



DHL launches tailor-made Center of Excellence in China's high-fashion capital

- **Jiuting, Shanghai chosen for EUR4.3 million Fashion Centre of Excellence to pioneer integrated end-to-end service unique in China**
- **10,500sqm facility to address the industry's top concerns of speed, security and safety**

Shanghai, China, 11 April, 2013: DHL Global Forwarding, the air and ocean freight specialist within DHL, is pioneering a new style of high-fashion logistics with the spring launch of its Fashion Center of Excellence in Jiuting, on the outskirts of Shanghai, China's high-fashion capital. At an investment of EUR4.3 million, the 10,500sqm Center is at the heart of a unique integrated end-to-end approach designed to meet the detailed needs of the high-fashion and luxury industry. The Center combines DHL's value-added services and a team dedicated to high-fashion and luxury to manage the entire fashion supply chain from source origin countries in Europe and the USA to safe arrival at retailers across mainland China.

Kelvin Leung, CEO, DHL Global Forwarding Asia Pacific, said: "China's fashion industry has tripled in market size in the last 10 years¹. In 2012 alone, the luxury goods market grew 6 per cent² with Chinese consumers now the number one buyers of luxury goods and globally responsible for 25 per cent³ of total sales. There is immense opportunity here for us to support the logistics needs and challenges of our customers and in turn, cater to burgeoning consumer demand. This Fashion Center of Excellence is not just a milestone for DHL but a timely response to the growing requirements for first-rate logistic solutions for the high fashion industry in China."

To create the DHL Fashion Center of Excellence in Jiuting, DHL has drawn on over 50 years' experience in the secured handling of fashion and luxury goods all around the globe.

¹ "Dressing Up: Capturing the Dynamic Growth of China's Fashion Market" 2011, Boston Consulting Group.

² "Luxury Goods Worldwide Market Study, China Edition" 2012, Bain & Company.

³ "Luxury Goods Worldwide Market Study, China Edition" 2012, Bain & Company.



Steve Huang, CEO, DHL Global Forwarding China, said: “DHL surveyed over a dozen of the world’s leading luxury fashion brands in China and has created a facility with a suite of services that we believe exceeds their expectations. In addition to comprising both bonded and non-bonded facilities, the DHL Fashion Center of Excellence has state of the art anti-theft and anti-counterfeiting security such as anti-pilfer crates, cages, IT and surveillance systems and dedicated operations and security management teams. However, it’s worth remembering that traditional good practices are just as important to avoid damage during handling. So is storage in a clean, temperature- and humidity-controlled and dust free environment.”

The 10,500sqm DHL Fashion Center of Excellence is spread over three floors and will employ over 100 specialist staff. The Center will offer customers an end-to-end solution designed around the specific needs of high-fashion retailers of a wide range of different products – from ready-to-wear and leather goods to jewelry and watches, fragrances, cosmetics and accessories.

The Center will offer flexible, tailor-made logistics solutions that address the industry’s top concerns of speed, security, and safety. Unique features include a ground-floor buffer zone that can be quickly reconfigured to cope with the massive seasonal influxes peculiar to the high fashion industry.

Value-added services include sorting and picking, labeling, stitching and knitting, visual quality control, re-packing, non-merchandise and sales order management as well as reverse logistics. Dedicated experts will design and manage solutions for import, safe storage and delivery all over China through DHL’s infrastructure and network capabilities. Last mile services include delivery and unpacking in-store by DHL employees who are also trained to stock shelves and racks. The entire aforementioned flow is visible on DHL Global Forwarding’s integrated IT system.

Mark Lau, Global Sector Head – Retail, DHL Global Forwarding said: “The high fashion industry’s three priorities are speed, because of the seasonality of their products, security, because of their high value, and safe handling at all stages because these are goods that



are easily spoiled. The challenge – and opportunity for DHL – is providing all three cost-effectively in China where demand is soaring.”

Research by McKinsey⁴ estimates that China’s luxury goods market will be worth 180 billion renminbi (22.5 billion Euros⁵) by 2015. As a result of anticipated growth, DHL Global Forwarding is currently evaluating the development of DHL Fashion Centers of Excellence elsewhere in China..

Between 2006 and 2011, DHL launched a series of similar Fashion Centers of Excellence in India, Hong Kong, Pakistan, Sri Lanka, Vietnam, Bangladesh and Cambodia to capitalize on increasing fashion and apparel trade flows between Asia Pacific and Europe as well as Asia Pacific and North America.

In 2011, DHL Global Forwarding restructured its consumer business launching retail as a separate division. This has become one of the company’s fastest-evolving new business sectors as global retailers and manufacturers have redesigned their supply chains in response to the multi-channel purchasing options that customers prefer. The ability to fulfill multi-channel distribution through a single, optimized network has become critical to retail success. DHL’s local knowledge, supply chain capabilities and resources from offshore warehousing, regional distribution networks to sourcing and managing inventories, gives it a solid competency in this sector that is unparalleled.

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⁴ “McKinsey Quarterly – Tapping China’s luxury-goods market” 2011, McKinsey & Company.

⁵ December 2010 exchange rate



DHL – The Logistics company for the world

DHL is the global market leader in the logistics industry and “The Logistics Company for the world”. DHL commits its expertise in international express, air and ocean freight, road and rail transportation, contract logistics and international mail services to its customers. A global network composed of more than 220 countries and territories and about 285,000 employees worldwide offers customers superior service quality and local knowledge to satisfy their supply chain requirements. DHL accepts its social responsibility by supporting environmental protection, disaster management and education.

DHL is part of Deutsche Post DHL. The Group generated revenue of more than 55 billion Euros in 2012.