



## **DHL invests USD10 Million in logistics infrastructure for fast growing supply and sourcing hub in India**

- **First global logistics company to set up a facility within the inaugural Free Trade Warehousing Zone in India**
- **DHL's facility will facilitate ease of trade in India for businesses across several industries**

**Chennai, May 27, 2010:** DHL, the world's leading logistics company, today announced an investment of USD10 million by its freight forwarding division to strengthen its capabilities and infrastructure to provide world-class logistics and warehousing services in India. DHL Global Forwarding is setting up a logistics and warehousing facility in the upcoming Free Trade Warehousing Zone (FTWZ) in Tamil Nadu. With this facility, DHL will be the first global logistics company to operate a facility within the FTWZ that will offer customers the benefits of a duty free zone with high quality infrastructure.

"The upcoming introduction of the goods and services tax and Free Trade Warehousing Zone in India will impact on customers' supply chains and current tax structure. With our experience in managing customs and tax issues for our customers, we acted swiftly to introduce pioneering initiatives in Chennai's Free Trade Warehousing Zone. This will streamline customs procedures and make trade easier for our customers with activities in India. By providing sound infrastructure, this Free Trade Warehousing Zone facility will considerably improve quality standards while reducing overall logistics and storage costs, especially for companies without their own set up in India," said Amadou Diallo, Chief Executive Officer, South Asia Pacific, DHL Global Forwarding.

Strategically located along the main freight and industrial axis with close proximity to ports, major roads and rail services, the facility will be located 32 km to Chennai International Airport; 38 km to Port of Chennai; 319 km to Bengaluru International Airport and 646 km to Hyderabad International Airport. Spanning a total land area of over 260,000 sq ft, the FTWZ facility will provide consolidated operations for distribution management and trading, both into and out of India, with inventories held in India on



account of foreign or Indian entities.

Being the first global logistics company in the country to have a facility inside the FTWZ provides DHL Global Forwarding the first mover advantage by offering a number of benefits to customers. The new facility will feature both covered and open warehousing, and offers a suite of services that includes:

- **Speedy delivery of cargo:** a one-stop customs clearance capability which will result in quick processing of import and export declarations coupled with efficient clearance
- **Unique sector services:** bespoke solutions that cater to sectors such as Aviation, Fashion & Apparel, IT, Life Sciences, Oil & Gas and Telecommunications
- **Integrated solutions:** packing management, sorting, inspection, re-invoicing, strapping, kitting, assembly of Complete and Semi Knocked Down kits
- **Taxation benefits:** duty free zone providing exemption on Customs, Countervailing<sup>1</sup>/ Excise duty and Service Tax on goods stored in the FTWZ facility
- **Transportation:** a transportation network for movement into and out of the FTWZ
- **World class infrastructure, systems and amenities:** ensure efficient on-time performance, distribution and inventory management.

“With cost-effective skilled labor, transportation facilities, integrated warehouse management and sophisticated equipment, we are well positioned to capitalize on the rapidly growing domestic market,” said Christoph Remund, CEO, DHL Lemuir Logistics Pvt. Ltd. “Additionally, India serves as a major sourcing and supply hub which offers tremendous market potential for our growth and expansion in the country. But more importantly, our investment in the Free Trade Warehousing Zone will simplify trade and encourage foreign trade and warehousing activities in India, thereby creating more employment.”

The total logistics market in India earned revenues of USD75.19 billion in 2009, representing approximately 6.2 percent of the country's GDP<sup>2</sup>. The market is expected to reach USD120.42 billion in 2014, witnessing a CAGR of 9.9 percent between 2009 and

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<sup>1</sup> Countervailing duties are levied on imported goods and are equivalent to excise duties levied on goods produced domestically

<sup>2</sup> 'Strategic Analysis of Indian Logistics Market' Frost & Sullivan, 19 Feb 2010



2014<sup>3</sup>. DHL Global Forwarding, with its well-established operations and widespread locations, is distinctly positioned to capitalize on this fast-growing market and strengthen its market-leading position in India.

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**DHL – The Logistics company for the world**

DHL is the global market leader in the logistics industry and “The Logistics company for the world”. DHL commits its expertise in international express, air and ocean freight, road and rail transportation, contract logistics and international mail services to its customers. A global network composed of more than 220 countries and territories and about 300,000 employees worldwide offers customers superior service quality and local knowledge to satisfy their supply chain requirements. DHL accepts its social responsibility by supporting climate protection, disaster management and education.

DHL is part of Deutsche Post DHL. The Group generated revenue of more than 46 billion euros in 2009.

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<sup>3</sup> ‘Strategic Analysis of Indian Logistics Market’ Frost & Sullivan, 19 Feb 2010