

A low-angle photograph of a field of vibrant red tulips. The flowers are in various stages of bloom, with some fully open and others as buds. The background is a bright blue sky filled with soft, white, wispy clouds. The lighting suggests a sunny day, with the sun positioned high in the sky, creating a slight lens flare effect. A semi-transparent dark grey horizontal band is overlaid across the middle of the image, serving as a background for the text.

Market intelligence analysis (Draft)





Industry comprises of **shipping, warehousing**, courier and road/rail and air freight.



Research indicates that **global market value** of logistics has surpassed **\$4 trillion**, which equates to **10% of global GDP**.



Transportation sector is fastest growing sector. **7% increase** each year since 2011.



Transport sector alone expected to generate **\$3.8 trillion** in revenue in **2016**.



United States currently accounts for over **42%** of global transportation services sector.



Emerging markets such as **China and India** are expected to have increasing influence in global logistics in coming years.

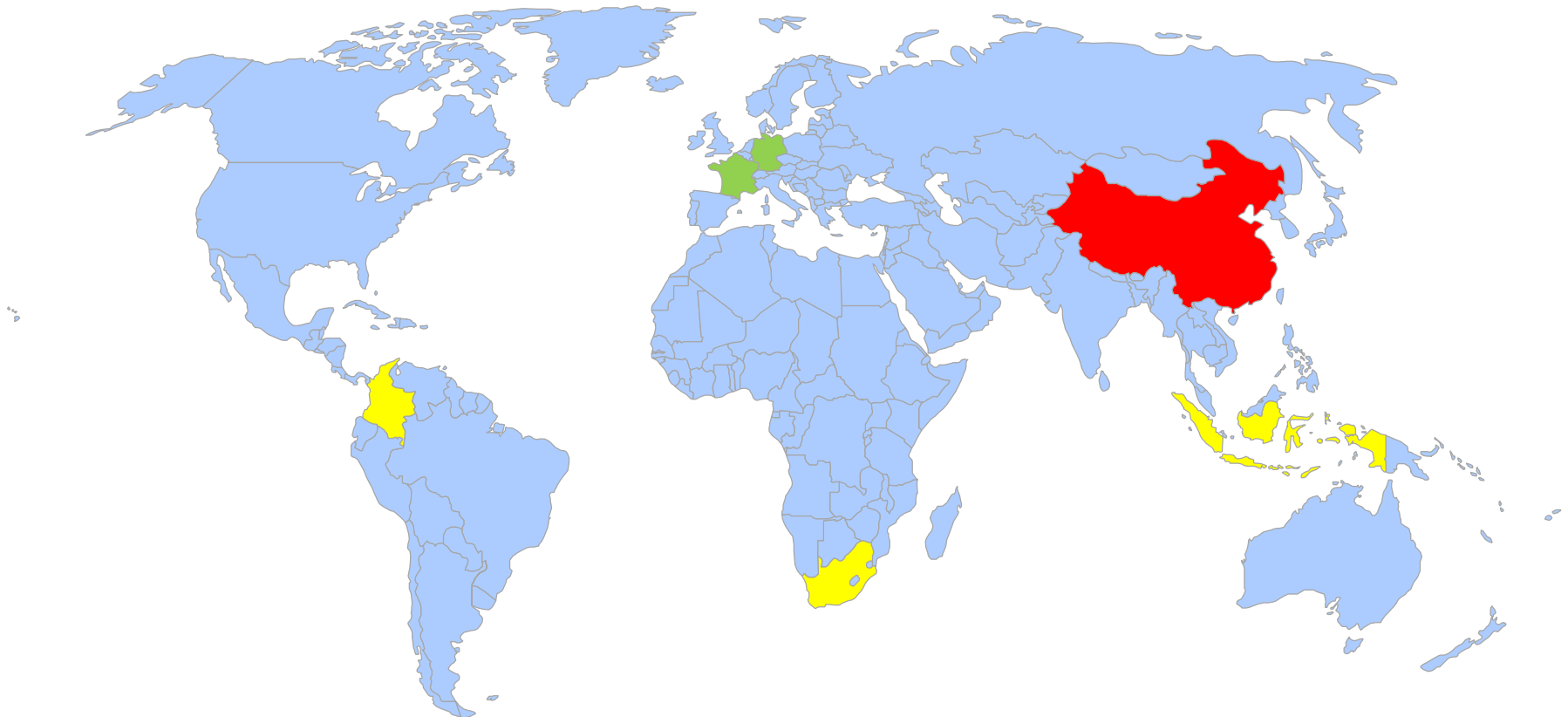


Target markets Hinterland Logistics

Neighbouring
countries

Fast growing
markets

Developing
markets





Germany:

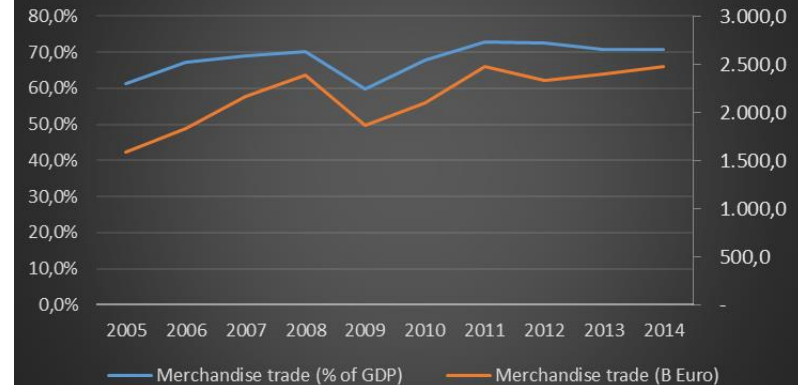
Overview



Fast facts

GDP 2014 (Bill. Euro)	3.502
GDP per Capita (Euro)	36.107
Population 2014 (Mill.)	81
Rail network (km in 2009)	33.446
Road network (km in 2011)	643.702

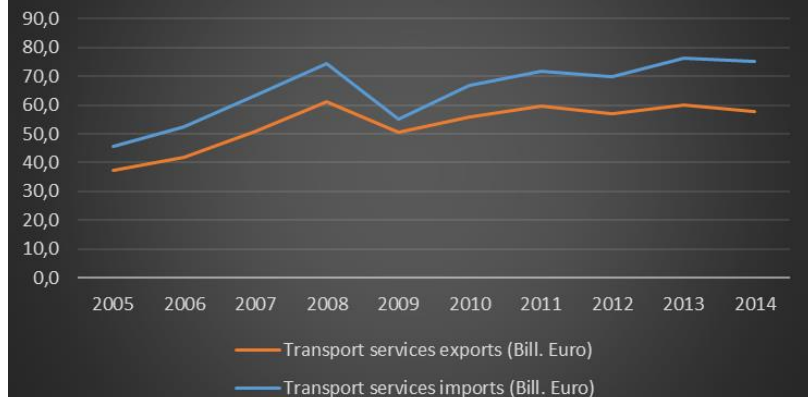
Merchandise Trade



Logistics Performance Index (LPI)



Transport services (import/export)



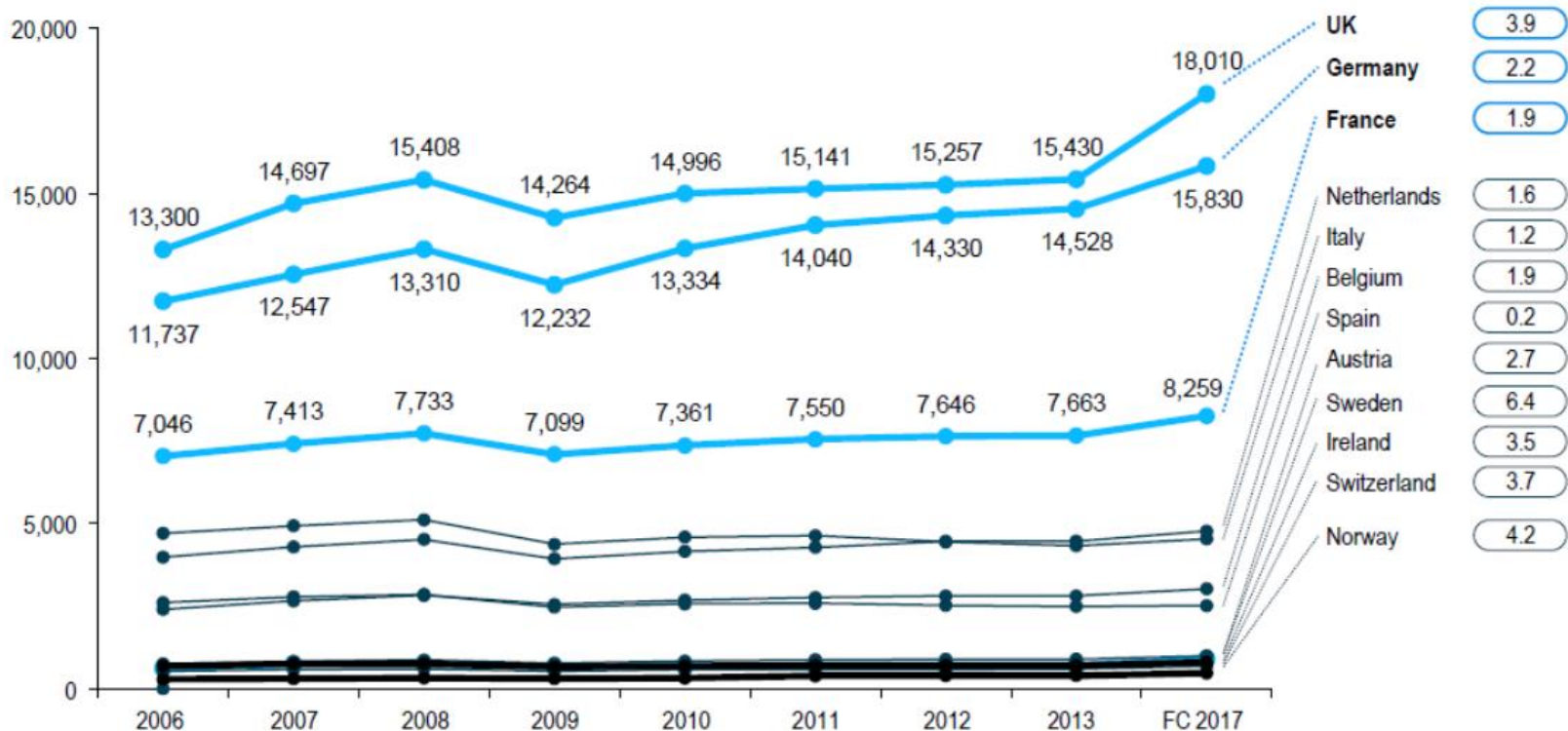


Germany:

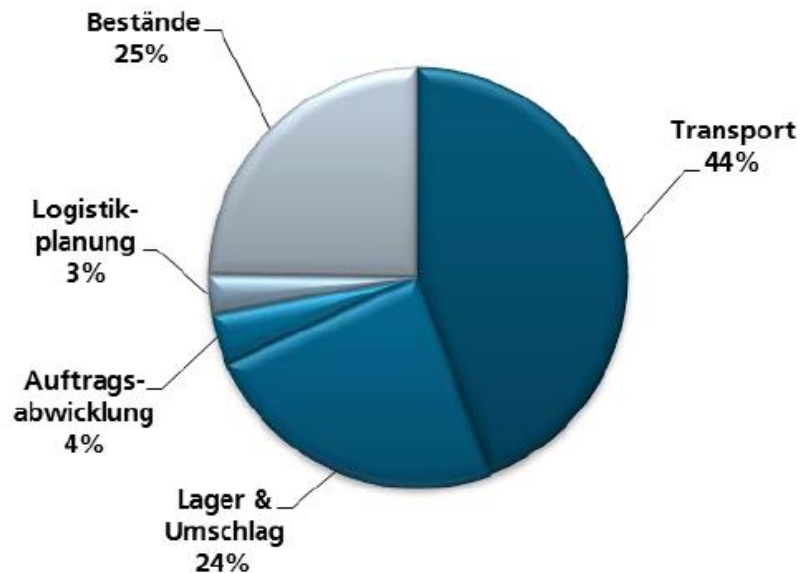
Market size and development

Contract logistics market size per country [EUR m] **WESTERN EUROPE**

CAGR '13-'17 [%]



Logistikumsätze nach Leistungsart in %



Germany:

Logistic service providers

Rank	Company	Data Quality	Logistics revenue 2014 in m. €	National employees	Logistics revenue 2014 in Europe in m. € (excluding «Mail»)	Notes
1	DEUTSCHE POST DHL (DE)	*	7,340	170,596	29,700	diversified
2	DB MOBILITY LOGISTICS (DE)	***	7,121	122,970	15,107	div., via DB SCHENKER LOGISTICS and DB SCHENKER RAIL
3	DACHSER (DE)	***	2,850	13,058	4,885	forw. / LTL / food log.
4	KUEHNE + NAGEL (CH)	***	2,623	n/a	11,745	forwarder / net forw. rev.
5	RHENUS (DE)	***	2,300	n/a	4,135	forwarder
6	VOLKSWAGEN KONZERNLOGISTIK (DE)	*	1,800	n/a	2,400	VOLKSWAGEN owned contract logistics
7	UPS EUROPE (BE)	*	1,700	18,000	6,000	CEP service provider
8	HERMES EUROPE (DE)	*	1,650	n/a	2,230	CEP, forwarding
9	GEOPOST (FR)	***	1,585	7,500	4,921	CEP, via DPD
	CARGOLINE (Cooperation) (DE)	***	1,415	n/a	2,054	LTL cooperation
	E.L.V.I.S. (Cooperation) (DE)	***	1,388	n/a	2,018	part load network
10	HELLMANN WORLDWIDE (DE)	***	1,364	n/a	1,810	forwarder
	Sum Top 10		30,333			
11	ARVATO (DE)	*	1,250	40,846	2,000	contract logistics
12	IMPERIAL LOGISTICS (DE)	***	1,210	4,982	1,560	forwarder / diversified
13	KRAFTVERKEHR NAGEL (DE)	**	1,200	n/a	1,700	chilled goods distribution
	IDS (Cooperation) (DE)	***	1,192	n/a	1,800	LTL cooperation
14	PANALPINA (CH)	***	1,032	n/a	2,159	forwarder / net forw. rev.
15	FIEGE LOGISTIK (DE)	*	1,000	n/a	1,400	contract logistics
	Sum Top 15		36,025			

Most of the largest logistic players in Germany do also have their headquarters in Germany, only UPS, GeoPost and K+N have their HQ abroad. The combined top 10 turnover is just over Euro 30 bn. and equals about 13% of the total German market.



Germany:

Trends and challenges

- As the evolution of Germany as a logistic location is highly dependable on the economy, the positive GDP forecast will also lead to increasing importance.
- Despite its well developed logistics infrastructure, investments are urgently needed, especially on ports to prepare for larger container vessels , rail to solve several bottleneck and road which in places over-crowded.
- Because of a lack of funding prioritizing (new) infrastructure projects is needed.
- General trends for the European Market:
 1. **Vertical integration:** when carriers and shippers increase profit pools by "conquering" additional parts of the value chain
 2. **Yield Decline** as shippers and carriers seek to exploit volatile freight rates to protect their own profit margins
 3. **Modal split** as demand shifts from air freight to predominately ocean and, increasingly, rail to reduce costs of supply chains
 4. **Volatility of freight rates** is increasing and demands greater sophistication in steering hedged capacities
 5. **Specialization and value added services** become key USPs as complex supply chains will call for specialized logistics service providers
 6. **Industry specific solutions** increasingly key, both in terms of IT and know-how, to meet complex customer demands
 7. **Shift in the trade landscape** with legacy trade lanes losing importance – emerging markets are new major trading nations
 8. **Hinterland connections** efficiency is of increasing importance – and even an entry condition for business with Chinese shippers
 9. **Contract logistics** – challenges from the tendency toward shorter contract lifecycles will increase hurdles to achieve an appropriate ROI
 10. **Globalization** vs. regionalization: demand will either grow for "global total solutions" or revert back to regionalization



France:

Overview



Fast facts

GDP 2014 (Bill. Euro)	2.572
GDP per Capita (Euro)	32.424
Population 2014 (Mill.)	66
Rail network (km in 2009)	30.013
Road network (km in 2011)	1.052.380

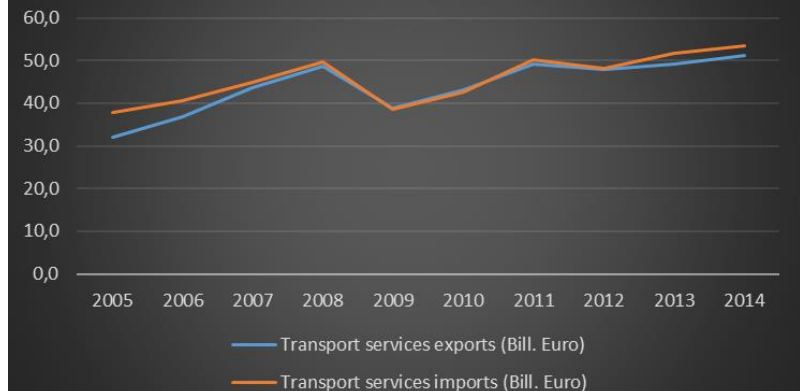
Merchandise Trade



Logistics Performance Index (LPI)



Transport services (import/export)

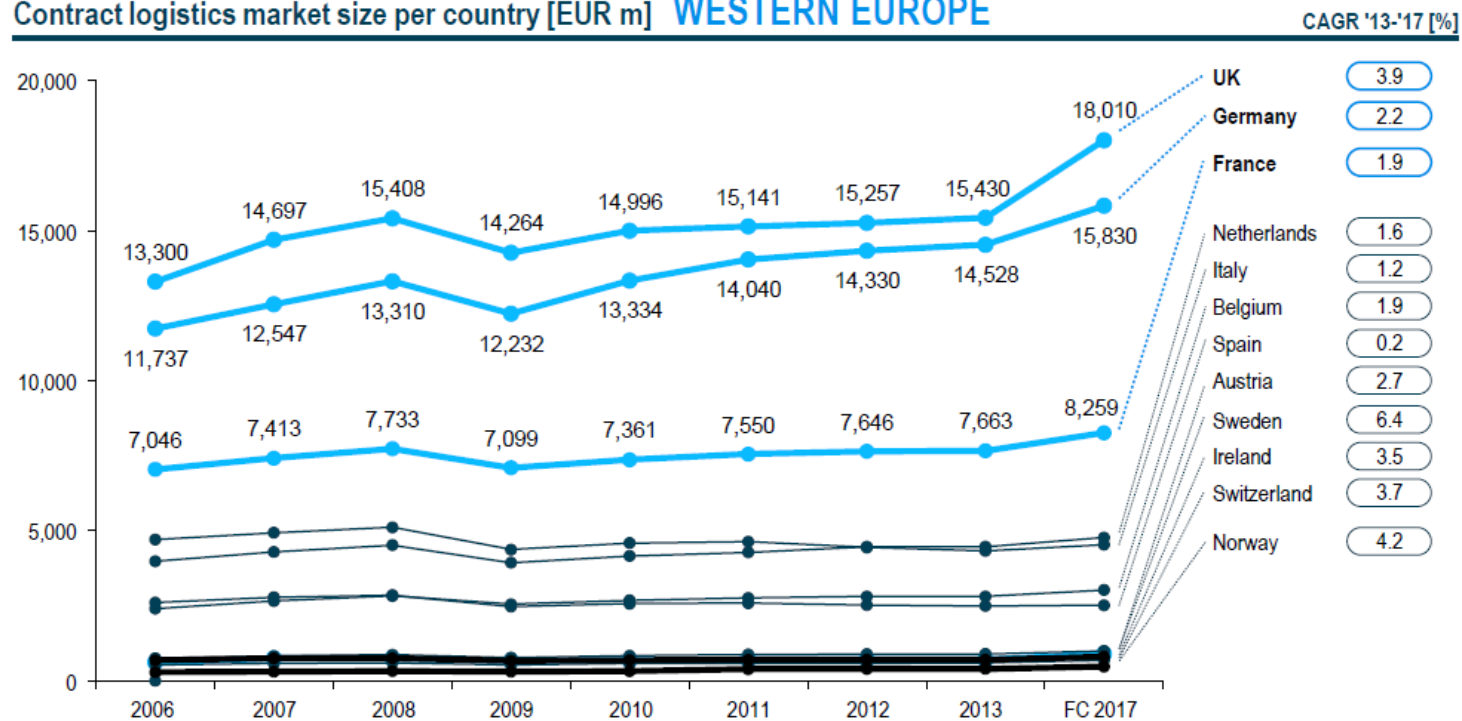




France:

Market size and development

Contract logistics market size per country [EUR m] WESTERN EUROPE



France:

Logistic service providers

Rank	Company	Data Quality	Logistics revenue 2014 in m. €	National employees	Logistics revenue 2014 in Europe in m. € (excluding «Mail»)	Notes
1	SNCF (FR)	**	4,880	n/a	9,041	rail cargo / forwarder, via GEODIS CALBERSON
2	CMA-CGM (FR)	*	3,450	n/a	n/a	ocean cargo
3	LA POSTE (GROUP) (FR)	**	3,385	n/a	7,180	CEP, also via GEOPOST
4	STEF (FR)	***	2,162	12,735	2,370	contract logistics / food
5	GEFCO (FR)	*	2,137	n/a	3,037	diversified
6	XPO LOGISTICS (UK)	***	1,690	n/a	4,400	forwarder, formerly NORBERT DENTRESSANGLE
7	BOLLORÉ HOLDING (FR)	***	1,689	5,034	2,252	forwarder
	ASTRE GROUP (Cooperation) (FR)	*	1,435	n/a	1,435	forwarder
8	DB MOBILITY LOGISTICS (DE)	***	1,386	7,222	15,107	div., via DB SCHENKER LOGISTICS and DB SCHENKER RAIL
9	DEUTSCHE POST DHL (DE)	*	1,350	n/a	29,700	diversified
10	KUEHNE + NAGEL (CH)	***	1,247	n/a	11,745	forwarder
Sum Top 10			23,376			
11	TNT EXPRESS (NL)	***	736	4,443	2,743	CEP service provider
12	DACHSER (DE)	***	717	n/a	4,895	forw. / LTL / food log., former GRAVELEAU
13	UPS EUROPE (BE)	*	698	2,500	6,000	CEP service provider
14	EASYDIS (FR)	***	548	n/a	548	FMCG distribution
15	CAT GROUP (FR)	*	530		1,024	automotive contract log.
Sum Top 15			28,605			

The France logistics market is dominated by France companies. The top 5 only contains France LSP's which are supported by a protective government. As in many countries the national railway company leads the list.



France:

Trends and challenges

- The national government is demanding increasing awareness of the environment in logistic. For example a leading initiative is “Distripolis”, a city logistics concept executed by Geodis on now rolled out to many France and maybe other European cities.
- In 2017 the new channel Seine-Nord (CSNE) will be opened offering an alternative freight route between Paris/ La Havre and Belgium/ Netherlands/ Germany
- Next to increasing awareness France government also stimulates alternative freight transportation with the aim to reduce road freight transport.
- General trends for the European Market:
 1. **Vertical integration**: when carriers and shippers increase profit pools by "conquering" additional parts of the value chain
 2. **Yield Decline** as shippers and carriers seek to exploit volatile freight rates to protect their own profit margins
 3. **Modal split** as demand shifts from air freight to predominately ocean and, increasingly, rail to reduce costs of supply chains
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 9. **Contract logistics** – challenges from the tendency toward shorter contract lifecycles will increase hurdles to achieve an appropriate ROI
 10. **Globalization** vs. regionalization: demand will either grow for "global total solutions" or revert back to regionalization



Fastfacts

GDP 2014 (Bill. Euro)	9.418
GDP per Capita (Euro)	150
Population 2014 (Mill.)	1.364
Railnetwork (km in 2009)	66.298
Roadnetwork(km in 2011)	4.106.387

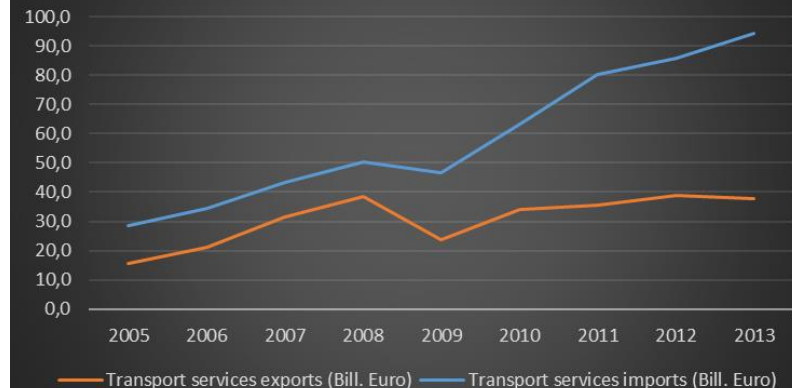
Merchandise Trade

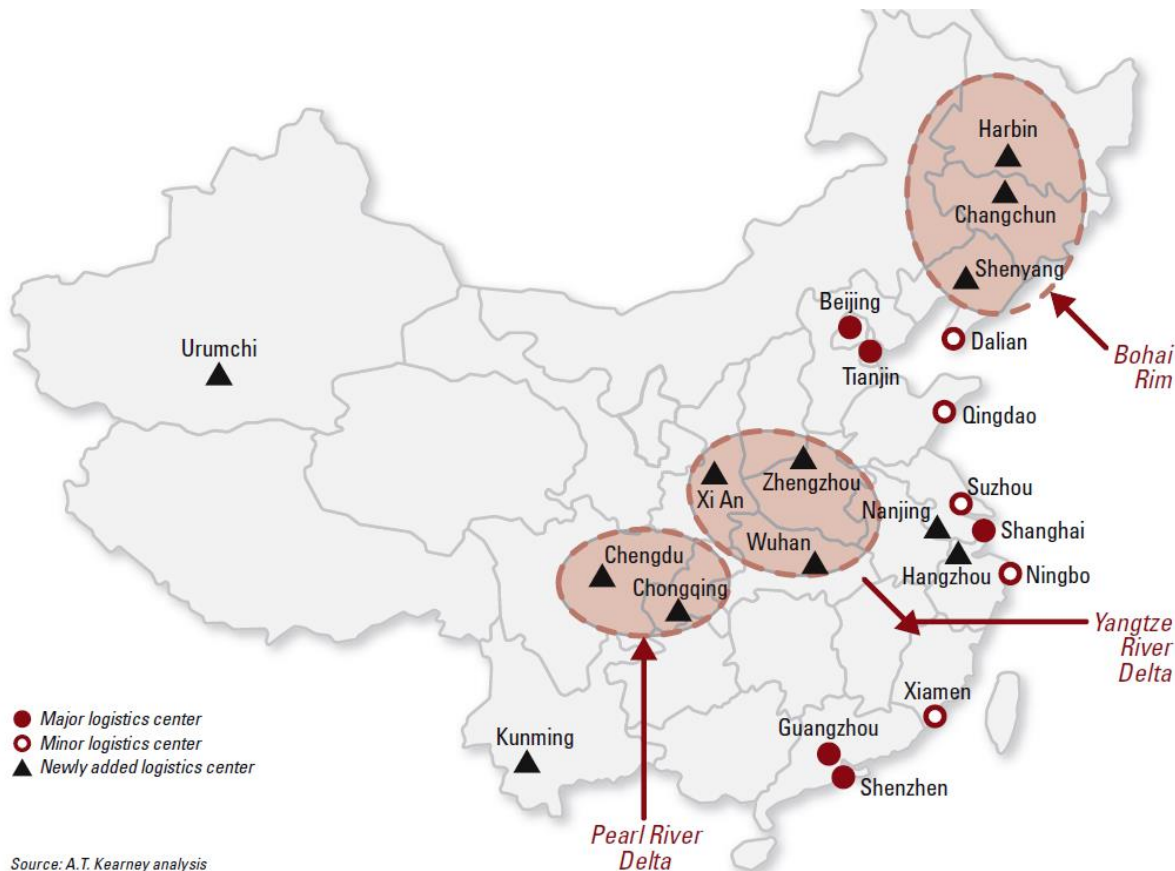


Logistics Performance Index (LPI)



Transport services (import/export)





Especially in the regions with newly added logistics centers new roads will increase the need for transportation and logistics.



China:

Hinterland connections

Road: Road transport is the major freight transport mode in China. In 2012, over 75% of cargo is transported by road. About one-third of transport costs in China are road tolls. Excessive highway tolls and price increases of fuel and labour reduce profitability of logistics companies considerable

Rail: The Chinese Railway has been reformed in 2013 by introducing the China Railway Corporation (CRC) which is now responsible for all commercial activities. Some of most important changes are; a cargo plan is no longer required, handling charges are standardized, there are more business resources for handling high-value products and daily necessities and door to door service (instead of only station to station) is now available

Inland waterway: With a navigable length of 123,495 km, China's inland water transport network is the largest in the world in length and in volume of cargo. It consists of more than 5,000 rivers, of which the 6,300-km Yangtze and its tributaries is the longest

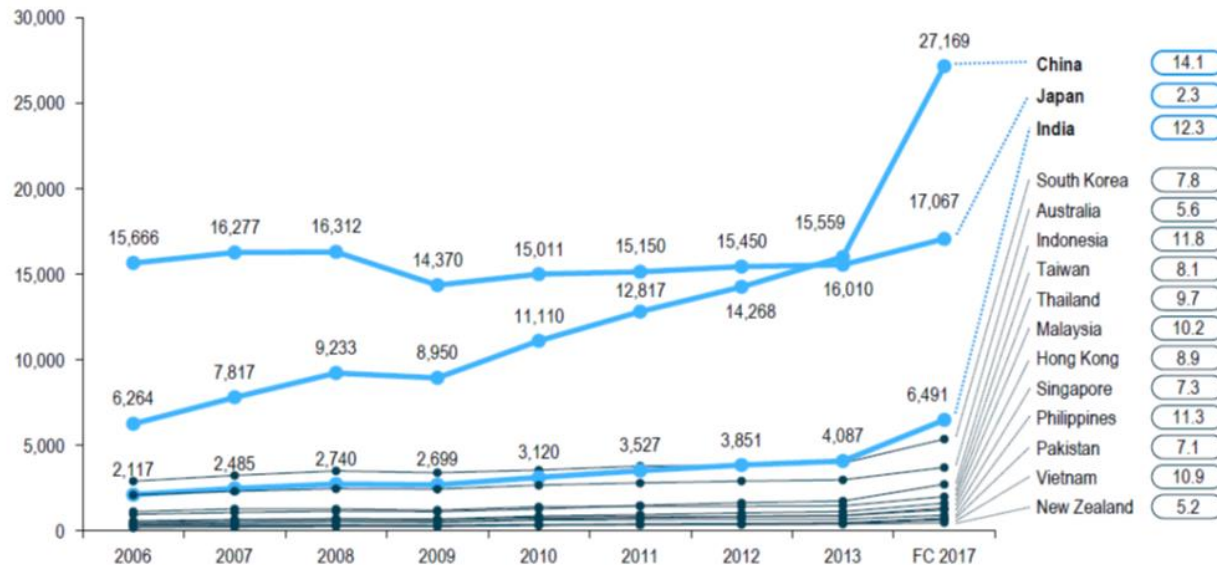
Freight traffic in China (million tonnes)

	2010	% total	2011	% total	2012	% total
Road	24.481	76%	28.201	76%	31.885	78%
Rail	3.643	11%	3.933	11%	3.904	10%
Air	6	0%	6	0%	6	0%
Water	3.789	12%	426	1%	4.587	11%
Pipeline	500	2%	571	2%	612	1%
Total	32.418	100%	36.970	100%	40.994	100%

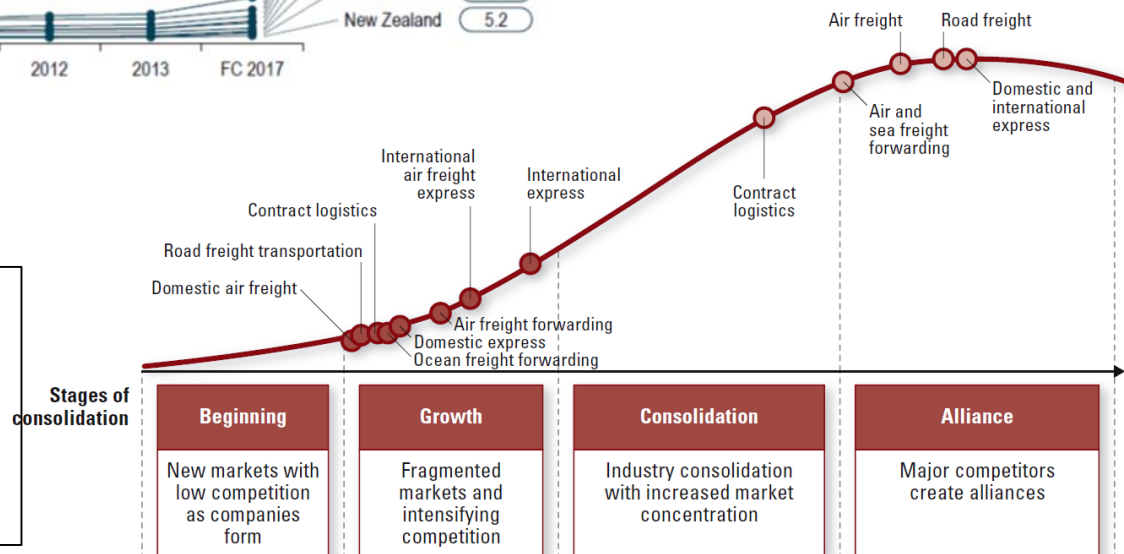
Nr.	Name	Revenue (Euro) Million
1	China ocean shipping (group) corporation,	14.946
2	Sinotrans changhang group co., LTD.,	10.232
3	China Shipping (group) corporation	6.372
4	Kailuan group international logistics co., LTD.	3.925
5	China material storage and transportation corporation	2.535
6	Xiamen xiangyu group co., LTD.	2.426
7	China railway materials group co., LTD.	2.012
8	Yizhong energy fengfeng group Hangdan Dingfeng logistics co., LTD.,	1.594
9	Chinese oil and gas transportation company	1.430
10	Henan coal chemical industry group the kingdom dragon logistics co., LTD.	1.259

Contract logistics market size per country [EUR m] ASIA PACIFIC

CAGR '13-'17 [%]



Despite Chinese extraordinary success, China's transportation and logistics industry as a whole remains in the early stage of development





China:

Trends and challenges

- Especially in the regions with newly added logistics centers new roads will increase the need for transportation and logistics.
- Companies' distribution models are moving from dealership models to multi-channel and direct sale models requiring higher density network with quicker response times
- Low carbon rules will force transportation and logistics companies to make environmental protection a primary goal
- Chinese shipping companies increasingly viewing logistics as strategic area that can provide key competitive advantage and therefore setting higher requirements on service levels and offerings

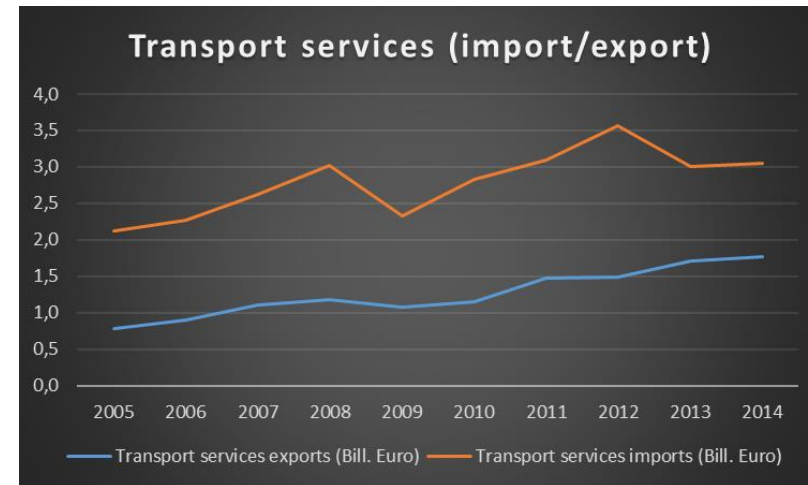
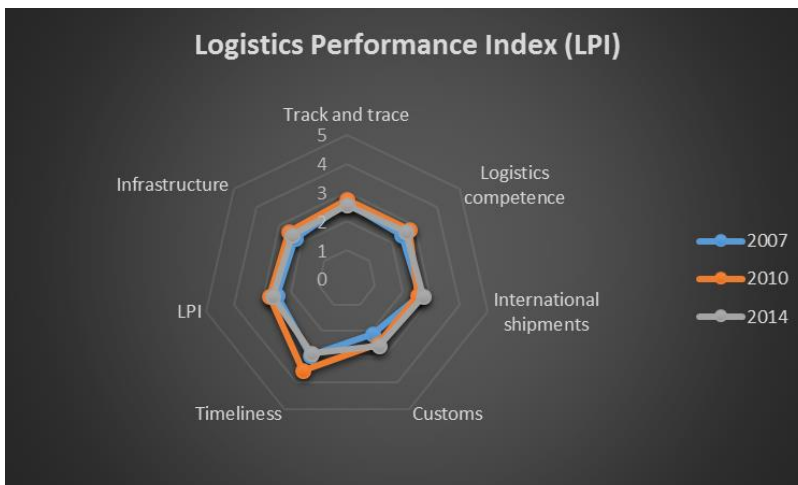
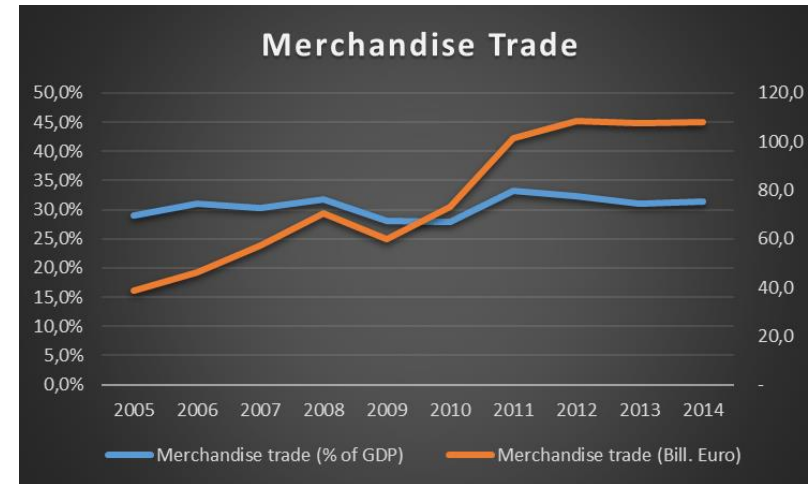


Colombia:

Overview



Fast facts	
GDP 2014 (Bill. Euro)	343
GDP per Capita (Euro)	4.234
Population 2014 (Mill.)	48
Rail network (km in 2009)	1672
Road network (km in 2011)	214.433

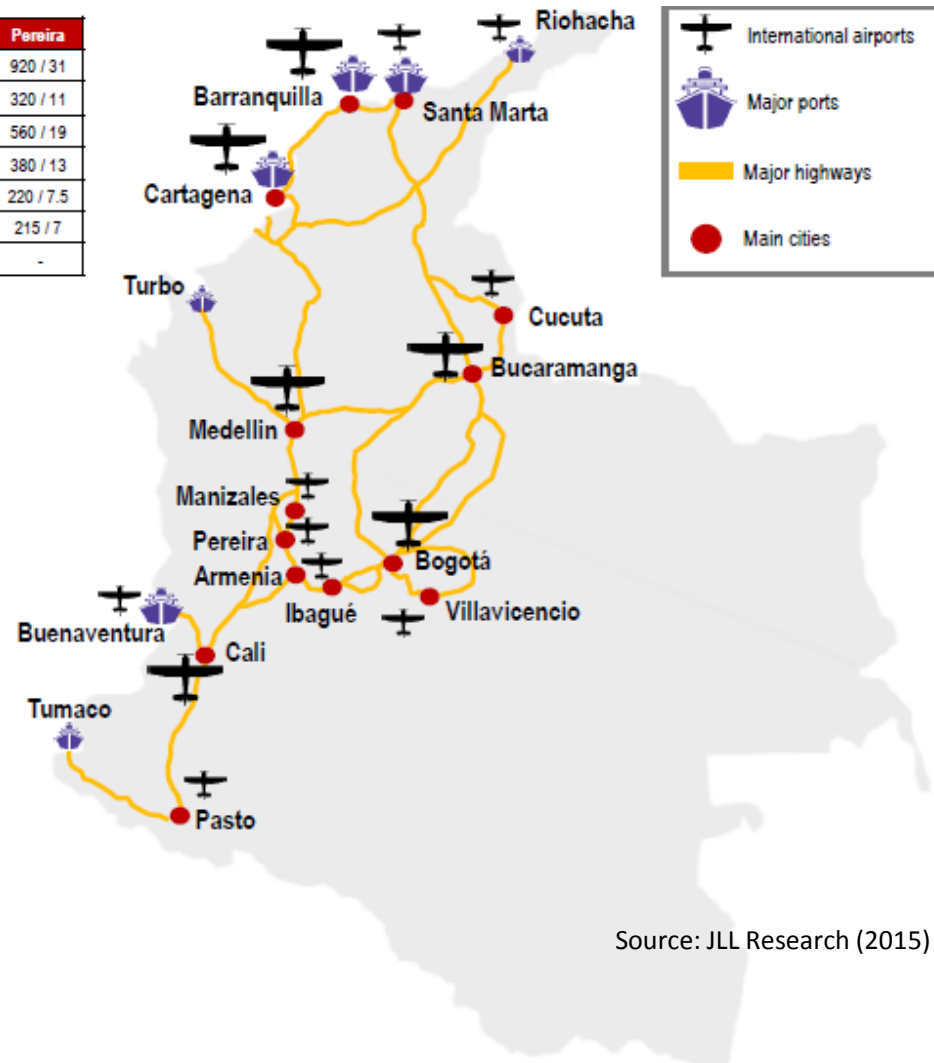


Source: WTO and WB

Road Travel Times to Major Colombian Cities (kilometers / hours)

	Barranquilla	Bogotá	Bucaramanga	Buenaventura	Cali	Medellín	Pereira
Barranquilla	-	990 / 33	580 / 19	1,170 / 39	1,120 / 37	700 / 24	920 / 31
Bogotá	990 / 33	-	410 / 10	520 / 18	470 / 16	450 / 15	320 / 11
Bucaramanga	580 / 19	410 / 14	-	820 / 28	770 / 26	410 / 14	560 / 19
Buenaventura	1,170 / 39	520 / 18	820 / 28	-	130 / 4.5	480 / 16	380 / 13
Cali	1,120 / 37	470 / 16	770 / 26	130 / 4.5	-	430 / 15	220 / 7.5
Medellín	700 / 24	450 / 15	410 / 14	480 / 16	430 / 15	-	215 / 7
Pereira	920 / 31	320 / 11	560 / 19	380 / 13	220 / 7.5	215 / 7	-

- Bogotá's El Dorado Airport is Latin America's busiest cargo airport.
- Colombia's highway network is largely outdated and in poor condition, heavy rains complicate this problem
- Over 90% of all imports and exports are transported by sea. Colombia's largest port is Buenaventura, (8,5m Tons) Other large ports are; Cartagena (7,1m tons) Santa Marta (3,3m tons) and Barranquilla (3.3m tons)
- Colombia is investing until 2020 about USD 50 billion in improving infrastructure (26 for road, 10 for railways, 8 for urban transport, 3 for port and 3 for inland waterways)



Source: JLL Research (2015)

Only 1.5% of Colombia's freight is transported under a multimodal scheme, a very low figure compared to the 60 per cent rate achieved by European countries. Freight accounts for 35 per cent of the cost of exported goods, when in the rest of the world, that figure stands at just 6 per cent. Today,

- **Road:** Approximately 75% of all roads are paved, but the quality varies significantly from region to region. Estimates indicate that 50% of all roads are in poor condition. Transporting a container from Bogota to othe national ports costs \$ 2,200, whereas shipping it from there to China costs only \$ 1,000
- **Rail:** The railways have been built to connect the main cities to the Magdalena River and key ports, Colombia's, but the system is now mostly inactive. In 1986 the government decided that the only way to avoid complete closure of the rail network was to shut down all but a few links Although 20% of Colombia's cargo is still moved by rail but 99% of this is coal.
- **Inland waterway:** The Magdalena River is the principal river of Colombia, flowing northward about 1,500 kilometres through the western half of the country. It is navigable through much of its lower reaches, but once the highways became the predominant logistical mode of no significant importance anymore. The government is now looking to make it navigable for 7,000ton ships by 2030. Recently a concession was granted to begin work. Besides the Magdalena River it is also to makes the Rivers Meta, Putumayo, Guaviare partly navigable





Colombia:

Trends and challenges

- The gap between business conditions (as expressed by market compatibility) and Colombia's market size, growth attractiveness and connectedness is striking.
- Despite increased investment in developing road infrastructure and defining an institutional structure, Colombia needs to diversify its transportation modal matrix (including rail and river transport) and optimize the use of its logistics assets



Indonesia:

Overview



Fast facts

GDP 2014 (Bill. Euro)	808
GDP per Capita (Euro)	1.685
Population 2014 (Mill.)	254
Rail network (km in 2009)	4.684
Road network (km in 2011)	496.607

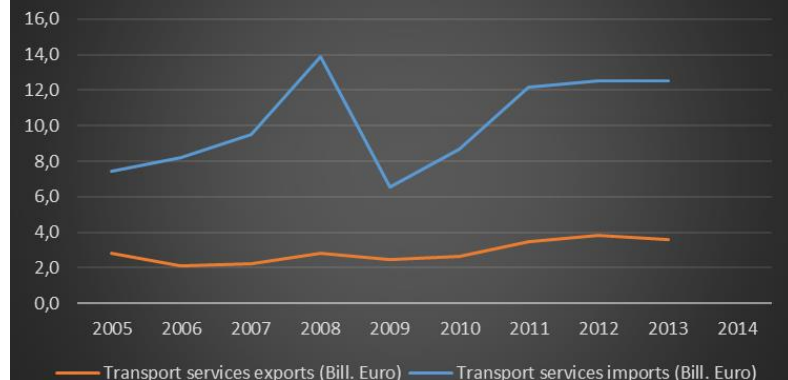
Logistics Performance Index (LPI)

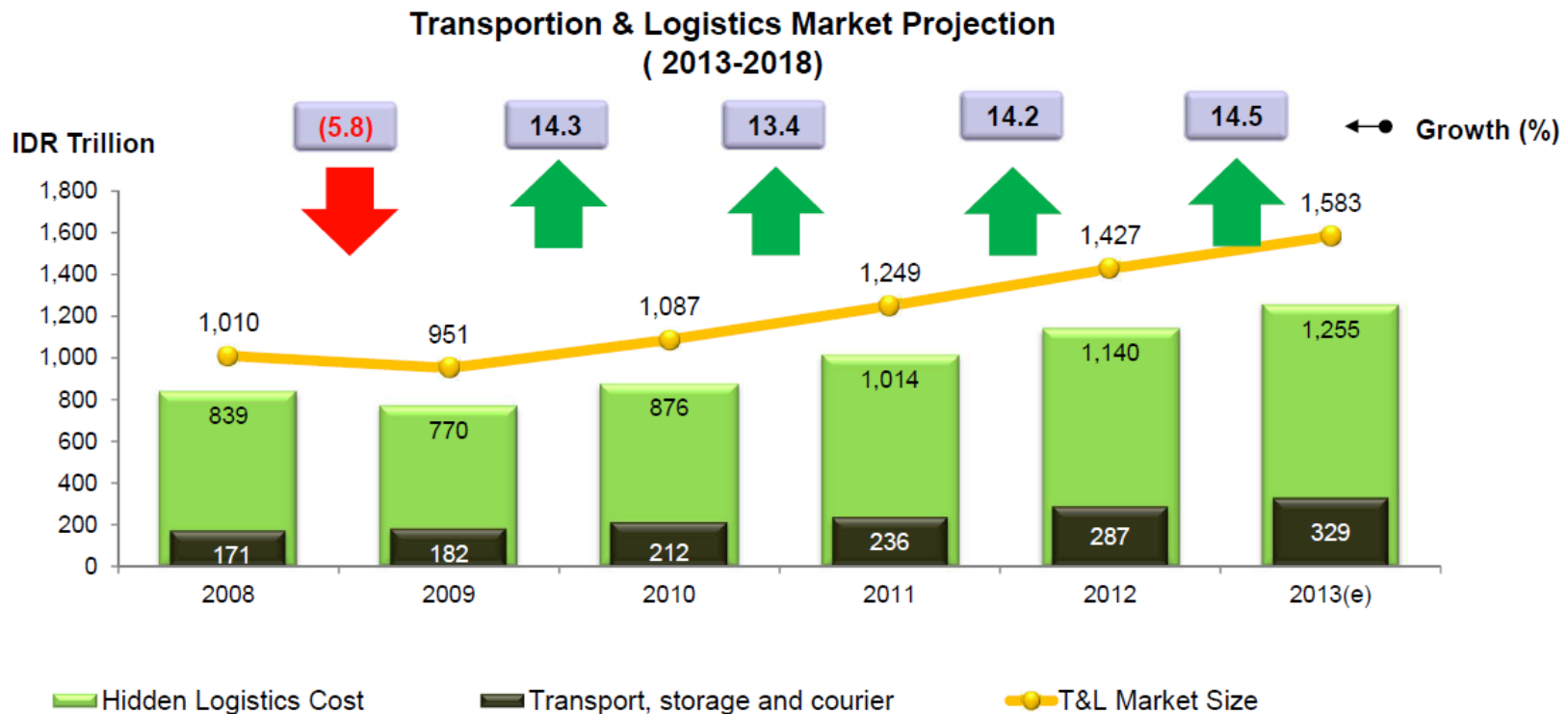


Merchandise Trade



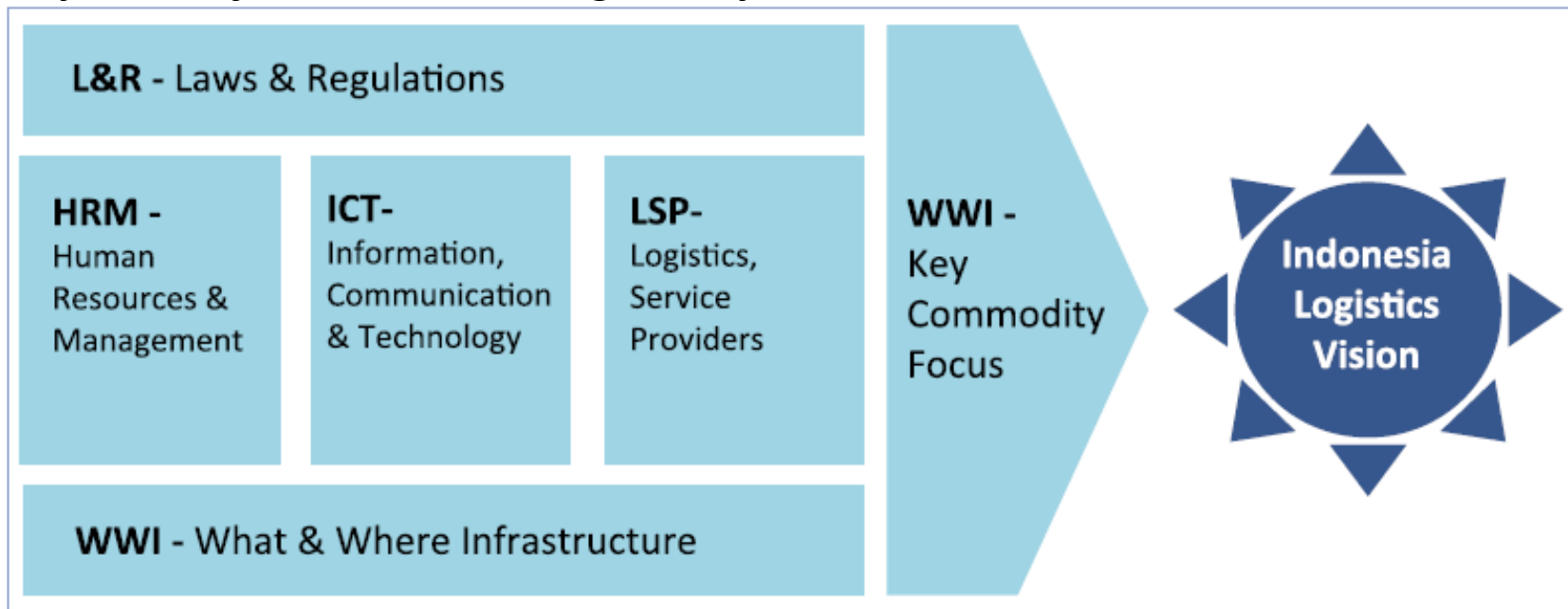
Transport services (import/export)





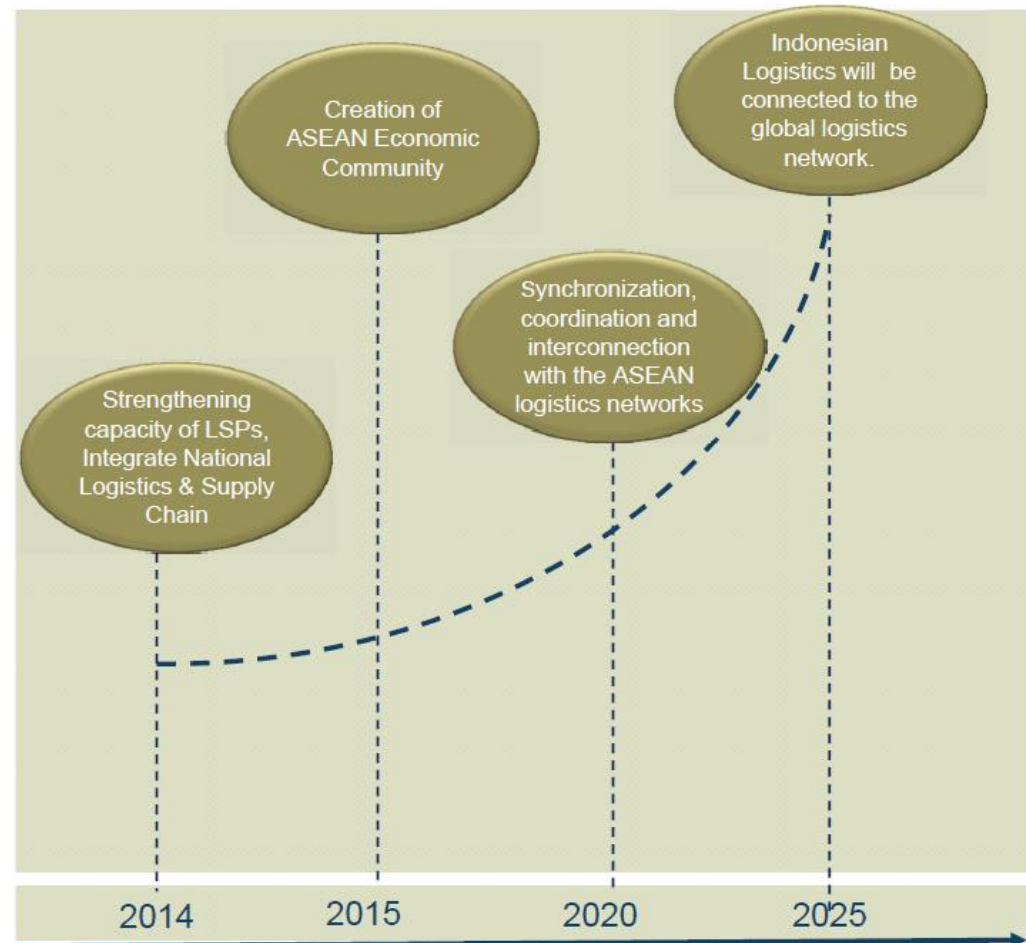
To enhance its logistics industry Indonesia is developing a National Logistics System which is program running until 2025, the main goal is to to establish an integrated, effective and efficient logistics system to improve the national competitiveness on the regional and global markets, and to improve social welfare.

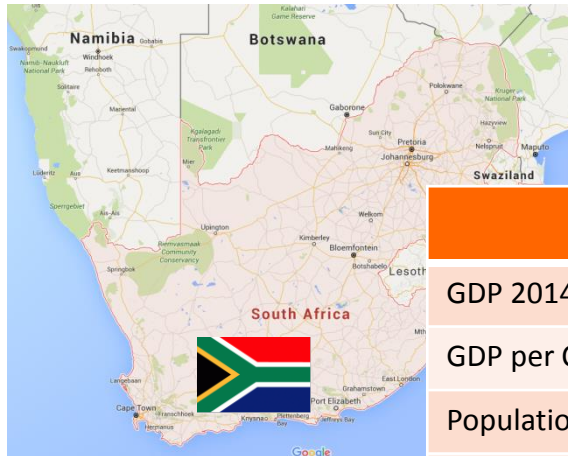
Key Drivers for the National Logistics System



Main goals:

- 2014-2015: Infrastructure development among ASEAN countries are expanded to support the transportation & logistics service in the region
- 2015-2020: ASEAN Logistics Network Integration
- 2020-2025: Integrated Global Logistics Network. Indonesia will be connected to the regional (ASEAN) and global logistics systems via International Hub Ports





Fast facts

GDP 2014 (Bill. Euro)	318
GDP per Capita (Euro)	5.533
Population 2014 (Mill.)	54
Rail network (km in 2009)	20.500
Road network (km in 2011)	-

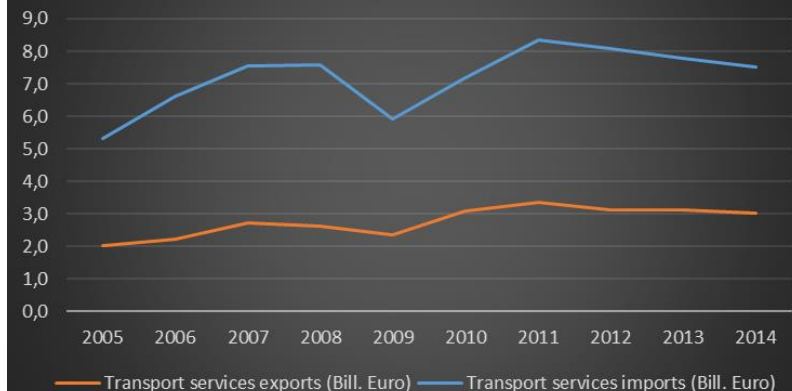
Merchandise Trade



Logistics Performance Index (LPI)

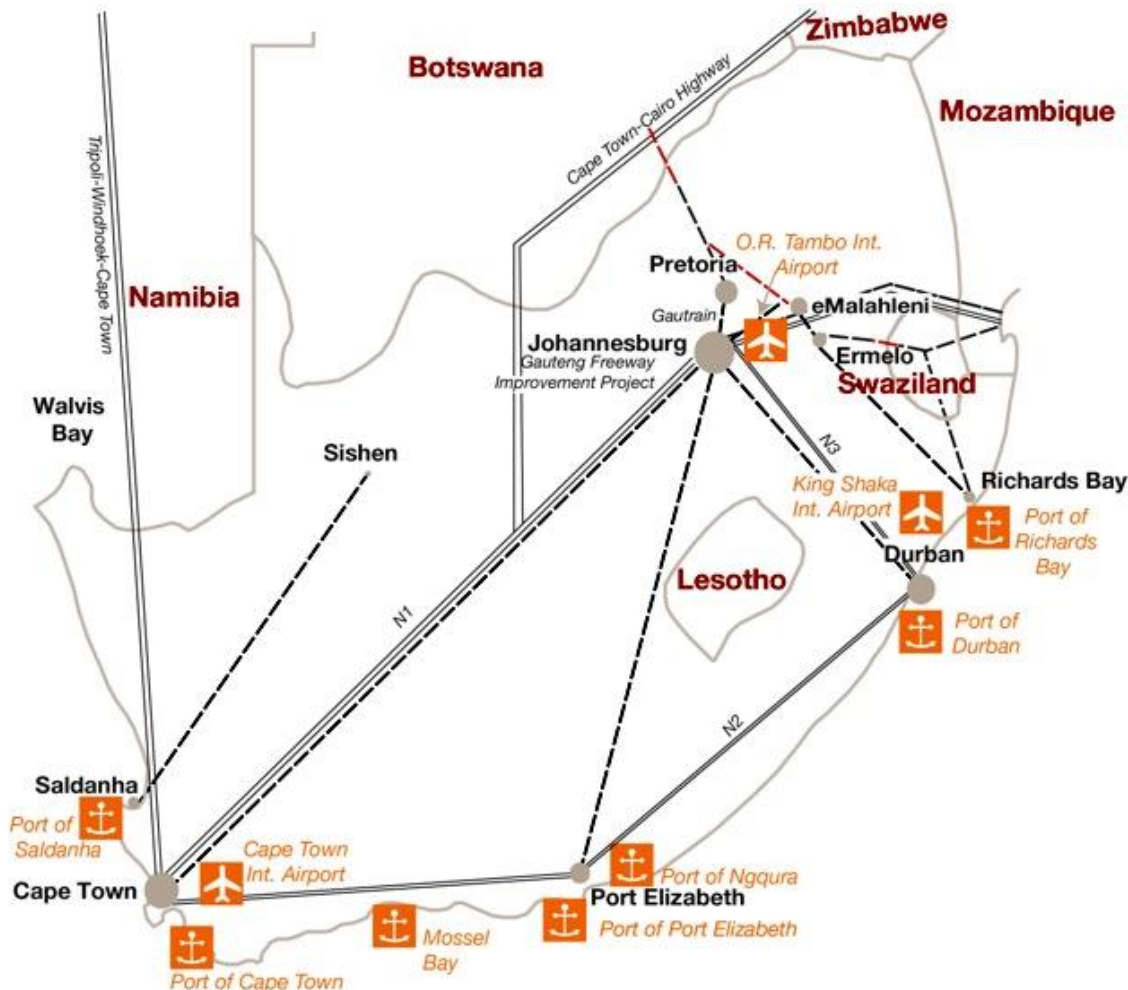


Transport services (import/export)



South Africa:

Connection



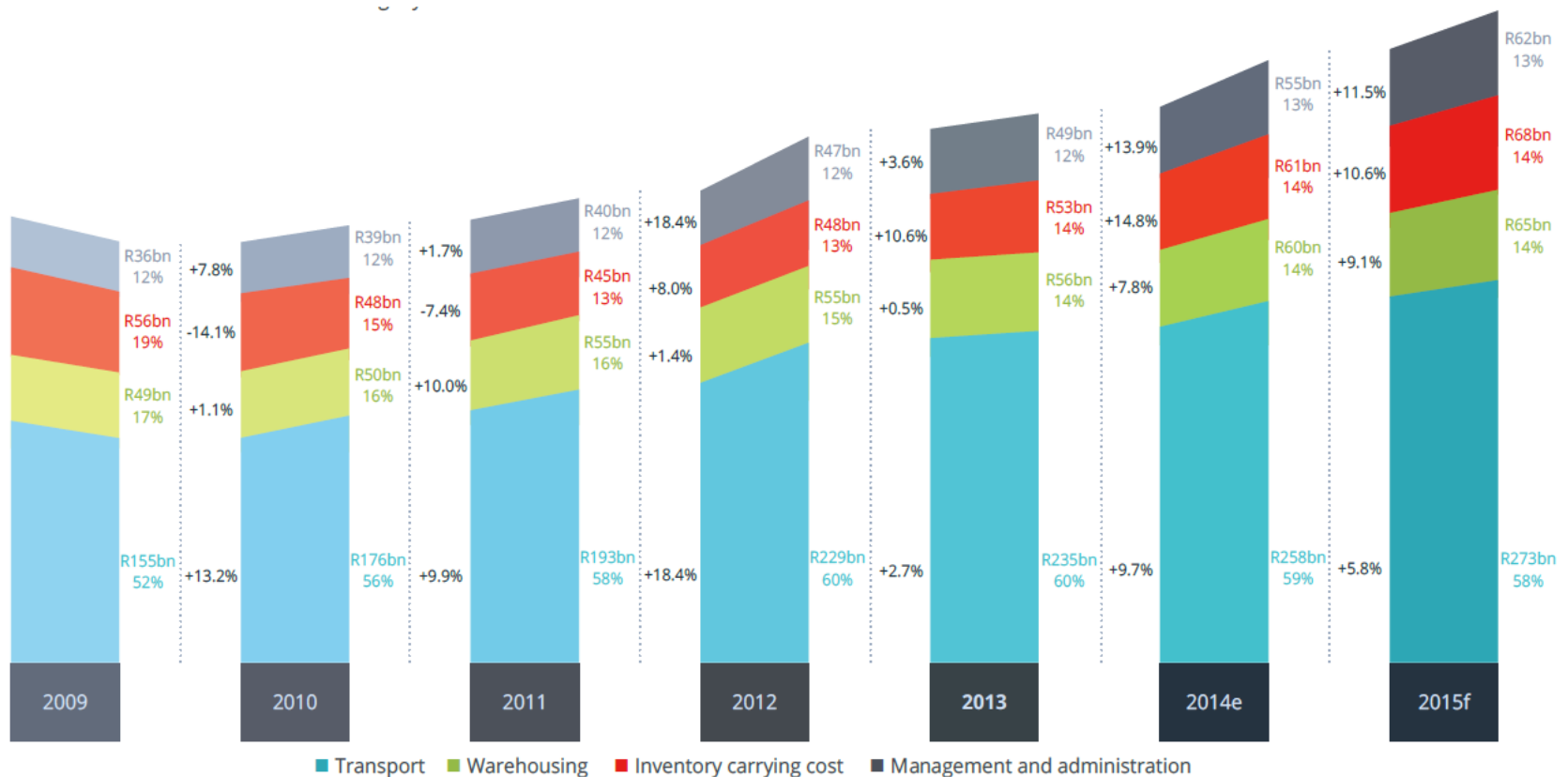
South Africa has the largest economy in Africa and is the most developed in Sub-Saharan Africa with the most advanced transport infrastructure. As a member of the BRICS countries, South is recognised as a key emerging market.

The need to move goods to inland centers of commerce have created a transport-intensive domestic economy. South Africa's logistics costs as a percentage of GDP in 2013 was 11.1% which is higher than developed countries but competitive when compared to other developing regions.

The air and rail networks are the largest on the continent. The major national roads are in good condition, but the provincial road networks have deteriorated considerably. South African port efficiency has improved considerably as a result on investment in new assets such as ship to shore cranes and other supporting handling equipment.



South Africa: Market size and development





South Africa:

Logistic service providers



- **Barloworld:** Barloworld Logistics is one of the leading logistics and supply chain management businesses in southern Africa, with complementary operations in China, the United Arab Emirates, Iberia, Germany and the United Kingdom.
- **Jonen Freight (Pty) Ltd.** is an independent South African owned company who has been on the local market since 1979. They are one of the oldest of the medium sized freight forwarders on the South African market today
- **Logwin** offers complete full service solutions. The service portfolio extends from branch-appropriate supply chain management and warehousing through to logistical value-added services to complete outsourcing projects. The business segment Solutions thereby has a high level of competence in process control and the development of customised IT solutions.
- Managed Freight developed an online **freight management consultancy** to provide companies with an alternative to existing services and logistics service provider selection. Most of our clients are small to medium businesses that require support in their shipping department and do not have the volume to negotiate preferable terms and rates.



South Africa:

Trends and challenges

- in South Africa, there is much to be done about reducing the demand for logistics – in other words reducing the kilometres travelled by each tonne, how long it is stored and how often it is handled.
- A major objective is to achieve sustainable funding and maintenance for the infrastructure used by each transport mode.
- Reducing the monetary cost of logistics is an important goal but equally important is the reduction in societal costs such as emissions.
- More general Supply Chain challenges in S-A are:
 - Improving service levels to customers
 - Integration of technology
 - Lowering procurement costs and reducing order lead times
 - Improving visibility in the supply chain
 - Improving the flow of business intelligence
 - Aligning with key players in the supply chain.

United States:

Overview



Fast facts

GDP 2014 (Bill. Euro)	15.835
GDP per Capita (Euro)	42.187
Population 2014 (Mill.)	319
Rail network (km in 2009)	19.4136
Road network (km in 2011)	656.1643

Merchandise Trade



Logistics Performance Index (LPI)



Transport services (import/export)

