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Logistics Indicator in Q2 2015

Logistics on steady course for growth

Logistics sector expands risk precaution strategy

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These have been tense weeks for the logistics sector. The highly successful and leading international "transport logistic" fair took place in Munich in early May, once again acting as a dependable barometer for business moods and outlooks. The fair was accompanied by one of the numerous train driver strikes, followed by a strike of childcare centre staff – which made life particularly difficult for single working parents as well as working couples – and finally by a strike of postal and parcel delivery services, which was naturally a major burden for all consumers but also for industrial and trading companies, who rely on punctual and precise deliveries. It was exactly during this time window that the May/June survey for the Logistics Indicator of BVL was conducted. The respondents in industry, trade and services did not express any particular concern over this turbulence, as their precautionary and emergency strategies are functioning as expected. The climate score for the overall indicator is rising and has reached the level last seen in the early summer of 2014 – putting it solidly in the expansive range.

Service providers and shippers agree in their assessment of the current situation and their future expectations, with one exception – and this exception is cause for optimism: expectations in industry and trade are more positive than those of the service providers at this moment in time, which suggests that the latter will close the gap to their customer sectors in the coming quarter as a result of growth in incoming orders. And, indeed, the findings show that both sides of the market expect a further improvement in the business trend in the short term. All this is in line with the figures published by the Federal Bureau of Statistics at the beginning of June. Industrial production picked up noticeably at the beginning of the second quarter, and more goods are being exported, while personnel recruitment is still on the increase.

In its survey for the Logistics Indicator, BVL also cast a light on potential disrupting factors. Around 60 percent of surveyed companies said they are actively engaging the control and management of risks. By far the biggest threat to the continued positive development of business is seen as being the skill shortage, followed by the inadequate transport infrastructure in some areas and – this is a new factor – the current high level of strikes in Germany. These factors are followed in the rankings by the Ukraine crisis and the sanctions against Russia as well as the euro and Greece crisis. The list of measures is headed by the systematic analysis of the losses that have occurred, proactive risk management systems but also deliberate risk avoidance.

Skilled personnel who can handle the complexity of flows of goods need attractive qualification options and jobs that pay competitive salaries agreed by collective bargaining parties. This is a strength of the logistics sector, which is also extremely interested in integrating immigrants in many different segments of the labour market. If Germany is to retain its status as logistics world champion, then the political decision-makers must take decisive measures in order to ensure the presence of an adequate infrastructure. These questions will be the focal point of the 32nd International Supply Chain Conference, which will take place in Berlin this October with the theme "A World in Motion".