The Air Cargo Supply Chain

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The UPS Mission…

…To Synchronize Commerce
UPS Global Supply Chain
Airport Operations
UPS Worldport℠: Overview

- Currently processes 304,000 packages per hour
- Expansion to 500,000 packages per hour
- UPS Investment 1.1 Billion US Dollars
- Fully Automated Processing
Airport Relationships

• Flexibility
• Cooperative
• Understand Cargo Business
• Innovative
UPS Air Cargo

• Launched in 1982
• $42B Corporation
• 15 million packages and documents daily
• 1,500 daily cargo shipments
• More than 900 million pounds of heavyweight cargo annually
• 2004 revenue over $500,000,000
UPS as an Air Cargo Service Provider

• Factors contributing to success
Factors Contributing to Success

• People: 407,200 employees worldwide
Factors Contributing to Success

• Transportation network
  – Covers 400 domestic airports and 377 international airports
  – Serves more than 200 countries and territories
Factors Contributing to Success

• UPS Airlines
  – 9th largest airline in the world
  – 269 aircraft
  – 300+ chartered aircraft
  – Interline agreements
  – Charter services
Factors Contributing to Success

• Hub-and-spoke network
  – 1,700 operating facilities
  – International hubs in Cologne, Taipei, Miami, Philippines and Louisville
  – Facility expansion in Asia and Europe
Factors Contributing to Success

• International growth strategy
  – New air hub at Pudong International Airport in 2007
  – Pudong hub to handle 72+ all-cargo movements per week
  – Service between Shanghai and Japan
  – New Cologne hub
  – Direct flight linking Louisville and Cologne
  – Intra-Europe air network expansion
Factors Contributing to Success

• UPS brand integrity
• Technology
• Speed and reliability
UPS and the Global Supply Chain
Global Logistics and Supply Chain Services

- High efficiency hubs
- Express delivery
Role of Air Cargo Integrators

- Air cargo is a critical piece of the global trade infrastructure.
Thank you