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Logistics Indicator in Q3 2020

Optimism ahead of the International Supply Chain Conference

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So where are we headed? Will we see a V, U, W or even an L-shaped recovery? The findings for the Logistics Indicator based on the August 2020 survey suggest that we will probably see a V-shaped economic trend. And there is much to support to view that the logistics sector will experience a speedy recovery – just a few months after the steep downturn due to the corona lockdown and the massive disruption of international supply chains. All the indicator scores – for the current business situation, expectations and the overall climate score – are currently pointing upwards.

In its forecast published in early September, the German Ministry for Economic Affairs and Energy predicts that the overall German economy will shrink by 5.8 percent in the current year and then achieve growth of around 4.4 percent in 2021. German Federal Minister for Economic Affairs and Energy Peter Altmaier presented the V-shaped curve and explained that the crisis had bottomed out. And indeed, the overall economy – and therefore also the logistics sector – began to recover in the third quarter. The economic and social assistance packages that were rapidly implemented by the German government are having the desired effect, even if the economy has not yet gained its former momentum. Nevertheless, numerous uncertainties remain.

The V-shaped economic trend is good news. But it doesn't mean we can simply put a tick against the corona virus and return to pre-crisis structures, processes and methods. Instead, we will have to identify and rectify the shortcomings that the crisis has rendered visible, review the efficiency paradigm, aim to develop resilient solutions, and optimise and reconcile the economic, social and ecological dimensions of logistics activities in a newly defined equilibrium.

Furthermore, it is not yet clear how the framework conditions for logistics activities will change in years to come. There are still no answers to a whole host of questions relating to the future mobility of goods and services, global interconnections, the development of export and import markets or the permanent downsizing of entire sectors of the economy such as air travel and cruise holidays. We don't know whether people will modify their consumption habits in the longer term. What will customer expectations look like in the post-corona era? What price will they be willing to pay?

Many of these questions are on the agenda of the International Supply Chain Conference 2020, which will take place as a face-to-face event in Berlin from October 21 to 23 under corona-compliant conditions. Much of the content will also be available online in digital format and will be separately bookable. In this way, BVL is sending a signal of optimism – and once again bringing people in logistics and supply chain management together so that they can talk to each other and discuss meaningful, promising strategies for the future.