The Official Journal of The Logistics & Supply Chain Management Society

The Logistics & Supply Chain Management Society
The Regional Professional Body for Logistics Practitioners

LogiSYM

The Magazine for Supply Chain Executives

JANUARY 2019

this issue

LATEST MERGER AND ACQUISITIONS NEWS AND LISTINGS 23

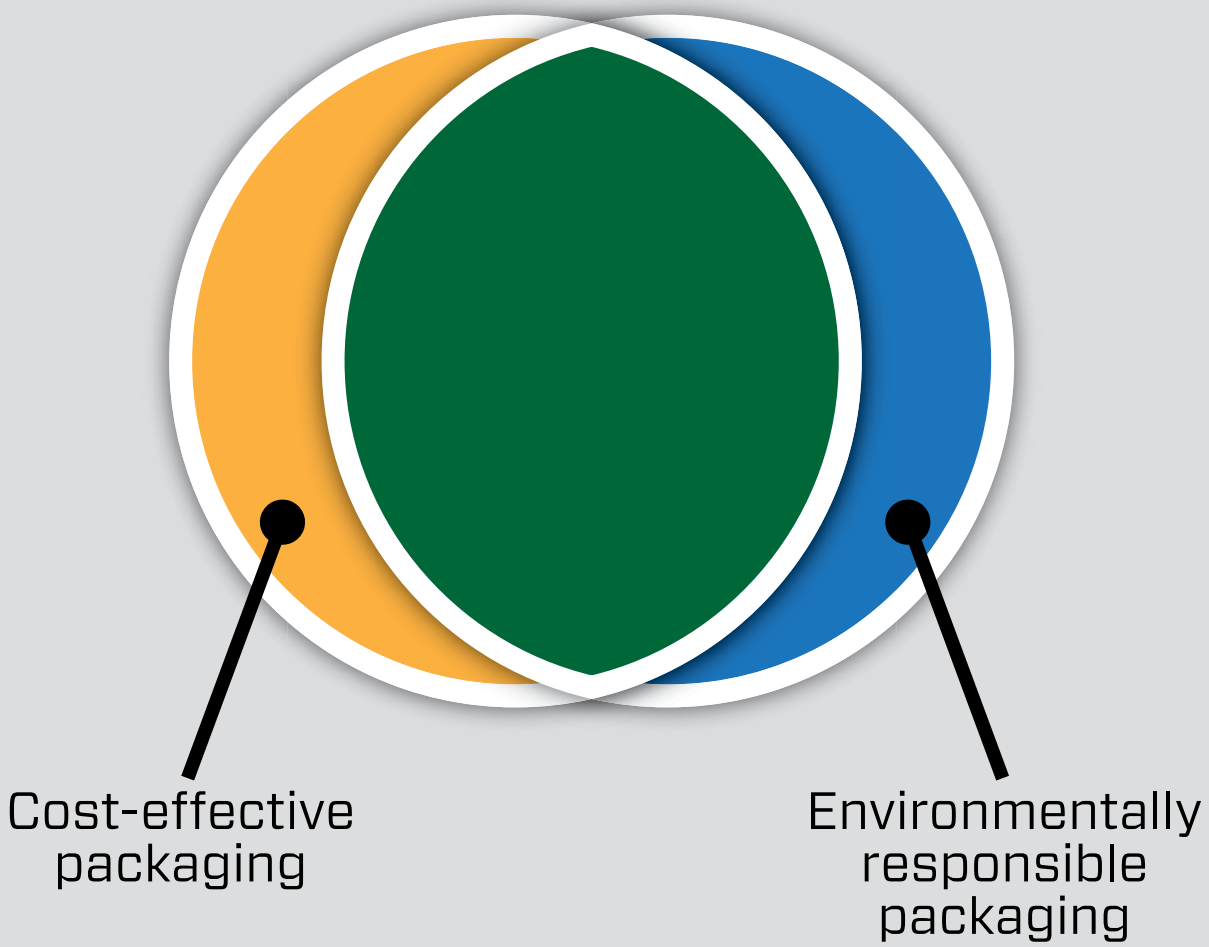
OUTLOOK 2019: THE INTANGIBLE ASSETS THAT DRIVE THE DIGITAL REVOLUTION 28

THE TRUE COST OF DAMAGE: UNDERSTANDING THE SUSTAINABILITY IMPACT OF E-COMMERCE PACKAGING 31

7 ASEAN E-COMMERCE TRENDS WE NEED TO PAY ATTENTION TO 35

Outlook 2019: *The Intangible Assets that Drive the Digital Revolution*

The right thing to do can also be the profitable thing to do.



Let us help you find the green space.

Sealed Air is the global leader in protective packaging solutions. As the originator of Bubble Wrap® more than 60 years ago, the company now offers a new generation of materials created to withstand the rigors of the e-commerce journey.

With every package, Sealed Air helps customers lessen environmental impacts, eliminate damage, minimize carton size, reduce shipping costs and enhance the consumer experience.

sealedair.com/2025sustainability

Sealed Air
Re-imagine™

Contents Page

DOWNLOAD THE LATEST ISSUE HERE

Feature Articles

28 Outlook 2019: The Intangible Assets that Drive the Digital Revolution

31 The True Cost of Damage: Understanding the Sustainability Impact of E-Commerce Packaging

35 7 ASEAN e-Commerce Trends We Need To Pay Attention To

Contents

From the Editor	04
A Word From the President	06
Contributors	08
Air News	10
Maritime News	13
Logistics News	16
Supply Chain News	19
E-Commerce/Technology	21
Market Moves	23
Events	39

from the editor

……what risk could we face in 2019 from the uncertainties in our environment?

Dear Readers,

As we enter 2019 many of us have a good reason to be filled with some reservations of what lies ahead for us. There is a lot of unfinished business from 2018 that will be carried forward to 2019. The key concerns that linger over are mainly those from the state of the trade and political tensions amongst the major superpowers.

This is not something new. Many of us have seen all this before. But this time the risks and exposures could be of a different dimension and consequence.

The crucial actions to keep our supply chains stable, secure and resilient to changes become an ever greater challenge. It is with this note in mind that we should look at sustaining stronger alliances. This is one way to mitigate variables in the supply chain.

There are still many positives in the market that once unleashed will be generate growth and development. It is however the political maneuvering that is currently overshadowing the economic and industrial potentials around us.

There are areas to be cautious of. But we should not allow our business to stall or abandon the strategic policies which make sense for our business. We know that we cannot be fully prepared and ready for every change – political or other. But we should keep monitoring the signals.

The current political environment is still as volatile versus 2018. Competitive posturing and trade negotiations between trading blocks are still in flux. Industry sectors are seeing a major change to their playing field – but these movements will create new dynamics. Issues that seem far away from our environment are beginning to have some impact. The US-China trade dispute is having some impact of business in Singapore as well as other ASEAN countries. The UK Brexit impact, whilst appears to be far away will also have some impact on our supply chains.

These new dynamics will challenge us in new ways. They will force change in the ways we do things. The new resets are being formulated. We all need to be aware of the evolution as it unfolds.

Adapting to the new trading conditions will still be an ongoing challenge for many. Anticipating changes and preparing for the impact are very crucial state of readiness.

Overall, we are in exciting times and full of positive opportunities – I believe that the supply chain industry will be best placed to create the dynamics to in forge the new industry norms in practices as well in the use of advanced technologies.

As usual I look forward to receiving your feedback at **info@lscms.org** and even publishing an article of yours.

Joe Lombardo
Editor in Chief

DELIVERING WORLD CLASS SOLUTIONS TO CUSTOMERS GLOBALLY FOR OVER 80 YEARS

The first choice for innovative and customised storage solutions to suit your needs.

CERTIFIED TO INTERNATIONAL STANDARDS
DEXION 808
SEISMIC COMPLIANT
TESTED TO AS4084:2012 & EN 15512:2009

dexion.biz

Be sure it's a Dexion Original
Safety is everything

DEXION®
Smarter thinking.

a word from the president

Belt and Road, The CPTPP and more…

There is no clear "map" of what the BRI encompasses (and what it does not). Many pundits have highlighted this. What is clear is that the BRI continues to attract a lot of negative publicity.

The most recent country to be highlighted by the press in having 'issues' around the BRI is Kenya. There has been very little news about Kenya and the BRI in the past but there was a recent report that a key port in Mombasa was at risk of being seized by China over unpaid debts.

These reports, whether true or not, reinforce the concerns of many developing countries who have been rushing in to cash in on the BRI and have as a result left themselves overextended.

Beijing is also, if you have noticed, less quick to fund and highlight the BRI. The trade war with the US, the Huawei scandal and concerns over future funding and returns on an increasingly unwieldy list of overseas investments are part of the reason but those familiar with the modus operandi of the Chinese know that they are better at sub-surface and subliminal excursions to achieve their objectives. One day you just wake up and they are there!

The atolls in the South China Sea are but one example. Say what you like, cite any rules or regulation you like but if these rules or regulations are not in our favour we will ignore them and do what we like anyway because who is going to stop us?

China is taking a multi-pronged approach to ensure that as many if not all roads lead to China and that product can not only flow out of China but that important commodities like oil can flow back to China. In the Malacca Straits, the island they are building in the port city of Malacca is a strategic port that has almost no commercial logic or benefit. The ECRL – East Coast Rail Link has been curtailed by the Mahathir government and to hedge against these two approaches there are unconfirmed reports that the Kra' Canal is being built in stages and of course if this fails there is the overland route and Pakistan. Of course if all this fails we can swing around the Indonesian archipelago with post-Malaccamax vessels

On a more positive note, the CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) entered into force on January 1st. It brings together a string of economies in Eastern Asia and the Pacific rim. Originally, the agreement would have covered around 40% of World Trade but as it is, it is still an important agreement. Aside from the size of the economies it covers, the effect it is likely to have on others could be fairly significant so we should pay close attention to what this means for our respective supply chain networks and the opportunities that will certainly be presented.

All things said and done, it will be another interesting year and we look forward to being with you on your Supply Chain journey.

Raymon Krishnan, FCILT, FALA
President
The Logistics & Supply Chain Management Society

ON DEMAND WAREHOUSING TURN EMPTY TO FULL ACROSS ASIA

List for **FREE** or get Premium for more

- List for free and reach customers across Asia!
- Showcase your listing with Premium features
- Don't miss out on Early Bird discounts for Premium up to 60%

Space made **EASY** with GO DC

SPACE SEEKERS	SPACE PROVIDERS
One on-demand touchpoint with GO DC	
Flexible space and leases	Handle under or overflows
SME Value-added services	Reach more customers through GO network

GO DC anywhere, anytime

- Multi-device access, on the Cloud
- Search, list and close deals with a single touchpoint
- In Asia for Asia and beyond

Fast, Simple Setup

For Space Seekers	1. Register at Get-Go.io	2. Search for Space	3. Book Space!
For Space Providers	1. Register at Get-Go.io	2. Fill In Space Specifications	3. Get Listed!

REGISTER NOW FOR #GOEARLYBIRD DISCOUNTS AT DC.GET-GO.IO

contributors

Wolfgang Lehmacher
Thought Leader and Practitioner
in Supply Chain and Logistics

Wolfgang Lehmacher is thought leader and practitioner in the field of supply chain and logistics. Stages: Director, Head of Supply Chain and Transport Industries at the World Economic Forum, Partner and Managing Director (Greater China and India) at the global strategy firm CVA, President and CEO of GeoPost Intercontinental at French La Poste. Judge Automotive Logistics Awards Europe, member of IATA Air Cargo Innovation Awards Jury and the Logistikweisen, a think tank under the patronage of the German Federal Ministry BMVI. He is FT, Forbes, Fortune, and BI contributor and author of books, including The Global Supply Chain.

Dan Healey
Director of Sustainability
Sealed Air Product Care Division

Dan Healey is the Director of Sustainability for Sealed Air's Product Care division where he leads efforts to expand, quantify, and communicate the substantial environmental benefits that come from preventing product damage and reducing material waste across the fulfillment supply chain.

With more than 17 years in the packaging industry, Dan is combines his experience in R&D and business development to uniquely align a customer's business objectives with its sustainability goals. His commitment to advancing a holistic, lifecycle approach to assessing environmental impact is helping change the way companies think about packaging and shipping products.

Joshua Poh
Marketing Manager
Parcel Perform

Joshua is the Marketing Manager at Parcel Perform, a global tracking management solution that supports e-commerce merchants & enterprises in managing the complexities of e-commerce logistics and fulfillment.

At Parcel Perform, Joshua leads Parcel Perform's digital, content marketing initiatives and all other related marketing and branding efforts. He is an experienced marketer in the B2B software space and currently writes about e-commerce logistics and customer experience for Parcel Perform's blog.

PUBLISHER Peter Raven
EDITOR IN CHIEF Joe Lombardo
EDITOR-AT-LARGE Raymon Krishnan
DIGITAL EDITOR Myla Morales
LAYOUT/GRAPHIC DESIGNER Myla Morales
PRODUCTION Ambiguous Design
www.ambiguous.design

ADVERTISING John Bodill
Email: john@logisym.org
Tel: +65 9622 0669

LogiSYM Magazine
Level 15, Langham Place
8 Argyle Street,
Mong Kok, Hong Kong
Tel: +852 3958 2313
Fax: +852 3958 2300
Email: info@lscms.org

LogiSYM
The Magazine for Supply Chain Executives

TRANSPOREON GROUP

WWW.TRANSPOREON-GROUP.COM

Transport Sourcing

Transport Assignment

Time Slot Management

Transport Visibility

Mobile Order Management

Reporting/ Analytics

TRANSPOREON GROUP

WWW.TRANSPOREON-GROUP.COM

TRANSPOREON GROUP ASIA PACIFIC PTE LTD
NO. 60 PAYA LEBAR ROAD,
#07-50 PAYA LEBAR SQAURE,
SINGAPORE 409051

INFO@TRANSPOREON.COM

Amazon Supports the Growth of Prime by Expanding Air Network

Amazon continually invests to provide fast, free delivery for consumers. In December, last year the company announced to deepen its partnership with Air Transport Services Group, Inc. (ATSG) by leasing an additional 10 aircraft to support its growth.

Formerly, Amazon had leased 40 Boeing 767 freighter aircraft in 2016, 20 of those with ATSG, all of which are now flying to serve customers in the Amazon Air network. The 10 additional cargo planes will include Boeing 767-300 aircraft and will be operated by an ATSG airline on Amazon's behalf, with deliveries of five each in 2019 and 2020. All of the leases will be for ten years, with the prospect of extending them for up to three more years.

In conjunction with the commitment for ten additional 767 leases, extensions of twenty existing 767 aircraft leases, Amazon will be issued warrants to expand its potential shareholding at ATSG to approximately 33.2%. If Amazon increases its stake in ATSG's equity it will have the option to further lease 17 cargo aircraft by January 2026.

Amazon has launched many initiatives to ensure quick delivery speeds and supply chain capability for its customers, including its Delivery Service Partner program, Amazon Flex, the company's mobile application that allows people to sign-up, be vetted and begin delivering for Amazon, a dedicated network of over 10,000 trailers to increase trucking capacity and, now, the expanded fleet of air cargo planes.

Dave Clark, Senior Vice President of Worldwide Operations at Amazon said, "Our customers love massive selection and fast delivery, and the Amazon Air capacity we are building enables Prime delivery speeds for customers from Seattle, Washington to Miami, Florida."

IAG Cargo Hopes For Return to Pakistan Through Textiles and Technology

In December last year, IAG announced that subsidiary British Airways would resume flights to Pakistan after an absence of more than ten years - and the cargo team is hoping to take advantage of the development.

The service will be operation between Heathrow and Islamabad three-times-per-week using a Boeing 787-8 aircraft, which can take 15 tonnes of cargo per flight and offers a temperature-controlled hold.

Camilo Garcia, director of sales, marketing and products, IAG Cargo, said: "Islamabad is home to thriving technology, textiles and healthcare industries and the new route will provide easy access to customers from the UK and beyond.

"This addition builds on our strong entry points into Southeast Asia, supporting these industries by carrying products such as apparel and medical equipment. We're proud to add Islamabad to our network of over 350 destinations globally."

Islamabad is one of three additional routes to be introduced by IAG Cargo in 2019, counting Pittsburgh, US and Osaka, Japan.

Western airlines withdrew from the Pakistan market in 2008 when the Marriott hotel in Islamabad was bombed, killing more than 50 people.

British High Commissioner to Pakistan Thomas Drew expressed that the airline's return was a "reflection of the great improvements" in security.

Import Tariffs Increase Slows Down Global Air Cargo

Worldwide air cargo growth will sharply drop to 2% in 2019 compared to last year's 10 percent expansion, according to a report released by the International Air Transport Association (IATA).

This is attributed to countries raising their import tariffs to protect local companies. The US has inflicted import tariffs on China — 25% on steel and 10% on aluminium.

"The 3.7 % yearly increase in cargo tonnage to 65.9 million tonnes is the slowest rate since 2016, reflecting the weak world trade environment influenced by increasing protectionism," read the IATA report.

"Cargo yields are expected to grow by 2%. This is well below the remarkable 10% yield growth in 2018. Overall cargo returns are expected to reach $116.1 billion up from $109.8 billion in 2018."

Higher prices for imported goods could also prompt consumers and firms to turn to locally manufactured products thereby increasing domestic demand and reducing imports. International firms are ,however, countering this by either setting up their business in the markets that have imposed protectionism measures or getting into strategic agreements with local companies.

As stated in a 2018 research conducted by financial services institution, HSBC on the effect of protectionism, 28 % of the global firms surveyed were considering joint ventures and subsidiary companies to navigate any local barriers. More than 6,000 firms partook in the survey with 70 percent of the companies in the Middle East and North Africa saying that governments were becoming more protective of their domestic economies.

Etihad Cargo Extends Spanish Network with Barcelona Flights

Etihad introduced its first scheduled flights connecting Abu Dhabi and Barcelona on 28th November ,2018. In addition to its daily Madrid service, launched in 2015, these operations now offer more than 23,000 tons per year of cargo capacity for the Spanish market. What's more, trucking services from gateways across Europe further compliment the network, providing customers with greater reach and faster delivery times. Etihad Cargo first started operating in Spain as on off-line carrier, sending shipments to Paris and Amsterdam by means of truck to support Etihad network. Since the initial passenger flight to Madrid on 30th March, 2015, Etihad Cargo has offered daily air cargo services to prime destinations across the GCC, Africa, Indian subcontinent, Southeast Asia and Australia.

Along with catering for general cargo, customers will gain from access to Etihad's signature product lines: FreshForward (perishables), TempCheck (pharma and life sciences) and FlightValet (automotive), as well as specialist knowledge from Etihad's extensive garment and fashion experience.

SAA Cargo Dakar Rally Transport Operation

Photo Source: http://motorsport.toyota.co.za

The Toyota Gazoo Racing South Africa Team partnered with South African Airways Cargo (SAA Cargo) as their official airfreight service provider for the 2019 Dakar Rally. The race is seen as the summit in off-road motor racing and the greatest test of vehicle resilience. It happens from 6 to 17 January in Peru, South America.

The collaboration, which has existed since 2012, involves SAA Cargo transporting two vehicles and spares weighing 8,500kg from South Africa to Sao Paulo, Brazil en route to Lima, Peru for commencement of the race. The shipment takes nearly a day to reach its destination.

It takes about two months to prepare for the journey, in order to ascertain seamless transportation. "At the centre of this, is our commitment to deliver consistently on customer expectations. We rely on our capable team to make it possible," added Justice Luthuli, SAA Cargo's acting general manager.

"Transporting our race cars to South America could take months if we sent them via sea freight," explained Toyota Gazoo Racing SA Team Principal, Glyn Hall. "But thanks to our partnership with SAA Cargo, the transport time is vastly reduced, giving us extra time to develop and prepare the cars for the race."

DP World Acquires 100% Shares of Unifeeder Group

Photo Source: www.unifeeder.com

Global trade enabler DP World announced the successful closing of the acquisition of 100% of the Unifeeder Group ("Unifeeder"), an integrated logistics company with the largest and best-connected feeder and growing shortsea network in Northern Europe with connectivity to approximately 100 ports.

Unifeeder operates the largest and most densely connected common user container feeder and an important and growing shortsea network in Europe, serving both deep-sea container hubs and the intra-Europe container freight market. The transaction valued at €660 million will enhance DP World's presence in the global supply chain and broaden its services to customers – both shipping lines and cargo owners – with a view to ultimately reduce inefficiencies and improve the competitiveness of global trade.

Unifeeder's current operations, which offer a unique platform for independent logistics solutions, are complementary to DP World's existing business and offer future growth opportunities.

Sultan Ahmed Bin Sulayem, Group Chairman and CEO, DP World, said: "We are delighted to close the Unifeeder acquisition and add their business to our portfolio. With Unifeeder, we are acquiring a leading port related logistics solutions provider in Europe as part of our strategy to grow in complementary sectors. This transaction is very relevant to our business and provides future growth opportunities, especially that feedering and shortsea/regional transports with smaller vessels have become more important for shipping lines with the use of larger vessels by shipping alliances.

Both DP World and Unifeeder businesses operate under the same common-user principle, which is a strong value proposition to our customers and we look forward to joining our expertise to make the global supply chain more efficient and cost effective. "Our core business is and will continue to be the container terminal, but this acquisition fits with our strategy to diversify our revenues and extend our core business to play a wider role in the global supply chain and connect directly with cargo owners and aggregators of demand, ultimately improving the quality of our earnings and driving returns."

Jesper Kristensen, CEO, Unifeeder A/S, said: "We are excited to be part of the DP World Group and we look forward to leveraging their expertise to accelerate growth and take the the business to the next level. Today we are starting a new chapter in Unifeeder's growth story and we are confident that, with our shared vision for an efficient supply chain and a value-added customer offering, we lay a strong foundation for further success and growth."

Founded in 1977, Unifeeder provides efficient and sustainable transport solutions for international container shipping lines between international and regional ports and shortsea services to cargo owners with fully multimodal door-to-door solutions, combining seaborne transportation with road and/or rail. The business is cash generative and operates on a highly flexible cost base. It has reported revenue of €510 million in 2017 and EBIT margins in line with other asset-light logistics operators.

EFG.

ENERGY FOR GROWTH.

Efficiency

Costs

Whether you choose the innovative li-ion technology or our proven standard lead-acid battery: With our EFG, you save costs in the long term, whilst rendering your warehouse operations even more efficient.

Contact us about our EFG purchasing, rental and replacement options now at:

Jungheinrich Malaysia
No. 22A Jalan Anggerik Mokara 31/47,
Kota Kemuning 40460 Shah Alam,
Selangor, Malaysia.
Tel: +603 5525 9888
Email: info@jungheinrich.com.my

JUNGHEINRICH

MSC Vessel Loses Containers in North Sea Storm

At least 270 containers were lost off the Dutch coast as A Meditterranean Shipping Co (MSC) vessel MSC Zoe navigated turbulent weather.

According to MSC the 2015-built containership was met with heavy weather while sailing to Bremenhaven, Germany losing some its containers overboard. As stated in reports it was sailing close to the Frisian Islands, an archipelago off the northwestern Dutch coast also known as the Wadden Islands. A number of the containers have washed up on the Wadden Islands and the German island of Borkum. Of the containers reportedly lost, at least three containers were reported highly flammable, potentially dangerous organic peroxides.
MSC said it had appointed an undisclosed salvage company to track down and take out the missing containers.

"MSC appointed on 2 January a salvage company to organize the retrieval of cargo and beach clean-up operations and is also bringing into action specialized ships equipped with sonar to check for missing cargo at sea," the company said.

"MSC takes this incident very seriously, both in terms of the impact of such accidents on the natural environment and in terms of any damage to customers' cargo. In all aspects of the clean-up MSC is collaborating with local authorities."

The MSC Zoe has proceeded with its voyage to Bremenhaven.

India Starts Operating its First Overseas Port

The Government of India took over the operations of a part of Shahid Beheshti Port, Chabahar in Iran during the Chabahar Trilateral Agreement meeting held there on the 24th of December 2018. The heads of Indian, Iranian and Afghanistan delegation jointly inaugurated the office of the Indian SPV - India Ports Global Chabahar Free Zone (IPGCFZ), at Chabahar. The physical take-over of the terminal area, cargo handling equipment and Office building was completed by 29th December 2018.

Commercial operations began at IPGCFZwith the arrival of a vessel. A Cyprus registered bulk carrier had arrived at Chabahar with 72458 MT of corn cargo. The vessel MV MACHERAS berthed at the terminal at 0130 hrs on 30thDecember 2018. Thus, IPGCFZ carried out its first cargo operation by discharging the imported cargo(ex-Brazil) using pneumatic un-loaders.

This step marks the beginning of a long journey. India has written a history with its engagement in Chabahar and is now leading the regional cooperation and joint efforts to support land locked Afghanistan. This is the first time India will be operating a port outside its territories.

India started interacting with Iran on Chabahar Port around 2003 but a major push was received in the second half of 2014, resulting in the signing of an MOU between the two countries for the development of Chabahar Port in May 2015. This MOU translated into a formal 10-year Contract for Equipping and Operating the Chabahar Port, which was executed on 23rd May 2016, during Prime Minister Shri Narendra Modi's visit to Tehran.

Since there were challenges in activation of the said contract, the foundation of an interim period contract was laid during the visit of His Excellency Dr. Hassan Rouhani, President of Islamic Republic of Iran to New Delhi in February 2018. Resultantly a formal short-term Contract between the two sides was signed on 6th May 2018.

The efforts of Government of India were fully reciprocated by PMO, Islamic Republic of Iran and Iranian Embassy in India, Indian Embassy at Iran, Ministry of External Affairs, Ministry of Finance and NitiAayogfor guidance and continuous support in achieving this major milestone.

GO and Cites Gestion Sign MOU To Expand Digital Logistics Offerings on Fast Track Trade Network

Photo: From left to right, Agnès Hugot, co-founder Cites Gestion and Au Kah Soon, CEO Get GO Global at MOU signing

Over 5,000 SMEs are set to benefit from blockchain-secured logistics and trade-related services with the signing of an MOU between Singapore's Get GO Global (GO) and Fast Track Trade (FTT). Under the MOU both platforms will cross-promote their offerings and work with the Asia Pacific MSME Trade Coalition (AMTC) to promote business digitalisation to GO, FTT and AMTC customers and members across the region.

Fast Track Trade (FTT) platform is Singapore's first digital trade platform for Small and Medium-sized Enterprises (SMEs) using blockchain technology. FTT allows SMEs to seek business partners and distributors, buy and sell goods, track shipments, receive and make payments, access financing and buy insurance via an eco-system of service providers on the FTT platform.

GO's on-demand freight forwarding platform, GO FREIGHT, will join FTT's platform to offer real time international freight forwarding quotations, bookings and payments services to the FTT growing SME community. GO will also explore the application of FTT's blockchain technology for B2B logistics shipments through the sharing of a common audit trail on the FTT platform.

As part of the MOU, GO and Cites Gestion will carry out promotional programs targeted at SMEs. Their efforts will include working with the Asia Pacific MSME Trade Coalition (AMTC) to promote the benefits and adoption of business digitalisation to AMTC's growing membership of over 1,300 SMEs.

SMEs are important economic pillars within ASEAN, making up 46% the region's USD$2.4 trillion Gross Domestic Product and spend an estimated USD$200 billion annually on logistics services. Under the ASEAN Economic Community 2025 blueprint, SMEs are singled out for focused development along trade and technological themes. However, many SME's still use manual, time-consuming processes to manage their businesses and their supply chain. Through collaborations like GO and Cites Gestion, SMEs will have easy access to trade-related services to help them grow their business domestically and internationally.

Agnès Hugot, Co-founder of Cites Gestion, said "We launched Fast Track Trade in Singapore as it is ASEAN's trade and fintech hub. We are currently experiencing a strong demand from other ASEAN, African and Middle East countries for our digital system which concentrates business-relevant services in one place for smaller businesses. Today, we can address a potential community of over 5,000 Singaporean SMEs, who are users of the 20 business communities and digital service providers already onboarded on FTT. We plan to open the FTT platform to emerging markets across Southeast Asia in 2019. Market feedback has also identified that there is an annual USD 90 Billion trade financing gap in Southeast Asia because of a lack of trust and access to business services, especially for smaller businesses. Digital platforms such as FTT and GO are using Distributed Ledger Technology to increase transaction transparency and traceability. They could help boost the trade corridors in Southeast Asia,

strengthen business communities and bring about significant economic benefits to everyone."

Au Kah Soon, CEO of GO, said "As a fellow SME, GO understands that putting all the trade pieces together is tough for a small business. Speed to market is crucial in a competitive marketplace that already ships over 90 million TEUs of ocean freight and 5 million tonnes of airfreight across ASEAN. The GO team is committed to helping smaller businesses create an agile supply chain through our easy to use platforms that are available anytime on their phone, tablet or computer. Our warehousing and freight forwarding digital platforms are continuing to grow our regional network and we are delighted to also offer FTT members instant freight forwarding quotations, bookings and payments across borders in ASEAN and beyond."

Dr. Raymon Krishnan, Secretary-General of the ABTA, said "Growing trade, particularly for MSME's, is the very reason why the AMTC was formed. As a self-operating council of the ABTA, the AMTC is extremely proud to see such a collaboration between two of our members - and is just one way in which we go about achieving our aims and objectives. Logistics challenges are a hurdle that many MSME's identify as a challenge when venturing abroad and GO helps overcome this. Distributed Ledger Technology (DLT) is still gaining momentum and misunderstood by many. FTT makes this game changing technology accessible to the MSME."

Walmart Strengthens Omni-channel Approach in China by Increasing Investment in Dada-JD Daojia

Walmart late last year announced it had made a further investment in Dada-JD Daojia of roughly US$320 million. The move proceeds a $50 million investment in Dada-JD Daojia in October 2016 and, through an extension of Walmart's commercial agreement with the company, further strengthens Walmart's omnichannel offering for customers in China.

With the investment, Walmart deepens its relationship with Dada-JD Daojia and will hold a 10 percent stake in the entity and a board seat.

Dada-JD Daojia is China's leading on-demand logistics platform and online-to-offline (O2O) e-Commerce platform, serving millions of customers in key cities across China. Walmart has worked in close collaboration with Dada-JD Daojia over the past two years and currently offers a fast one-hour delivery service from almost 200 Walmart stores in 30 cities through the JD Daojia platform, and the company sees great potential to provide customers with even more convenient access to Walmart and Sam's Club's services.

President and CEO for Walmart China Wern-Yuen Tan commented, "Walmart is committed to bringing a seamless online and offline shopping experience to our customers all around the world. In China, we are constantly innovating to improve our customers' shopping experiences. By working with strong partners, and investing in digital capabilities, we will create easier and more convenient shopping experiences for customers. We are confident that this deeper collaboration with Dada-JD Daojia will enhance our omni-channel footprint and deliver a better O2O customer experience."

Founder and CEO of Dada-JD Daojia Philip Kuai said, "Dada-JD Daojia is dedicated to facilitating online and offline integration in retail and to partnering with world-class retailers like Walmart to further improve efficiencies and sales through tailor-made solutions to better and more fully serve our customers. After this round of equity financing, Dada-JD Daojia will continue to collaborate with retail partners and improve supply chain efficiency via technology. We will constantly optimize and improve user experience and fully satisfy customers' instant shopping needs."

Linfox Embraces Inland Rail Construction

Linfox is pleased to welcome the kick off of construction for Inland Rail, infrastructure which the company believes will play a crucial role in fortifying Australia's growing freight task and supporting communities in regional Australia.wThe construction officially started today with a ground-breaking ceremony with appearances by Linfox leaders in Parkes, NSW.

"Linfox welcomes the Government's commitment to Inland Rail, which will help ensure that Australia's growing freight task, particularly on the East Coast, is underpinned by fit for purpose infrastructure," said Linfox Executive Chairman, Peter Fox. "We also welcome the opportunities that Inland Rail will deliver for regional Australia, helping to enhance access to domestic and overseas markets through improved intermodal connections to our major cities and ports," said Mr Fox.

"Linfox is proud to meet our customers' transport needs through timely, cost effective, safe and sustainable methods, be they road or rail – that's what's driven our recent significant investment in Queensland through the acquisition of Aurizon's Queensland Intermodal business."

As a major rail user, Linfox anticipates delivering the benefits of Inland Rail to its customers.

"Inland Rail will help us and our sector meet the needs of our customers as the nation's freight task – particularly the rail freight task – continues to grow," said Mr Mazurek.
.

Fairfax-Controlled Saurashtra Freight Hunts For Acquisitions in Logistics

Fairfax owned Saurashtra Freight Private Limited is a significant freight logistics player in India and is actively seeking to extend capital in the logistics industry. The organization is looking for strategic acquisitions with a vision to unlock the business potential of the logistics industry in India as well as grow and increase its organization's value, assets and presence, thus strengthen its position in the logistics ecosystem.

Saurashtra Freight plans to invest an amount ranging from INR 50 million to INR 1,000 million in companies in the field of logistics, warehousing, transportation and other relevant sectors associated to freight industry. The organization aims to invest upto INR 3500 million in the next three years to fuel its growth in the industry. Saurashtra Freight Pvt. Ltd., part of the Saurashtra group, began operations in 2008 and has been the largest Container Freight Station (CFS) operator in Mundra. It is the preferred logistics partner in the industry with a strong clientele in the industry. The organization prides itself in adopting key technological advancements with state-of-the-art equipment that match the needs and demands of their customers in a timely manner. The organization's contribution to the industry has been widely recognized and awarded by numerous trade associations. Saurashtra also offers a trucking division – an extension to their services and prides itself in having over 200trailers becoming the market leader in the region.

Speaking about its investment plans, Raghav Agarwalla, Managing Director, Saurashtra Freight Pvt. Ltd, said," We at Saurashtra Freight are very optimistic of the logistics sector in India and the untapped growth potential. Being a well-capitalized, debt-free balance sheet along with Fairfax's backing gives us the edge to consistently invest in sustainable and free cash flow generating businesses. We are one of the few organizations who bring patient capital to the logistics industry."

In January 2017, Fairfax India Holdings (Fairfax) purchased 51%in the company at a valuation of INR 4000 million. The company is debt free and has assets worth over INR 1000 million. The revenue and EBITDA have grown at a CAGR of 30% and 41% respectively to surpass a turnover of INR 1200 million.

Autonomous Food Delivery Piloted in San Francisco

Cruise and DoorDash are in alliance to test food and grocery delivery by Cruise's autonomous vehicles via the DoorDash platform. The pilot program will begin in early 2019 with an initial focus on the San Francisco market.

"Delivery is a significant opportunity for Cruise as we prepare to commercialize our autonomous vehicle technology and transform transportation," said Cruise CEO Dan Ammann.

"Partnering with DoorDash will provide us with critical learning as we further our mission to deliver technology that makes people's lives better and more convenient."

DoorDash will utilize Cruise autonomous vehicles to try out and better the efficiency of getting food and groceries from DoorDash's merchants to its customers' doors. As part of the program, elect DoorDash customers will get deliveries from their favorite restaurants via a Cruise autonomous vehicle.

Apart from ready-made restaurant meals, the partnership will also explore grocery fulfillment via Cruise vehicles for chosen grocers already partnered with DoorDash. The two companies expect to assess and develop safety and operational results in the pilot.

"We are excited to partner with Cruise to develop our expertise in the autonomous vehicle delivery space," said Tony Xu, CEO of DoorDash.

"We see autonomous vehicles playing a major role in the future of delivery as consumer behaviors continue to shift online, and we are confident Cruise's leading technology will help us scale to meet growing consumer demand."

Cruise Automation was established in 2013 by Kyle Vogt and Dan Kan, with a common vision to reshape mobility through the large-scale deployment of autonomous vehicle technology. In 2016, Cruise allied with General Motors to help scale this vision as the company deployed its first test fleet of self-driving cars.

Since then, Cruise has carried on to develop its ground-breaking technology, while receiving additional backing from SoftBank and Honda Motor Company. With fleets on the road in California, Arizona and Michigan, Cruise is nearing the reality of commercialized self-driving cars.

DoorDash links customers with their favorite local and national businesses in 3,000 cities across the United States and Canada.

Photo Source: https://blog.doordash.com

Diageo Launches A New Sustainable Sourcing Strategy For African Supply Chains

Photo Source: www.diageo.com

Drinks giant Diageo has updated its sustainable agriculture strategy with a focus on boosting farm yields and supply chain resilience in Africa, as it closes in on its target to source 80 per cent of its raw materials locally across the continent by 2020.

Unveiled today, the updated strategy is aimed at ensuring at least 100,000 farmers in eight African countries - Nigeria, Kenya, Tanzania, Ethiopia, Ghana, Cameroon, South Africa and Uganda - benefit from direct local sourcing over the next year, the firm said.

To meet the goal, Diageo said it would increase its spending on key raw materials such as sorghum, barley, and maize in Africa, bolstered by a new collaborative framework to increase yields through sustainable practices and ensure secure long-term markets for smallholder farmers.

The work builds on Diageo's global sustainable agriculture strategy which was originally released in 2016 and was followed by a set of guidelines designed to support the delivery of the strategy. Today's revamped strategy is aimed implementing and enhancing its work in Africa, Diageo said.

Diageo - which produces alcohol brands such as Johnnie Walker, Smirnoff, Baileys, and Guinness - said it had a "significant footprint" across the continent, which is a major part of its agricultural supply chain as well as its largest region by volume for beer sales.

As such, working with partners such as Syngenta, Bayer, Yara, World Food Program and regional banks, Diageo said it would expand efforts to drive data-driven improvements in key areas such as seeds, agronomy, insurance, access to credit, soil nutrition and market access.

The company said smallholder farmers in markets such as Kenya and Nigeria were already benefitting from a package of initiatives such as improved seeds, access to credit, insurance and mechanisation, and that today's revamped strategy would seek to expand these benefits across all eight African markets.

David Cutter, chief sustainability officer at Diageo said the raw material sourcing programme would help to create sustainable local businesses. "The wellbeing and vibrancy of the communities and our local suppliers we work with is our upmost priority," he said. "With 79 per cent of raw materials sourced locally in Africa we are almost at our 80 per cent target but remain restless to do more and this refreshed strategy will take us further along this journey."

Agility to Invest $100M in 'Shipa' Digital Logistics Platform

Agility, one of the world's largest logistics companies, said it will invest $100 million over three years to launch Shipa.com, a digital logistics platform that lets businesses, entrepreneurs and consumers manage their freight, e-commerce, and urban deliveries online.

"Shipa.com makes life easier through technology, whether you are a small business running your supply chain with a few clicks, or a consumer getting your shopping delivered with a few taps on your phone," Agility Chairwoman Henadi Al-Saleh said. "Shipa.com makes logistics convenient, jargon-free, trackable, accountable and accessible."

"Logistics is the backbone of commerce. But it's complex, and that complexity is disproportionately difficult for small businesses to navigate. Small businesses often lack access to the logistics resources, tools and solutions that larger businesses have," Al-Saleh said. "No wonder then, that we interviewed 800 small and medium-sized businesses around the world, we found that 78% wanted to see their logistics move online. Shipa helps close that gap, empowering small businesses to take advantage of the opportunities being created by the global digital economy."

Shipa.com is powered by Agility's global network and infrastructure. Agility operates in more than 100 countries with 22,000 employees and has warehouses in strategic locations around the world. It is the largest private owner of industrial real estate in the Middle East and Africa, and a leading developer of and investor in logistics technology.

Al-Saleh described Shipa.com as "Agility's innovation arm," accelerating the introduction of technology, development of new digital products, and the overall pace of change in both the parent company and the industry more broadly.

"Shipa.com is the marriage of Agility's logistics expertise and resources and the digital-first capabilities of the Shipa platform. It offers enormous value for our customers and brings new value to our company," Al-Saleh said.

H-E-B Intends To Develop a World-class Tech Facility in Austin

H-E-B continues its path toward becoming a dominant force in the digital retail space, announcing that it has signed a long-term lease for a building in East Austin. The largest privately-held employer in Texas will develop a world-class tech facility and innovation lab for its growing H-E-B Digital team and Favor, the Austin-based on-demand delivery service that is a wholly-owned subsidiary of H-E-B.

Set for completion in spring 2019, H-E-B will turn the recently renovated industrial warehouse into a creative and collaborative workspace for Austin-based Partners (employees) of the H-E-B Digital team and Favor's corporate headquarters. H-E-B also has a strong technology and digital presence at its corporate headquarters in San Antonio and will continue to grow its digital team in both cities.

H-E-B enlisted HPI Corporate Services as its tenant broker and has engaged global architecture firm, IA Interior Architects, to fully customize the two-story, 81,000 square-foot facility. Located at 2416 East Sixth Street, the property is walking distance to several amenities such as restaurants, breweries, coffee shops, and the 7th Street H-E-B store.

"This state-of-the-art space will be a hub for creativity and innovation as we continue to develop the ultimate digital experience for our customers," said Jag Bath, H-E-B Chief Digital Officer and Favor CEO

and President. "Bringing H-E-B and Favor closer together will allow us to promote collaboration between our two companies as we strengthen our commitment to building out H-E-B's omnichannel services."

With this expanded Austin footprint, H-E-B and Favor plan to add several hundred jobs to the local economy and are actively hiring across all areas of expertise, including product management, product design, and software engineering. Career opportunities can be found on the H-E-B and Favor websites.

This year, H-E-B has made a series of announcements and strategic technology investments to further establish the company as a technology leader in Texas, including the acquisition of Favor, the appointment of Bath as H-E-B's Chief Digital Officer, and the recent addition of Mike Georgoff as Chief Product Officer for H-E-B Digital. In addition, H-E-B continues to enhance its digital offerings with the expansion of its H-E-B Delivery and H-E-B Curbside service, which is available in more than 145 locations across the Lone Star State and is on track to reach 165 stores in 2018.

Sea Explorer, First Digital Platform of Comprehensive Seafreight Service Offerings Launched by Kuehne + Nagel

Sea Explorer offers Kuehne + Nagel's customers an easy gateway to the company's comprehensive overview of direct global seafreight services.

With access to more than 3,000 vessels and more than 750 direct weekly services, Kuehne + Nagels network provides maximum flexibility in global container transport for all trades. Sea Explorer's unique offering is based on the high level of integration and partnership with all major carriers.

The platform is an extension of Kuehne + Nagel's outstanding quote, book and track capabilities. It is based on business intelligence derived from different operational data: algorithms built from robust industry expertise are paired with big data and predictive analytics provided by Kuehne + Nagel's data company LogIndex.

Within Sea Explorer, services are ranked by smart indicators, based on big data technology, including a dynamic reliability indicator (DRI), emission score, nominal carrying capacity insights and realistic transit times for every service.

Today about 75% of the vessels arrive on-time and volatile reliability in lead times is one of the biggest challenges customers face in managing their inventory levels adequately. Through Sea Explorer customers now have the possibility to access comparative insights on service specific elements.

Kuehne + Nagel is committed to the protection of the environment and the preservation of oceans and biodiversity. Therefore the carbon emission rating actively supports customers to reduce the carbon footprint within the supply chain.

Otto Schacht, Member of the Managing Board of Kuehne + Nagel International AG, responsible for Seafreight: "High levels of data transparency are of utmost importance in logistics. Through Sea Explorer our customers will be able to access the world largest portfolio of seafreight service offerings. Thus they can base their respective decisions not just on transit times parameters but also on sophisticated comparative data such as service reliability and emission rating. We strive to provide the maximum visibility, flexibility and information to our customers throughout the world. Sea Explorer is another important step in our digitalisation approach."

Sea Explorer is an agile project with further enhancements to come based on close collaboration with customers.

MARKET MOVES

Global Mergers and Acquisitions News

In conjunction with Logistics Executive Group Corporate Advisory | www.LogisticsExecutive.com

As with M&A activity throughout 2018, the deal making scene has kicked off 2019 in a lively manner, signalling another busy year of industry consolidation and expansion.

There has been a wave of mega deals as boardrooms around the world are making big bets in order to boost revenue growth and to better compete against a new tide of digital disrupters across the industry. These include the widely discussed strategic partnership between CEVA Logistics and CMA CGM, which continues to take shape creating much speculation as to its final form and impact on the freight sector.

2019 has already shown signs a continuing trend of Private Equity firms pushing into the transportation and logistics space, driven also by the opportunities surrounding digital disruption. With an estimated US$4.6 trillion of revenues at stake, the race is on to control and define the industry's future. Market changes driven by consumer behaviours and technology means in 2019 companies can't afford to sit back and watch. They need to quickly adapt and adapt to new markets proactively. For Private Equity firm this present an opportunity to disrupt and play a long game as the industry consolidates customers, markets and assets.

According to S&P Global Ratings' economists project fairly consistent global economic growth for the next few years, including real GDP growth of 3.8% in 2018 (up from 3.7% in 2017) and 3.7% each in 2019 and 2020. Whilst S&P analysts currently expects oil prices to moderate from their current levels in 2019, with Brent crude averaging $65/barrel and West Texas Intermediate (WTI) crude averaging $60/barrel, before declining by $5/barrel each in 2020.

The most important potentially disruptive technology for transportation is driverless vehicles. If they are successfully developed and widely accepted, it could transform the trucking industry and potentially threaten railroads and car rental companies. In the U.S., the world's largest trucking market is currently facing a long-term driver shortage. This shortage is due to driver retirements (the average age of truck drivers is much higher than that for employees in most other industries), alternative employment opportunities in a strong economy, and more stringent federal regulations that impose tighter background checks and limit daily driving hours.

However, as was reported in The Financial Times (FT) in December 2018, deal making softened from the record pace seen at the start of the year. In fact, the last three months of 2018 were the quietest for Mergers and Acquisitions since the last quarter of 2017. Deals made since the beginning of October have amounted to $761bn which is down more than 25 percent from the first and second quarters according to data provided by Refinitiv. The FT article attributes this to a turbulent period in the global markets making it difficult for buyers and sellers to come to an agreement when trying to strike a deal.

The level of deal making in the new year will partly rely on the ability of companies to secure financing for their transactions. Recent market volatility and higher interest rates have raised borrowing costs and banks have been cautious to write massive cheques.

China Post and Lufthansa Cargo announce strategic cooperation

Lufthansa and China Post have been working together for years but seek to further develop their partnership. The agreement initially has a weekly scope of the shipment capability of 1 Boeing 777 freighter on the Shanghai – Frankfurt route.

The companies have so far focussed on Beijing and Guangzhou. Shanghai, is therefore, an attractive opportunity for the airliners to increase e-commerce revenue. Other than the capacity agreement, the companies are jointly aiming to shorten transportation times, improve quality and further develope digitalization.

Li Xiong, VP of China Post Group Corporation, commented on the agreement: "Under the concept of the "Joint Freight Operation", the two sides have reached a further consensus on capacity agreement this time. We will jointly build a a more stabilized and comprehensive channel of air mail transportation connecting China and Europe."

CEVA and CMA CGM outline new relationship and strategy

CMA CGM signed a new relationship agreement worth $105m with CEVA to reinforce the industrial cooperation between the two companies. It follows the shipping line's resolution to take a stake of up to a 3rd within the logistics company.

The partners said the agreement would allow CEVA Logistics to accelerate its transformation by bringing CMA CGM's operational expertise and its experience in corporate transformations; Creating new commercial opportunities; Adding value to the commercial complementarities between CEVA Logistics' and CMA CGM's freight management activities and Supporting CEVA Logistics' reorganization and development strategy.

The agreement signed between CMA CGM and CEVA also entails a removal of the drag along clause in the relationship agreement previously entered into and a voluntary public tender offer from CMA CGM. Despite this tight relationship with CMA CGM, which is a major shareholder, CEVA was emphatic that it wished to be "an independent and standalone listed company".

Kuwait's Agility to invest $100m over 3 years in digital logistics platform

Agility, one of the largest logistics firms in the region, will invest $100 million in a digital logistics platform that allows small businesses and entrepreneurs to manage their freight and deliveries online. Shipa.com will host three targeted segments: e-commerce, delivery and freight, Agility said in a statement on Monday.

"Small businesses often lack access to the logistics resources, tools and solutions that larger businesses have," said Agility chairwoman Henadi Al Saleh.

Kuwait-based Agility plans to invest at least $2 billion into its business by 2020, including technology. The new platform's e-commerce segment will offer delivery and returns for consumers and SMEs across the GCC, with "additional reach" into the EU and Africa. Shipa Freight, the third arm of the digital platform, will offer "instant and transparent freight quotes" to book, pay and track ocean and air shipments from any digital device.

Singpost partners with logistics firm LogiNext to boost last mile deliveries; inaugural venture capital fund TNB Aura closes at $31.1m

Singapore Post (SingPost) is partnering with cloud-based logistics optimisation firm LogiNext to provide parcel traceability and reliability for customers across Southeast Asia. LaMP or Last Mile Platform is SingPost's new proprietary logistics software which seeks to consolidate last-mile delivery services such as courier services, parcel lockers, brick-and-mortar collection points onto a single platform.

SingPost and LogiNext are in the midst of integrating the route planning AI software into LaMP. The exercise is expected to be completed next year. "Our delivery route planning engine is the leading bench marker in the industry. Couriers have much better-planned routes, so they can handle more parcels. It's a win-win for everyone, SingPost raises its already high delivery agility and the customer gets a much better experience with it," LogiNext CEO Dhruvil Sanghvi said.

TNB Aura Logistics Fund to chase start ups

TNB Ventures' and Aura Group's inaugural investment vehicle TNB Aura closed its Southeast Asia-focused VC fund at $31.1m (US$22.64m). Several institutional investors, regional corporations, family offices and ultra high net-worth individuals backed the fund. It invests in companies with established traction and proven teams, in areas such as advanced manufacturing & engineering, IoT, robotics & autonomous systems, AI/ machine learning and augmented reality/virtual reality.

The VC firm invests between $500,000 and $3 million into early-stage seed-

to-Series A and B startups in Southeast Asia.

Kerry Logistics eyes growing African trade with takeover of Jo'burg forwarder SAS

With the acquisition of Shipping and Airfreight Services (SAS) in Johannesburg, Kerry Logistics has expanded once more. SAS services include ocean, air, LCL, FCL, breakbulk and warehousing. The 30-year-old company will boost the Kerry's forwarding activities in Africa, where it currently uses a network of agents.

Other than focusing on China's One Belt, One Road initiative, Kerry has also grown in Europe, with acquisitions in Spain, Germany and Italy, and has set up an office in Warsaw – part of its long-term international freight forwarding plan. Taping into Chinese interest in Africa is also one of Kerry's objectives with this acquisition, it said. "South Africa's economy has an important standing on the continent, with excellent tradelanes, not only to the Chinese market but also the large exporting economies of the European Union," said Thomas Blank, managing director of Europe."

Damco's logistics business merged into Maersk Line

According to Shipping Watch Damco may soon be losing its identity as an independent brand. This follows Maersk's overhaul of its entire business structure in an effort to create a more streamlined product. Maersk's reorganisation involves merging its logistics business, according to Shipping Watch's sources, the services offered by Maersk Line and Damco will be sold as Maersk products and services going forward. Maersk's restructure announcement marks the preliminary culmination of a two-year process to overhaul the shipping and oil group.

Rhenus takes over SBL Importverkehrslogistik

The Rhenus Group has announced it has acquired the freight forwarding company, SBL Importverkehrslogistik, which has its headquarters in Ratingen, Germany. The firm provides import and export logistics services, specialising in transport operations by ship, rail and truck as well as offering complete solutions in the steel sector.

"The acquisition offers Rhenus Commodity Logistics the opportunity of significantly expanding its current customer base," said Hugo Geerts, Managing Director of Rhenus Holding Belgium.

"By selling SBL Importverkehrslogistik to the family-managed Rhenus Group, we want to safeguard the future viability of the freight forwarding company after I leave the firm due to my age," said co-owner Hartfried Butenhoff. As part of the acquisition, Butenhoff will continue to be an adviser and Christian Gansow will remain as managing director.

Universal Logistics Holdings acquires Container Connection

Universal Logistics Holdings has purchased Container Connection for a price of $60m. The acquisition marks the fourth strategic acquisition Universal Logistics Holdings has made in the intermodal space in 2018. With a focus on retail and manufacturing industries, Container Connection utilises a network of over 230 independent contractors to provide full-service harbour drayage to the Ports of Los Angeles and Long Beach, California. Headquartered in Riverside, California, Container Connection serves customers that are primarily located within the Inland Empire and Central Valley areas. Container Connection also offers warehousing, secured parking and yard space at its 18.5-acre facility. The cash purchase price was $60m just above the operating revenue of $55.5m which Container Connection reported for 2017. Container Connection will operate as a subsidiary of Universal Intermodal, Inc., and the transaction is expected to be immediately accretive.

GlobalTranz to fuel 2019 logistics M&A spree

The freight brokerage GlobalTranz plans to continue into 2019 the acquisition strategy that fueled its growth in 2017 and 2018 according to JOC. The Phoenix-based company broke into the top 10 of North American brokers in 2018 on the back of seven acquisitions the past two years, with its annual revenue now in excess of $1.5 billion, CEO Bob Farrell said in a briefing earlier this month.

"We've had incredible growth the past two years, and we will continue our [mergers and acquisitions] activity in 2019," Farrell said. "We have a lot of opportunities in our pipeline."

Among the key acquisitions for privately-held GlobalTranz were its purchase of AFN Logistics in September, which expanded the company's ability to secure strategic truckload capacity. "They exceeded the capabilities of anyone out there. We've stayed disciplined where we think we can take the value and pay accordingly."

When pressed as to whether GlobalTranz will prioritize the pursuit of regional brokerages to bolster their customer base or acquisition targets that round out their technology capabilities, Farrell said "both."

M&A INSIDER
Merger & Acquisition Deals & Transactions

BUSINESS FOR SALE

Niche Specialised Land Logistics Business

- *High exposure to growth chemical sectors*
- *UAE/GCC Based*

Producing above average EDITDA returns, this highly specialised niche business provides regional transport and logistics solutions to blue chip customers. Strong focus on safety and compliance the business has a 38 years' profitable track record. Excellent growth prospects with new customer contracts locked in and implementation for 2019. Large company owned fleet including of an excellent age and strong reputation for services.

Australian based 3PL Warehousing & Logistics Company

- *State of the art warehouse; Asset Light Model*
- *Circa USD$3,800,000*

SOLD

Strong prospects for growth with long term signed customer contracts. This well established and highly regarded 'local hero' has an excellent reputation, staff group to manage the business and brings excellent systems technology. Present owner is seeking to retire.

Logistics Joint Venture Opportunity - Oman

- *One of Oman's leading and largest local conglomerate*
- *Seeking expertise partners*

As one of Oman's largest local conglomerates, this group offers the financial and business horsepower required to capitalise on Oman's focus on developing the international and domestic logistics sectors.

With an intention to invest in and create a world class 3PL Logistics Warehousing and Transportation business, our client is seeking expression of interests from leading global and regional 3PL's who would be interested in a joint venture relationship bringing experience, know-how and technology as part of the relationship. The Group is well funded, has the capital resources and internal / external relationships to drive supply chain and existing logistics activity to the new business.

Highly profitable Project Management services firm

- *United Arab Emirates*
- *35%+ EBIT Margin*

Well established, well regarded International Project Management firm specialising in the full spectrum of construction and project management services. Strong forward customer contracts (guaranteed backlog of projects for 2019-2020) and stable staff of 60+ employees across the GCC region.

Revenues more than USD$8.0m+ and cash-flow of USD$2.5m+. Profit margin 38%+. Financial Audit Reports from one of the big four international auditors are available.

SEEKING TO BUY

Sales Leaseback Interest Sought in the GCC

Opportunity to capitalize on the market value of real estate assets while maintaining occupancy and control

- ***Do you need cash to grow your core business or for any other purpose?***
- ***Are you seeking a creative off-balance sheet, long term-financing solution?***

Logistics assets (warehouses, logistics facilities, open yards) sought by long term investors for development. We are presently engaged and working with several institutional and high-net-worth real estate investors with a mandate to acquire logistics, warehousing, and manufacturing real estate assets, and entering into long-term lease back arrangements with the current owners/operators.

Medium size freight forwarding and warehouse businesses in Saudi Arabia

- ***Logistics / Freight Forwarding / Warehousing***
- ***Target deal size: USD$20m-40m (6-8 x EBIT)***

Acquisition sought for a medium to large size forwarding and logistics warehousing businesses in KSA. Preference for those with brokerage operations and multiple offices/ branches and holding appropriate licenses. EBITDA target - USD$2-5m annual with target completion time - mid to end Q1 / 2019.

Large to Medium size freight forwarding business in the UAE

- ***Freight Forwarding or like***
- ***Target Geography: United Arab Emirates***

Our client is an expanding regional logistics firm with strong capital backing. The seeking to accelerate their GCC growth in Forwarding and Logistics through acquisition. Deal size would be the region of companies with a turnover of AED50m – AED250m and who have well established operations of 5 years plus.

3PL Logistics Warehousing Business

- ***Logistics Asset Based Business***
- ***Target Geography: United Arab Emirates***

Prominent UAE organisation seeking to expand its logistics operation through strategic acquisitions in areas of 3PL warehousing, transportation (trucking) and cold chain. Strong investor with a focus on growth. Seeking deal sizes up to USD$100m.

*** In addition to those listed, Logistics Executive Group has mandates for similar businesses from trade buyers and investors. Please contact us for more information.*

Outlook 2019: The Intangible Assets That Drive The Digital Revolution

In 2019, the Yara Birkeland, world's first autonomous and zero emissions ship is due to start operation.

Is this a sign that the Fourth Industrial Revolution (4IR) is about to reach the shipping industry?

Advanced technologies have disrupted and recombined industries, and dislocated workers. Cloud computing, the internet of things, distributed ledger technology, such as blockchain, artificial intelligence, 3D-printing, and many additional technologies are expected to dramatically change most parts of our life.

Disruption is unavoidable and will certainly arrive in the logistics and supply chain industries too. But hardly in the year 2019! There are still significant shortcomings in the area of intangible assets. In particular mindset, imagination, skills, sharing and collaboration as well as independent interoperability protocols, will delay the digital revolution in the logistics and supply chain industries.

In 2019, CEOs will continue to drive digital transformation. No one wants to be caught off guard by new incumbents or competitors whose innovative value propositions make suddenly own ones obsolete. The digital era has brought a lot of experimentation. However, moving from experiments to scale requires a digital mindset and new skills, new ways of working and global protocols. In 2019, Pioneers and leaders will focus on building the critical intangible assets. There are five key areas that we expect will shape this digital agenda.

1. Growing the "Platform Mindset"

Platforms are the new market places drivers. With Amazon, platforms arrived in the supply chain industry almost 25 years ago. Uber, founded as UberCab in 2009, has started the sharing platform revolution. IBM and Maersk announced their trade platform initiative in 2017. APM Terminals launched a new online platform at Khalifa Bin Salman Port (KBSP) in Bahrain mid-2018.

The range of services include bookings of vehicles and slots, real-time visibility of shipments, track and trace functions, as well as payments and processing of documents and invoices.

Everything businesses need can be found in the ecosystem: resources, operational assets, warehouses, transport vehicles, etc. Platforms are the instrument that provides visibility and access.

Today, the most valuable businesses are platforms. And these will only grow going forward. Over the next 10 years, platform-driven interactions are expected to enable approximately two-thirds of the value for business and society - Digital Transformation Initiative of the World Economic Forum in collaboration with Accenture.

Platforms are the place for gathering, analyzing and sharing of data. Data has become the new dollar. Through platforms billions of dollars will be saved within the current value chains. The new models in supply chain will be data-driven. This paradigm will further drive the shift of the business mindset from linear processes towards platforms.

Technology is not a bottleneck! But it is the lack of imagination that limits innovation.

2. Enhancing "Imaginary Capacity"

Technology is not a bottleneck! But it is the lack of imagination that limits innovation. Most established companies are designed for efficient delivery of their existing products and services. This is the reason why corporations continuously improve their processes and practices. Whereas digital champions are constantly changing them.

Succeeding in the digital age requires not only rapid adjustments to change, but a complete transformation. It requires corporate agility and creativity – qualities that are particularly present in technology companies and startups. It is therefore fundamental that corporates acquire such characteristics to learn enrich, and accelerate their own innovation efforts. Also to obtain access to people with a different mindset.

Established businesses share the limitations of legacy systems and processes. Whilst startups are short of critical assets to directly compete with corporates. Primarily brand loyalty, financial strength, disciplined business processes, and operational expertise. The combination of large corporates

assets and the agility of startups can deliver a powerful formula. However success is not guaranteed!

On the one hand, most startups never come to fruition. PitchBook compiled data on the 25 most valuable VC-backed startups that failed in 2018. Among them Shyp, an on-demand delivery platform that raised USD 62 million and reached a maximum valuation of USD 275 million.

On the other hand, creative talent leaves corporates. Numerous papers and articles have explored why the most innovative employees struggle in the corporate world. There are several reasons for this which range from cumbersome administration and bureaucracy, resistance to change, tight financial controls and quality of leadership and management to risk adversity and finally firing after failure. Organizations have to unlearn what they learned and relearn – Alvin Toffler. And is the very hard part. But the advent of the digital economy and society will bring more challenges. This will force changes for survival and hopefully achieve breakthroughs in corporate imaginative thinking or they will disappear.

3. Investing in skilling

While the adoption of technology is relatively easy, redesigning business models and upskilling are more challenging undertakings. The digital era demands entirely new levels of imagining, designing, delivering, and servicing of digital value propositions. Technological skills and project management expertise are only the tip of the iceberg. Working with the machines requires mass skilling.

Digital transformation is driven and enabled by people. The Operations and Technology Knowledge Group of SDA Bocconi School of Management has built a model to measure the "score 4.0" - their research shows 70% of 108 companies in the supply chain have invested in digitalization in the last three years. However, Vincenzo Baglieri, Project Director, says. "Many companies have … underestimated the need to redesign their processes and invest in new skills." At the end, it is people that think, design and operate the new models. If the investment in skilling falls short, the digital transformation falls flat.

The Antwerp Port Authority, for example, and its APEC-Antwerp/Flanders Port Training Center has been training port workforces on most aspects of modern port operations. There is not a lot to read about skilling for the 4IR in the transport, logistics, and supply chain industries. This is alarming and might contribute to the fact that 70% of the larger scale digital transformation project fail. Here is a message to the global and local leaders in business model transformation, that higher investment in skilling will be crucial. This includes research in understanding the skills needed and also the development of skilling programs. It will be interesting to observe what the coming year will finally bring in this field.

4. Sharing and Collaborating

In 2018, we saw a mindset shift in the transport industry from protective and silo-thinking towards the willingness to try new collaborative models. The Port of Rotterdam and the Port of Hamburg, for example, have entered into a data partnership. The competing ports have started to share data to optimize calls of liners in the North Europe area. The ports wish to expand their model to more and more ports going forward which will be exciting to follow.

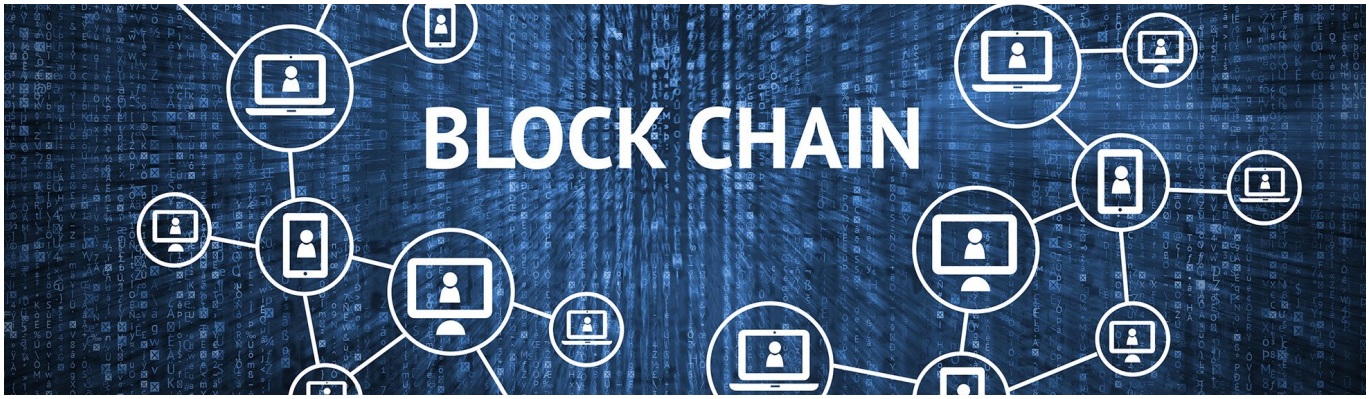
On 19 October 2018, ABN AMRO, Samsung SDS and the Port of Rotterdam Authority announced the launch of a container logistics blockchain pilot. The goal is to establish an open independent and global platform that will make the logistics value chain more transparent and efficient. This requires the full integration of the physical, administrative and financial work streams.

We also see governments collaborating through connected platforms. In 2017, the de facto central banks of Hong Kong and Singapore announced plans to link trade finance platforms they are developing with distributed ledger technology to reduce fraud and errors. Linking the two platforms is part of a broader plan of the Hong Kong Monetary Authority and the Monetary Authority of Singapore to collaborate on distributed ledger and other financial technology. 2019 will bring more collaboration and with it new learning and opportunities for value creation.

5. Ensuring Interoperability

Distributed Ledger Technology (DLT), like blockchain can hardly be separated from the trade and supply chain platform developments. The different DLTs or similar will be the operational backbone of these platforms. A single global trade network would be the most ideal. But as unlikely to happen, interoperability standards would become mission critical for scaling collaborative platforms across the supply chain ecosystem.

After Maersk and IBM announced their collaboration to use blockchain technology, distributed ledger technology tests started to flourish. Port of Antwerp, Pacific International Lines, and PSA International have all carried out blockchain pilots. Korean



Customs Service (KSC) has signed a memorandum of understanding (MoU) with the Korean operator of Malltail to develop a blockchain-based customs platform for the e-commerce industry. With all these different activities, the awareness of the need for a global interoperability protocol and independent trade and supply chain platforms has been steadily rising.

During the United States Congress Blockchain Hearing on May 8, 2018, the US Department of Homeland Security lamented the lack of interoperable interfaces and standardized approaches. Also in May 2018, two liner companies, Hapag-Lloyd and CMA CGM, stressed the need for an industry standard, rejecting Maersk and IBM's blockchain solution and the trend of the development of numerous distributed ledger technologies for the container sector.

Future Outlook

The "blockchain arm race" in supply chain has been gradually heating up. In August 2018 Maersk and IBM launched their blockchain platform TradeLens, which met encouragement but also skepticism of its benefits to stakeholders. The rival appeared shortly after in November 2018. A consortium powered by Oracle Cloud Blockchain Service, which involves CMA CGM, Cosco Shipping, Evergreen Marine and Yang Ming announced their blockchain platform project. The development requires collective responsible system leadership to develop common protocols opposed to potentially tensions and mass confusion.

Initiatives to ensure neutrality and interoperability have also emerged in 2018. The World Economic Forum has started the project "Re-designing Trust: Blockchain for Supply Chain". This multi-stakeholder initiative aims at co-designing, prototyping, and testing frameworks that guide towards interoperability, integrity and inclusivity. The initiative also addresses how small and mid-sized enterprises (SMEs) can be brought onto the platform.

Whether on private or public side, such interoperability initiatives will expand and mature in 2019.

The next stage of the digital revolution will unfold increasingly behind the scenes. 2019 will bring more focus on building assets other than technologies. The future winners will strengthen and expand their asset base beyond technological innovation to people and protocols – to attitude, creativity, behavior and skillset, and the prerequisites for digital collaboration at scale. The intangibles are the assets which make or break the digital transformation. In business, the intangible assets drive the tangible success: The beautiful minds of extraordinary people that imagine our future and the force of the smart and skilled collective that puts the transformation in motion.

Technology will continue to make the news, but intangible assets will make the difference!

Wolfgang Lehmacher

Wolfgang Lehmacher is thought leader and practitioner in the field of supply chain and logistics. Stages: Director, Head of Supply Chain and Transport Industries at the World Economic Forum, Partner and Managing Director (Greater China and India) at the global strategy firm CVA, President and CEO of GeoPost Intercontinental at French La Poste. Judge Automotive Logistics Awards Europe, member of IATA Air Cargo Innovation Awards Jury and the Logistikweisen, a think tank under the patronage of the German Federal Ministry BMVI. He is FT, Forbes, Fortune, and BI contributor and author of books, including The Global Supply Chain.

The True Cost of Damage: Understanding the Sustainability Impact of E-Commerce Packaging

E-commerce is getting to be quite a crowded space across Asia. It's identified in a UN ESCAP report as the fastest growing region in the global e-commerce marketplace, contributing 4.5 percent of the overall GDP. This rapid growth can be largely attributed to a number of factors: The region is home to more than 50 percent of the world's online retail sales, it has an increasingly high internet penetration, it has a fast-growing class of young and affluent shoppers, and there's a lack of available organized retail.

This growth leads to an exponential increase in shipping and deliveries across Asia. Consider the new record-setting US$30 billion in sales Alibaba made on Singles' Day 2018, for example. Touted as the world's biggest online shopping event, more than one billion separate orders were processed, with nearly half of consumers buying an international brand such as Apple or Nike.

However, in that same vein, it's worth considering a corresponding rise of damaged products during the delivery process that is adding to the fulfillment challenges faced by e-commerce companies.

For a long time now, these companies have settled upon an acceptable amount of loss to damaged goods during the shipment cycle. Ranging anywhere from one to eight percent, there are a variety of tools and processes to keep damage rates within this threshold such as quality control checks and returns tracking reports. Companies keep an eye out for spikes that indicate a problem, and the rest of the damage is just written off as a loss. It's the "cost of doing business," many would say.

But putting a stop to damage during shipments isn't just a better business decision. It's also a sustainability imperative.

The Damage Drain: Permissible or Preventable?

At Sealed Air, we're in the business of protective packaging. Since our invention of Bubble Wrap® more than 60 years ago, we have been preventing damage in small parcel shipments ever since. We believe there are significant benefits when companies lower "allowable" damaged rates. Some of these benefits could be retaining customers, minimizing costly returns, and most importantly, reducing the company's overall impact on the environment.

Very often, when a retailer looks for sustainability gains inside the shipping cycle, it looks to the recyclability of the packaging – measures such as swapping plastic air pillows for materials that can be tossed directly into recycling bins.

But here's the thing: For retailers looking to reduce overall environmental impact, it's important to note that manufacturing and disposing of packaging materials accounts for just five percent of the environmental impact of shipping. So, if a retailer used a packaging material that was "carbon neutral" and was recycled 100 percent of the time – just because a material is recyclable doesn't mean it's recycled – at best, the company would only be improving its environmental footprint by five percent.

Assuming a damage rate of just one percent, almost half (48 percent) of the total environmental cost of shipping

For retailers looking to reduce overall environmental impact, it's important to note that manufacturing and disposing of packaging materials accounts for just five percent of the environmental impact of shipping.

The true sustainability impact comes less from whether or not it's made of recycled material or if it can be recycled curbside. The impact lies in the ability to eliminate the risk of damage and of that item doubling, or even tripling its environmental footprint.

comes from damage. So where should you start? Striving to reduce the five percent impact of interior packaging materials, or getting damage rates below one percent?

There's no denying that materials that are easily disposable are part of the equation in enhancing the environmental footprint. And the sustainability values of a company are clearly conveyed by the materials used to deliver goods. These are conversations we must continue to have and solutions we must continue to innovate.

Beyond the Recycle Bin: Getting Consumers to See the Bigger Picture

Those of us who have expertise in the challenges of the fulfillment journey have a duty to educate consumers on why certain packaging materials are chosen over others. The true sustainability impact comes less from whether or not it's made of recycled material or if it can be recycled curbside. The impact lies in the ability to eliminate the risk of damage and of that item doubling, or even tripling its environmental footprint.

Being "recyclable" isn't a silver bullet for Asia. The region isn't going to be able to recycle its way out of the environmental problems that e-commerce creates. Making more products recyclable is a big step, but those solutions should also require less energy to produce, fewer trucks for transport, less fuel for the trucks and more recyclability at end of life.

This is a complex issue, and at a time where there is enormous – and justified – consumer pressure on plastics, this is a nuanced conversation to have with businesses and consumers alike.

Brands, retailers and consumers will need to learn that ensuring an item is delivered undamaged, using materials that were sourced, created and applied using the least amount of waste and energy is what will lead to truly sustainable outcomes.

Sealed Air's goal is to continue leading the development of solutions that eliminate waste with the optimal amount of material. To accomplish this goal, we are committed to using more materials that enable a circular economy.

Dan Healey
Director of Sustainability
Sealed Air Product Care Division

Dan Healey is the Director of Sustainability for Sealed Air's Product Care division where he leads efforts to expand, quantify, and communicate the substantial environmental benefits that come from preventing product damage and reducing material waste across the fulfillment supply chain.

With more than 17 years in the packaging industry, Dan is combines his experience in R&D and business development to uniquely align a customer's business objectives with its sustainability goals. His commitment to advancing a holistic, lifecycle approach to assessing environmental impact is helping change the way companies think about packaging and shipping products.

7 ASEAN e-Commerce Trends We Need To Pay Attention To

In the e-commerce world, Southeast Asia has both new and established e-commerce retailers sitting up and taking notice.

According to iPrice Group's 2017 State of eCommerce report, e-commerce transactions surpassed $10 billion in 2017, up from $5.5 billion in 2015 and projected to go up to a massive $88 billion in 2025.

Though the western e-commerce world is more established, the e-commerce scene in the Association of Southeast Asian Nations (ASEAN) region is catching up. With our home base here in Asia, we at Parcel Perform are seeing a rapid pace of digital transformation in the market. To help our merchants keep pace, we've examined some of the hottest e-commerce trends and events in Southeast Asia for you to pay special attention to.

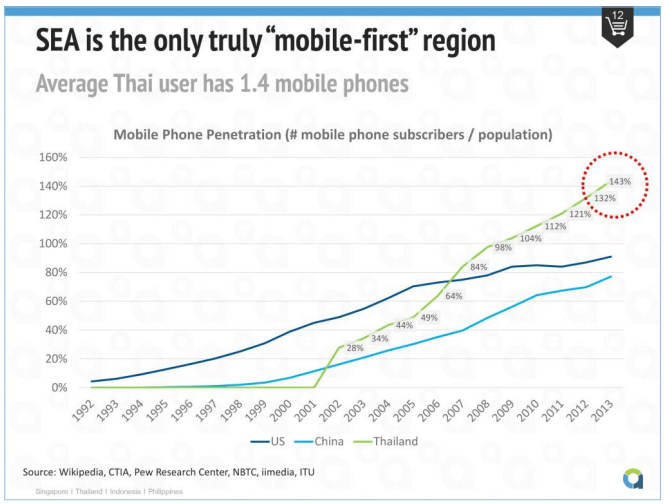


Image 1 *Photo Source: aCommerce Asia*

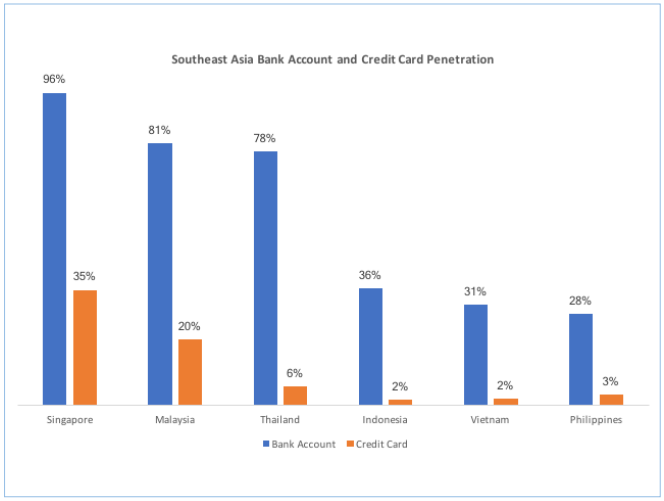


Image 2 *Photo Source: aCommerce Asia*

1. Mobile connectivity is exploding in ASEAN's emerging markets

Emerging markets like Myanmar and Thailand are seeing rapid growth in mobile marketing. Myanmar recorded a tremendous increase in mobile penetration from just 10% in 2014 to above 80% or 46 million mobile users in 2017. By end-2018, the market is expected to reach a mobile penetration of over 90%.

Myanmar's internet users also tend to forego the use of a desktop computer altogether, making them a mobile-only country.

In Thailand, this mobile-first mentality is no different. eMarketer reports more than 90% of Internet users use their smartphones to go online. The average Thai user also has 1.4 mobile phones., making them the most active mobile users in Southeast Asia. (see image 1)

We've been hearing about the shift towards mobile-first since Google announced new mobile-friendly algorithms in 2015. But if you want to stand a chance in the ASEAN markets, you need to have your site optimized for mobile design and user behavior.

2. When it comes to preferred payment methods, Cash on Delivery dominates in ASEAN

Unlike the Western e-commerce world, Cash on Delivery (COD) is often the only payment option when customer's orders are delivered to their doorstep.

Most customers either don't have a credit card or prefer the simplicity of cash payments. (see image 2)

For example, 70% of online shoppers prefer cash on delivery in Thailand; citing simplicity and ease of use. They also lack trust in sharing personal information through online channels.

This trend extends to the rest of the ASEAN region. More than 73% of the population does not transact business through banks.

While payment solutions are slowly arising with Ponselpay in Indonesia, Line Pay in Thailand and Alipay and WeChat Pay from China, adoption is still slow. Hence as a business owner in ASEAN, consider how these payment methods constraints impact your payment processing and cash flow as you'll only get your money upon completion of their deliveries.

3. Social Commerce in Asia

A report released in 2017 by Google and Singapore's Temasek reveals that Southeast Asians spend the most time online globally. Most of this time went to social media sites. (see image 3) Therefore, 'social commerce' i.e buying and selling between consumers on social media platforms in the region is booming; giving rise to a unique Southeast Asian e-commerce phenomenon called "shadow marketplaces".

The impact of shadow marketplaces on the e-commerce industry should not be underestimated. In Thailand, a whopping 50% of online shoppers purchase products through social commerce. Regionally, a 2016 report by Bain and Company showed that 150 million people in the region shopped through social media, compared to only 7 percent of the United States's 287 million Internet users.

Why is the social commerce scene flourishing?

One important factor is low operational cost – you only need an account, the Internet, and some goods to sell to start. Retailers looking to expand in this region should not

discount the formidable presence of these marketplaces if they want to thrive in this region.

4. Online-only is no longer the answer for growth

We wrote before about current consumers are going omnichannel and have dramatically different customer journeys compared to those of the past.

Now, established online retail stores are going offline – launching their offline establishment after years of operating an online store.

Thailand-based fashion retailer Pomelo recently launched it's biggest pop-up store to date in Siam Square, the fashion center of Bangkok. It enables customers to 'click and collect' – ordering items online and trying them in-store before deciding which ones to keep or return.

David Jou, CEO of Pomelo Fashion is looking forward to this development.

"In fashion, the number one barrier to purchase is still the need to try a product on for fit coupled with the hassle of returns. An offline footprint addresses this barrier head-on. Additionally, customers can be acquired offline and data from online can be used to drive higher sales and greater operational efficiencies offline. In short, a mix of offline and online is the optimal strategy for fashion retail going forward."

Singapore-based Love Bonito is also part of this trend; launching its permanent flagship store at Singapore's Orchard Road after seven years of being a purely online store.

"A physical store provides a platform for us to enhance our customers' touch point, provides a space for our community to mingle and learn, enables us to interact with our customers face to face and increases our customers' brand loyalty." said Rachel Lim, Co-Founder of Love Bonito.

What can retailers learn from all this?

Online customer acquisition channels like Google and Facebook – once claimed to be the magic pill for all advertising efforts are rapidly becoming saturated and data now points towards diminishing returns.

Retailers cannot solely rely on a single channel for their business, they need to diversify and offer an excellent customer experience to their customers regardless of channels to stay competitive.

5. GDPR & its impact on ASEAN e-commerce

To protect EU citizens, the General Data Protection Regulation (GDPR) (or DSGVO in Germany) was made effective May 2018. This impacted retailer and carrier communication with their customers.

How is ASEAN affected by GDPR?

Companies in Southeast Asia have taken the first step towards compliance by changing their privacy policies but in comparison to data protection laws in Europe, ASEAN as a whole has been lagging behind when it comes to protecting the online privacy and data of its netizens.

If your business handles customers in the European Union, you will need to accommodate for the new regulations – especially in how you handle customer's data with external parties like logistics and delivery providers. As we've explored before, this will have important implications on how you communicate with your customers and impact your customer's experience of your brand.

GDPR will have important implications on how you communicate with your customers and impact your customer's experience of your brand.

6. The battleground for Southeast Asia's e-commerce market is heating up.

As ASEAN is booming, global e-commerce giants are sitting up and taking notice.

Mobile internet use by region

Region	Average hours per person, per day
Southeast Asia	3.6
China	3.0
United States	2.0
United Kingdom	1.8
Japan	1.0

Data: Google/Temasek *Table: Tech in Asia*

infogram

Image 3 *Photo Source: Tech In Asia*

While global e-commerce player Amazon made their entry into Southeast Asia in Singapore in 2017, the bitter rivalry between Chinese e-commerce giants Tencent and Alibaba underscores the volatility in the region. They fight for a piece of the ASEAN pie by either acquiring local e-commerce startups or investing heavily in existing ones.

For example, Alibaba aggressively increased its share in the local e-commerce marketplace Lazada from 51 to 83% and has also invested in Indonesian e-commerce player Tokopedia.

Likewise, Tencent is investing in local companies like Sea and Indonesian app Go-Jek to become the region's next WeChat. It is also a majority shareholder in China's leading e-commerce operator Jing Dong (JD) which recently formed a joint partnership with Thailand's number one retail brand Central Group with a US$500 billion investment; creating the first digital ecosystem in Thailand.

Retailers who want to do business in this region should pay attention to the movement and strategies of these e-commerce giants. While there may not be much room for another massive 'cover-as-much-variety' styled retailer, room exists for online retailers who can carve out their own niche and deliver an outstanding customer experience to cement their place in this market.

7. Customers demand control over their delivery experience

Globally, customer expectations on how long they're willing to wait for their orders to arrive is shortening and ASEAN is no different.

Millennials now expect companies to have 'much faster' delivery times compared to a year ago. A quarter of shoppers would abandon a cart online if same-day shipping wasn't available.

Since deliveries now have to suit the customer's schedule, one of the best things you can do as an online retailer is to offer a variety of delivery options. Think beyond the traditional home or office deliveries and look at deliveries to specified collection points and parcel lockers to make the parcel collection experience seamless.

Another area where you can empower customers with control over their delivery experience is to allow them to readily track their parcels at every delivery stage and proactively communicate these updates to them. A majority of customers now check for updates on their parcel deliveries regularly.

Your customers readily seek tracking updates on their parcel's delivery journey. Give it to them and it will set you apart from your competition.

A majority of customers now check for updates on their parcel deliveries regularly.

Therefore, organizations that want to compete on the same level of service and customer experience as the e-commerce titans like Amazon have to meet or even surpass these customer expectations.

Giving your customers control over their delivery experience will set you apart in this area.

In Conclusion:

Southeast Asia's e-commerce scene is a gold mine and competition amongst existing and new players will be stiff. This will be set against a scene of constant change and retailers who wish to compete to thrive in this volatile marketplace will need to stay ahead of the competition.

While some of the trends we've noted are unique to ASEAN, a common theme is clear. In the age of increasing competition, customers increasingly have a variety of choices where they can purchase their goods. They also desire (and expect) an excellent customer experience throughout the customer journey.

As retailers, you need to constantly innovate and keep your finger on the pulse of the customer.

This is where Parcel Perform's team of e-commerce experts is well-positioned to help you enhance your e-commerce store's tracking capabilities. With our tracking solutions, you can give your customers control over their delivery experience and meet or even surpass their expectations.

Joshua Poh
Marketing Manager
Parcel Perform

Joshua is the Marketing Manager at Parcel Perform, a global tracking management solution that supports e-commerce merchants & enterprises in managing the complexities of e-commerce logistics and fulfillment.

At Parcel Perform, Joshua leads Parcel Perform's digital, content marketing initiatives and all other related marketing and branding efforts. He is an experienced marketer in the B2B software space and currently writes about e-commerce logistics and customer experience for Parcel Perform's blog.

EVENTS

March

10TH GPCA PLASTICON
March 11th - 12th 2019
ART Rotana, Amwaj Islands, Bahrain
www.gpcaplastics.com

6TH RESEARCH AND INNOVATION SUMMIT
March 13th - 14th 2019
ART Rotana, Amwaj Islands, Bahrain
www.gpcaresearch.com

April

11TH SUPPLY CHAIN CONFERENCE
April 8th - 10th 2019
InterContinental Dubai – Festival City, Dubai, UAE
www.gpcasupplychain.com

WOMEN IN PROCUREMENT & SUPPLY CHAIN 2019
April 30th - May 2nd 2019
Pullman Sydney Hyde Park
Sydney, Australia
www.questevents.com.au/women-procurement-supply-chain-2019

May

LogiSYM SINGAPORE 2019
May 14th - 15th 2019
NUSS Kentridge Guild House, Singapore
www.logisym.org

July

LogiSYM MALAYSIA 2019
July 23rd - 24th 2019
Hilton Petaling Jaya, Kuala Lumpur, Malaysia
www.logisym.org

LOGISTICS™ EXECUTIVE

www.logisticsexecutive.com

Corporate Advisory

Complexity-to-Opportunity. Partnering to Evolve Your Business – Globally.

Complexity and change is a constant in today's environment. Smart, agile companies must navigate the changes, while sustaining growth and improving operational effectiveness. Logistics Executive Group Corporate Advisory and Consulting Group is a leading boutique provider of performance and outcome driven consulting services across Business Performance, Supply Chain and Operations and Human Capital.

We deliver a globally, consistent set of multidisciplinary services, based on a collaborative approach. This is grounded in deep, industry-specific experience and a commitment to delivering measurable, sustainable results that can help you adapt and succeed, even in uncertain, changing environments. Our industry focus helps ensures our experienced practice leaders develop a rich understanding of clients' businesses and the insight, skills and resources required to address industry-specific issues and create opportunities.

Our services

- Business Performance Consulting
- Supply Chain Consulting
- Human Capital Consulting
- Organisation & Executive Coaching
- Astrum Lighting Innovation
- Jafza Representatives
- Practice Consultants
- Mergers, Acquisitions & Merger Integration Strategy

About us

Logistics Executive Group is the acknowledged industry leader providing a suite of whole-of-life-cycle business services including Corporate Advisory, Executive Search and specialist Supply Chain and Logistics Training. Since 1999, clients have trusted us to help recruit, build world-class leadership and drive business performance with integrated Corporate Advisory services.

Today, we are a single source for leadership development, talent & recruitment services and business consulting to empower businesses and leaders to reach their goals. We offer a full suite of solutions designed and executed to best position our clients to enhance growth and overall performance.