Cainiao Network: Building Global "New Logistics"

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Logistics Ecosystem in China

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume (Billion)</th>
<th>Concentration ratio</th>
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<tbody>
<tr>
<td>2016</td>
<td>31.3</td>
<td>CR10 = 74.4%</td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>CR10 = 3.4%</td>
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</tbody>
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Number of parcels in Billion
Percentage %
Logistics Challenges in China

Key challenges

- Low efficiency
- Slow shipping times
- Poor services

Empower the logistics ecosystem

Cainiao’s Goal and Mission

Goal

- 72-hour worldwide delivery
- 24-hour China nationwide delivery

Mission

- For consumers: Ultimate experience
- For Merchants: Smart-supply chain services
- For Partners: Technology and innovation driven platform for social collaboration
New Logistics

- Digitization of logistics elements
- Enabling traditional eCommerce logistics
- Global network

- New Retail requires new logistics
- Interconnection between e-commerce and logistics

Cainiao E-shipping Label, penetration 81% in China

- Shipping accuracy 99.9+%
- Cost Saving: $100M/year
- E-shipping label’s heat sensitive printing saved $200 Million /year
- Paper Saving: $120M/year
  Equivalent to 50000+ trees
Emerging New Logistics Demand in Chinese Daily Life

Integrated logistics network for

- 30-mins on-demand delivery on fresh
- 1-hour delivery on groceries, Tmall Supermarket
- 2-hour store-based shipping service, Cainiao Mendianfahuo

Enabling with Smart Logistics Technology

- Warehouse AGV
  - Clustered "goods to person" robot
  - Intelligent Cluster Scheduling Algorithm
  - Scaling, storage compatibility

- Robot Picking System
  - Pick & place packages from conveyor
  - Palletizing packages for out-bounding logistics
  - Depalletizing packages for order picking
Outcomes of Digitalized Trade and Logistics Enabling

20M+ job generated by e-Commerce in country side

Sellers from 832 poorer countries benefited $13.6B through e-Commerce

Developing Global Network

Coverage
225+ countries and regions

Warehouses dedicated
200+

Cross-border Partners
80+

North end
508 deliveries to Longyearbyen, Norway

Norway

Russia

China

Kiribati

Argentina

South end
13550 deliveries to Ushuaia, Argentina

Malaysia

eWTP

Highest
1618 deliveries to female customers in Russia

Hottest
250K deliveries to the Everest area

Farthest
92 deliveries to Kiribati

Farthest
92 deliveries to Ushuaia, Argentina

South end
13550 deliveries to Ushuaia, Argentina

North end
508 deliveries to Longyearbyen, Norway
Fuel Cross-border Trade through Logistic Infrastructures

- Global trade for all
- Smart traveling
- Smart logistics
- e-payment
- Big data & cloud computing
- Digital talents

**eWTP Hanzhou Pilot**
- Alibaba & Hangzhou government China
- Kicked-off on 10/26/2017
- The first fully automated warehouse in SEA
- Customs clearance: 24 hours to 3 hours

**Malaysia eWTP Pilot**
- Alibaba & Malaysia Government
- Kicked-off on 3/22/2017
- Implemented on 11/3/2017
- Tax benefits
- Single contact
- e-payment
- Mutual recognition of supervision
- Quality tracking
- Customs efficiency
- Smart logistics
- Digital audit

Trade Facilitation

Electronic World Trade Platform (eWTP): an enabler for anyone to trade globally

Small & medium-sized enterprises
Woman & young people
Global Trade at just one click
Global consumption facilitation
Alibaba Cainiao Ecosystem

Cainiao Logistics Partners
3000+
Connecting with Express Courier Personnel
3 million+

The delivery routes of 80% parcels are calculated using big data algorithm.

Domestic coverage
2700+
Counties and villages

Cross-border coverage
225
Countries and regions

Thanks
Together we foster an effective trade logistics in digital world