

DHL Supply Chain commits EUR350 million in Southeast Asia to help strengthen customers' supply chain resiliency

17-10-2023

DHL Supply Chain, the global market leader for contract logistics solutions, plans to invest EUR350 million in Southeast Asia over the next five years to expand its warehousing capacity, workforce and sustainability initiatives. This is part of a series of strategic investments by DHL Supply Chain over the past year, already adding up to EUR1.35 billion globally. These investments into the supply chain infrastructure, people hiring and development, as well as automation, digitalization and sustainability in India, Latin America and Southeast Asia support the omnisourcing strategies of DHL's customers in all major geographies, across all industries.

"There is an incredible opportunity for businesses in Southeast Asia to strengthen supply chain resiliency. Companies are looking at diversifying their supply chains. Southeast Asia, with its efficient work environment and effective trade agreements such as the China-ASEAN FTA, stands to benefit the most. Our multi-market investment of EUR350 million in this region complements our global investment strategy. These are strategic investments we take - despite the generally softer market environment - because we invest in the future growth of our business and strongly believe in the strategic expansion and diversification of our regional businesses. This puts us in a prime position to support our customers' growth and omnisourcing strategy in the long term," said Oscar de Bok,

CEO, DHL Supply Chain.

DHL Supply Chain expanding capacity and future-proofing logistics centers

With this investment, DHL Supply Chain will increase its current 1.6 million square meters of warehouse space in Southeast Asia by 25 percent, or 400,000 square meters.

Highlights of this investment include:

40,000 square meters DHL Maheswara Green Logistics facility in West Java, Indonesia

18,000 square meters Penang Logistics Hub 5 (PLH5) in Malaysia

50,000 square meters built-to-suit facility in the Philippines

60,000 square meters of space acquired from a local business in Singapore

"We are not just increasing our capacity, but

we are building logistics centers that can cater to future demand for our customers through robotics and sustainability initiatives. For example, we are equipping our upcoming fifth facility in Penang – PLH5 with state-of-the-art automated pallet storage and retrieval system and goods-to-person robotics technology to handle small parts picking," added Javier Bilbao, CEO, DHL Supply Chain Asia Pacific.

DHL Supply Chain will continue to develop its Warehouse Management Systems (WMS) while introducing other warehouse technology in selected markets such as auto-stores, automated storage and retrieval systems (ASRS) for pallets and large goods, and automated guided vehicles (AGVs). These digitalization initiatives also allow employees to upskill themselves in such implementations.

Investing in talent and green supply chains

DHL Supply Chain reinforces its commitment

to people development as it seeks to create over 3,000 job opportunities across Southeast Asia by 2024. This forms part of a broader strategy to nurture talent to support new growth areas and meet evolving customer demands in automation, digital analytics, electric vehicle (EV) handling, reverse logistics, and solution design.

In support of DHL Group's roadmap to have climate-neutral logistics by 2030, and also customers' Scope 3 emissions reduction targets, DHL Supply Chain plans to double its EV fleet in Southeast Asia over the next five years.

DHL Supply Chain is also committed to having carbon-neutral facilities for all new buildings. Today, 100 percent of DHL Supply Chain's facilities in Singapore and Malaysia have achieved carbon neutrality, showcasing its leadership in championing sustainability in the supply chain sector.

Source: [DHL Group](#)