

## DHL Express invests \$185 million in 2016 and 2017, on track with expected growth in the U.S.

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DHL Express today said it is continuing its investment plan for the United States and the Americas as growth in the region meets expectations. The \$185 million investment earmarked for 2016 and 2017 is focused on infrastructure, technology, and people - creating some 900 new jobs in 2016 alone - in order to continue to provide the highest quality service and superior customer experiences. Besides investing in its operations in the U.S., DHL Express is also committing another \$105 million to support its growth plan in key countries in the region including Mexico, Canada, Brazil, Chile and Peru, totaling \$290 million over the two-year period.

"DHL Express is continuing its strong progress in the U.S.," explains Ken Allen, member of the Board of Management of Deutsche Post AG, and CEO, DHL Express. "As part of our focus on international express shipping and our commitment to continually improving customer service, we are directing our investments toward upgrading our facilities, expanding our staff and providing them with the technology they need to enhance productivity and to be more efficient." For instance, DHL Express has rolled out new 'smart' scanners for its couriers, which are faster, lighter and equipped with voice and GPS capabilities and allow for the addition of new features such as stop-by-stop sequencing as well as turn-by-turn navigation so they can improve their efficiency while on the road.

DHL has already completed a portion of the \$108 million investment project at its Americas Hub, located at the Cincinnati/Northern Kentucky Airport, which was announced last year. The North Ramp expansion, which opened just two weeks ago, is built on 45 acres of land and provides parking space for 16 additional planes each night and adds new storage and warehouse space for ramp equipment and shipping containers. Coming next year will be additional automated sorting capability and 40 new reload positions that will enhance the hub's efficiency to handle the growing e-commerce volume seen in the U.S. and the Americas.

### Focus on vehicles and facilities to handle greater volume

DHL Express is spending \$20 million in these two years to upgrade and expand its ground fleet, adding more fuel-efficient vehicles including fully electric vans and electric forklifts at its JFK facility. Next year, the company will focus on replacing trucks and tractor-trailer combinations with more efficient models as part of the company's overall GoGreen strategy to reduce carbon emissions and its impact on the environment.

To deal with growing shipping volumes, DHL Express is applying an additional amount of nearly \$60 million to expand and add facilities as well as provide technology/security upgrades and new

equipment such as the new courier scanners. It has added three new service centers in New York City, Chicago, and Seattle as well as expanded another three this year. It upgraded its Los Angeles gateway in 2016 and plans to add a new gateway in Chicago and refurbish its JFK gateway in 2017, adding a new, improved automated sort system that will facilitate earlier morning deliveries in the New York market.

DHL Express has added 655 new jobs in the U.S. so far this year. To better handle growing e-commerce volume, the new positions include full- and part-time couriers for more evening delivery routes, and more back-office customer service representatives to coordinate deliveries and customs agents to facilitate clearance. Currently, the company also is working to fill 250 new full-time jobs at its Cincinnati hub to handle increased volume.

"Going forward, we will continue to keep our focus on the last mile, leveraging technologies and solutions that provide added convenience for customers," said Mike Parra, CEO, DHL Express Americas. "This approach focuses on convenient pick-up and drop-off options, proactive notification and flexible delivery solutions. We are also reconfiguring delivery routes to handle more afternoon deliveries due to an increasing number of shipments going to residential customers, in part due to increased e-commerce volume."

### **Volume surge expected during upcoming holiday season**

DHL is expecting to see an overall 12-percent volume increase year over year during the 2016 holiday season. The continued strong U.S. dollar means consumers can shop abroad for holiday gifts, so a bigger gain in import volume is expected. However, smaller

gains in outbound shipments are likely because the higher dollar makes U.S. goods more expensive to foreign buyers. DHL expects its busiest shipment pick-up day will be on Cyber Monday, Nov. 28, while couriers are gearing up for their biggest delivery day on Dec. 19, just six days before Christmas, where delivery volume could be as much as 89 percent higher than the average day.

The volume gains DHL is seeing go beyond the seasonal gains around major holidays such as Christmas and Mother's Day. DHL Express has seen steady international time-definite volume growth<sup>2</sup> in the last three years, with daily TDI volume increasing by 6.8 percent in the third quarter 2016 compared with the prior-year period.<sup>3</sup> The proportion of global e-commerce volume in the overall volumes of DHL Express is now more than 20 percent of total volume<sup>4</sup>, up from about 10 percent in 2013.

The Group's objective is to leverage the global B2C e-commerce market for cross-border shipments, which is expected to grow in absolute terms from \$400 billion today to a total global volume of \$1 trillion in 2020<sup>5</sup>. As the most international company in the world, with a network that spans more than 220 countries and territories, DHL Express is uniquely positioned to handle growing cross-border e-commerce. DHL offers a suite of online shipping tools for e-tailers and provides local customs expertise and fast clearance solutions, making it an attractive shipping partner for premium international online vendors.

### **Regional investments also on track**

DHL Express is also investing an additional \$105 million in the Americas region. Key investments include:

- \$12 million in Canada, adding new service

centers in Calgary and Ottawa this year as well as one in Quebec next year and a new gateway in Vancouver; 250 new jobs added this year.

\$38 million in Mexico in 2016 and 2017, in addition to its existing \$160 million five-year capital investment plan already announced. The additional funds will, in part, provide 38 new outlets for a total of 500 retail service points, two new service centers this year and two more in 2017, a ground fleet upgrade and an aircraft upgrade for the domestic hub; 1,200 new jobs created between 2015 and 2016.

\$7.5 million in Brazil to cover a major

upgrade to the Sao Paulo domestic hub and service center including a head office relocation

- Smaller investments in Peru, Chile and several Central American countries.

"These investments are a clear sign of our expectations for strong growth and of our commitment to the U.S. and the Americas," said Allen. "We will continue to invest in this region and in our people to meet the growing demands of our customers and deliver superior service to them across the region."

Source: [DHL Express](#)