

NEWSLETTER

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1. Alibaba's Logistics Affiliate Cainiao Targets International Expansion Amid IPO

2. Vietnam to enhance competitiveness of logistics sector

3. Digitalized container sealing streamlines logistics operations

4. Synergy Logistics expands WMS market into UAE

5. Echo Global Logistics Named One of Newsweek's Most Trusted Companies in America 2023



Alibaba's Logistics Affiliate Cainiao Targets International Expansion Amid IPO

Alibaba's logistics arm Cainiao Logistics, which is said to be the first of the tech giant's 6 units to seek an initial public offering, is gearing up for an aggressive expansion abroad as its domestic market slows.

Currently valued at \$20 billion, according to a person familiar with the matter, Cainiao is hoping to attract investors and boost its valuation by showing progress in growing its business abroad.

Cainiao already ships over 4 million parcels on a daily basis from China to overseas destinations, but the majority of that comes from merchants selling via Alibaba's own international shopping sites, such as AliExpress and Lazada.

To attract more outside customers, especially bigger Chinese brands seeking to establish a presence overseas, Cainiao has invested billions of dollars to build its own warehouses and hire delivery personnel in markets ranging from Europe to Southeast Asia. The company, whose name means rookie in Mandarin Chinese, aims to increase the volume of international parcels it handles from external clients by 5 times by the end of the year, Ding Hongwei, general manager of Cainiao Technology and Global Express, said in an interview with Forbes Asia.

"Starting from last year we have been working to expand revenues from outside," he said by phone. "We view this as our next growth curve."

Ding declined to comment on its listing plans.

A Cainiao representative says the company has not yet established a clear timeline. Still, it is said to be already working with investment banks for a share sale in Hong Kong.





Vietnam to enhance competitiveness of logistics sector

Vietnam will focus on enhancing the competitiveness of the logistics sector and removing bottlenecks in the industry in order to promote trade and investment with India, an official has said.

Speaking at a meeting in Ho Chi Minh City on March 30, Pham Thi Ngoc Thuy, Director of the Office of the Private Economic Development Research Committee, said there was immense potential for improvement in bilateral trade between Vietnam and India, especially in the logistics sector.

Vietnam's heavy investment in infrastructure development has created significant opportunities for logistics enterprises, she said.

In addition to logistics, other key investment sectors include hi-tech agriculture, food processing, renewable energy, the supporting industry, healthcare, education, infrastructure, and tourism, among others.

Bilateral trade between the two countries has grown steadily from 200 million USD in 2000 to 15.05 billion USD in 2022, up 13.6% year-on-year, she said.

India is the eighth largest trading partner of Vietnam, while Vietnam is India's fourth largest trading partner in the Association of Southeast Asian Nations (ASEAN), she added.

Vietnam has become an attractive destination for Indian investors thanks to its stable political environment, appealing policies, affordable labour costs, and potential market access due to free trade agreements that the country has concluded, she said.

Dang Hong Nhung, from the Agency for Foreign Trade under the Ministry of Industry and Trade, said the logistics sector in Vietnam had great potential for growth, given the heavy investments in infrastructure systems, including building and expanding expressways, airports, seaports, and logistics centres.

The Government last year issued a resolution to enhance the competitiveness of the logistics sector, making it a high-added value services sector.

Under the resolution, Vietnam aims to promote the logistics industry development with production, import and export activities.

It's necessary to establish sustainable supply chains, improve the quality of human resources and promote digital transformation and technology application in the logistics industry.

The resolution also aimed to promote the development of green logistics, which has become a trend and an important indicator for the sustainable development of the logistics industry.

The Government has instructed the Ministry of Finance to continue reviewing the policies of taxes and fees while customs procedures would be further simplified to create favourable conditions for logistics services providers.

She also noted that 2023 would be a challenging year as the global economy is in a recession coupled with high inflationary risk, leading to a decrease in trade activities as well as logistics activities.

She recommended companies prepare for uncertainties in the context of the ongoing Russia – Ukraine conflict, natural disasters, diseases, or unexpected incidents.

Bui Trung Thuong, Vietnamese Trade Counsellor in India, said India has a long coastline that is very convenient for shipping while Vietnam has a direct shipping route to India.

Vietnam and India should cooperate in building and expanding expressways, airports, seaports, and logistics centres, he added.

Experts also recommended Vietnam develop a strategy for green logistics to 2030, in which, the digital transformation should be sped up, infrastructure quality increased and conditions for multimodal transport improved.

Besides, policies should be raised to encourage small- and medium-sized enterprises to switch to green logistics and use renewable energy, they said.

Both Vietnam and India established diplomatic relations in 1972, which was lifted to a comprehensive strategic partnership in 2016.





Digitalized container sealing streamlines logistics operations

Chinese researchers have developed a digitalized container sealing technology and promoted it to an international standard to facilitate global container transportation.

The container standard was officially released by the International Organization for Standardization (IOS) in Geneva, Switzerland, according to researchers from the East China Normal University (ECNU).

This remarkable development signifies a major breakthrough in the establishment of international standards in the fields of logistics and transportation as well as the advancement of digitalization in container logistics.

The ECNU researchers have dedicated eight years to conducting extensive research and development (R&D) of container sealing technology embedded with QR code or Near Field Communication (NFC), along with its industrial application. Their efforts have resulted in significant contributions towards enhancing the intelligence level of international container transportation and reducing logistics costs.

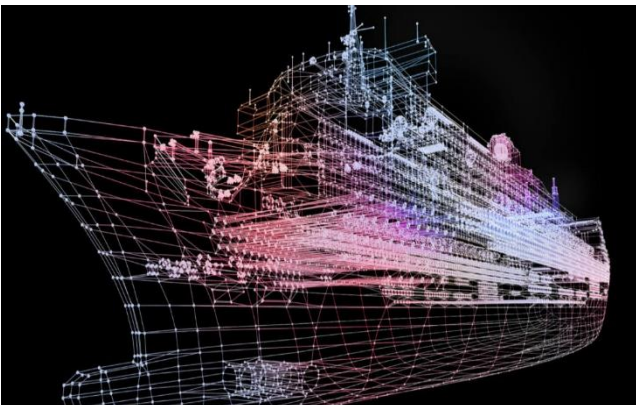


For container transportation, each container comes with a seal that can be used to track the container's delivery and safety conditions, and serves as its handover certificate. However, traditional mechanical seals are vulnerable to illegal tampering, resulting in smuggling or theft during the logistics process.

The latest development has transformed container seals from mechanical to digital, utilizing the power of BeiDou and low-orbit satellites. This technological advancement has enabled real-time, visualized, traceable, and big data integrated monitoring of container seals.

The container seals equipped with NFC or QR code are a type of electronic lock that facilitates transportation tracking and safety condition monitoring, said Bao Qifan, a professor at the ECNU.

He added that the research project proposal was submitted to the IOS in December 2017 for the first time, and the third proposal passed the assessment in June 2021.



Currently, digitalized container seals are being used in various industries and applications such as inspection and quarantine in China, domestic trade container transportation, the transportation of dangerous goods, energy, food and daily chemical products, as well as the petrochemical industry and logistics.

Since 2019, Sinotrans Container Lines, a marine transportation services provider, has extensively used container seals equipped with NFC or QR codes in its Asian routes.

According to Bao, near 6 million container seals have been sold to the United States and Canada, among other countries, and the order volume is increasing yearly.



Synergy Logistics expands WMS market into UAE

WMS technology innovator, Synergy Logistics, is expanding its global operations having secured its first customer in the United Arab Emirates (UAE).

Dubai based specialists, Automyze Fulfillment Center, established in 2017, has onboarded technologically advanced, cloud-based SnapFulfil into its newly expanded 25,000 square feet warehouse. The initial SaaS contract includes 45 licensed users.

Automyze specializes in start-ups and SME brands positioned for significant growth and currently shifts an average 18,000 units monthly. However, with their ambitious target to double this over the next six months, they required a WMS with the flexibility and scalability to adapt and grow with them and its customers' strategic expansions.

Automyze founder and CEO, Muhammad Manji, said: “We are an ambitious 3PL looking to give our clients scalable fulfillment solutions, whether that be small picks for e-commerce businesses, marketplace fulfillment or larger retail distribution. Consequently, we are excited to implement a Tier 1 WMS that will allow us to expand while maintaining our bespoke services.

“SnapFulfil is a well-established WMS that has been designed by people who understand warehousing logistics and in particular 3PLs. The software’s agility, configurability and capacity to grow with us makes Synergy a good cultural fit as a trusted technology partner.”

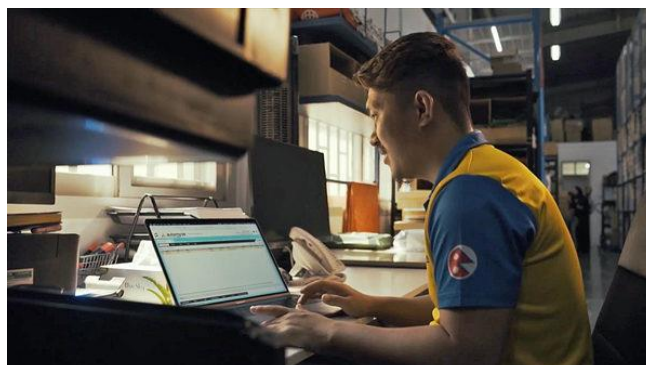
The proven flexibility of SnapFulfil’s solution means Automyze will now have accurate and consistent control of inventory and outbound processes, as well as returns, which will help them deliver a first-class service experience for their clients and their customers.

The live data functionality will also help maximize performance and cost savings, plus have a tangible impact on strategic growth.

Synergy Logistics’ Group CEO, Rich Pirrotta, said: “We are delighted to be working with Automyze, who share our vision for speed-to-value growth and we look forward to helping them meet their ambition in the 3PL sector. The UAE is a dynamic market and one in which we are confident Synergy’s fulfillment tech solutions will prosper.”

A key attraction of SnapFulfil for Automyze was its Application Programme Interface (API) friendly and robust pathway that meets the challenges of B2C and D2C omni-channel fulfillment. However, identifying the solution is just half of the challenge. Delivering it while continuing to satisfy existing customer requirements without incurring custom coding costs and delays for new customers, is a different matter.

“The fact SnapFulfil is tailored to the specific challenges faced by 3PLs is what set it apart. The self-configurability of the software means that once our teams have been trained, we can manage everything in-house, from new client onboarding to process changes and flexible billing management,” concluded Muhammad.





**Echo Global
Logistics
Named One
of
Newsweek's
Most
Trusted
Companies
in America
2023**

Echo Global Logistics, Inc. ("Echo"), a leading provider of technology-enabled transportation and supply chain management services, has been named to Newsweek's Most Trustworthy Companies in America 2023 in the Transport, Logistics & Packaging category.

Out of a pool of 3,100 U.S. companies, 700 were selected for this year's second annual listing, named across 23 industries. Echo was selected as one of just a few non-asset-based logistics companies.

"We're very proud to see Echo recognized as one of the most trustworthy companies in our industry as well as America," said Doug Waggoner, Chief Executive Officer at Echo. "It's rewarding to see our shipper and carrier partners place their trust in our cutting-edge technology and knowledgeable employees in order to simplify their transportation needs."

"It's gratifying to see Echo as one of the few 3PLs recognized across America in this survey by Newsweek," said Dave Menzel, President and Chief Operating Officer at Echo. "Earning the trust of our stakeholders means a lot to us. Establishing partnerships on a foundation of trust allows us to provide exceptional service to our clients and carriers as well as a positive place to work for our employees."

This year's rankings were determined by an independent survey sample of roughly 25,000 people made up of customers, employees, and investors. Given the importance of trust in relationships between customers' purchasing decisions, employees' job connections, and investors' investment opportunities, Newsweek partnered with market research company Statista to generate this year's survey. Surveys were targeted to a pool of 1,800 public and 1,300 private companies with revenues of over \$500 million.

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