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DHL expects regional air express industry to grow rapidly

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DHL Worldwide Express expects the air express industry in the region to grow rapidly in the next decade, mirroring the development of the sector in the US.

South-East Asia area director Bryan Jamison yesterday said the world's two main aircraft companies, Boeing and Airbus predicted that by 2013, air express will account for 35 per cent of all air cargo moved, compared to between 7 and 8 per cent at the present.

"There is a big move towards the air express mode from other forms of air freight," he told reporters, after the opening of DHL Asia Pacific Information Services facility by Prime Minister Datuk Seri Dr Mahathir Mohamad in Cyberjaya.

He added that the company is gearing to provide Asian companies with supply chain solutions that will help them do away with the conventional practice of building up inventory and warehousing.

Jamison said DHL is able to provide next day delivery services to major cities in Asia and Europe, enabling businesses to ship goods anywhere in the world fast.

This, he believes, would eliminate the need for extensive warehousing facilities, allowing companies to scale down their operations.

The service, he added, is especially targeted at 250 of DHL's selected customers worldwide, accounting for 20 to 35 per cent of its revenues in most countries.

Although the supply chain solution is mainly used by multinational companies, Jamison said it is catching up among larger companies and among small and medium entrepreneurs.

Combined with the company's extensive information technology infrastructure, based in three regional hubs in Malaysia, Britain and the US, he believes that DHL is able to offer Malaysian exporters the efficiency that would help them compete at a global level.

DHL has invested more than US\$300 million (US\$1 = RM3.80) in its infrastructure in the Asia-Pacific region since 2000 and controls over 30 per cent of the air express market in Malaysia.

The company operates five international gateways locally and has an extensive ground network with 28 service centres and 700 employees.