



AUTOMOTIVE CASE STUDY

PLANT-TO-PORT SUPPLY CHAIN FACILITATES DEMAND FOR GREENER TIRES

The rapid growth in demand for more environmentally friendly tires has led to the development of a synthetic rubber manufacturing plant in Indonesia, backed by a joint venture that includes a major global tire manufacturer.

DHL Supply Chain – Excellence. Simply delivered.



CUSTOMER CHALLENGE

With the joint venture established in Indonesia's growing automotive hub, it needed a logistics partner that could provide the collaborative approach and flexibility to export increasing volumes of synthetic rubber to domestic and global markets.

However, the partner also needed to be able to do so while focusing on the stringent quality and safety standards that are critical for a world-class tire manufacturer.

As the global automotive supply chain grows in volume and complexity, customer order sizes for the synthetic rubber that is integral to modern tire production, are changing accordingly. Volumes from the West Java-based joint venture, for example, can vary from fewer than 50 sample units to international shipment volumes that cover 27 plants in 19 destination countries.

It therefore needed a plant-to-port supply chain that offers faster, more scalable shipments with returns for non-compliant products, inbound and outbound product inspection, customs clearance, and rigorous specialist storage management and capacity.

CUSTOMER CHALLENGE:

- Volume fluctuations
- Stringent local customs regulations
- Highest safety standards for storage
- Domestic and international customers

DHL SUPPLY CHAIN SOLUTION:

- Transportation and warehousing
- Build-to-suit warehouse
- Collaboration across DHL divisions
- Industry-specific expertise

CUSTOMER BENEFITS:

- End-to-end solution allows for volume fluctuations
- Intense focus on safety and security
- Flexible model allows for increased volumes

DHL SUPPLY CHAIN SOLUTION

The solution builds on the industry-specific experience and expertise that DHL Supply Chain has built up over many years in the automotive sector, and specifically the tires sub-sector.

It successfully consolidates the joint venture's plant-to-port supply chain into a single solution, with DHL overseeing road freight transportation, warehousing and customs clearance.

Core competencies from across the DHL divisions are employed, with shuttle transportation from the plant to the DHL warehouse, where goods are managed by our experienced warehouse teams, followed by transportation from warehouse to port, to take advantage of the export and import capabilities that DHL possesses. Third party contracted carriers for outbound shipments are also managed by DHL.

The collaboration has enabled DHL to offer valuable insights into local customs regulations from the crucial early stages of the development of the factory, drawing together industry-specific expertise, our global network and extensive knowledge of the Indonesian logistics industry.

DHL has leveraged its industry-leading expertise in supply chain digitalization and innovation to deliver a solution that also includes return flows to the Cilegon factory, sea container filling, quality management control at the warehouse and pre-carriage to port, shipment management and regulatory support at the port in Jakarta.

CUSTOMER BENEFITS

As the global automotive supply chain grows and becomes even more complex, it is more important than ever for companies to work closely with their logistics partners.

As a trusted partner, DHL was able to leverage expertise from across its divisions, providing local knowledge and the benefit of its global network from the new venture's early beginnings.

With a focus on quality and safety that is crucial for innovative, world-class tire products, DHL is now operating a plant-to-port supply chain. This allows for faster, more scalable shipments of increasing volumes of synthetic rubber from factory to port, and can easily accommodate volume spikes.

The model lays the foundation for flexibly scaling operations to meet growing future international and domestic demand and also prepares for the expected expansion of the automotive manufacturing industry in Indonesia itself. In future the service may also include transportation of synthetic rubber to domestic customers.

FOR FURTHER INFORMATION

Contact our supply chain experts [here](#) >
or visit our [website](#) >

