UPS China Express – enhancing global trade to and from China

The new direct route to China creates “a competitive, high-speed business-to-business aviation highway that services global business, builds jobs and speeds high-value exports” comments Jim Kelly, Chairman and CEO on UPS’ new air rights to China.

On 11th January, UPS was awarded flying rights into China and since 1st April 2001, we have been offering a direct flight service six days a week from the USA to China.

“China has become one of the most important express cargo markets in the world. These rights are critical for UPS to provide its customers with the flexibility and capacity they need to grow their business in this vital region,” added Kelly.

The new air route is excellent news for all our customers worldwide. Until now, UPS has been unable to offer the types of services that our customers enjoy to other Asian markets where we already have a direct service.

UPS aims to be the leading shipping and logistics provider in China

- The new direct service
  - The flights are the first new air cargo authorities to be granted by the People’s Republic of China since before World War II and UPS is currently the only US cargo carrier to fly directly from the US to China.
  - China has become one of the most important express cargo markets in the world. These rights are critical for UPS to provide its customers with the flexibility and capacity they need to grow their business in this vital region.

- What does this mean for UPS customers in Europe?
  - At the end of last year we enhanced our service to Asia by increasing our flight connections.
  - With a daily flight operating from Colombo to Taipei. The new China routes from the US provide us with alternative routing options for UPS volume directly into China, and more importantly, they will allow us to expand our presence and connections within this important market.

- UPS’ operations in China
  - For the past 13 years, UPS has worked with China through a partnership with Sinotrans. This joint venture enables us to reach 120 cities across China through offices in Beijing, Guangzhou, Shanghai and the Sinotrans network throughout the rest of the country.

As our business develops in China, we will need to extend our infrastructure and have plans to expand our branded operations to 40 major cities. In addition, we will be opening three new representative offices in Qingdao, Shenzhen and Xiamen.

- We aim to deliver to every address in China by the end of the year
- Opportunities for European businesses in Asia

Over the last two decades, UPS has made significant investments in its China operations and Asian network. The ability now to directly connect China to our Asian network is the last missing link in UPS’ complete global network. European companies seeking to expand into China whether through exporting or investing will be able to take advantage of the new openness of China’s economy.

Pascal Lamy, Trade Commissioner, European Commission said: “The EU is committed to working in partnership with China and determined to share its experience in the WTO, assisting as far as possible with the changes which China will have to introduce and sustain in its continuing economic transition.”

- China’s entry to the WTO
  - China is a major manufacturing base for many industries and is also the world’s fastest growing economy. China is preparing to join the World Trade Organisation later this year and UPS’ role as a global enabler of trade becomes increasingly important to the country’s economic development efforts.
  - China’s expanding membership of the WTO is predicted to bring about vastly improved access for EU firms to China’s market and a population base of over 1.2 billion people.
  - The costs of exporting will be lessened as tariffs and non-tariff restrictions are expected to be sharply reduced. Also, the incentives to invest in China will be enhanced by a more attractive and predictable business environment.

- The future – trading with China
  - The EU currently accounts for 15% of China’s imports and exports and we expect trade to significantly increase. The kind of products moving between the two regions is also likely to change. An open trading policy should trigger a migration from general air cargo to higher value commodities which usually require fast, time-definite, express services.

UPS adheres to the transportation regulations outlined by the International Air Transport Association (IATA) and does not accept Dangerous Goods in its system – nationally or internationally.

- Businesses which ship dangerous goods without appropriate labelling, documentation and packaging can face significant financial and legal penalties.

See Question & Answer section on back page for more information.
UPS OnLine Tools

Integrate UPS OnLine® Tools into your e-commerce website and your customers will be able to ship, shop and track directly from your site. You will have to field fewer calls about their orders and your customers will have another reason to return to your site, giving you additional cross-selling opportunities.

Coming soon
- UPS Time in Transit: Enable your customers to know exactly how long it will take for their shipments to reach them.
- UPS Address Validation: Reduce shipping and billing address errors by validating the city, area and postal code at the time of customer order entry.
- Look at the detailed benefits from integrating UPS OnLine Tools

Improve Your Customer Service:
- You can correct errors at the point of entry and offer flexible shipping options and customised tracking numbers.
- Add Website Functionality: Deploy your entire shipping procedure to allow your online customers to shop, ship and track from one location only – your website.
- Increase Customer Time on Your Site: Bring customers back to your website and keep them there by putting the power of UPS’ tracking technology in their hands. This could help you increase impulse buying and marketing opportunities.
- Reduce Costs: By making your shipping more efficient, you can reduce returns, decrease customer support phone calls, and eliminate address errors at order entry. Internal flexibility: Integrate our OnLine® Tools into your internal systems and your employees can ship, track and trace within your own intranet environment, at any location.

The right tools for the job
- Easy To Implement – although UPS OnLine® Tools offer sophisticated capabilities, as APIs they can be easily integrated into websites and internal applications.
- Platform-Independent – no matter what your computing environment, UPS OnLine Tools work with any platform that supports HTTP.
- Flexible and Customisable – the tools are very flexible and can support web storefronts as well as enterprise applications.

A total support service
- UPS offers you a total support service. Our technical team provides both the documentation and customer support you need to successfully implement the tools.
- How do I access them?

To download and integrate UPS OnLine Tracking into your website, visit your country page and click on the E-Business section for everything you need. If you are interested in incorporating the UPS Signature Tracking, UPS Shipping and UPS Rating Tools into your website, please e-mail us at tellus@upsforum.com and we will have someone contact you.

UPS Quick Cost Calculator tool comes to your UPS country Internet page

Visit your country page on www.ups.com and check out UPS’ newest interactive tool.

UPS Quick Cost Calculator allows you to determine the cost of single-package and document shipments* immediately online. Want to know how much it costs to ship a 10 kg package from your office to Milan or a document to New York with UPS Express? Easy, simply enter the origin and destination postcodes, your shipment details and immediately see the cost, by service level! No need to call UPS or look it up in the Service and Tariff Guide. Costs are provided in the currency of the origin country and in an easy-to-read chart format.

Don’t forget! If you want to check out the transit times of UPS services, simply click on the Transit Times icon on your country page and you can look up exact time and day commitments by service, to postal code level accuracy.

*Costs are for shipments containing up to five packages. Please speak to your UPS representative for more information.

UPS teams up with Texaco to offer a unique e-delivery solution

E-commerce and doing business on the web have created a range of new purchasing patterns and customer needs. Shopping, ordering and payment now take place in a virtual environment. Delivery of the actual goods ordered, however, still uses traditional delivery channels.

To increase flexibility and choice of delivery options for online purchasers, UPS has teamed up with Texaco in Benelux and the UK to test a new, innovative delivery concept.

“Outback RelayStar® e-tailers can integrate the new cutting-edge ‘alternative delivery’ option into their website.”

“Alternative delivery” option into the website

When UPS customers with an online presence sign up for this programme, their customers are able to opt for a delivery to their nearest Texaco station®.

With the RelayStar® station located and UPS delivery services, there are obvious benefits for both the e-tailer and the consumer, such as:

- Increased customer satisfaction by providing customers with a choice of economical and convenient delivery options when purchasing online.
- Order visibility as e-tailers can integrate UPS leading edge tracking technology into their own website – enabling customers to track their orders directly online. This improves value to consumers and also reduces the number of calls to the e-tailer’s customer service department.
- New business gained by providing solutions for these customers frequently delivered from using the web for their purchases because of home delivery concerns.
- Notification of the shipment’s arrival is issued to the consumer via e-mail (e.g. SMS mobile phone messaging in the future) together with the tracking number, which is required when collecting the shipment from the Texaco Service Station.
- Orders can be collected from the designated Texaco Service Station within 14 days, after which they are automatically returned to the e-tailer.

UPS delivery services combined with RelayStar® offer an innovative solution to the e-tailer and their customers*. If this delivery solution is suited for your web business and you want to learn more, e-mail us at tellus@upsforum.com.

* Currently for deliveries to Benelux and only
The ‘90s was a time of dramatic change as the pace of business accelerated. After mobile phones, e-mail and laptops came hot-desking and home working. The workplace was under pressure to become more flexible and stress was accepted almost as a pre-requisite to an individual’s success.

Nowadays technology is key to modern day business solutions. Back in 1997, there was concern that communications technologies were under-utilised, especially in Italy. Although almost all companies there had a website, it was not then considered to be important to marketing efforts. By 1998, a majority of European executives were using e-mail and a growing number the Internet, although only to source information. But by 2000, 20% of all companies surveyed were using the Internet to conduct business.

Both the UK and Germany are seen as leading in ebusiness. In 2000, 30% of respondents saw the UK leading in this area with 28% saying Germany. Where asked which country would be best to set up an e-business, again the majority stated the UK (28%) while 13% said Germany.

Most of Europe’s businesspeople said their companies had changed strategy to take on the challenge of e-business. The majority have gone on-line and even employed e-commerce experts. Nevertheless, 58% of respondents still view the dot.com start up trend as a phenomenon where only some will survive.

Europe’s business leaders increasingly conduct e-business and communication via e-mail. In 1999, the average senior businessman in Europe received only 17 e-mails a day but a year later, the number had risen to 27 with 12% receiving over 50 e-mails a day.

UPS has introduced a new Package Handling Procedure for shipments that we have been unable to successfully deliver.

Undeliverable shipments will be returned via UPS Standard delivery to the consignee. This allows every reasonable attempt to effect delivery to the consignee. The shipper is notified by return of freight collect shipment, UPS notifies the shipper in order to gain alternative options or return instructions and any applicable return charges.

The second part review of 10 waves of the UPS Europe Business Monitor

Undeliverable Package – Next Steps

Our procedure works in two ways depending on whether the shipment is in circulation within the E.U. or outside. The new procedure has been specifically developed to offer a consistent service that reduces the time shipments are held in UPS centres.

For handling E.U. shipments, UPS follows these procedures:

- If the consignee refuses the shipment due to reasons 1 and 2 (after attempting address correction and leaving notices at the delivery address) a postcard is sent to the consignee requesting further delivery instructions. If there is no reply by the consignee after five working days, UPS returns the shipment to the shipper.

Please note:

- If there is no return or return instructions and the shipper requests alternative delivery, or return the shipment to the shipper.

Reasons why we cannot deliver include:

1. Incorrect address details on shipment
2. No one is available to receive the shipment after 3 delivery attempts by the UPS driver
3. Refusal by consignee to pay freight collect or duties charges, or the C.O.D. amount

The shipper in order to gain alternative delivery or return instructions, and informs the shipper of the return freight charges.

For handling shipments for delivery outside the E.U., UPS follows these procedures:

- Undeliverable shipments will be stored on our premises while UPS calls the shipper to give the reason for non-delivery and confirm consignee’s contact details, alternative delivery options or return instructions and any applicable return charges.

- If there is no consignee, or reply after 10 working days, or if the shipper instructs UPS to abandon the shipment, it will be forwarded to a centralised UPS department for disposal.

Those newly introduced procedures mean that all undeliverable packages will be promptly returned, having made every reasonable attempt to effect delivery to the consignee. This allows you to receive your packages back in a more time-effective manner with minimum inconvenience and minimum or no cost to you.

UPSguest

This is the second part of Douglas McWilliams’, CEO, Centre for Economics and Business Research, assessment of a decade of results found through the UPS Europe Business Monitor.

The author looks at key trends and how attitudes and habits of European business leaders have changed. He shows us how companies are coping with the fast pace of changing technology and discovers that despite our ever-increasing European involvement, we all still have national allegiances and bias...

Are we truly European yet?

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Different ways of working

In Europe, the average working week is more than 50 hours but increasing numbers of executives are seeking flexible working arrangements. In 1996 and 1997, business leaders anticipated that the proportions of staff working part-time and on short-term contracts would increase. By 1998, British business leaders anticipated a growing trend in casual work clothes and an increase in working from home. The Dutch forecast more crèche facilities while the French predicted a four-day week.

Yet by 1999, only 7% of European boards of directors included any women and the majority of leadings businesses in Italy, Germany and the Netherlands still had no senior female executives.

More stress

In the Millennium year, work-related stress is considered to be of huge significance. In most countries, except the Netherlands, stress is seen to be contributed by bureaucracy, paperwork, staff recruitment and retention. Absenteeism was seen as a contributing factor for the Dutch and Germans.

In all countries, office politics, technical hitches and computer problems together with the ever-increasing number of e-mails are seen as a causes of stress.

The total picture

Despite high stress levels, the picture that emerges from the latest Business Monitor is that Europe’s businesses are coping well with change and there is a sense of optimism.

At the same time however, business leaders are fully aware that they will have to continue to work hard to keep ahead and that the price of success is the ability to manage continual change.

For a complete review of the results, past and present, visit www.sbm.ups.com.

About the survey

The UPS Europe Business Monitor surveys 1,000 business leaders from Europe’s top 150,000 companies on an annual basis across Belgium, France, Germany, Italy, The Netherlands, Spain and the UK.

Respondents are at director level. The average turnover of businesses interviewed in 2000 was US$ 1.64 billion (1.94 billion Euro); average employee rate was 2,210. Interviewing is conducted in the respondents’ native tongue at the TNS-Harris international telephone unit in London, UK.
Some fire detectors

Petrol

Why does UPS not accept

You might be surprised by what items

A

? What goods are commonly

A

What do I need to remember when using UPS?

1) If you are reused packaging or
carton, please ensure all original
labeling is missing, or cannot be found, contact
should be made with the manufacturer
or supplier of the goods.

? What do I need to remember when using UPS?

1) If you are using packaging or
carton, please ensure all original
labeling is removed. Any Dangerous
goods labels on a package will cause
the shipment to be held up and inspected,
causing service delays and in-
convenience to you and your customer.

2) If you are shipping goods that
could be potentially confused as Dangerous
Goods but are not – because of their
unusual name, appearance, etc. It is
advantageous to clearly declare on the
shipping documentation that the goods are
“not classified as Dangerous Goods”. This
will ensure the shipment is
not delayed unnecessarily. Any mis-
declaration will lead to strong penalties
for the shipper.

3) Remember that UPS does not accept
Dangerous Goods in its system.

1) Are there situations when UPS
does accept Dangerous Goods?

A

UPS carries an extremely limited
and controlled amount of low risk
dangerous goods for certain pre-approved con-
trolled customers. However, this is not a
general service offering and there are
current plans to extend this.

2) What are the Dangerous Goods
regulations?

The carriage of Dangerous Goods by
road, rail, sea and air is controlled and
regulated by various complicated sets
of regulations. These regulations set
down specific responsibilities for
shippers and carriers of Dangerous Goods.

To gain more information, the key
regulations include:

Technical Instructions for the Safe Transport of
Dangerous Goods issued by the International
Civil Aviation Organisation (ICAO) and
Dangerous Goods Regulations issued by the
International Air Transport Association (IATA).

ADR, ADR (Accord Européen relatif au
transport international des marchandises
Dangereuses par Route). Local national reg-
ulations may also apply and
vary from country to country.

The International Maritime Dang-
erous Goods Code issued by the
International Maritime
Organization.

What if I don’t know anything
about Dangerous Goods
regulations? Can I still be
held responsible?

Yes, the regulations outline specific
responsibilities for shippers and carriers
of Dangerous Goods. It is the respon-
sibility of the shipper to determine
whether they are shipping Dangerous
Goods. It is their responsibility to classify
the contents accurately, package them
correctly and complete the appropriate
accompanying Dangerous Goods docu-
mentation as well as pre-alert their
shipping company to the contents.

Regardless of any lack of personal
knowledge of Dangerous Goods, failure
to comply with these regulations can result in
heavy fines and in some cases lead
to imprisonment for the shipper or
carrier.

International Holidays
Summer 2001

JUNE

1 Madaraka Day, Kenya
Children’s Day, China
Prophet’s Birthday, observed in predominantly Islamic nations.
Whit Monday, observed in many countries including
Austria, Bahamas, Barbados, Belgium, Berlin, Denmark,
Finland, France, Germany, Iceland, Malta, Monaco, New Caledonia

2 Flag Day, Sweden

3 Queen’s Birthday, Antigua

4 Independence Day, USA

5 St. Cyril & St. Methodius, Czech Republic

6 Crownings Day, Lithuania

7 Baba Saba or Peasants’ Day, Tanzania

8 Lady Day, France

9 Constitution Day, South Korea

10 National Day, Portugal

11 Youth Day, South Africa

12 National Day, Iceland

13 Ligo’s Day, Latvia

AUGUST

1 Our Lady of the Angels’ Day, Costa Rica

2 Farmer’s Day, Zambia

3 Independence Day, Poland

4 Women’s Day, Tunisia

5 Independence Day, India

6 Assumption Day, observed in
many countries including
Andorra, Argentina, Central
African Republic, Chile, Colombia,
Cyrpus, Guatemala, Italy, Poland,
Portugal, Spain, Venezuela

7 General Sam Martin
Day, Argentina

8 Constitution Day, Hungary

9 Slovakian National
Resurrection, Slovakia

SEPTEMBER

1 Labour Day, USA

2 Independence Day, Swaziland

3 Respect for the Aged Day,
Japan

4 National Day, Saudi Arabia

5 Karamarka Day, Rwanda

6 Teachers’ Day, Taiwan

We want to hear from you

Remember – this newsletter is just for YOU!

Your opinion is important to us and we’d love to hear what you think of UPS Forum, any suggestions you might have and stories (funny or not) that you’d love to share. Send them to
tellus@upsforum.com. What’s more, if you know of someone who
would like to receive UPS Forum regularly, give us their
details and we’ll make sure they don’t miss out.

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