

NEWSLETTER

May 2023



Overview

- **DHL Offers the GoGreen Service to Reduce Shipment Emissions Via SAF**
- **FedEx to Move Jobs and Asia-Pacific Headquarters from Hong Kong to Singapore**
- **Drone Firm Zipline Lands GNC, Other Customers for Home Delivery Service**
- **SAP introduces AI solutions to "future-proof" supply chains**
- **Is the hybrid carrier the wave of the future for freight transportation?**



DHL Offers the GoGreen Service to Reduce Shipment Emissions Via SAF

DHL Aviation, the in-house airline of DHL Express, has launched GoGreen Plus service, which allows air cargo customers to reduce the CO₂ emissions associated with their shipments through the use of Sustainable Aviation Fuel (SAF).

From June, DHL stated, air cargo clients throughout the world will be able to select the GoGreen Plus service for their shipments, giving them the option to customize the quantity of SAF they use and the percentage of CO₂e reduction they want to accomplish.

According to Travis Cobb, EVP of Global Network Operations & Aviation at DHL Express, the company's "greatest goal" is to reach net-zero emissions by 2050.

"Using SAF is currently key to reducing carbon emissions in aviation, and our GoGreen Plus service is made possible following our collaborations with bp and Neste to supply SAF to DHL Express hubs around the world," Cobb stated.

SAF is made from waste oils and, when compared to the standard jet fuel it replaces, can reduce greenhouse gas emissions by up to 80% during its lifetime.

Ingrid Raj, SVP, Global Head Aviation Commercial, DHL Express, explained that customers can lower their Scope 3 emissions through in setting through GoGreen Plus. These are the indirect greenhouse gas emissions that happen in a company's value chain.

The launch of GoGreen Plus, according to Raj, "with the introduction of GoGreen Plus, we empower our air cargo customers to make more sustainable choices and embolden their contribution to reducing carbon emissions."

With more than 300 specialized aircraft, DHL Aviation operates 18 of its own and partner airlines, offering more than 2,400 daily flights to more than 500 airports across the worldwide. TDI, DHL Express's primary product, using the majority of freight capacity.

If any cargo space remains on these flights, DHL Express sells it to businesses that deal in air freight. Following the prior successful launch of GoGreen Plus for Express courier shipments, the DHL GoGreen Plus service will be made available to clients who are purchasing air cargo at the Air Cargo Europe Trade Show in Munich.

Additionally, it supports the intermediate objective of utilizing 30% SAF for all air travel by 2030 and the environmental goal of the Deutsche Post DHL Group to achieve net-zero emissions by 2050.



FedEx to move jobs and Asia-Pacific headquarters



A significant business chamber claimed that FedEx decided to relocate jobs and its regional headquarters from Hong Kong to Singapore was due to the "changing global environment."

The American-based package delivery corporation told the Post on Friday that less than 15% of the roles will be relocated from the city state's original locations in Asia Pacific, the Middle East, and Africa.

In order to integrate operations "with greater speed and agility," FedEx announced it was moving portions of the Middle East, Asia-Pacific, and Africa offices to Singapore.

The business stated that its Hong Kong division will keep supporting its activities in the rest of the nation, the north and south Pacific, India, and Africa, and that it would continue to play "significant presence" and leadership roles locally.

FedEx has operated for 39 years and established its Asia-Pacific headquarters in Hong Kong in 1992, and opened a hub in Guangzhou in 2009.

The American Chamber of Commerce in Hong Kong responded to the announcement by expressing its satisfaction that FedEx, a member since 1986, was continuing to have a local presence in Hong Kong.

"AmCham member companies make strategic decisions that serve the best interests of their business and customers in Hong Kong and the region," a spokeswoman said. "They regularly modify such choices in light of their goals in the context of the shifting global environment.

She added that while some businesses anticipated reducing their level of investment in the city, the majority were likely to retain or increase operations over the next two years.

Hong Kong has suffered the effects of deteriorating US-China relations as the two superpowers put tit-for-tat sanctions on officials.

The national security law, which was passed in 2020, has also been blamed by Washington for weakening civil freedoms in Beijing and Hong Kong.

In 2019, the company apologized to Huawei Technologies after the Chinese telecoms equipment supplier claimed that FedEx had illegally diverted two parcels it delivered from Japan to the US mainland, without authorization.

In response to the pandemic, FedEx closed its pilot base in Hong Kong in 2021 and made the change permanent.

The city's logistics sector has been impacted by the unpredictability of the global economy. The Hong Kong Airport Authority stated last month that although cargo increased 5.8% in March compared to a year earlier, the rise was mostly attributable to a low base of comparison due to supply chain interruptions brought on by the epidemic.



Nevertheless, the airport was the busiest in the world in terms of cargo in 2022, handling 4.2 million tonnes last year.

FedEx's routine operations in the city will continue as usual, according to Gary Lau Ho-yin, head of the Hong Kong Association of Freight Forwarding and Logistics, and he does not anticipate any substantial effects on the local logistics industry. Given its distinct competitive advantage, Hong Kong remains the region's top logistics center, he claimed. "We believe that multinationals will have an active role and continue to cast a vote of confidence in Hong Kong."

But Britain-based political scholar Steve Tsang said multinationals such as FedEx relocating their regional headquarters out of Hong Kong indicated they were voting with their feet.

According to Tsang, director of the School of Oriental and African Studies China Institute at the University of London, "Whatever may be put forth as the official explanation, the most powerful calculation must be whether Hong Kong still provides the edge it enjoyed historically as a preferred location for multinationals to have their regional headquarters."



Drone Firm Zipline Lands GNC, Other Customers for Home Delivery Service



Dive Brief

The drone delivery company Zipline has acquired new clients in the retail, food, and healthcare logistics industries for its upcoming home delivery service.

GNC, Pagliacci Pizza, and Associated Couriers are among the companies that will employ Zipline's Platform 2 service, which transports items using a delivery drone and robot.

Although specific launch dates weren't disclosed, according to Zipline, GNC will start offering delivery via Platform 1 this year before introducing Platform 2 in 2024.

Dive Insight

As drone operators seek to increase activity and boost unit economics for the burgeoning last-mile delivery method, Zipline is expanding the number of customers that intend to use its Platform 2 technology.

When Zipline first launched the Platform 2 service in March, it said restaurant chain Sweetgreen, Michigan Medicine, MultiCare Health System, Intermountain Health and the Rwandan government would be on board.

Platform 2 is more accurate and is more suited for house deliveries than the company's Platform 1 service, which requires roughly the same amount of area for deliveries as two parking places. In the Platform 2 delivery procedure, a drone travels to its destination, hovers, and then lowers the box as an autonomous robot moves along a tether.

For Platform 2, Zipline has more than 10,000 test flights scheduled for this year, following which its first client pilot will be deployed. According to Zipline, customers will be able to utilize the Platform 2 service as a hub and spoke network for deliveries within a 10-mile radius or as a network that allows drones to fly up to 24 miles one way from dock to dock.

A variety of consumers have signed up for Zipline's new service, and the company is making sure the delivery procedure satisfies their individual requirements. It collaborated with Pagliacci Pizza to create a specially crafted pizza box that allowed each delivery droid to fit two 13-inch pizzas and side dishes for the Seattle metropolitan region.



SAP introduces AI solutions to "future-proof" supply chains

At a convention in Orlando, the company announces its partnership with Microsoft

As the industry looks for methods to increase supply chain productivity and save waste, artificial intelligence has grown throughout the FreightTech scene, becoming the conference buzzword.

While it's crucial to seek inside existing logistics systems for AI solutions, FreightTech companies are also looking at disruptive changes to global shipping that would be detrimental without AI's assistance.

These Changes Inspired WallDorf, Germany-Based Sap Se to Launch its Solution, SAP Business AI, AT the Company's Sapphire Conference In Orlando, FLORIDA, on TUESS Day. In collaboration with microSoft, the business will integrate its solutions with Microsoft 365 Copilot and Azure OpenAI to help clients increase their logistical capabilities while preparing staff to handle logistical challenges in the future.

"In a world of geopolitical tensions, product and skills shortages and new regulations, our customers continue turning to SAP for the solutions they need to solve their most pressing challenges," said SAP SE CEO Christian Klein.

Klein continued, "is why we are convinced that embedding AI in SAP software will deliver huge value for your business," citing SAP's 50 years of pioneering business software transformations, which recently obtained company leader status on Gartner's Magic Quadrant for Transportation Management Systems.



The Capacity To Change

The company entered 2023 by introducing its SAP Business Network for Logistics, a solution that enables international shippers to mitigate risk while accelerating operational response times to evolving regulatory requirements in environmental, social, and governance reporting. SAP's focus on developing user-friendly solutions for its clients is nothing new.

For instance, Germany passed its Supply Chain Due Diligence Act at the start of the year, which makes businesses accountable for the unethical behavior and environmental impact of its supply chain partners. Companies found guilty of utilizing unethical partners risk receiving administrative fines of up to 2% of their average annual turnover and fines of 50,000 euros (\$53,827.25).

Shippers and carriers will be able to identify these weaknesses and make changes in real time to ensure resilience as these international regulations become more prevalent by leveraging SAP's Business Network for Logistics.

On Wednesday, the business announced SAP Business Network for Industry, another AI-powered product that uses data gathered from its 80 largest clients, who use more than 250,000 trading partners and transact more than \$200 billion in goods and services annually.



Pfizer, a SAP client, explained how the technology is being used to get the business ready for upcoming environmental audits.

“In addition to the top and the bottom line, consumers, your employees, investors and auditors, they all want to support enterprises that care about the planet. Today, CFOs and chief sustainability officers need to ensure compliance with 20 times more climate regulations they had in the past. ... The SAP sustainability portfolio will enable you to record, report and act on actuals, not on averages, based on a green ledger — including scope 3,” according to Klein at the Sapphire event.

Wednesday, as the conference came to a close, SAP executives delivered a clear message: the AI technology being developed today isn't only about addressing issues of the present; it's also being created with tomorrow's unknowns in mind.



Is hybrid carrier the wave of the future for freight transportation?

The CEO of Convoy describes the industry's struggle in utilizing economies of scale



Dan Lewis, co-founder and CEO of the digital freight marketplace Convoy, claims in a recent blog post that FreightTech solutions have opened the door for a new shipping model called the hybrid carrier model, which would eliminate fragmentation.

Freight's Unharnessed Economies of Scale

Lewis focuses primarily on the concept of economies of scale, which states that higher levels of production may result in lower costs. Simply said, the more shipments accessible inside your network, the more chance of reducing prices and waste for shippers. Yet, according to Lewis, freight market players have not been able to do this.

"Shippers work with dozens or even hundreds of truckload carriers and brokers who compete for their business. This is currently the best strategy for shippers to get competitive coverage, pricing and service, but it leads to a transitory or what-have-you-done-for-me-lately mentality that limits the opportunity for each individual provider to think long term, and it prevents big bets that could lead to step-function improvements in service and cost,"

The CEO of the digital freight marketplace mentions further market volatility, siloed brokerage models, loading and unloading delays, and market changes as additional industry characteristics that hinder the development of economies of scale.

New Model

Lewis proposes the hybrid carrier concept, powered by FreightTech innovation and industry collaboration, to get over challenges common to conventional approaches. The use of universal trailer pools, digital integration of all load volumes, and openness regarding available capacity and order execution enable the creation of this model.

"Very few offer a universal shared trailer pool/trailer management system directly tied to a power-only marketplace of carriers who can rent/reposition those trailers as part of their work. ... This prevents network and scale economies from forming and reduces the cost, service, scale and data benefits that any single provider can offer to shippers" Lewis wrote to FreightWaves in an email. A single source for truckload volume and a single source for capacity are two more factors that are still debatable.

"Leading platforms will only get better, leading to increasingly better cost, service and insights for shippers. For the first time, shippers will have a compelling reason to consolidate their freight onto fewer providers," said Lewis, who didn't rule Convoy out as the front-runner.



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