



## DHL invests to grow share of fast-growing €3 billion sector

- Invests €50 million in Technical Services to tap on sector growing at 25% / annum
- Plans to double footprint in India, China & expand in Singapore and Japan
- Appoints IT industry veteran as Vice President, Technical Services, Asia Pacific
- Launches DHL's first Asia Technical Services Competency Center in Malaysia

**Singapore, 26 May 2010:** The next time you call the IT helpdesk of your laptop company to troubleshoot your computer, the engineer on the other end of the line could well be a DHL employee. Purchased a new mobile phone? The software may have been configured by DHL staff. With counterfeit goods on the rise, a fraudster or unsuspecting consumer trying to claim warranty on an illegal product from the legitimate brand owner may have plans thwarted by a DHL technician counterchecking warranty claims and product specifications. With DHL's focus on Technical Services, the next time you drop off your laptop at the manufacturer's service centre, don't be surprised if you are serviced by DHL staff.

From final configuration to repairs and asset recovery<sup>1</sup>, DHL, the world's leading logistics company, is focused on growing its share of the €3 billion outsourced Service Logistics market in Asia Pacific. DHL's Supply Chain division announced plans to invest €50 million over the next five years to grow its Technical Services offering, part of its overall Service Logistics<sup>2</sup> solution, and mapped out expansion plans for China, India, Japan and Singapore.

DHL has also appointed an IT industry veteran to head this sector and officiated its first technical services competency center in Asia. Co-located at its 200,000 sq ft Penang Logistics Hub in Malaysia, DHL's first Technical Services competency center in Asia provides an advanced level of technical solutions for customers.

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<sup>1</sup> Asset recovery revolves around enabling clients to maximize recovery of returned goods or parts through refurbishment, remarketing as well as asset disposal in line with company's policies and regulatory requirements.

<sup>2</sup> Service Logistics comprises all activities to restore or maintain the functionality of a finished product throughout the product's life cycle.



## **Game-Changing Solution for the Logistics Industry**

“By our estimates, the market is growing at about 25% per annum. Of that, Service Logistics services, especially Technical Services and repairs accounts for up to 60% of the overall spend,” said Paul Graham, CEO, DHL Supply Chain, Asia Pacific. “Our focus on this sector will be an industry game-changer. Harnessing the size and scale of our extensive footprint spanning 42 countries and territories in Asia Pacific, we have a unique opportunity to bridge the market gap between companies offering technical repairs and logistics providers.”

Spanning the breadth of its Express, Global Forwarding and Supply Chain locations<sup>3</sup>, DHL has the ability to custom build a comprehensive end-to-end Service Logistics solution, including Technical Services. DHL’s Service Logistics solution builds on a network of over 16 distribution centers and over 490 field stocking locations in Asia Pacific. In addition, DHL customers also have access to the company’s existing footprint spanning 1,500 locations across the region.

## **Regional Expansion: Footprint to double in China and India, expansion for Japan and Singapore**

For geographically expansive markets like **China** and **India**, the focus is on growing DHL’s Service Logistics footprint. “DHL operates from 400 sites in China and 470 locations in India. Of these, 15% of our sites in China and 40% of our facilities in India support Service Logistics. We expect to double the number and increase our Service Logistics footprint in China and India within the next 3-5 years. We are currently the market leader with the widest network in Tier 1 and Tier 2 markets, and we intend to further penetrate into Tier 3 to Tier 5 cities,” said Paul Graham.

In **Japan**, DHL operates from a network of 270 sites of which approximately 20% cater to Service Logistics. The company is looking to raise the bar to deliver extremely high quality technical services. “High end technology goods still bear the mark “Made in Japan”. To

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<sup>3</sup> Operating 1,500 locations in 42 countries and territories in Asia Pacific, DHL is the leading logistics provider with over 3.2 million square meters of warehouse space, 10,300 vehicles and utilizing 350 daily commercial flights.



offer Technical Services in the backyard of the world's biggest high tech brands, pioneering innovations the world is just starting to embrace, we need to up our game and further enhance the quality and expertise of our services," said Kerry Mok, Senior Vice President: Service Logistics and Technology, DHL Supply Chain, Asia Pacific.

In **Singapore**, DHL currently operates a 24x7 call center for Europe and the Asia Pacific region for Service Logistics. The company has engaged senior industry professionals and plans to launch an Asia Pacific Center of Excellence for Solutions Development based in Singapore. The Center comprises of a core team of industry experts who will focus on designing solutions and provide consultancy services for customers.

A veteran with over 20 years in the IT industry, Choo Yew Kwong, has been named Vice President, Technical Services, DHL Supply Chain Asia Pacific. Yew Kwong joins DHL from an illustrious career at Hewlett Packard and Compaq Computer Asia where his roles included managing the IT giant's end-to-end parts supply chain model covering procurement, logistics, inventory management and outsourced repair operations.

### **DHL's first Integrated Technical Services Competency Center in Asia**

A showcase of DHL's Technical Services capabilities is the company's first fully integrated technical services center in Asia. Located on its 200,000 sq ft Penang Distribution Hub in Bayan Lepas, Penang, Malaysia, the facility is designed to offer integrated technical services solutions, from warehousing and distribution of spare parts, to reverse logistics including screening, testing, repair and asset recovery.

The facility also houses an Authorized Service Provider (ASP) management team that supports services such as warranty verification and spare parts purchases across Asia Pacific. On behalf of a leading computer manufacturer, DHL operates a technical call center where customers are assisted with advanced levels of repairs from laptops to servers.



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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.

For the latest news and happenings about DHL in Asia Pacific, visit

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