domestic and cross-border delivery in Thailand, Malaysia & Vietnam; Cross-border shipping from China, India, Australia and Singapore; In India (as Blue Dart) nationwide domestic courier delivery & integrated express parcel distribution
Others	-1	-11	-3	-5	
EBIT	-51	158	7	233	

SOURCE: DHL; FY: Jan-Dec

DHL TIMELINE

- **2010:** Digital letter the E-Postbrief is launched for private individuals, businesses and administrative bodies to communicate with one another safely and securely over internet
- **2011:** The Group invests €750 million in the modernisation of its Germany-wide parcel network in the coming years; The Group develops own electric car in association with StreetScooter GmbH and RWTH Aachen University to be used for mail and parcel delivery; Deutsche Post DHL and UN Development Programme together announce expansion of new Get Airports Ready for Disaster (GARD) training programme to provide air logistics management training to airport personnel, local safety experts and representatives from national level disaster agencies followed up by GARD Plus in 2012
- **2012:** DHL Express North Asia Hub at Shanghai Pudong International Airport, biggest in Asia, is opened
- **2013:** DHL's use of electric delivery vehicles in Bonn makes the city the first location in Germany with a carbon-free vehicle concept; DHL expands global hub for the Americas by inaugurating newly expanded hub at Cincinnati/North Kentucky (AVG) airport
- **2014:** The new 'Strategy 2020: Focus.Connect.Grow' is announced defining the company's next phase of development post the success of 'Strategy 2015'
- **2015:** New brand campaign with tagline 'The Power of Global Trade' is launched underscoring the influence of global trade on people's well-being and the important role DHL plays within this area
- **2016:** UK's largest integrated mail and parcel operator, UK Mail is acquired that allows merging of DHL's e-commerce expertise and parcel delivery with UK Mail's existing customer base and network; DFS Deutsche Flugsicherung, Deutsche Telekom, Deutsche Post DHL Group and RWTH Aachen University launch a joint research project on drones to ensure safe integration of unmanned aircraft (ParcelCopter) in the air traffic; DHL now delivers parcels to smart car trunks co-piloted by Smart Today
- **2017:** The company targets to become market leader in green logistics by expanding its portfolio of green products and services
- **2018:** In cooperation with Accenture, DHL launches Global Trade Barometer – an indicator based on large amount of logistics data evaluated by AI to be published quarterly for world trade; DHL and ESL – world's largest esports company, cooperate to embrace the future of digital sports; Deutsche Post focuses on Post – ecommerce – Parcel (PeP), named as Post & Paket Deutschland, and establishes international parcel (previously DHL Parcel Europe) and DHL eCommerce businesses as a standalone division – DHL eCommerce Solutions
- **2019:** 'Strategy 2025 – Delivering excellence in a digital world' is launched to step up the digital transformation of the group
- **2020:** Group launches sustainability programme 'GoTrade' in cooperation with German Federal Ministry for Economic Cooperation and Development involving an investment of €30 million in the digitisation of customs and trade processes, the promotion of e-commerce and low-emission logistics in cities, focusing Africa
- **2021:** Decarbonisation of the company gathers pace with an investment of €7 billion over next ten years to reduce its CO₂ emissions

TABLE 6

SC Division revenue (In € Million)	FY19	FY20	H1 FY20	H1 FY21	Share H1 FY21
Revenue	13,533	12,537	5,965	6,556	100%
Europe, Middle East & Africa	6,805	6,104	2,915	3,142	48%
Americas	4,759	4,640	2,186	2,443	37%
Asia-Pacific	1,992	1,814	868	986	15%
Others / Adjustments	-23	-21	-4	-15	
EBIT	911	590	138	365	

SOURCE: DHL; FY: Jan-Dec

the market demand and avoid major capacity surpluses. The result was 4.5 per cent drop in 2020 revenue of DHL ocean freight. The pandemic impact was seen in the European Road Transport market too, with falling order volumes especially in the first half of 2020. However, things improved in the later part of the year when restrictions were relaxed.

In DHL global forwarding business unit, the customer feedback is systematically recorded by calculating Net Promoter Scores and conducting annual customer satisfaction surveys. The feedback is utilised in improving satisfaction indices at high level, besides improving work flows to enable the company address the customer issues in a faster and more targeted manner.

In freight business during 2020, such feedback was sought from customers in more than 30 countries. The feedback helped in defining initiatives aimed at steadily improving division's products and services. Additionally, digital sales channels such as Saloodo!, its freight quotation tool and customer portal in Sweden have helped DHL reach new customer segments and increase efficiency.

E-COMMERCE SOLUTIONS

The E-Commerce division is home to the Group's international parcel delivery business whose core business activities include last-mile parcel delivery within selected countries of Europe, the US, India and selected Asian emerging markets as well as cross-border non-TDI

NEW CARGO AIRLINE DHL AIR AUSTRIA LAUNCHED



CHRISTIAN HUSAR

DHL Express recently launched its new cargo airline DHL Air Austria, headquartered at Vienna airport. The inauguration flight of the first registered Boeing 757 under Austrian flag also took place in the presence of key partners from the Austrian government. The airline will handle European cargo flights with 18 Boeing 757 aircraft and 176 pilots.

The employees at the Vienna International Airport will manage the airline's daily operations, from crew scheduling and flight planning to crew training. They will also be responsible for safety, quality, compliance and the planning of aircraft maintenance.

ALL PICS: DEUTSCHE POST DHL GROUP



E-commerce will have a significant impact on how companies will shape their transport strategies in the future.

services especially to, from and within Europe.

Division employs 37,000+ employees who delivered more than 1.1 billion parcels over the course of 2020. Domestic last-mile parcel delivery service is provided via owned and partner networks, serving a mix of B2C and B2B customers in all sectors. The non-TDI-cross border services provide worldwide shipping solutions to enable its customers to capitalise on strong growth in cross-border trade while meeting their expectations for speed, transparency and quality. The DHL Parcel Connect Platform simplifies the pan-European cross-border shipping for customers with a harmonised label, common IT systems, core features and local services. Management of the business is centrally organised according to the regions in which the division operates.

Pandemic fuelled online shopping trend across all regions in 2020, increasing the shipping volumes especially in the B2C e-commerce segment. The division continued providing reliable services to its customers despite pandemic-related operational challenges and lockdown restrictions faced majorly in India and Spain. Despite all odds, DHL

TABLE 7

Sector-wise revenue share (SC Division)	FY20	H1 FY21
Retail	28%	28%
Consumer	23%	22%
Auto-mobility	13%	14%
Technology	13%	13%
Life sciences & Healthcare	10%	12%
Engineering & Manufacturing	5%	6%
Others	8%	5%

SOURCE: DHL; FY: Jan-Dec

e-commerce division achieved an overall global on-time delivery quality of above 94 per cent. In Europe, on-time delivery time quality to domestic service customers was 95 per cent with cross-border service being 85 per cent. In the US too, the domestic delivery service rate surpassed 94 per cent and in Asia-Pacific it was 91 per cent, driven by 93 per cent rate in India.

SUPPLY CHAIN DIVISION

DHL Supply Chain (SC) division delivers customised supply chain solutions to its customers based on globally standardised modular components. It is a profitable core business for DHL that encompasses warehousing and transport as well as value-added services such as e-fulfilment, Lead Logistics Partner (LLP), Real Estate Solutions,

Service Logistics and Packaging Solutions for strategic industrial sectors. The division also develops innovative and sustainable solutions. The business is segmented into three key market regions - Europe, Middle East & Africa (EMEA); the Americas; and the Asia-Pacific. The division maintains its world leadership position (5.9 per cent market share as of 2019) in the €228-billion contract logistics market supported by its 168,000 employees managing supply chain of 1,400 customers in over 50 countries.

In the interest of its customers, DHL Supply Chain drives standardisation across its processes and tools and uses new technologies as a part of its constant efforts in increasing speed and agility along the entire supply chain. Innovative technologies such

RETAIL SUPPORT CASES

- DHL Supply Chain has built and installed a new state-of-the-art fulfilment facility for a global cash & carry retailer on a 39,000 sq metre site in Sao Paulo, Brazil. The facility is equipped with Go Green features including low-energy lighting and lean processes. The facility is fully automated and delivers lower operating costs complying with environmental targets.
- In India, DHL operates first Indian 20,000 sq metre-large warehouse for one of the world's largest supermarkets, which is equipped with RF-enabled scanned-in and scanned-out operations, break bulk and carton labelling capabilities and a state-of-the-art Transport Management Systems (TMS).
- For a leading fashion retailer, DHL Supply chain arm has delivered a new logistics centre on a 40,000 sq metre site in Monchengladbach, a city in western Germany, supporting the company's expansion in Northern Europe. This facility will also use energy-efficient and environment-friendly techniques to minimise carbon emissions.



as wearable devices and collaborative robotics are being increasingly deployed across the operations to achieve the next level of efficiency. Additionally, it leverages the data analytics to enhance the customer experience and forecast the success of new business. Although COVID-19 impacted the division in the form of reduced volumes and compulsory temporary site closures, it continues to keep its position as quality leader in the contract logistics.

DHL Supply Chain division not only implements best practices but monitors the operational performance too, to maintain its quality standards. As part of its operations excellence programme, a service quality KPI routinely measures how well its locations meet specified customer requirements. These efforts have culminated into a high level KPI score of 95.3 per cent in 2020 along with the customer loyalty and satisfaction score improving by another 14 percentage points.

DHL Supply Chain serves diverse sectors encompassing retail, consumer, auto, technology, life sciences, healthcare, engineering, manufacturing and few others with each sector being a vital cog in today's global economy. However, division's major revenue contributing sectors are retail and consumer which together account for half of its business.

DHL FOR RETAIL SECTOR

In today's global retail, retailers are stressed to optimise supply chain efficiency and provide seamless service for customers via multiple channels. Such a market requires collaboration and optimisation in order to deliver goods to all corners of the world

for which consolidated and agile supply chains are the basic necessity. Furthermore, the retail industry is diverse with each sub-sector having its own distinct supply chain needs. For instance, the supply chain requirement of a hotel is very different from that of a fashion retailer. Understanding this need of retail industry, DHL Supply Chain division provides its services targeting five sub-sectors within retail with distinct value propositions – hotels, restaurants and catering; general merchandise retailers; speciality retailers; luxury retailers; and fashion retailers. DHL Supply Chain works with a wide variety of retailers from hypermarkets to convenience stores, e-tailers to department stores and electrical & furniture retailers to coffee shops among others.

WHY DHL ONLY

DHL Supply Chain runs world-class supply chains for many of the retail industry's most innovative and successful businesses. But what makes them partner with DHL? For the first, DHL understands the competitively dynamic retail world and its requirements of flexible and efficient ways to cope with the short product life cycles, changing customer demands, new sales channels and global distribution challenges. By offering retail's sub-sector-specific expertise DHL shares best practices to improve its clients' savings. At times even the retailers desire to outsource their non-core functions in order to focus on core to reduce capital costs and simplify their operations. This desire also makes them choose DHL as a suitable partner. In such cases, DHL orchestrates

MOBILE MEA INNOVATION CENTRE LAUNCHED IN DUBAI



DHL has launched its Mobile Middle East and Africa (MEA) Innovation Centre in Dubai to present a collaborative platform for customers, partners and other thought leaders. The state-of-the-art centre will help them solve complex logistics challenges, learn about the latest trends in logistics and network with industry innovators across the MEA region.

The first-of-its-kind 450 sq m facility located in the Logistics District at Dubai South is easily assembled and disassembled, ready to move on to the next location.

The Mobile MEA Innovation Centre will host a selection of exhibits built around key technologies that will shape the logistics industry in the future, alongside proof of concepts successfully implemented in DHL's operations. Exhibits have been curated to reflect the unique requirements of DHL's customers in the region, with a focus on the topics of IoT, artificial intelligence, robotics, bionic enhancement and data analytics across the domains of supply chain analytics, warehouse digital twins and last mile delivery optimisation.

The Mobile MEA Innovation Center is DHL's fourth innovation centre globally – after Chicago, US; Cologne, Germany; and Singapore; and the first completely mobile one. The facility is expected to stay in Dubai until 2022, and then move to Qatar, the next location on its journey across the MEA region, and is expected to continue its journey through 2027.



Eviation's Alice is the world's leading fully electric aircraft, which enables airlines—both cargo and passenger—to operate a zero-emission fleet. Eviation expects to deliver the Alice electric aircraft to DHL Express in 2024.



DHL Express and the world's leading intelligent autonomous aerial vehicle company EHang have entered into a strategic partnership to jointly launch a fully automated and intelligent smart drone delivery solution to tackle the last-mile delivery challenges in the urban areas of China.

multiple suppliers and operations across the supply chain, taking end-to-end ownership. DHL-provided dashboard visibility and control enable the retailers to make proactive and informed decisions. Add to that, DHL's global capability and experience in emerging markets help retailers access new growth opportunities and low-cost operations utilising DHL's combined power of supply chain, express, freight and global forwarding.

DHL offers the broadest, most comprehensive support for global logistics operations with 50,000-strong team of retail industry specialists, more than 400 international fulfilment centres, and a fleet of 10,000 low-carbon logistics vehicles. These resources mean that DHL's retail customers are supported in every market that matters to them. The retailers can leverage DHL's dedicated and shared transportation and warehousing resources worldwide to achieve new efficiencies and economies of scale. DHL Supply Chain is a leader in GPS, RFID and other key supply chain technologies through which it helps its customers minimise inventories and shrinkage. These technologies additionally help DHL deliver technology solutions

for multichannel and just-in-time retailing that help in reducing costs and enhancing customer service. DHL's environment-friendly vehicles and processes deployed in the service of retailers help them to reduce their carbon footprint. All these factors help the retailers grow their business and expand into new markets through their association with DHL.

SUPPLY CHAIN SOLUTIONS FOR RETAIL

With its global presence, deep retail supply chain experience and continuous investments in best-in-class IT platforms, DHL provides retailers with constant visibility, speed and exceptional customer service all around the world. From planning to sourcing, manufacturing to storage, distribution to returns, DHL offers solutions across retailers' entire supply chain to help them streamline their business. The retail sector is serviced through DHL's five supply chain solutions:

Transport solutions: This helps retail business in maintaining high levels of service and reliability by allowing full visibility into retailers' product movements and reducing their transportation costs. DHL team

puts together the ideal combination of systems, carriers and resources to meet specific needs of the retailers by managing transport & brokerage, and inbound & outbound transport operations.

Warehousing solutions: This involves improving inventory efficiency and accelerating retailer's response to changing customer demand. DHL's experts design, implement and operate flexible warehousing and distribution solutions tailored to retail business needs by analysing every point in the supply chain to determine the optimal solution. The solutions comprise DHL warehousing and real estate.

Integrated solutions: These solutions help in extending efficiency, flexibility and cost benefits to a retailer's end-to-end supply chain by drawing all necessary services of transport, warehousing and management together into a complete optimised package. Under the solutions, the main objective is to simplify retailers' supply chain operations thereby making their business even more strong and efficient. The solutions cover Lead Logistics partnership, inbound to manufacturing, service logistics, enviro-solutions and fulfilment.



Thanks to an array of StreetScooter vehicles, developed and manufactured inhouse Deutsche Post DHL Group today operates the largest electric fleet in Germany.

Additional services: The complete portfolio of DHL's additional services includes more than 250 service options that, when combined with other DHL solution offerings, provide retailers with the flexibility to address their individual logistics needs. The services also include DHL packaging and pre-sales services.

Management services: These services drive the entire ecosystem of retailers' supply chain, under which the constituting Consulting and Management services are available as stand-alone offerings or as add-ons to DHL transport or warehousing solutions. No matter which service retailers outsource to DHL, they benefit from DHL's global strengths and best practices as all outsourced elements are handled by DHL specialists. Among these services fall logistics consulting, procurement, recall services and business support centre, which cover management of four key areas of retail business—labour, IT, business continuity, and real estate.

- **Labour management** – DHL labour solutions help retailers manage the labour cost and improve the capabilities of their human capital. The approach in this regard combines labour management technology,

engineered productivity standards, comprehensive operating practices and performance recognition.

- **IT management** – DHL designs and implements global IT and project management solutions to match the needs of its clients in retail to bring consistent, high-quality, cost-effective IT services in their supply chain. This is driven by DHL's working experience with leading systems in the business that includes names like Oracle, Red Prairie, SAP, Manhattan, etc.
- **Business continuity management** – DHL helps in creating a robust, flexible and fully optimised Business Continuity Management (BCM) strategy for the supply chains that are disrupted by a natural disaster or other such destructive event impacting businesses that may include retail as well.
- **Real estate management** – Real estate is crucial in supply chain as it means warehouses and distribution centres which form vital part of operational and financial budgets. Irrespective of whatever and wherever a

retailer's market is, DHL Supply Chain bundles real estate and logistics services to offer a single-sourced comprehensive solution that reduces end-to-end supply chain cost, minimises risks and improves efficiency.

FAVOURABLE ENDING

Since DHL facilitates global trade, its continuous operation and growth is must for the success of the world's largest logistics service provider, making global trade recovery an important development in DHL's 2021 success. In that sense, things seem to be moving in positive direction as IMF has predicted 8.4 per cent increase in global trading volumes for 2021 which, if comes true, will more or less offset the downturn in the previous year. The economic upturn is also anticipated in DHL's native market Germany, driven by private consumption and particularly services, with industrial production and exports also expected to grow. Under the light of these predictions, DHL's EBIT is estimated to be in the range of €5.7 - €5.8 billion in Group's consolidated EBIT of €7 billion by the end of fiscal 2021 – a realistic achievement seeing the year's unfolding so far.**FF**