BVL Bundesvereinigung Logistik

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Logistics Indicator in Q4 2015

Less optimistic expectations at year end

A world in motion calls on key players to drive change

Commentary by Prof. Dr.-Ing. Raimund Klinkner, Chairman of the Board, BVL International

The survey for the Logistics Indicator for the fourth quarter of 2015 was held at a time of major challenges and uncertainty. The universal sentiment at the 32nd International Supply Chain Conference in Berlin in October was that the world is even more "in motion" than it was in the first half of the year.

The flow of refugees into Germany creates additional challenges for the political decision-makers, society at large and industry – in particular in humanitarian terms. At the same time, terror attacks like those in Paris are unsettling for the people of Europe. The resulting security policy debates and decisions in November create an added burden for the global economy. As the year draws to a close, the users of logistics services in industry and trade have downgraded their forecasts both nationally and internationally, leading to the biggest fall in indicator scores in four years. The reduced pace of expansion in the area of physical resources and the lower level of planned recruitment suggest that we will not see a strong start to 2016. When asked about the next three months, industry and trade forecast a slight downturn in the business trend, whereas the logistics service providers expect a modest improvement in orders.

Capacity utilisation is still seen as being "adequate", while the index scores for this factor in industry and trade are still above the "normal line", and the climate index even shows a slight uptrend. This points to a stable business trend in the longer term. Individual factors like capacity utilisation, demand from Germany and abroad, and relative prices are still in the expansive corridor. Do we need any clearer proof that uncertain economic framework conditions call for a high level of flexibility and a pro-active role in driving the process of change?

The assessment of BVL that logistics can and will play a central role in the integration and employment of refugees in Germany is confirmed by the answers to an add-on question. Around three in four logistics service providers and over two in three logistics managers in trade and industry said that they want to take on refugees and that they see the influx of people into the labour market as a way of addressing the problems associated with the process of demographic change in Germany.

When asked about the special challenges ahead, the respondents named the language skills of migrants, the need for them to make up lost ground in the area of vocational qualifications, and the uncertainty over whether they will be able to stay in Germany. The idea that the minimum wage is too high is seen as being of no relevance – both by the companies who say they are willing to take on refugees and those who have no such plans. All the indications suggest that logistics will do justice to its three-fold role: the planning of the necessary supply processes, the operational implementation of these processes, and the creation of employment opportunities for suitably qualified migrants.