



## China Express Delivery Industry Report, 2009

Nov/2009



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## 2. Development of Express Delivery Industry

### 2.1 Overview

During Jan-Sep, 2009, the accumulative revenue of postal companies and express delivery companies with above designated size in China (excluding direct operational revenue of postal saving) achieved RMB79.83 billion, up 12.1% year-on-year; and the total trade volume reached RMB119.24 billion, rising 15.3% year-on-year.

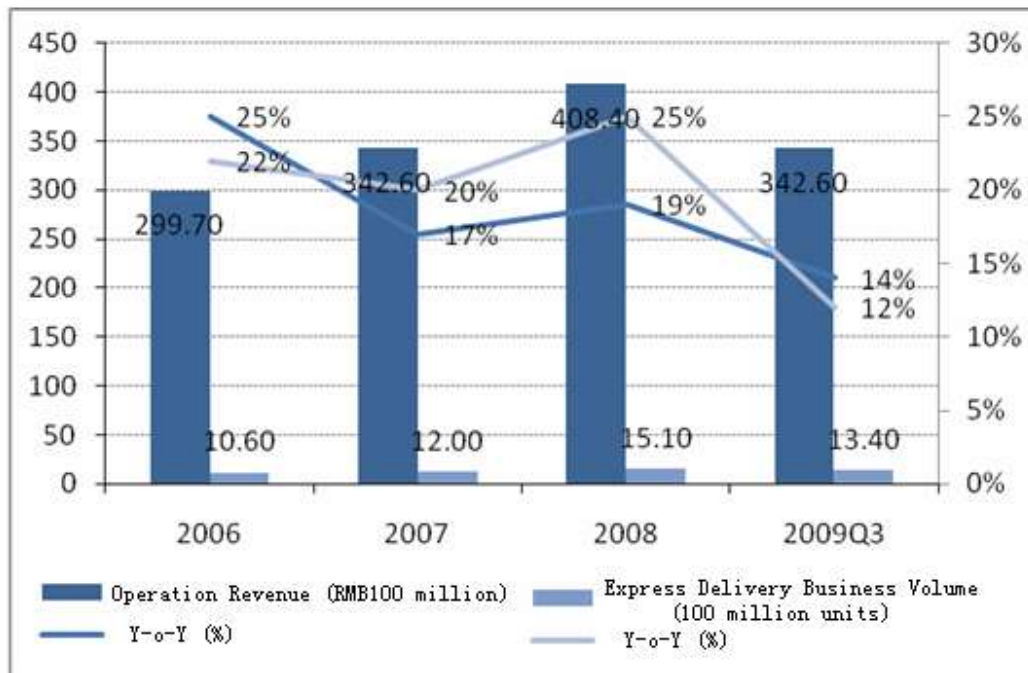
#### *Postal Industry Development, Q1-Q3, 2009*

(Unit: RMB100 million)	Q1		Q2		Q3	
	Completion	Y-o-Y	Completion	Y-o-Y	Completion	Y-o-Y
Postal Business Revenue						
Of which: Express Delivery						
Total Postal Business Volume						

Source: State Postal Bureau; ResearInChina

As of 2009Q3, the accumulative business trade of express delivery companies with designated size in China amounted to 1.34 billion units, up 22.4% year-on-year; and the accumulative business revenue achieved RMB34.26 billion, rising 14.8% year-on-year.

**China's Express Delivery Industry, Development 2006-2009Q3**



Source: State Postal Bureau; ResearInChina

## 5. Express Delivery Companies at Home and Abroad

### 5.1 UPS

#### 5.1.1 Profile

UPS originated in Seattle in 1907. At that time, it was a courier company. It is headquartered in Atlanta, California. The company's service network includes: 4,200 UPS Stores; 1,500 UPS Business Stores (Global); 1,000 UPS Service Centers; 17,000 Authorized Service Outlets; 40,000 UPS Mailing Boxes; 1,748 Operating Agencies. UPS has 1,071 flights in China and 767 in the world, covering 400 Chinese airports and 377 international airports.

#### *Integrated Logistics Service of UPS*

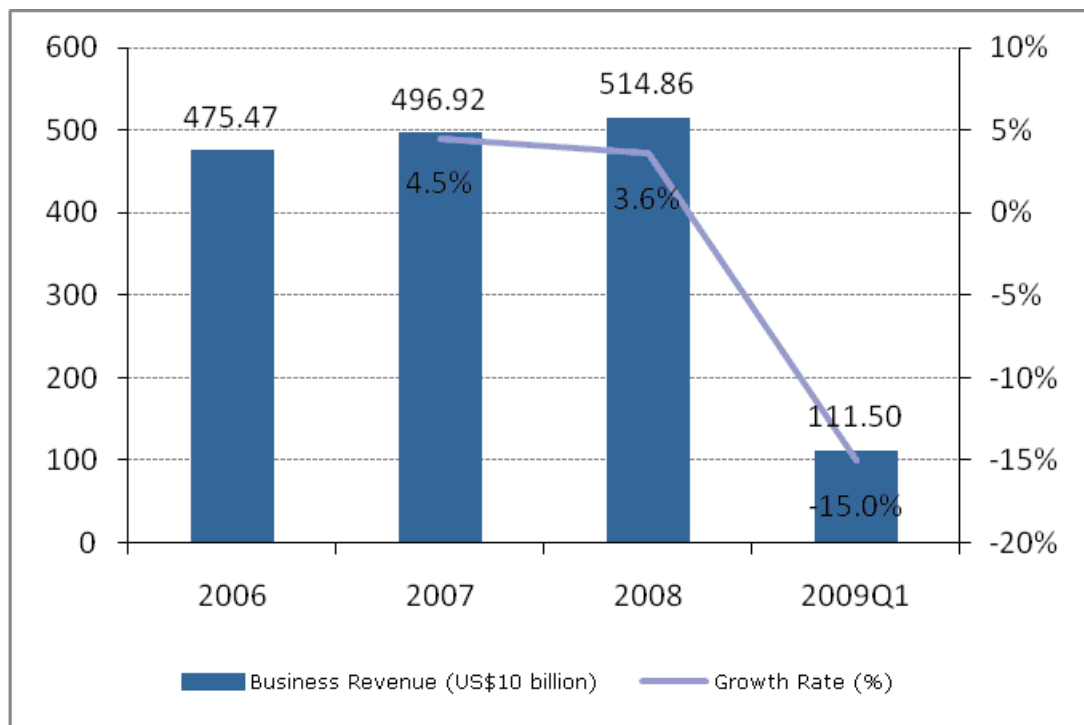
Business	Content
Supply Chain Management	Provide supply chain service for global manufacturers, sellers, agents and end-users.
Transport Service	Provide multimodal transport and global distribution service. Has its own global distribution network.
Logistics Solutions	Provide visual integrated logistics information system service, so that the whole product logistics process can be tracked and controlled at real time.
Urgent Delivery Service	This is a management system and service of providing urgently-needed spare parts, returned goods, repaired parts for clients of a variety of industries.

Source: ResearchInChina

### 5.1.2 Operation

In the third quarter of 2009, UPS's business revenue reached US\$11.15 billion, down 15%; the profit was US\$549 million, declining 43%.

**Business Revenue of UPS, 2006-2009**



Source: ResearchInChina; Annual Report of UPS

### 5.1.3 Advantages

#### *Competitive Advantages of UPS*

Advantages	Content
Global Express Delivery Capabilities and Economic Scale	UPS has 150,000 trucks and more than 500 aircrafts, perfect road and air transport system, carrying the goods valued 6% of GDP of USA and China.
Experienced and Loyal Managers and Operational Staff	
Strong Operational Capabilities and A Variety of Air and Ground Express Delivery Service	Transport goods to destinations upon the strict time requirements of customers.
Strong Financial Strength	
E-commerce	In addition to its own e-commerce website and system, UPS cooperates with more than 100 leading e-commerce enterprises.

Source: ResearchInChina

### 5.1.4 Business in China

In order to consolidate its competitive advantages, UPS adheres to the core principle ----- focus on China. UPS and Sinotrans Air Transport Development Co., Ltd. set up Sinotrans-UPS Express Delivery jointly in June 1996. UPS Shanghai International Transport Center started on December 9, 2008, is located in Pudong International Airport (PVG), and is the third largest UPS transit center in the world. The center has the largest customs surveillance zone in Shanghai, providing 7-day and 24-hour clearance service. The transit center is equipped with 117 conveyor belts and 47 docking ports, sorting 17000 cargos per hour.

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