According to a survey of more than 1,000 supply chain senior executives, there is a growth of 95 per cent in the supply chains of emerging markets in the past three years. The poll highlights China and India as the biggest destinations for growth and the vital role technology plays in developing these supply chains. pg 2
Our monthly industry brief provides an accurate commentary of the various business headlines affecting the Asian markets. Concise, impartial and easy to digest, the Supply Chain Asia Monthly Industry Report is designed to help our readers track business trends, and understand the implications of major happenings in bite-sized chunks. In addition to providing our readers with the information to make smart business decisions quickly and effectively, we also include write-ups of upcoming events and academy programmes in individual copies of the brief.
Dominant Forces of Growth

According to a survey of more than 1,000 supply chain senior executives, there is a growth of 95 per cent in the supply chains of emerging markets in the past three years. The poll highlights China and India as the biggest destinations for growth and the vital role technology plays in developing these supply chains.

In the three years to September 2014, 37 per cent of those polled by Accenture cited China as the top market for growth, while 62 per cent placed it in the top three. India followed, receiving 13 per cent and 40 per cent for top and top three, respectively.

The role technology plays in emerging market supply chains appears markedly reduced, with just 48 per cent of those surveyed claiming extensive use of technology. In addition, 45 per cent claimed that they make only moderate use of technology.

However, the importance of technology in developing supply chains remains critical. Of those companies identified by Accenture as supply chain leaders in emerging markets, 73 per cent made extensive use of technology in emerging markets.

More than half of all companies polled expect to invest at least $20m into the supply chains of their emerging market operations over the next two years, with 46 per cent of leading firms planning investment in excess of $30m, compared to 36 per cent of other firms.

According to the poll, supply chain leaders are more inclined to invest in the full range of options available to them. This includes investment in plants, distribution centres, and suppliers in the region. Leaders are also more likely to hire local talent to assist in management of the supply chain.

India’s Modern Supply Chains
China is a true mega-trader

China has taken a greater share of world manufacturing exports

China's share of world exports is growing fast

China had the fastest trade growth during the financial crisis

China's exports with Latin America have risen more than 200 times since 1990

China is expected to have 25% of world trade by 2030

Source: Standard Chartered Research, UN Comtrade

Find out more about how world trade is changing on.sc.com/GlobalTrade
Alibaba Targets Overseas Chinese

Alibaba is preparing itself to target the millions of Chinese citizens residing outside of China.

According to a Bloomberg report, Alibaba is pursuing this strategy by eyeing several acquisitions in the US and developing its own platforms. AliExpress, the company’s market for customers outside of China, was founded in April 2010 and is already available in English, Russian and Portuguese.

Targeting the international Chinese diaspora is a smart move in the increasing competition with US giant Amazon, as Alibaba already is an established brand. Moreover, the expats are likely to be interested in buying Chinese products they cannot purchase easily in their new places of residence.

Amazon (originally called “Cadabra”) was founded in **Jeff Bezo’s garage** in **1994** in Bellevue, Washington.

Alibaba was born five years later, in **1999**, in founder **Jack Ma’s Hupan Garden apartment** in Hangzhou, China.

Amazon went public in **May of 1997** at a valuation of **$438m**. It now has a market cap of **$157.52bn**.

Alibaba became the biggest IPO at **$25bn** in September 2014.
Amazon is the world’s 9th most-visited website, while TaoBao, an online shopping portal owned by Alibaba, is the world’s 10th most-visited.

In 2013, Amazon earned almost ten times as much as Alibaba did, with $74.45bn in revenue. Alibaba had revenue of $74.45bn.

On Amazon, one of the most expensive items is an 1880 copy of the Holy Bible selling for US$5m. The Kindle version? 99 cents.

One of the most expensive items on TaoBao is land rights for a piece of land in Kunshan, Jiangsu province. The price tag? $52m.
Kerry Logistics Expands IFF Operations in Oceania

Kerry Logistics Network Limited, one of the leading logistics service providers in Asia, is expanding its network and IFF operations in Oceania with new joint ventures in Australia and New Zealand.

Kerry Logistics expanded its IFF global network to Oceania through a partnership with Lead Logistics, an IFF company based in New Zealand, to form Kerry Logistics (Oceania). Combining Lead Logistics’ local management and competence with Kerry Logistics’ industry expertise and extensive global network, the joint ventures will tap into the strong trade between Asia and Oceania, as well as the Trans-Tasman trade between Australia and New Zealand. Kerry Logistics (Oceania) offers services in air and ocean freight, customs brokerage and domestic forwarding.

With the new joint ventures, Kerry Logistics is now one of the few logistics companies with the ability to provide daily Trans-Tasman air freight services in the market.

Kerry Logistics ups China focus, looks overseas

As the global air freight markets continue to recover, Kerry Logistics – armed with a US$200m war chest – is eyeing acquisitions in the Americas, Europe and Asia, but its core strategy remains the same: To be the logistics provider of choice for companies entering the China market.
Middle East Embarks on Most Ambitious Rail Network

A US$2bn national trade surplus; rising imports and exports, access to 3.5 billion consumers, and growing demand for inland freight services, makes SOHAR Port and Freezone an ideal location for a rail freight terminal, according to Executive Commercial Manager Edwin Lammers.

The Middle East has embarked on its most ambitious rail network ever. Some US$250bn has been allocated for the construction of 67,000 kilometres of railway lines. This includes the eagerly anticipated Gulf Railway, which will connect Bahrain, Kuwait, Qatar, UAE, Saudi Arabia, and Oman, over the course of the next three years. It is also one of the principle reasons why Oman’s logistics network is projected to grow beyond the US$12bn mark by 2017, according to SOHAR Port and Freezone’s Edwin Lammers.

As one of the main driving forces behind a trade surplus of US$2bn in Oman, SOHAR Port and Freezone is one of the world’s largest port development sites and has sustained double-digit growth for over a decade. Its position outside the Strait of Hormuz has made it an ideal transshipment centre between East and West, as well as an important gateway to over 3.5 billion consumers. As SOHAR’s Executive Commercial Manager, Mr Lammers says that plans to house a national food reserve alongside the port’s burgeoning petrochemical, automotive, and logistics industries make it a clear choice for a rail freight terminal.
L’Oréal Completes Five-Year Supply Chain Transformation

One of the world’s largest manufacturers of beauty products, French company L’Oréal, has been on a five-year plan to completely overhaul its supply chain to cope with new trends in consumer behaviour and new purchasing technologies.

The group’s global supply chain employs around 7,000 people serving 130 markets, fulfilling about 16 million orders annually. It operates 150 distribution centres globally serving some 40 factories, with around half operating in-house and half by third-party logistics providers.

The key to the efficiency improvements was the closer involvement of supply chain executives in the sales forecasting activities that are normally the preserve of sales and marketing teams.

L’Oréal implemented a series of new IT visibility platforms that allowed supply chain teams to see on an item-by-item level how sales were performing in customers’ facilities – which gave an insight into various factors, such as how price promotions were performing and led to an overhaul of how sales forecasts were put together.
Indonesian Logistics Players Plans for the Future

As the change of government in Indonesia gets closer, the manoeuvring among various players in the logistics industry is starting to become more evident. President-elect Joko Widodo has promoted a so-called sea highway programme to resolve the country’s logistics bottlenecks as part of his election campaign.

Local media reported that the Indonesian Chamber of Commerce and Industry (Kadin) has given a qualified endorsement to the plan, provided it is in line with the current government’s national logistics plan, which aims to bring logistics costs down from 26 to 19 per cent within the next five years.

Kadin deputy chairman for regional empowerment Natsir Mansyur said the sea highway plan was quite realistic in terms of supporting economic growth in the eastern part of the country, but reiterated that current SisLogNas national logistics blueprint slated for development until 2025 must be incorporated.
In light of the recent exponential rise in e-commerce activities over the past decade, this section is dedicated to keep our readers up to date with the latest e-commerce news.

RedMart Sets Foot in India
- RedMart announced its foray into India with a development centre in Bangalore
- RedMart’s move to India is to push the technology side of its operations
- The new Bangalore centre will be the analytics hub for data-oriented decision-making and will provide next-generation optimisation algorithms for key business processes

APAC to Become the Biggest B2C e-Commerce Market
- As per a report by YStats, between 2013 and 2018, it is forecasted to grow by over 20 per cent annually and surpass North America to become the number one region worldwide in terms of B2C e-commerce sales
- The three largest companies based in the region are China-based Alibaba and JD.com, and Japan’s Rakuten
- While Alibaba and JD.com shine on the global stage through IPO offerings, Rakuten pursues customers around the globe by launching marketplaces beyond the home region
A Massachusetts Institute of Technology (MIT) Global SCALE Network

Supply Chain Leadership and Innovation Programme (SCLIP)
A Programme by MIT Global SCALE Network
Managed and Administered by Supply Chain Asia

Who Should Attend
Mid- to senior-level managers with minimum 5 years of working experience in the manufacturing or logistics and supply chain sectors

Pre-requisites
- Must have a Diploma or Degree
- Competent in Business English (at least ‘O’ Level pass with English as the first language)
- Competent in high school calculus

Course Duration
- 16 weeks with up to 9 instructional days
- Enrollment opens in May 2013

Assessment
Participants are required to:
- Complete a report on a Supply Chain improvement project in their own company and attain a passing grade
- Be certified competent in both the WSQ AOE modules
- Submit a testimonial from their employer attesting to the transfer of capability to their organisations within 6 months after completion of the programme

Certification
- Certificate of Completion from MIT Global SCALE Network
- Statement of Attainment from WDA

Programme Fees
SGD14,900/SGD15,943 (Without/With GST)
Singaporeans & Singapore Permanent Residents will be entitled up to 70% course subsidy (Subject to WDA’s verification and approval)

*Terms and Conditions apply.

September 2014 3rd Intake:
22-23 Sept 2014 – Executive Training
20-22 Oct 2014 – Case Studies & Simulation
14 Nov 2014 – Poster Critique
12 Dec 2014 – Boardroom

January 2015 4th Intake:
5-6 Jan 2015 – Executive Training
11 Feb 2015 – Case Studies & Simulation
13 Feb 2015 – Case Studies & Simulation
2 Mar 2015 – Poster Critique
30 Mar 2015 – Boardroom

SCA Academy will provide an additional 1 day of individual consultation for the WDA-WSQ project report submission
Partners Events

LAST MILE FUFLIMENT ASIA 2015

Last Mile Fulfilment Asia (LMFAsia) Conference and Exhibition 2015 is the only Asian business platform bringing together fulfilment centres, logistics companies, postal agencies and parcel courier companies to meet with eCommerce companies and retailers to discuss and find solutions to address the last mile challenges in the Asian countries, forge new partnerships and uncover business opportunities.

As eCommerce companies and retailers race to decrease fulfilment time and reach to build competitive advantage and greater take-up rate of eCommerce, they find themselves constrained by logistical and technological issues specifically within the last mile fulfilment aspect of the supply value chain. Current events in the marketplace are addressing broader issues in the general logistics sector, thereby limiting the sources and platforms that eCommerce companies and retailers can go to for last mile fulfilment issues.

Potential exhibitors and sponsors will have the opportunity to meet 1,500 attendees expected at the event. The Conference positioned as the centerpiece of the event will feature industry experts and seasoned practitioners from the fulfilment sector who will offer their insights and operational perspectives through plenary sessions, panel discussions, case studies and interactions with the audience. Never before has there been such a unique and focused event for the industry. Don't miss the opportunity to be part of this ground breaking show and position your company ahead of your competitors!

Event Information:
Date: 19 – 20 March 2015 (Thursday and Friday)
Time: 8.00am – 6.00pm (19 March 2015)
  9.00am – 6.00pm (20 March 2015)
Venue: MAX Atria @ Singapore Expo
  1 Expo Drive, Singapore 486150

For more information, visit www.lmfasia.com or contact Mr. Lee Jeong Hoon at +65 9339 4513 / jeonghoon.lee@singex.com

Indonesia Transport Supply Chain & Logistics (ITSCL)

Indonesia Transport Supply Chain & Logistics (ITSCL) is Indonesia’s only dedicated transport, and logistics exhibition for products and services dedicated to the physical distribution of goods and the supply chain. It is co-located with Intralogistics Indonesia (ILI), which will showcase handling equipment and automated systems that process and rationalise the physical movements of supply, production and distribution. ITSLC and ILI brings together government, international and domestic participants of the complete supply chain and industry all together in one place, with opportunities for buying, selling, networking, and learning.

For more information, please visit our websites at
  www.transport-supplychain-logistics.co.id
  www.intralogistics-indonesia.co.id or
  email us at: itscl-ili@reedpanorama.com

Interpol World

INTERPOL World is owned by INTERPOL – the world’s largest international police organisation, with 190 member countries. Held in conjunction with the official opening of the INTERPOL Global Complex for Innovation (IGCI) on 13 April 2015 in Singapore and the 22nd INTERPOL Asian Regional Congress from 15-17 April 2015, the inaugural INTERPOL World will take place in Sands Expo & Convention Centre from 14-16 April 2015. This 3-day event will highlight public-private partnership and include the INTERPOL World Expo, the INTERPOL World Congress and the INTERPOL World Dialogue. It is expected to attract the participation of 250 international and local exhibitors and 8,000 trade and professional visitors.

INTERPOL World, a biennial international security event, is supported by the Singapore Ministry of Home Affairs and managed by MP International. It aims at identifying innovative solutions to global security challenges and will connect governments and national security agencies with security companies which can provide innovative technologies and solutions to co-create solutions. INTERPOL World 2015 will focus on 4 key domains, but not limited to: cybersecurity, border management, safe cities and supply chain security.

For more information, please visit our website
  www.interpol-world.com

Alternatively, you can also contact us at
  marketing@interpol-world.com or +65 6393 0228.
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EXPECTED NUMBER OF TRADE VISITORS
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190 MEMBER COUNTRIES

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Supported by Singapore Workforce Development Agency (WDA)

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*Terms & conditions apply.

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