

Logistics Indicator in Q2 2014

Expectations high, situation good

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Experts in industry and trade are happy with their value added chains and optimistic about the future: they say that the situation is better than "normal" and that the consumer climate remains positive, with the result that the expectation score for the next 12 months is around 20 percent higher than the already high score for assessment of the current business situation. Can things get any better?

Yes, thanks to the logistics service providers. The Indicator shows that current situation, business climate and expectation scores in Q2 2014 are higher than they have been for three years. Driven by Germany, the eurozone economy is on course for growth. Eurozone GDP is growing at a rate of 0.2 percent according to Eurostat, while the German economy recorded quarter-on-quarter growth of 0.8 percent and is expected to achieve growth of 1.9 percent for 2014 overall. What is remarkable is that the growth stimuli for Germany are no longer generated by exports as was the case in previous quarters but by domestic demand. The German Economics Ministry describes Germany as "Europe's growth locomotive", underpinned by positive trends on the labour market, rising incomes and an extremely healthy consumer climate.

Nevertheless, it is necessary to pour a little water into this wine of euphoria: when situation, climate and expectations are close together, this can be a sign that a turning point has been reached. And there are several factors that could conceivably trigger such a turnaround: the new minimum wage, the decisions on pensions and a political and economic crisis in the Ukraine which is also affecting Russia are all making themselves noticeable. At their annual meeting in mid-May, the members of the BVL Advisory Board spoke of the need to downgrade their sales plans for Russia by up to 20 percent and said that the policy was now one of "wait and see" rather than dynamic action, even in the case of major orders that have already been placed. During the specialist BVL forums at the leading CeMAT trade fair, one economic expert put it in a nutshell: Alexej Savinskiy from the SME Contact Point of the Confederation of German Industry in Russia said that even the non-cancellation of events focusing on German-Russian economic relations could be considered a sign of success in the current atmosphere. When talking about the opportunities in the Russian market, he said his hope is that others will not let themselves be swayed by events and developments of a non-economic nature. He added that it was with satisfaction that he noted that a withdrawal from the Russian market was out of the question for the majority of big corporations. He described the potential generated by the volume of high-tech solutions needed for automation and intralogistics in Russia as huge.

In these volatile economic times, let us enjoy the optimistic economic situation, the excellent climate and the even better expectations. To stay with the metaphor of wine and water, summer wine should be enjoyed as soon as it comes on the market, as it might have lost much of its vitality by the time the next winter comes.