

CONNECTED WORLD.

GLOBALIZATION MATTERS



DHL



POSITIVE EFFECT OF GLOBALIZATION

Globalization is crucial for economic growth. Growth, in turn, allows for more investment in education, technology and medical care. The result is a higher level of education, better employment opportunities and a longer, healthier life.

Through these and other linkages, globalization has helped to lift many millions of people out of poverty.

AN INTRODUCTION FROM
THE CEO OF DEUTSCHE POST DHL GROUP

GLOBALIZATION MATTERS



Frank Appel
CEO - Deutsche Post DHL Group

Dear Reader,

At Deutsche Post DHL Group we move the world. For us, no location is too far or too remote. That is why companies of all sizes and in all industries rely on us. With our outstanding employees and a state-of-the-art network, we are pacemakers of globalization. By transporting our customers' goods fast and seamlessly around the globe, we deliver tangible benefits for millions of people.

As a driver in global connectedness, we take a keen interest in how this dynamic unfolds, as it has ushered in significant improvements of living standards around the world. By bringing people closer together, creating commercial opportunities and spreading knowledge into every corner, globalization has become a powerful engine to make the world a better place.

Now more than ever, the benefits of exchanging goods, services and ideas worldwide are just too obvious to be ignored.

Although the current pandemic risks to halt or even reverse the progress already achieved, I remain optimistic that global ties will recover. Now more than ever, the benefits of exchanging goods, services and ideas worldwide are just too obvious to be ignored. Without the benefits of both physical trade and digital connectedness, our planet would be in much worse shape.

It is this awareness of the value of our work that motivates us every day to give our best, even in the face of adversity. And it is for the same reason that we have initiated a range of dedicated activities and programs to promote globalization. They enable us to share insights, empower SME's and further spread the benefits of globalization to developed and developing countries.

The purpose of this booklet is to introduce these activities to you in more detail. We want to give you an understanding of why these elements are important, what they comprise and how they deliver value for our stakeholders around the world.

The COVID-19 crisis has prompted a renewed focus on strengthening societies and economies over the long term, and I believe that globalization – together with sustainable, responsible business – is an essential piece of the puzzle.

All of us who see the tremendous advantages of more global connectedness have a special responsibility to take a stand. At Deutsche Post DHL Group, we strive to do our part to build more public awareness for the value that trade and globalization can bring to the livelihoods and prosperity of communities everywhere around the world.

Sincerely,
Frank Appel

CHAMPIONING THOUGHT LEADERSHIP IN GLOBALIZATION

AN INTERCONNECTED WORLD IS A BETTER WORLD

Today, globalization – the growing connectedness of people, businesses, societies – is omnipresent. It is one of the essential forces shaping our lives. And it holds vast untapped potential to improve living standards worldwide.

An interconnected world is a better world. This is true for both developing and developed countries, that have benefited from globalization and the international division of labor.

In recent decades, we have seen how increased trade and interaction have raised prosperity and choice, reduced poverty, cultivated diversity and enriched lives. What's more, globalization in the digital age has opened up completely new opportunities. It's now easier than ever to benefit from new ideas by taking a ride on the global information highway.

Clearly, an exceptionally positive force is at work – one that the business community harnesses in order to bring about new growth and prosperity. The more open, connected and integrated commerce becomes, the more opportunity for success, freedom and stability we create in the world. In other words, we need more, not less, globalization.

Logistics companies such as Deutsche Post DHL Group facilitate globalization by orchestrating worldwide trade flows with ever faster, more efficient and increasingly intelligent and sustainable systems.

But we are more than a key enabler of connectedness. With operations in 220 countries and territories, we have a unique view on how globalization helps individuals and businesses to succeed.

We connect people, and improve lives, so we have a powerful interest in better understanding the drivers behind this transformative force for good. We contribute our knowledge to the relevant debates and do our part to give more businesses and countries access to the global market, ensuring as many people as possible benefit from globalization.

HOW LOGISTICS CONTRIBUTES TO A BETTER FUTURE

Logistics and globalization go hand-in-hand:

- Logistics connects all sectors across all geographies
- Logistics lowers cost by making supply chains more effective and efficient
- Efficient logistics processes enable and drive global trade
- High performing logistics environments increase countries' ability to compete

ACCESS THE DIGITAL VERSION
OF THE 'CONNECTED WORLD'
BROCHURE HERE



www.dhl.com/connectedworld

ACCESS MORE
INFORMATION ON
GLOBALIZATION HERE



www.spotlight.dhl/globalization

DHL'S GLOBALIZATION PROGRAMS & INITIATIVES



ENABLING GLOBALIZATION

Benefiting people, businesses and societies

TOPIC	GLOBAL CONNECTEDNESS INDEX (GCI)	GLOBAL TRADE BAROMETER (GTB)	GOTRADE	EXPORT EXCELLENCE
OBJECTIVE	Create insights on globalization	Create outlook on future trade	Create sustainable trade development in emerging markets together with governments	Create business/e-commerce opportunities among SMEs across all markets & countries
RESULTS	Provides transparency on global markets and trade opportunities	Enables better decision-making for planning and investment	Delivers practical guidance and support for countries to advance globalization	Promotes the benefits of exporting goods and services cross-border

HOW TO USE THIS DOCUMENT

Over the following pages, we provide an in-depth summary of a series of DHL programs and initiatives.

These have been introduced to help businesses understand and benefit from the opportunities of global trade.



DELIVERING A CLEARER PICTURE OF GLOBALIZATION

DHL GLOBAL CONNECTEDNESS INDEX

Everybody talks about globalization, but how do we make it tangible and measurable? And which countries are the most globalized?

As a leading global logistics provider, Deutsche Post DHL Group is uniquely positioned to provide orientation. The DHL Global Connectedness Index (GCI) is a report that helps businesses separate fact from fiction around globalization.

This wealth of reliable insight and information supports fact-based debate, helping businesses understand how globalization is evolving and the growing importance of global commerce.

MORE THAN 150 COUNTRIES RANKED ACCORDING TO THEIR CONNECTEDNESS

The GCI is a thorough analysis of the state of globalization at a worldwide, regional and individual level for more than 150 countries. The full Index, including country rankings and summaries for key nations, is published biennially. In between, a shorter report on the trajectory of global flows is produced – the DHL Global Connectedness Index Update.

The GCI report is based on hard data and measures the actual flow between countries of:

1. Trade (merchandise and services trade)
2. Capital (FDI stocks and flows, portfolio equity stocks and flows)
3. Information (international internet bandwidth, telephone call minutes, trade in printed publications)
4. People (migrants, tourists, international students)

GLOBALIZATION RESEARCH DRIVEN BY THE DATA

To provide a solid research foundation for the GCI, Deutsche Post DHL Group has partnered with New York University's Stern School of Business. The School houses a team of scholars that creates and authors all GCI reports alongside other publications to further our understanding of globalization in the 21st Century.

Insights from the GCI help our DHL teams, customers, journalists, governments and opinion leaders understand the trajectory of global connectedness. They contribute to public debates and help guide decision-makers on matters of corporate and national competitiveness.

Due to its unique focus, the GCI is regularly featured in global media and national publications, and increasingly in consultancy reports and general interest books.

ACCESS THE GLOBAL CONNECTEDNESS INDEX HERE



www.dhl.com/gci

POSITIVE EFFECT OF GLOBALIZATION

Stronger global connectedness could accelerate the world's recovery from the Covid-19 pandemic, as countries that connect more to international flows tend to enjoy faster economic growth.

TOP 10 MOST CONNECTED COUNTRIES

1. Netherlands	6. Switzerland
2. Singapore	7. Luxembourg
3. Belgium	8. United Kingdom
4. United Arab Emirates	9. Denmark
5. Ireland	10. Malta

EUROPE IS THE WORLD'S MOST GLOBALLY CONNECTED REGION

(Source: DHL Global Connectedness Index 2020)

THERE IS HUGE UNTAPPED POTENTIAL FOR FURTHER GLOBALIZATION



KEY INSIGHTS ON CONNECTEDNESS

While each issue of the DHL Global Connectedness Index comes with unique and specific take-aways, here are some general findings over the longer term:

1. GLOBALIZATION IS HOLDING UP WELL UNDER PRESSURE:

Despite strong headwinds in global geopolitics and trade, the GCI developed solidly in the run up to the COVID-19 pandemic. The world remained more connected than at almost any other point in history. The pandemic caused international people flows to plummet, but other flows have been surprisingly resilient.

2. THE LEVEL OF GLOBALIZATION REMAINS LIMITED:

The data show that national borders still matter a great deal. International flows are significantly lower than commonly thought, so every country has untapped opportunities for increased connectedness, with potential gains into trillions of dollars.

3. THE NETHERLANDS IS THE LEADING CONNECTED COUNTRY:

While the GCI country ranking has seen quite a number of ups and downs over time, one country has consistently made it to the top of the ranking: The Netherlands. Due to a combination of unique traits, this country is clearly a globalization champion.

ACCURATE PREDICTABILITY DRIVING CLEARER DECISION-MAKING

DHL GLOBAL TRADE BAROMETER

Accurate forecasting is vital in planning logistics for both Deutsche Post DHL Group and its customers. The rise of Big Data and AI gave us the platform to combine our expertise as the world's largest logistics provider with import and export data in order to predict future trade patterns.

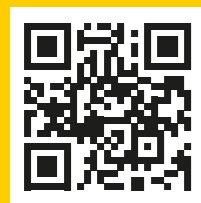
We collate this data to produce the DHL Global Trade Barometer.

A team of experts analyze millions of data points to show current trading in intermediate & early-cycle commodities across seven key economies to forecast trade patterns for entire industries.

INCLUDES SEVERAL INDUSTRY SECTORS ACROSS 7 COUNTRIES, REPRESENTING 75% OF WORLD CONTAINERIZED TRADE

The DHL Global Trade Barometer is an aggregated index drawing on several industry sectors representing 75% of global containerized trade. Based on the large volumes of logistics data evaluated, the Barometer not only provides an outlook on future trade, but also on the prospects for the entire global economy.

ACCESS THE DHL GLOBAL TRADE BAROMETER HERE



lot.dhl.com/gtb

HOW IT WORKS: DETAILED BOTTOM-UP DATA MODELING

The Barometer is based on import and export data for a number of commodities that underpin future industrial production. This could be brand labels for clothes, bumpers for vehicles or touch screens for mobile devices. Tests using historical data reveal a high correlation between the Trade Barometer and real containerized trade, providing a reliable three-month projection.

Aggregated market data from air and containerized ocean freight form the source of the Index. Using artificial intelligence and statistical models, this data is refined to a single *Index Value*, calculated at a global level as well as individually for the seven countries evaluated. An Index Value above 50 points indicates growth; below 50, a decline in world trade.

DEEPER UNDERSTANDING OF SPECIFIC INDUSTRIES

In addition to the findings on general world trade, the Trade Barometer provides deeper insights into specific issues, such as macroeconomic factors affecting trade trends - or the countries and regions driving global trade. By breaking down the global supply chain, sector specific volume trends can be identified, indicating those that are likely to outperform - or decline.

DHL GLOBAL TRADE BAROMETER IN NUMBERS

- IMPORT AND EXPORT DATA FROM 7 COUNTRIES
- 240 MILLION VARIABLES
- REPRESENTING 75% OF GLOBAL TRADE
- 3 MONTH OUTLOOK FOR GLOBAL TRADE
- 10 INDUSTRIES FROM CHEMICALS TO VEHICLES
- UPDATED 4 TIMES A YEAR

KEY INSIGHTS FOR YOUR BUSINESS

Insights from the DHL Global Trade Barometer help customers optimize their business processes, for example, providing guidance for investment and supply chain decisions.

We also leverage the indicator to fine-tune our own resource planning. Due to the high quality of the data, we believe that the Trade Barometer is valuable beyond logistics; as an indicator for future trade and economic growth worldwide.

POSITIVE EFFECT OF GLOBALIZATION

Globalization fuels innovation, helping countries and firms maintain a competitive edge.



IMPROVING ACCESS TO GLOBAL TRADE FOR DEVELOPING AND LEAST DEVELOPED COUNTRIES

GOTRADE

International trade has been recognized by the UN as an engine for inclusive economic growth and poverty reduction, and an important means to achieve the SDGs. Trade facilitation can reduce costs, increase opportunities for small and medium-sized enterprises (SMEs), and spark competitiveness, productivity, innovation and growth.

In recognizing the opportunities that international trade offers, WTO members agreed on a set of key principles that would enable all countries to benefit. Known as the Trade Facilitation Agreement (TFA) it committed WTO Member Countries to implementing reforms that create the right environment for sustainable economic growth through international trade.

According to the World Trade Organization, (WTO), full implementation of the TFA will see trade costs reduced by around 14.3% with Developing Countries, (DC) and Least Developed Countries, (LDC) standing to make the biggest gains.

The largest economies have already implemented the TFA, but most DCs and LDCs have not. However, they can request assistance with implementation via the WTO. Much of this assistance requires the support of the private sector and that is why in 2020, Deutsche Post DHL Group launched GoTrade, drawing on our in-house expertise in trade facilitation and unmatched global footprint to help developing countries with implementation.

Working in partnership with Donor Countries such as Germany, the UK and the US, GoTrade provides support and practical advice to Donor Partners, International Organizations, National Governments and the local business community. We help develop, pilot and ultimately deliver the necessary reforms that support sustainable economic growth through trade. It's part of our DNA.

However, it doesn't stop there: GoTrade also expands the reach and benefit of globalization by teaching SMEs in DCs and LDCs about cross border trade and giving them the tools to succeed, helping them to access global markets.

Building on the demand created by the Trade Facilitation Agreement, GoTrade will expand to reach as many countries and regions as our partners can support, measuring our success against the TFA and the UN Sustainable

Development Goals. Whilst SDG 8, (Decent Work and Economic Growth) is an obvious goal, we are also actively involved in areas such as SDG 5, (Gender Equality) to support female SMEs.

We will continue working with the SMEs we train, monitoring the impact they create for themselves, their families and their local communities. As we say at the start of this brochure, GoTrade helps countries increase

“Growth, in turn, allows for more investment in education, technology and medical care. The result is better employment opportunities, a higher level of education and a longer, healthier life.”

their economic competitiveness as export champions. Supporting SMEs to access global markets, increasing their number in developing countries and the volume of goods they trade - whilst reducing associated costs - is proven to connect people and improve lives.

THE UN 17 SUSTAINABLE DEVELOPMENT GOALS



GOAL 1: No Poverty

GOAL 2: Zero Hunger

GOAL 3: Good Health and Well-being

GOAL 4: Quality Education

GOAL 5: Gender Equality

GOAL 6: Clean Water and Sanitation

GOAL 7: Affordable and Clean Energy

GOAL 8: Decent Work and Economic Growth

GOAL 9: Industry, Innovation and Infrastructure

GOAL 10: Reduced Inequality

GOAL 11: Sustainable Cities and Communities

GOAL 12: Responsible Consumption and Production

GOAL 13: Climate Action

GOAL 14: Life Below Water

GOAL 15: Life on Land

GOAL 16: Peace, Justice and Strong Institutions

GOAL 17: Partnerships to achieve the Goals

Bold: United Nation's Sustainable Development Goals supported by the GoTrade program

Red: SDGs supported by Deutsche Post DHL Group other 'Go' programs

ACCESS
GOTRADE HERE



www.dhl.com/gotrade

POSITIVE EFFECT OF GLOBALIZATION

Citizens of globalized countries enjoy access to a wider variety of goods and services, lower prices and more better-paying jobs

RECOGNIZING THOSE BUSINESSES AND INDIVIDUALS CREATING ECONOMIC GROWTH

EXPORT EXCELLENCE



Even though the Deutsche Post DHL Group today is the most international company of the world, it all began local. The Group unites several DHL business units who all started as local companies in their home markets: a mail company in Germany, an express service in the US, a Swiss freight business and a UK based contract logistics company. Today, our Group does business in more than 220 countries and territories. Every year, we move over three billion parcels and shipments and a million tons of freight around the globe – via air, sea, rail and road. So we know what it takes to overcome barriers, deal with different laws and regulations in a wide variety of countries, and form a global network that makes it possible to deliver our customer’s shipments and goods to nearly every place on earth.

As the “Experts in Export” we want to share our knowledge and expertise with our customers and enable them to grow to the next level. But global always starts local. That’s why we use our local market experience to recognize local companies who are building very successful businesses – and the contribution they make to their industries, communities and countries. All around the world, Deutsche Post DHL Group partners with national business organizations and industry associations to support local companies, applauding and awarding them for their efforts. This is all part of our commitment to help businesses that start local, and go global.

SINCE DHL HAS SET THEM UP, THE ‘EXPORT EXCELLENCE’ AWARDS HAVE BEEN RUNNING IN VARIOUS COUNTRIES FOR MORE THAN 10 YEARS



EXAMPLES OF THE MANY BUSINESS AWARDS DHL PARTNERS AROUND THE WORLD



Location: **AUSTRALIA**
Title: **LAUNCH YOUR LABEL TO THE WORLD**



Location: **ECUADOR**
Title: **RETO EXPORTA AL MUNDO**



Location: **ITALY**
Title: **CAMERA NAZIONALE DELLA MODA ITALIANA**



Location: **SINGAPORE**
Title: **SINGAPORE BUSINESS AWARDS**



Location: **BANGLADESH**
Title: **BANGLADESH BUSINESS AWARDS**



Location: **GUATEMALA**
Title: **LA RUTA DEL EXPORTADOR**



Location: **PANAMA**
Title: **PYMEEXPORTA AWARD**



Location: **SPAIN**
Title: **DHL EXPRESS ATLAS AWARDS**



Location: **COSTA RICA**
Title: **BEST EXPORTER OF THE YEAR**



Location: **HONG KONG**
Title: **HONG KONG BUSINESS AWARDS**



Location: **RUSSIA**
Title: **EXPORT AWARDS**



Location: **TURKEY**
Title: **STARS OF EXPORT**

We give the ‘DHL Export Excellence awards’ to support local companies and entrepreneurs. These are more than physical trophies. Deutsche Post DHL Group creates a network that benefits everyone - consulting and inspiring customers to grow globally, and enabling their businesses to reach out to markets beyond their country borders.

CHAMPIONING THE CHAMPIONS OF INTERNATIONAL TRADE

For Deutsche Post DHL Group, Export Excellence means more than facilitating global trade logistics. It is about recognizing those individuals, businesses and leaders who are using their talents and strengths to improve people’s lives in local communities and society as a whole. Economic growth is one of the key drivers of prosperity, education and health worldwide, and we will continue to support those who give their energies to making it happen.

EXPERT CONTRIBUTION

THE FUTURE OF GLOBALIZATION



Professor Ian Goldin
(Oxford University)

Globalization has been the most positive force in the history of humanity, bringing more progress, more quickly, to more people than anything preceding it. Globalization accelerated with the collapse of the Soviet bloc, the opening up of China, trade reforms and the development of the World Wide Web.

The result is that over the past three decades average per capita incomes globally have doubled, 1.3 billion people have escaped desperate poverty, average life expectancy globally has increased by about 10 years, and over 50 countries have become democratic. And yet, globalization appears more unpopular than ever. The reason is the butterfly defect of globalization as the hyper connectivity of increasingly complex systems leads to the spreading of new forms of risk as well as benefits.

COVID-19 will not kill globalization, on the contrary it will accelerate its growth and transformation. Some aspects, such as scientific collaboration and digital connectivity have already increased dramatically. The pandemic will also lead to a sharp increase in cross-border flows of capital, as a record number of countries seek finance and new opportunities arise for mergers and acquisitions.

Lockdowns have spurred international sourcing of goods and services which are delivered to homes. The pandemic has highlighted the need to diversify sourcing, and this will further encourage cross border flows from a widening range of countries.

The efficiency, cost and carbon saving benefits of remote meetings means that business travel is likely to be permanently reduced, but leisure travel and tourism will rebound, as authentic experiences become a more significant part of consumer spending as incomes increase, not least in Asia.

Globalization in the future will increasingly be centred on East Asia, which accounts for half of the world's population and the fastest growing economic region. A rapid and sustained recovery of this region from the COVID-19 crisis will reinforce its rising economic and political power.

Global institutions are being starved of the resources, legitimacy, and mandates for reform that they urgently require. The lack of political will to manage global threats and build a more inclusive world is the greatest challenge facing globalization. In this respect, there is too little globalization, not too much.

Weaknesses in global governance increases the importance of companies, cities, and communities cooperating with each other to build trust and global alliances and improve outcomes.

This is evident as multinational companies are able to spread best practice and raise global standards, including improvement of the welfare of their workers and paying taxes. Through this, they offer a means to create higher quality jobs and shared prosperity.

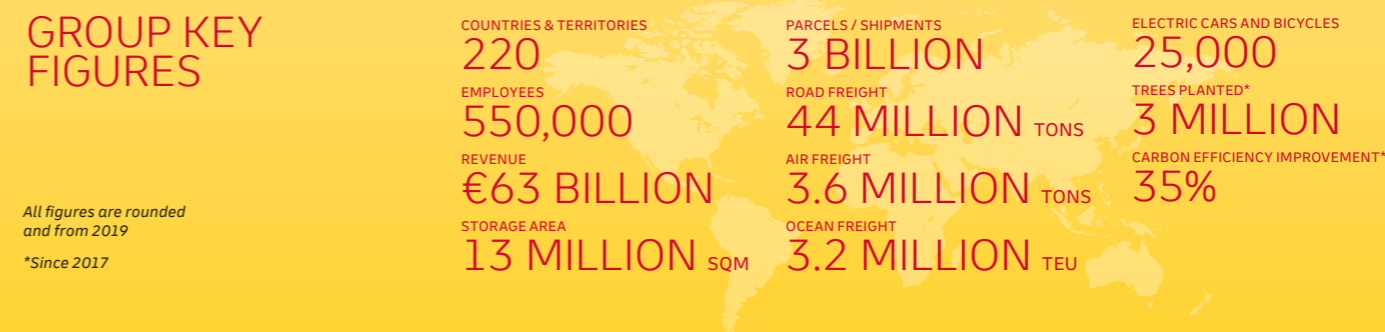
Risks need to be more effectively managed to ensure that there is not a backlash and to promote our shared prosperity. Turning our back on globalization is not the answer. COVID-19 has taught us that we need to redouble our efforts to create a more inclusive, sustainable and healthy world where globalization serves to overcome risks and social divides, becoming a tool for achieving shared and sustainable prosperity for all of humanity.

Ian Goldin is Oxford University Professor of Globalization and Development and the co-author of [Terra Incognita: 100 Maps to Survive the Next 100 Years](#).

DEUTSCHE POST DHL GROUP: THE MOST INTERNATIONAL COMPANY

DELIVERING AN INTERCONNECTED WORLD

GROUP KEY FIGURES



GROUP DIVISIONS

<p>EXPRESS</p> <p>Time Definite, Same Day and Day Definite Products</p> <ul style="list-style-type: none"> Market leader in international express Global coverage: 220+ countries and territories 3 global hubs linked by intercontinental network Approx. 84,000 service points/3,000 facilities Approx. 2.6m customers Approx. 100,000 employees 	<p>GLOBAL FORWARDING, FREIGHT</p> <p>Air & Ocean freight/Road transportation</p> <ul style="list-style-type: none"> Market leader in air freight No.2 global ocean freight services No.2 European road freight forwarder Specialist in industrial projects and end-to-end transport management Supplies over 50% of Forbes 500 companies Approx. 46,000 employees 	<p>SUPPLY CHAIN</p> <p>Contract Logistics and Industry Solutions</p> <ul style="list-style-type: none"> Market leader in contract logistics Warehouse space: 13m sqm Specialist in establishing long-term partnerships Approx. 160,000 employees 	<p>eCOMMERCE SOLUTIONS</p> <p>Domestic Delivery, Cross-Border and Fulfilment</p> <ul style="list-style-type: none"> Connects e-Commerce sellers and buyers globally Domestic parcel operations in selected US, Europe, and AP countries Cross-border solutions into 35 countries Fulfilment services in selected markets 67,000+ service points Approx. 35,000 employees Over 1b parcels and shipments 	<p>POST & PARCEL</p> <p>Mail and Parcel delivery (in Germany)</p> <ul style="list-style-type: none"> Europe's largest mail service provider, and market leader in the German mail and parcel market 55m letters, 5.2m parcels and 2m customers in sales points per day 82 mail centers, 36 parcel centers, 26,000 sales points, 110,000 letter boxes, 6,000 packstations Approx. 190,000 employees
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Board of Management, Deutsche Post DHL Group



GLOBALIZATION. **BEGINNING OF THE END?**

Only a year into the pandemic, many wonder if the age of globalization is finally coming to a halt. Informed by 3.5 million data points, the new DHL Global Connectedness Index 2020 suggests otherwise.

dhl.com/gci

dhl.com/gci

It's already been a year since the pandemic hit the world economy. Have we seen enough to see what's next? Informed by 3.5 million data points, the new DHL Global Connectedness Index 2020 investigates.

GLOBALIZATION. **END OF THE BEGINNING?**

