

2010

ON TRACK FOR '10

While the logistics sector was not spared the effects of the economic turbulence of 2009, Asia appears to have weathered the storm better than most, and industry leaders are looking forward to a much smoother – and rewarding – ride in 2010.

What a tumultuous year 2009 was! Despite a perceived hesitation in the industry's willingness to invest in IT, it was a tremendous year for AEB worldwide. We managed to win some 4,600 new clients for our logistics software solutions and reach our ambitious 2009 economic targets by September.



The large number of new clients stemmed mainly from AEB's software as a service (SaaS) solutions, which help clients minimize their initial investments. Our freight cost control solutions were also very successful, as their clear focus on cutting costs and enhancing cost-transparency was well-aligned with the industry's goals in 2009.

A look at supply chain management (SCM) during the economic downturn yields some important lessons, such as how SCM software and its associated IT costs must help supply chains easily adapt to changing market conditions. It is AEB's mission to provide such solutions.

AEB's principal objective in 2010, besides further enhancing its end-to-end logistics software solution suite, is to strengthen its market position in the Asia Pacific region. Looking ahead, we expect greater attention to supply chain visibility and trade compliance in the local market. With the momentum of a successful 2009 behind us, we are ready for and eagerly anticipating a good 2010.

Dr Torsten Mällée
General Manager
AEB (Asia Pacific)

Like most companies around the world, Agility was not immune to the effects of the global financial crisis. However, we took action to focus on cash optimization, capital allocation and cost rationalization, and as a result, our net profits for Q3 in 2009 increased by 15 per cent to some US\$142 million. Notable growth was seen in areas such as oil & gas and project logistics.



In Asia Pacific, China has continued to grow, albeit during the last 12 months at a reduced rate, but that is expected to increase this year, as we are seeing a rebound in exports and China's domestic consumption is robust. Agility has invested in building its own domestic distribution network through its acquisition of Baisui and our business is increasing exponentially in line with consumer demand.

We are building a countrywide network in India and developing distribution centers and a trucking fleet. Agility is now one of the largest international logistics service providers in the country and demand for logistics services is continuing to grow.

Our two biggest challenges in 2010 are finding the right people and managing our costs in fast growing economies like China and India. There will also be increasing competitive pressures as logistics companies look to win market share.

Wolfgang Hollermann
CEO, Asia Pacific
Agility



2009 was a difficult year for many. However, it provided us with the opportunity to consolidate our operations and tighten our supply chain efficiencies to better serve our customers, while managing costs. Regionally, this year will prove to be an exciting year for UPS. Already we are beginning to see signs of a global recovery and we believe Asia will lead the world out of the global recession. UPS remains committed to the region as we grow our presence in Asia.

The opening of our Shenzhen Asia Pacific Hub in Q1 2010 will enhance our air network by connecting businesses in America and Europe to Asia. We firmly believe that our work in preparing the ground throughout 2009 and the plans in place for 2010 will place us in good stead to capitalize on the gradual global recovery.

Gillian Sim
Managing Director
UPS Singapore