

China's Express Delivery Business Volume Records 30 Billion Items

Four factors driving a "rosy start" for a new "Five-Year" period

As of December 20, 2016, China's express delivery business volume has exceeded 30 billion, staying ahead of other peers in terms of scale, according to China's State Post Bureau. This also marks a "good start" of the express delivery industry at the beginning of the "13th Five-Year" period.

The 30 billionth is a tea leaves product parcel originated from Meitan County, Guizhou Province, China, delivered by ZTO Express (set for a US IPO of this year's biggest in October, 2016) outlet, says the State Post Bureau.

Thanks to China's "Express Delivery Going West and Going Down" project, the express delivery network now covers more than 80 per cent of villages and towns throughout the country, driving hundreds of billions RMB of agricultural products into the city and industrial products into the countryside. In the first 10 months of 2016 alone, the project had contributed to spurring online agricultural products sale more than hundreds of tens of billions of USD in the country. The express delivery industry has been playing an active role in helping farmers use the delivery network to open the market, revitalize channels, and increase income.

China's express delivery industry has long been maintaining a rapid growth momentum, keeping stable and moving in a positive direction. According to China's State Post Bureau, in the first eleven months this year, the express delivery business volume reached 27.89 billion items in total throughout China, with an increase of 52.8% year on year; the business revenue of 49.6 billion USD, an increase of 44.3% over the same period last year. In November alone, the "busiest delivery month" in China's express delivery industry history, the business volume reached 3.76 billion, an increase of 44.5%, and the normal daily volume exceeded 125 million, 1.4 times the same period last year. On "Double 12" (December 12), another peak delivery day next to "Double 11" (November 11), the express deliveries handled by the country's main postal and express delivery enterprises reached a total of 176 million items, up 55.75% over last year.

China's express delivery industry has been maintaining a rapid and sustainable development, with the annual business volume exceeding 30 billion, while China's GDP growth was 6.7% on average in the first three quarters of 2016. It mainly depends on four factors.

First of all, the structural reform of the supply side provides a new growth for the industry's transformation and upgrading. With the escalation of express-related industries such as e-commerce, manufacturing and agriculture, the environment of the upstream of express delivery industry has been gradually optimized. Meanwhile, to meet the demand for improving the quality and efficiency, the service supply mode of express delivery turns out more diversified, standardized and refined.

Second, the "Internet +" provides a new engine for the express delivery industry's innovation. As

the link between the demand side and the supply side, the postal and express enterprises actively improve supply side service ability, starting up ecological system construction to serve all walks of life and the new economy.

Third, the new system of opening economy provides new opportunities for the express delivery industry's international development. With the "One Belt, One Road" strategy entering the stage of pragmatic cooperation, Made-in-China "going out" accelerating, the postal and express delivery enterprises' capacity of order processing, cross-border transportation, overseas warehousing and delivery has been gradually improving.

Four, reform efforts to streamline administration, delegate power and improve government services provide a boost to the healthy development of express delivery industry. The optimizing and reforming of the licensing procedures and business system have promoted the effective aggregation of social resources and invigorated the market. The State Post Bureau of China has been strengthening operational and post-operational oversight over the business, adhering to streamlining administration and delegating powers, which plays a positive role in regulating the market and promoting fair competition.

In the last five years, China's express delivery business volume and revenue have increased by 7.8 times and 3.8 times respectively; the public satisfaction rating for the industry service increased from 68.7 points to 74 points, and the punctuality rate of delivery has remained steady.

With the tremendous support of the local government and postal management departments, the postal and express delivery enterprises increase investment and fulfill "two major constructions", namely "large network" and "big brands".

"Large network". There are 183,000 express delivery service outlets throughout the urban and rural areas, more than 200 newly built and under-construction Express Logistics Parks, over 200,000 haul trunk vehicles, three independent express delivery airlines with 81 cargo freight aircrafts.

"Big brands". There are six postal and express delivery brand enterprises in China with annual turnover of 4.3 billion USD. At the same time, the electronic waybill, automated sorting, intelligent terminal technology are widely used nationwide in the industry; intelligent parcel lockers, express public service stations, chain business cooperation, third-party service platforms and other innovative models are emerging.

Currently, taking the advantage of opportunities from the thriving "Internet+" and the rapid improvement of comprehensive communication and transportation system, China's express delivery industry has been accelerating the formation of a more comprehensive basic network, and enhancing the comprehensive ability to promote the economic and social development.