

Logistics Indicator in Q3 2018

Business needs planning predictability

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Now is a time for plain talk: as one of the most highly interconnected countries in the world, Germany has a fundamental interest in open markets, fair rules and the advancement of international trade. This means that open markets are better than protectionism, regardless of whether it takes the form of state capitalism in China, the America First Policy or Brexit. The world of trade and logistics is a global world, and trade wars are counterproductive. Business needs planning predictability.

At a time when the global trading system is being called into question, we would do well to remember that the people of the UK do not deserve to face economic demise and that the USA is about far more than just a daily tweet. We want to continue to extend the hand of friendship to our longstanding partners. "Wunderbar together" is the right motto for the recently launched "Germany Year" in the USA, because it encompasses so much more than just the political relationships with individual actors.

According to the Federation of German Industries, the UK economy grew by 0.1 percent in the first quarter of 2018, which means it ranked 27th out of 28 EU member states. Germany is also feeling the effects, falling two places to number five in the ranking of the UK's most important trading partners. Yet despite weaker foreign business and bottlenecks on the employment front, the demand for logistics services kept on growing and will continue to grow in the coming months – and price increases are likely on the agenda.

China is an extremely lucrative market but is also increasingly becoming a major competitor, and Europe shares the concerns of the US with regard to the threat posed by the Middle Kingdom. The "New Silk Road", a project that China is driving forward with all its might, may also pose an added threat if China acts in isolation. The New Silk Road cannot be allowed to become a one-way street. We should be pursuing a strategy to ensure that we also benefit from this project.

The findings of the September survey for the Logistics Indicator mirror the cautiously optimistic mood for Q3 in Germany. The respondents from industry, trade and services assess the current business situation significantly more favourably than the outlook for the coming months. Indeed, the logistics service providers even report an uptrend. This may not be a fanfare moment, but it does underscore the solidly optimistic mood.

In view of the skill shortage in the labour market, what is called for is a strategic policy backed up by unprejudiced business decisions. What we need is not identity but diversity. We want qualified employees, regardless of their cultural background. Logistics recruits its personnel according to ability and not on the basis of age, gender or nationality. Human beings will always be at the heart of logistics – even if personnel structures are being redefined by worker robots, automation and co.

In times like these, meaningful dialogue is especially helpful and beneficial.