

## **Logistics Indicator in Q2 2016**

### **Companies plan to expand recruitment and physical resources**

#### **Logistics managers not predicting Brexit**

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At the end of this week, we will know whether the United Kingdom will leave the European Union and the EU will lose one of its (currently) 28 members for the first time. Britain joined the then European Economic Community (EEC) with its twelve members on January 1, 1973. However, the possibility of a Brexit – and the resulting changes in the relationship with Germany's third-largest export market after the USA and France – has not adversely impacted sentiment in the logistics sectors in the second quarter; quite the opposite. After three quarters dominated by indecisiveness, the May poll for the Logistics Indicator shows a clear upward trend once again, taking the Indicator scores all the way back up to the optimistic level of June 2015.

"The German economy is enjoying robust growth", was also the opinion of Ifo President Clemens Fuest in light of the expansive business climate index also measured by his institute. Fuest will hold the guest presentation at the 33rd International Supply Chain Conference in October 2016 – and the months until then promise to be tense and exciting. As a scientist, Fuest also predicts, however, that a British decision to leave the EU would hit the whole of German industry, and therefore also the logistics sector. At the same time, the logistics managers do not believe there will be a Brexit: both assessments of the current situation and expectations for the future are pointing upwards not only in industry and trade but also in the logistics services sector – both in the shorter three-month outlook and over the longer term for the next twelve months. With the exception of maritime freight, the service providers report orders on books as being good overall, with a particularly high level of incoming orders from outside Germany. As demand grows, industry and trade are facing an imminent shortage of logistics capacities. In contrast to the views expressed in Q1, the logistics service providers now expect they will have to take on new personnel. Industry and trade, where the mood was already quite optimistic three months ago, are predicting the need to take on even more employees.

It is not least in the search for qualified personnel that companies in the logistics sector are increasingly exploiting the strengths of brand management. The answers to the extra question in the survey for the Logistics Indicator show that the development and maintenance of corporate brands has been recognised as a strategic topic and is generally an issue that is driven by top management. A uniform corporate image is nowadays almost a given, for example; management personnel know all about the "corporate mission", and employees are valued as ambassadors of their company and its brand.

This could be a good example for the European Union: to raise and encourage awareness for the value of communication and brand management in order to improve the way we

talk about and understand the meaning and benefits, the value and values, and the attractiveness and relevance of this community of countries and values. Strategy and creativity are "boardroom issues" and belong right at the top of the agenda.