Digital Intelligence Empowerment, Global Connectivity Advancement

New Opportunities for Supply Chain and Logistics in the AI Era

Respected Governor Liu Xiaotao, President Yang Xingshi, distinguished leaders, guests, good morning!

It is my great pleasure to gather with you all in Nanjing, a key logistics hub that connects the Yangtze River Delta, serves the whole country and links to the world. Today, focusing on the topic of "Digital Intelligence Empowerment, Global Connectivity Advancement", I would like to discuss with you the new opportunities and development paths for supply chains and logistics in the AI era, based on global practices and China's experience.

The global economy is currently undergoing a critical restructuring phase. Unilateralism, geopolitical tensions, energy volatility and other challenges have exposed supply chains to risks of disruption, decoupling, and fragmentation. How to enhance supply chain resilience, break circulation barriers and improve the efficiency of global resource allocation has become a common issue for the global logistics and supply chain industry.

Under these pressures, a growing number of economies have recognized that only through multilateral cooperation and collective consultation can we overcome the challenges facing global supply chains. The Belt and Road Initiative proposed by China has gone far beyond regional infrastructure cooperation. It has become a global cooperation solution based on pragmatic collaboration and respect for diversity, providing valuable Chinese insights for addressing global trade fragmentation and reconstructing the global supply chain order.

Against this backdrop, the supply chain and logistics system, as the "artery" of economic circulation, directly determines the capacity of global resource allocation and the quality of economic operation through its resilience, efficiency and intelligent level. The rapid advancement of artificial intelligence is injecting unprecedented momentum into the transformation and upgrading of supply chain and logistics operations.

The application of AI in supply chains has evolved from a point efficiency tool to a systematic capability reconstruction. In demand forecasting, AI integrates multi-dimensional information to improve accuracy by over 30%, enabling Walmart to achieve dynamic global inventory allocation. In warehousing, intelligent scheduling and robotic operations have increased picking efficiency by 2 to 3 times, with the models of Maersk and Amazon serving as industry benchmarks. In transportation and distribution, AI path planning reduces costs by 15% to 20%, with systems from UPS, SF Express and Cainiao drawing on each other's strengths and advancing together. More significantly, AI is driving the global supply chain to shift from "efficiency priority" to "resilience priority". Supported by the Internet of Things (IoT) and digital twins, full-link visibility, risk prediction and rapid response can be achieved: DHL's AI early warning platform can provide 72-hour advance warning and generate alternative solutions; Unilever uses digital twins to simulate emergency scenarios, significantly improving risk resistance, which has become the mainstream direction of the industry.

The Outline of the 15th Five-Year Plan clearly states that China will continue to promote high-quality Belt and Road cooperation, deepen development strategy alignment, and improve multi-dimensional interconnected network. From the perspective of industry practice, China has accumulated substantial mature experience in AI technology application and supply chain infrastructure construction, and its overall capability is among the world’s first tier.

Compared with other countries, China's AI logistics application has unique advantages: First, full coverage of application scenarios. From warehousing, transportation, customs clearance to last-mile delivery, from domestic

logistics to cross-border logistics, AI technology has deeply penetrated the entire logistics chain, forming a development pattern of "full-scenario implementation". This is attributed to China's huge logistics market size and sound infrastructure support.

Second, high efficiency in technology implementation. Chinese logistics enterprises and AI R&D enterprises collaborate in innovation, rapidly translating cutting-edge AI technologies into practical productivity. For example, Cainiao's intelligent logistics network, JD Logistics' "Asia No.1" intelligent warehouse, and SF Express's AI path planning system have all achieved deep integration of technology and business, with efficiency in some application scenarios surpassing international peers.

Third, board accessibility. Not only have leading logistics enterprises realized large-scale AI application, but small and medium-sized logistics enterprises can also access digital intelligence dividends at low cost through third-party AI service platforms, promoting the overall upgrading of the industry.

Fourth, prominent regional leading effect. Logistics hub cities such as Nanjing, Shanghai and Shenzhen have taken the lead in deploying AI logistics scenarios, forming a number of replicable and scalable regional practice models. At the same time, we should also recognize that there is still room for improvement in China's AI logistics application. In terms of the originality of core algorithms, localization of high-end intelligent equipment, and application of AI technology for global supply chain collaboration, we still need to further benchmark against international advanced levels, continue to make breakthroughs, and fill in the gaps.

Combining global practices and China's experience, the core keys to improving quality, reducing costs and increasing efficiency in the current logistics industry can be summarized into three points, which are also the core directions of AI technology empowerment. First, based on data interoperability by connecting end-to-end data across the whole chain to provide accurate support for AI. Second, technology integration as the core:

enabling deep AI, to work together with the Internet of Things, digital twins, BeiDou Navigation Satellite System and other technologies, shifting from point improvements to end-to-end upgrades. Third, collaborative symbiosis as the key: build a shared platform based on AI to optimize resource and capacity allocation, so that digital intelligence dividends benefit the entire industrial chain.

Looing ahead, promoting the digital and intelligent transformation of global supply chains and maintaining the stability and smoothness of industrial and supply chains will inject more certainty and new momentum into global economic growth. This is also the common development direction and goal of the entire industry.

Distinguished guests, as a logistics hub in the Yangtze River Delta and a highland of the digital economy, Nanjing is taking digital intelligence transformation as an opportunity to build a global logistics node and promote the deep integration of AI technology and the logistics industry, relying on its own industrial foundation and location advantages. I hope that through this Nanjing International Conference, we will strengthen exchanges, build consensus, and deepen cooperation. Let us jointly explore the innovative application of AI technology in the field of supply chain and logistics, promote the digital and intelligent transformation of global supply chains, and jointly build a global logistics and supply chain system featuring "interconnection, collaborative symbiosis, resilience and efficiency".

Since establishing cooperation with the China Communications and Transportation Association in 2003, the Chartered Institute of Logistics and Transport (CILT) International has continuously promoted interconnection, experience exchange and pragmatic cooperation in the field of logistics and supply chain between China and foreign countries through diverse platforms such as conferences and training, playing an important bridging role in promoting global trade facilitation and the stability and smoothness of industrial and supply chains.

In the future, we are willing to work with all colleagues, based in Nanjing and radiating to the world, to improve efficiency through digital intelligence interconnection, strengthen resilience through collaborative cooperation, and pool strength through open win-win. We will jointly contribute the professional wisdom and solid strength of the international logistics and supply chain industry to achieve strong, sustainable, balanced and inclusive growth of the world economy!

That concludes my speech. Thank you all!

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