# Press release

## DHL Express opens newly expanded global hub in Hong Kong, firmly positions itself for global trade recovery

- The total investment into the Central Asia Hub is EUR 562 million, making it the largest infrastructural investment by DHL Express in Asia Pacific, to date
- The Hub is one of three DHL Express global hubs connecting Asia Pacific with the rest of the world and also supports intra-Asia trade
- Peak shipment handling capacity is increased by almost 70 percent. At its full capacity, the hub can handle six times more shipment volume than when it was first established in 2004

**Hong Kong, November 14, 2023:** DHL Express, the world's leading international express service provider, has launched its state-of-the-art, expanded Central Asia Hub (CAH) in Hong Kong, amid fast-growing global trade in recent years. To date, the total investment for CAH has reached EUR 562 million since its establishment in 2004. This emphasizes DHL's firm belief in the growth opportunities in Asia Pacific, and commitment to developing Hong Kong as an international aviation hub.

**Commitment to facilitate trade growth between Asia and the rest of the world**

"We believe that global trade matters, and it's here to stay. We have invested more than EUR 1.8 billion into our three global hubs, demonstrating our commitment to support our customers' growth as they expand globally," said **John Pearson, CEO, DHL Express**. "CAH is important to our customers in Asia and globally, as it handles close to 20% of DHL Express global shipment volume. While global trade is normalizing following a pandemic boom, our investments today will improve our global and regional network, putting us in an excellent place when global trade recovers."

"Asia is home to some of the fastest growing markets in the world. Since it was established in 2004, we have seen a continued increase in air cargo demand driven by trade between Asia and other regions, and cross-border e-commerce. Even as global trade normalizes after the pandemic, we have seen over 30 percent growth in throughput between Asia and other continents in the first three quarters of 2023 when compared with the same period in 2019, far exceeding the pre-Covid level," said **Ken Lee, CEO for Asia Pacific, DHL Express**. "Additionally, the strategic location of the Hub in Hong Kong opens doors to many opportunities for our customers in this region. We are confident that the expanded CAH will foster interconnectivity and underpin Asia's status as a powerhouse of global growth."

Located strategically in the heart of Asia, the CAH serves as a unique gateway to one of the fastest-growing regions in the world. DHL Express initiated the expansion of this facility to complement the



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launch of the Hong Kong International Airport's three-runway system, set to be completed by 2024. The expanded CAH will further underscore Hong Kong's role as an aviation center as it facilitates global trade flow and commerce.

CAH is strategically located within a four-hour flight time to major cities in Asia Pacific and the Pan-Pearl River Delta region, making its location in the city significant. DHL Express's Asia Pacific air network operates on a multi-hub strategy, supported by four hubs – CAH in Hong Kong, North Asia Hub in Shanghai, South Asia Hub in Singapore and Bangkok Hub, linking to approximately 900 DHL Express facilities in the region. The newly expanded world-class express cargo facility handles over 200 dedicated flights per week. Moreover, it is complemented by a well-established Asia air network, which supports about 690 daily flights.

**KK Chan, the Chief Secretary for Administration of the Government of the Hong Kong Special Administrative Region**, said, "We have rolled out the Action Plan on Modern Logistics Development following the policy address delivered by our Chief Executive weeks ago, specifically leading the air cargo sector towards smart, green, sustainable, and high value-added development. As an important partner for attaining these goals, the expansion of DHL's Central Asia Hub supports our airport's transformation from a city airport into an 'Airport City', to tap into the airport's increased cargo handling capability. We are also strengthening our role as an air cargo trans-shipment hub for the Guangdong-Hong Kong-Macao Greater Bay Area, one of the world's largest manufacturing clusters and home to over 86 million potential customers."

**Fred Lam, Chief Executive Officer at Airport Authority Hong Kong (AAHK)**, said, "With a long-term vision to develop Hong Kong International Airport (HKIA) as the e-commerce fulfillment centre of Asia, AAHK has been working closely with DHL to expand its Central Asia Hub – first in 2008, followed by a second expansion in 2017. Today, we are celebrating the completion of the expansion – with enhanced capabilities in handling express and small parcel shipments – that will allow both DHL and HKIA to capitalize on the immense opportunities available in cross-boundary e-commerce."

**Integration of technology to enhance productivity and accuracy**

With direct access to airside and landside, CAH is currently the only dedicated and purpose-built air express cargo facility in the Hong Kong International Airport. With a 50 percent increase in total warehouse space to 49,500 sqm and an automated material handling system, the Hub's peak handling capacity has increased by almost 70 percent to 125,000 shipments per hour. In addition, the annual total tonnage management is expected to increase by 50 percent to 1.06 million tons per annum when

operating at full capacity. This is six times the shipment volume of when the Hub was first established in 2004.

With a commitment to operational efficiency and accuracy, the Hub is also the first facility in Hong Kong's express cargo industry to deploy computerized tomography (CT) X-ray scan technology. These X-ray scanners double the inspection speed, enabling the Hub to detect suspicious goods promptly and accurately.

**Sustainability at the core**

Building climate-neutral buildings is a goal for DHL as part of its Strategy 2025 sustainability roadmap. Committed to operational excellence and sustainability, DHL leverages advanced technologies and best practices to ensure efficient and eco-friendly movement of goods. CAH has installed 3,450 solar panels on the roof, with total Photovoltaic (PV) generation estimated at 1.68 GWh, equivalent to reducing 850 tons of carbon emissions per annum.

CAH is the first facility in DHL's Asia Pacific region to deploy battery storage, and Hong Kong International Airport's first business partner to implement battery storage on-site. This system stores excess solar power and releases it as needed, maximizing renewable energy utilization, saving 125,000 kWh of electricity annually and reducing 49 tons of carbon emissions. Other environmentally friendly features such as electric forklifts, LED lights and high-efficiency air-cooled chillers have been used, aiming to reduce greenhouse gas emissions.

**– End –**

**Notes to editors:**

Please read here for a related story on DHL Logistics of Things: How Hong Kong is positioning itself as Asia's ecommerce logistics hub

Caption – Group Pictures (from left to right):

**Fred Lam**, CEO of Airport Authority Hong Kong; **Lam Sai-hung**, Secretary for Transport and Logistics of the Government of the Hong Kong Special Administrative; **KK Chan**, Chief Secretary for Administration of the Government of the Hong Kong Special Administrative; **Tobias Meyer**, CEO DHL Group; **John Pearson**, CEO DHL Express; **Ken Lee**, CEO DHL Express Asia Pacific

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DHL is part of DHL Group. The Group generated revenues of more than 94 billion euros in 2022. With sustainable business practices and a commitment to society and the environment, the Group makes a positive contribution to the world. DHL Group aims to achieve net-zero emissions logistics by 2050.