Express Delivery Industry
Partner in Protecting Global Trade
Contents

• About Us

• Security in our Supply Chain

• IPR and the Express Delivery Industry

• Our Views on IPR and Customs Enforcement
Global Express Association
The Express Delivery Services Industry

- Over 30 million shipments daily
- 220 countries and territories
- 1,700 aircraft
- 200,000 ground vehicles
- 3 million jobs world-wide (direct, indirect, induced)

Source:
Frontier Economics, Express Delivery and Trade Facilitation: Impacts on the Global Economy, January 2015
Express Delivery Chain

24-72 H TIME-DEFINITE DELIVERY

Source: Global Express Association
Express Delivery Chain

Source: Global Express Association
Express Delivery Chain

Source: Global Express Association
Industry Sectors, in % of Revenue, 2013

- Engineering & Manufacturing 30%
- Consumer Goods 11%
- Retail 10%
- Health Services 8%
- Financial Services 8%
- Transportation 13%
- Textiles 3%
- Computer Services 1%
- Printing 2%
- Automotive & Transport Equipment 3%
- Other Services 14%

Source: Frontier Economics, Express Delivery and Trade Facilitation: Impacts on the Global Economy, January 2015
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The Express industry has established, enhanced processes and procedures that promote a secure and compliant supply chain:

- Focus is on ‘bomb in a box’
- Compliance with international Significant investment in facility security and inspection systems supported through our own internal audit programme.
- Global training programs & procedures in place

Source: Global Express Association
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E-Commerce growth does not translate into higher seizure rates

B2C e-commerce Sales Worldwide, 2014-2019

B2C e-commerce sales and % change

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (billion USD)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1,336</td>
<td>26.3%</td>
</tr>
<tr>
<td>2015</td>
<td>1,671</td>
<td>25.1%</td>
</tr>
<tr>
<td>2016</td>
<td>2,050</td>
<td>22.7%</td>
</tr>
<tr>
<td>2017</td>
<td>2,498</td>
<td>21.9%</td>
</tr>
<tr>
<td>2018</td>
<td>3,015</td>
<td>20.7%</td>
</tr>
<tr>
<td>2019</td>
<td>3,578</td>
<td>18.7%</td>
</tr>
</tbody>
</table>

Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets.


Number of cases

<table>
<thead>
<tr>
<th>Year</th>
<th>EU</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>120.469</td>
<td>22.848</td>
</tr>
<tr>
<td>2013</td>
<td>86.855</td>
<td>24.361</td>
</tr>
<tr>
<td>2014</td>
<td>95.194</td>
<td>23.140</td>
</tr>
<tr>
<td>2015</td>
<td>101.096</td>
<td>28.865</td>
</tr>
<tr>
<td>2016</td>
<td>63.184</td>
<td>31.560</td>
</tr>
</tbody>
</table>


MSRP Value in million

<table>
<thead>
<tr>
<th>Year</th>
<th>EU in Euro</th>
<th>US in USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>898</td>
<td>1,262</td>
</tr>
<tr>
<td>2013</td>
<td>768</td>
<td>1,744</td>
</tr>
<tr>
<td>2014</td>
<td>617</td>
<td>1,226</td>
</tr>
<tr>
<td>2015</td>
<td>642</td>
<td>1,353</td>
</tr>
<tr>
<td>2016</td>
<td>673</td>
<td>1,383</td>
</tr>
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• Counterfeiters’ production entering increasingly global market place, facilitated by the Internet.
• Recognisable business models
• Fakes have an international supply chain
• Need to focus on source
• Continued focus on destination
  ➢ Diminishes return on effort
  ➢ Only addresses the smaller players
  ➢ Little or no risk to the counterfeiter

Source: Global Express Association; Oxford Economics, The Impact of the Express Delivery Industry on the Global Economy, September 2009
GEA Perspective

• Express carriers are not immune
  ➢ Global networks and reach
  ➢ Capacity to identify nature of goods is limited
  ➢ Operations are integrated and transparent “end to end”
  ➢ Transport goods in good faith
  ➢ Express carriers are not law enforcement agencies

• GEA members recognise:
  ➢ Concern for society and the economies they service
  ➢ Need to reinforce relationships with Customs, other Agencies, stakeholders
What we can do:

• **Advance electronic shipment information:** Allows Customs/Border Agencies to perform risk assessment and target shipments for further examination.

• **Track and Trace** systems allow packages identified by Customs as suspicious to be removed from traffic flows and provided to Customs officers for further examination.

• **Facilities:** Express delivery companies provide Customs officers at express delivery hubs with adequate facilities to enable them to identify and examine suspect shipments efficiently.

• **Information on shippers and consignees:** Express delivery companies provide Gov’t agencies with available relevant information that may legally be disclosed on shippers and consignees of shipments identified as containing offending goods.

• **Close accounts** of customers identified by Gov’t as repeat offenders.
Conclusion

• **Better information sharing among stakeholders**
  - Customs to share risk information with express carriers

• **Greater cooperation that is:**
  - Legal
  - Sustainable
  - Economically viable
  - Operationally non-intrusive
  - Consistent in a global context
  - Inclusive of all stakeholders
Thank you

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