

# GERMANY – EUROPE'S LOGISTICS HUB

Thomas Hundt  
Bangkok GTAI office  
Director Thailand, Cambodia, Myanmar, Laos  
[www.gtai.com](http://www.gtai.com)



# What we do



International marketing of Germany as a business and technology location



Business location consultancy services for international investors



Economic promotion of the new federal states and Berlin



Export market information for the German economy

1. **Overview**
2. Infrastructure
3. Logistics Industry
4. Leading Logistics Service Providers
5. Prices & Rentals
6. Success Stories
7. GTAI Investor Consulting Logistics

# Germany is EU's Economic & Geographic Center

Germany provides efficient and easy access to all European markets



## Germany is Europe's Commercial hub & ...

- (1) borders 9 European countries & lies at the EU's geographic center since EU-25's expansion
- (2) Offers world-class top infrastructure with easy access to Europe's 500m+ consumers and overnight delivery to 250m
- (3) Europe's largest economy & 3rd largest exporting & importing nation
- (4) Europe's most populated & central market with more goods in transit than any other European country

2018/2019	EU-28	Germany
<b>Consumer Trade Volume (in EUR bn, 2018)</b>	8,802	1,777
<b>Real GDP Growth Rate in % (EU-28: 2019/Forecasts 2020); (Germany: 2018/Forecasts 2019)</b>	0.6/0.7	2,4/1,0
<b>GDP per Capita (2018, EUR)</b>	30,900	40,900
<b>Inflation Rate (in %, 2018)</b>	1.9	1.9
<b>Population (in m, 1.1 2018)</b>	512.4	82.8

Source: Statistisches Bundesamt, Eurostat 2019; Notes: EU-28's (incl. Croatia) geographic center: ca. 45 km east of Frankfurt/M. in Westerngrund, NW Bavaria;

# Germany: Top Global Logistics Leader Again!

Ranked #1 three times in a row by World Bank's rating of 160 countries

Connecting  
to  
Compete

Trade Logistics in the  
Global Economy



The Logistics Performance Index and Its Indicators

2018

## Top 10 Countries: World Bank's Logistics bi-annual Performance Index (LPI) 2018 & 2016

Country	2018 LPI		2016 LPI	
	Rank	Score	Rank	Score
Germany	1	4.20	1	4.23
Sweden	2	4.05	3	4.20
Belgium	3	4.04	6	4.11
Austria	4	4.03	7	4.10
Japan	5	4.03	12	3.97
Netherlands	6	4.02	4	4.19
Singapore	7	4.00	5	4.14
Denmark	8	3.99	17	3.82
United Kingdom	9	3.99	8	4.07
Finland	10	3.97	15	3.92

*Note: The logistics performance is the weighted average of the scores on the six key dimensions, including: efficiency of the clearance process by border control agencies, quality of trade and transport related infrastructure, ease of arranging competitively priced shipments, competence and quality of logistics services, ability to track and trace consignments and timeliness of shipments in reaching destination within the scheduled time. Source: World Bank's Logistics Performance Index 2014, 2016 & 2018*

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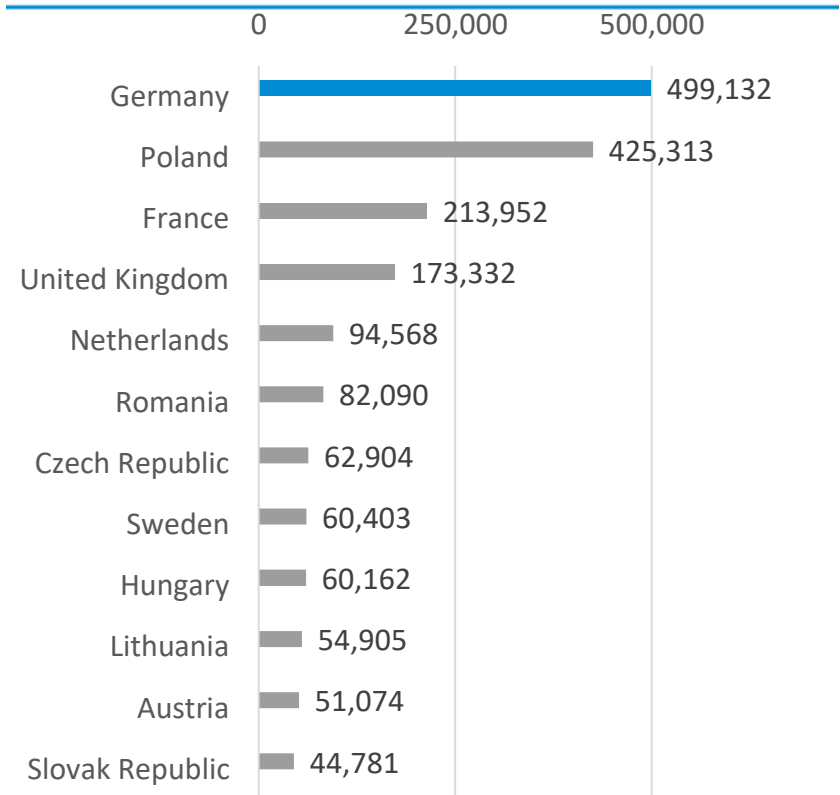
# Profit from Germany's World Class Infrastructure

Germany is Europe's Nr. 1 Freight transport leader, with world-class infrastructure, extensive autobahn, rail and waterway networks

Autobahn: 13,000 km  
 Railways: 40,000 km  
 Waterways: 7,500 km  
 Seaports: 9  
 Major Int'l Airports (runways > 3,000m.): 12



## Total Inland Freight Transport (in bn ton-km, 2017)



Source: OECD 2019 & GTAI

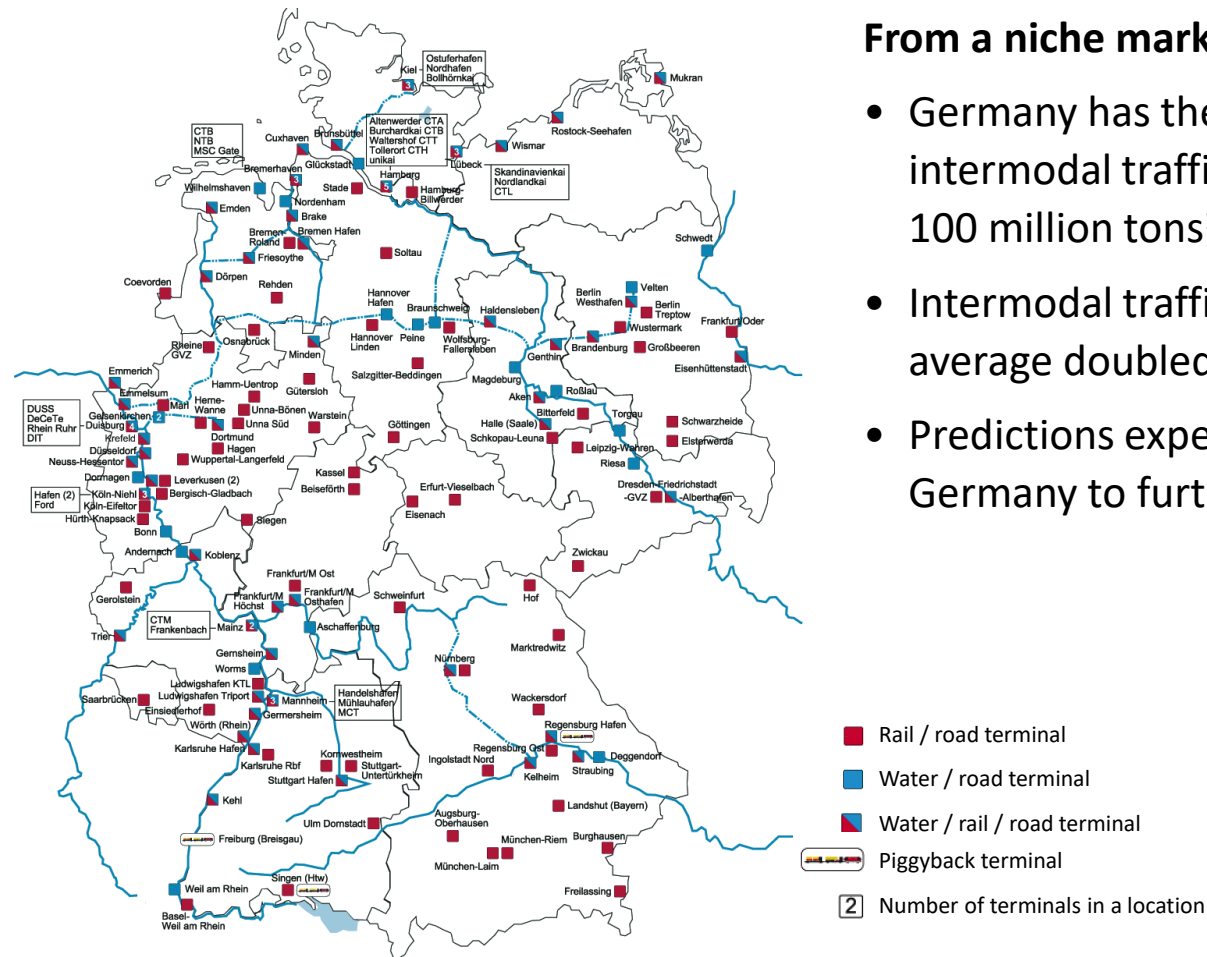
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# Profit from Germany's World Class Infrastructure

Germany offers an abundance of easy transfer from one transportation mode to another, enhancing flexibility & reducing cost nation-wide



## From a niche market to logistic foothold:

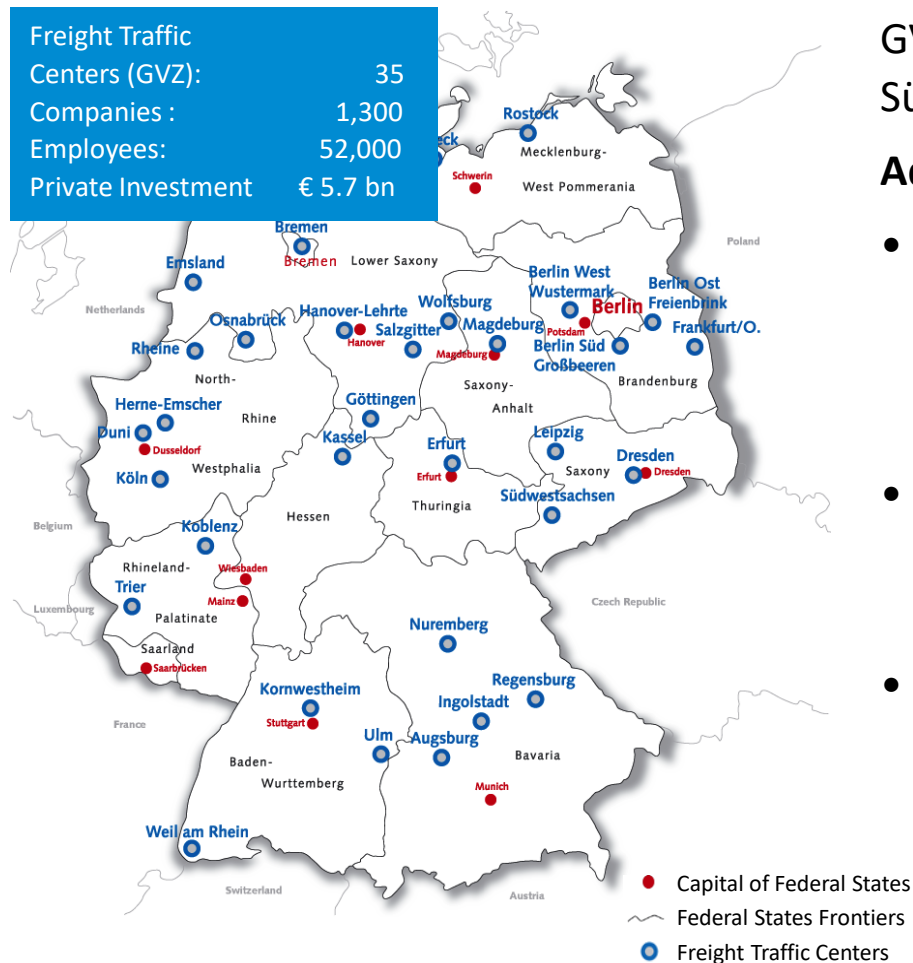
- Germany has the largest volume of intermodal traffic in Europe with ca. 100 million tons<sup>1</sup>
- Intermodal traffic in Germany has on average doubled over 10 year period
- Predictions expect intermodal traffic in Germany to further double by 2025

Source: Studiengesellschaft für den kombinierten Verkehr e.V. , BMVBS; Note: 1) expertise interview



# Profit from Germany's World Class Infrastructure

Germany has Europe's greatest number & density of Freight Villages (GVZs)



GVZ Bremen, Nuremberg and Berlin - Süd Grossbeeren ranked among EU's Top 5!

## Advantage of intermodal synergies:

- Freight Villages provide medium-sized companies an excellent opportunity to meet market requirements by cooperating with suitable partners
- Cooperative purchase and pooling of resources in Freight Villages yields direct cost savings
- The option of alternative transport modes improves entrepreneurial flexibility and the quality of logistics services

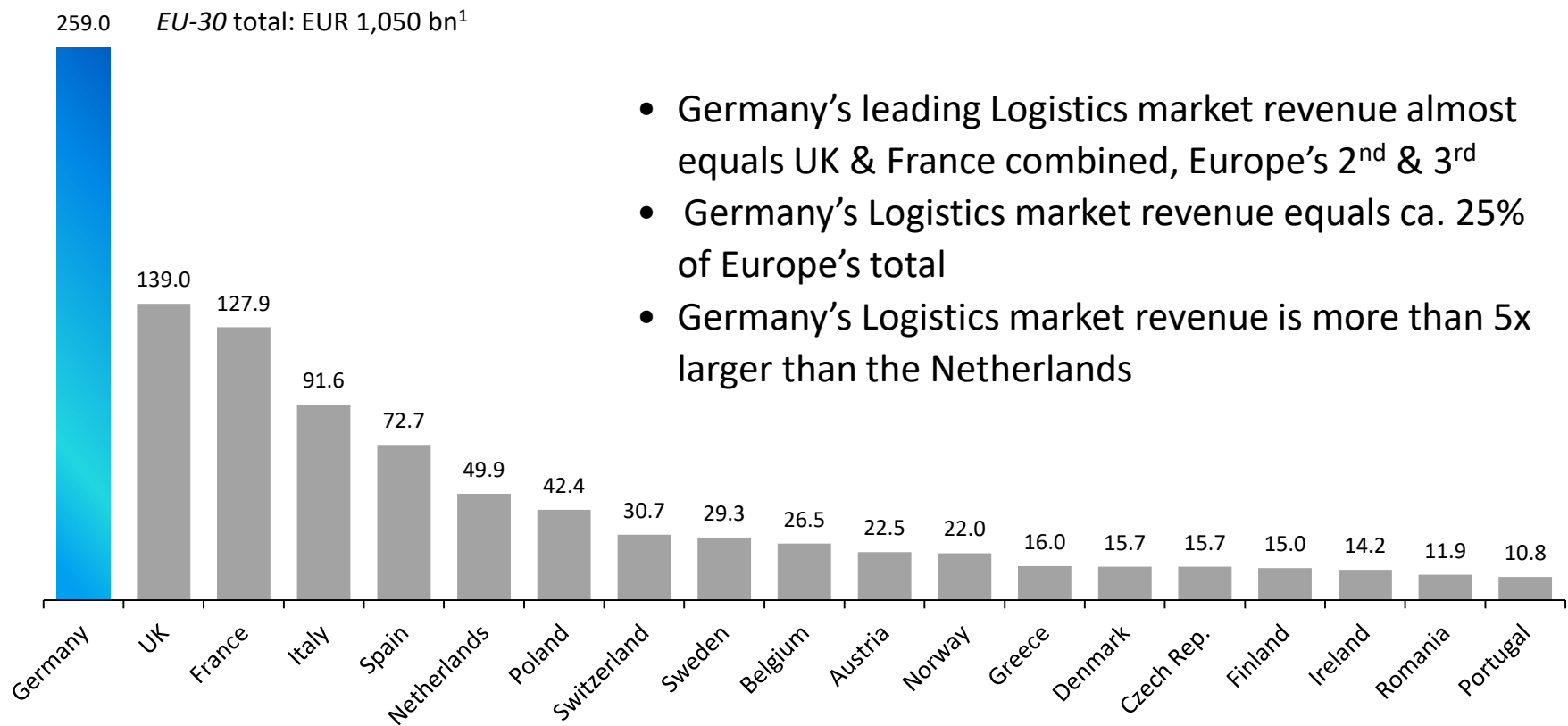
Source: GVZ 2015

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# Logistics Turnover in Europe: Leading Players

Germany, Europe's Nr. 1 Logistics market giant top at EUR 259bn\*

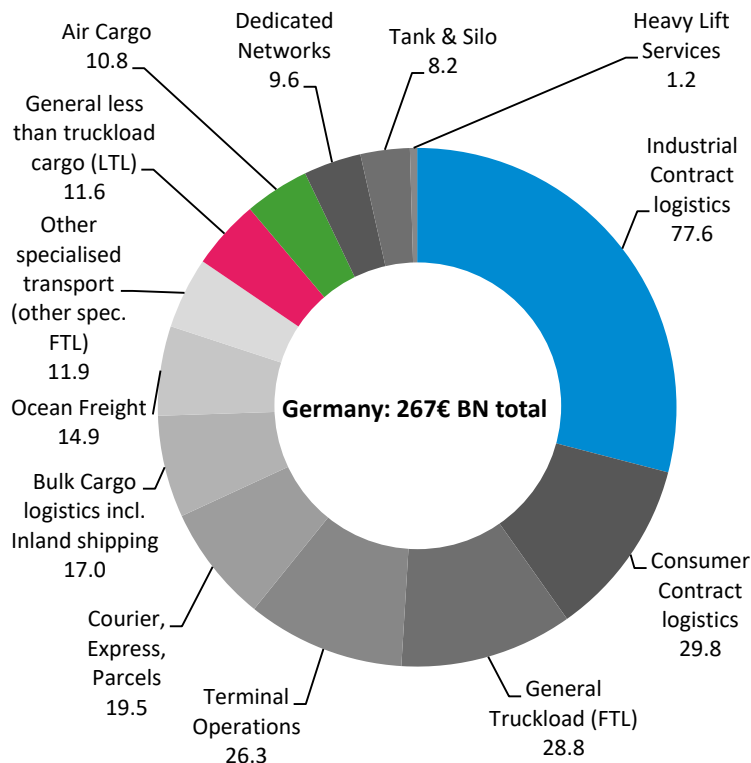
## Logistics Revenue 2016 (in EUR bn)



# Germany's Logistics Market Segments:

Over 60,000 Logistics services providers generate expertise & variety\*

## Logistics Market Segments (in EUR BN, 2017)



## Germany's Logistics Market employs 3m+ & is...

- ... dominated by Contract Logistics service providers (3PLs)
- ... home to fast and flexible logistics services with trade-specific solutions and expertise in all segments of logistics
- ... home to both global players such as Deutsche Post World Net, DHL, Schenker and Dachser & small & medium-sized companies
- ... where ca. 50% of logistic services are outsourced

Source: Fraunhofer SCS, "Die Top 100 der Logistik 2018/2019" &\*) Note: 2017 total represents a 3% annual increase compared with 2016

# Ranking of European Air Freight Hubs

Germany is home to 3 of Europe's top 10 Air Cargo Hubs

EU-Rank	IATA Code	AIRPORT (Country)	Air Cargo Volume 2016 (in tons)	% Change (2015-16)
1	CDG	Paris Charles de Gaulle (F)	2,211,265	5.8 %
2	FRA	Frankfurt (GER)	2,111,358	1.7 %
3	AMS	Schiphol Amsterdam (NL)	1,771,106	7,0 %
4	LHR	London Heathrow (GB)	1,637,582	3.1 %
5	LEJ	Leipzig/Halle (GER)	1,044,952	6.4%
6	LUX	Luxembourg Findel (L)	801,058	8.7 %
7	CGN	Cologne/Bonn (GER)	768,138	3.9%
8	LGG	Liège Airport (BE)	592,146	-5.3 %
9	MXP	Milan Malpensa (I)	548,765	7,4 %
10	BRU	Brussels Airport (BE)	472,710	-2.2 %

Source: Eurostat (2018)

# Container & Vehicle Handling in Europe

Only Germany consistently handles over 14m Containers annually and has 2 of Europe's top 5 harbors & the world's largest inland port!

Rank	Ports	Container Volume 2015 (in m TEU)	Container Volume 2016 (in m TEU)	Container Volume 2017 (in m TEU)
1	Rotterdam (NL)	12.2	12.4	13.7
2	Antwerp (B)	9.7	10.1	10.6
3	Hamburg (GER)	8.8	8.9	8.2
4	Bremen/Bremerhaven (GER)	5.6	5.5	5.5
5*	Valencia (E)	4.6	4.7	4.8

**Duisburg** remains the world's largest Inland port handling 3.7m containers (2016)

**Bremerhaven** is Europe's 2<sup>nd</sup> leading vehicle handling port with over 2.07m vehicles (2016)

Germany's free zone ports exists in Bremerhaven & Cuxhaven

Source: Statista.de, Port of Rotterdam, Hamburg, Bremerports, Duisport; \*Nr.6 (2016); 2017: ISL Hafendatenbank:DVZ (2018)

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# Logistics Services Providers (3PLs) in Germany

## Germany's Top 15: Deutsche Post DHL & Deutsche Bahn leading the way...

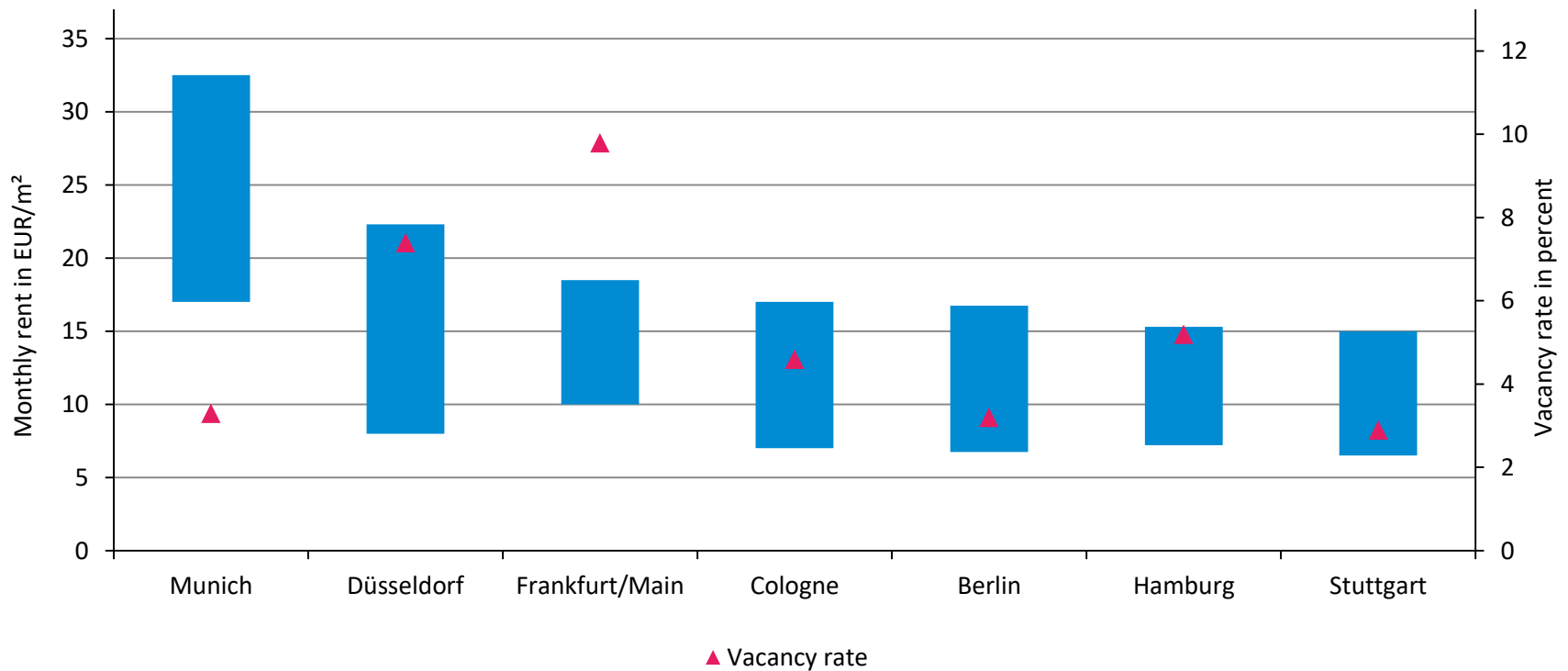
No.	Company	Logistics revenue in Germany in EUR MN (2017)	Logistics revenue in Worldwide in EUR MN (2017)
1	Deutsche Post DHL (Group)	9,640	60,444
2	Deutsche Bahn AG	7,510	42,704
3	Dachser SE	2,989	n.a.
4	Kühne + Nagel (AG &Co.) KG	2,775	n.a.
5	Rhenus SE & Co. KG	2,295	n.a.
6	Volkswagen Konzernlogistik GmbH & Co. OGH	2,176	230,682
7	United Parcel Service Deutschland Inc. & Co. OGH	1,900	n.a.
8	Hermes Europe GmbH	1,850	13,652
9	DPD Deutschland GmbH	1,800	24,100
10	Panalpina Welttransport Deutschland GmbH	1,380	5,109
11	Hellmann Worldwide Logistics GmbH & Co. KG	1,326	n.a.
12	Nagel-Group SE & Co. KG	1,300	1,900
13	DSV Deutschland	1,275	n.a.
14	Arvato	1,200	17,190
15	BLG Logistics Group AG & CO. KG (DE)	1,041	n.a.
<b>Sum Top 15</b>		<b>40,457</b>	

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# Office Rents

Rental Fees and Vacancy Rates for Office Space Vary Considerably among Major German Cities.

## Office Rents (2017) and Vacancy Rates (2017) in Major German Cities

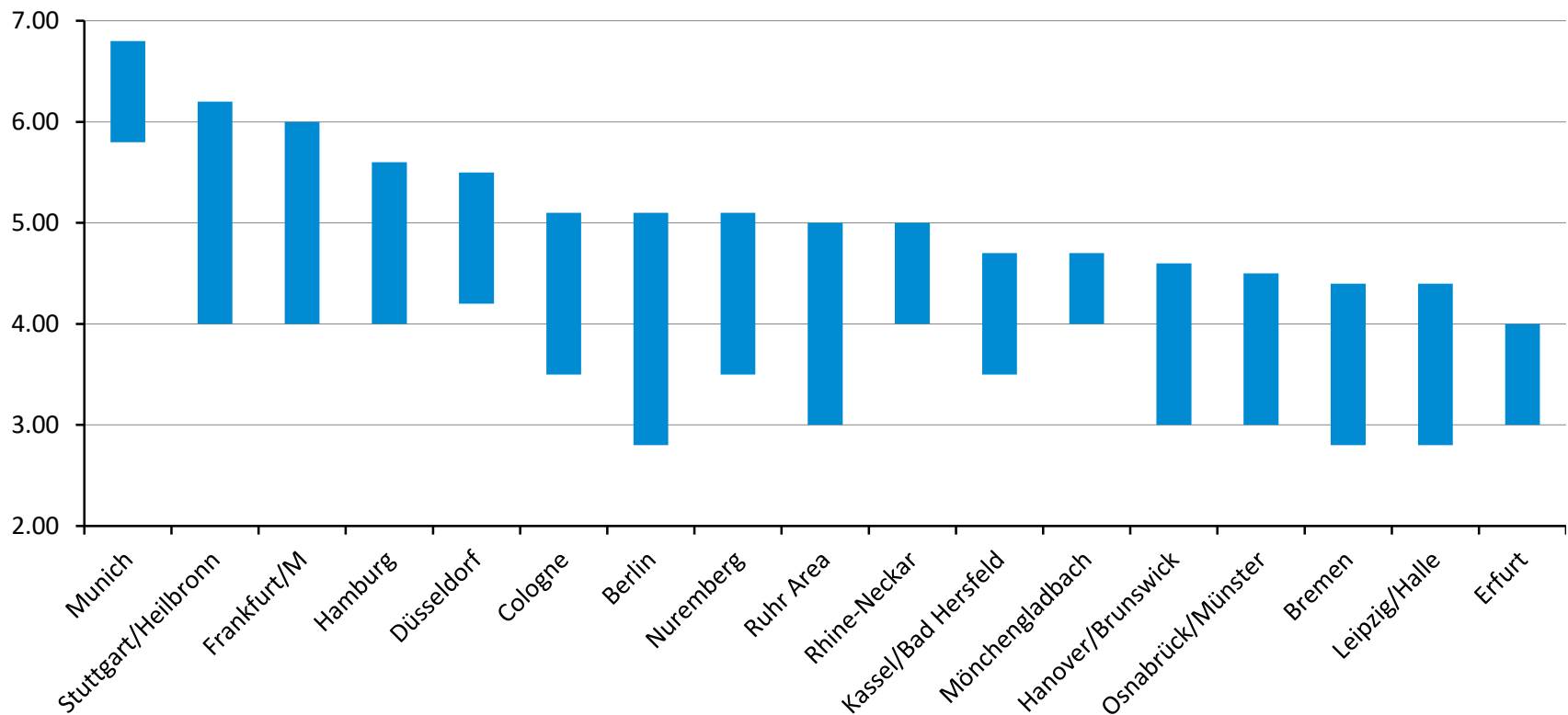


Note: Rental Fees Except Ancillary Costs; Source: Immobilienverband Deutschland ivd 2018.

# Germany's Competitive Warehouse Market

Germany offers excellent rental value & variety for price

Rental ranges for warehousing  $\geq 5,000$  m<sup>2</sup> (in EUR/m<sup>2</sup>/month)

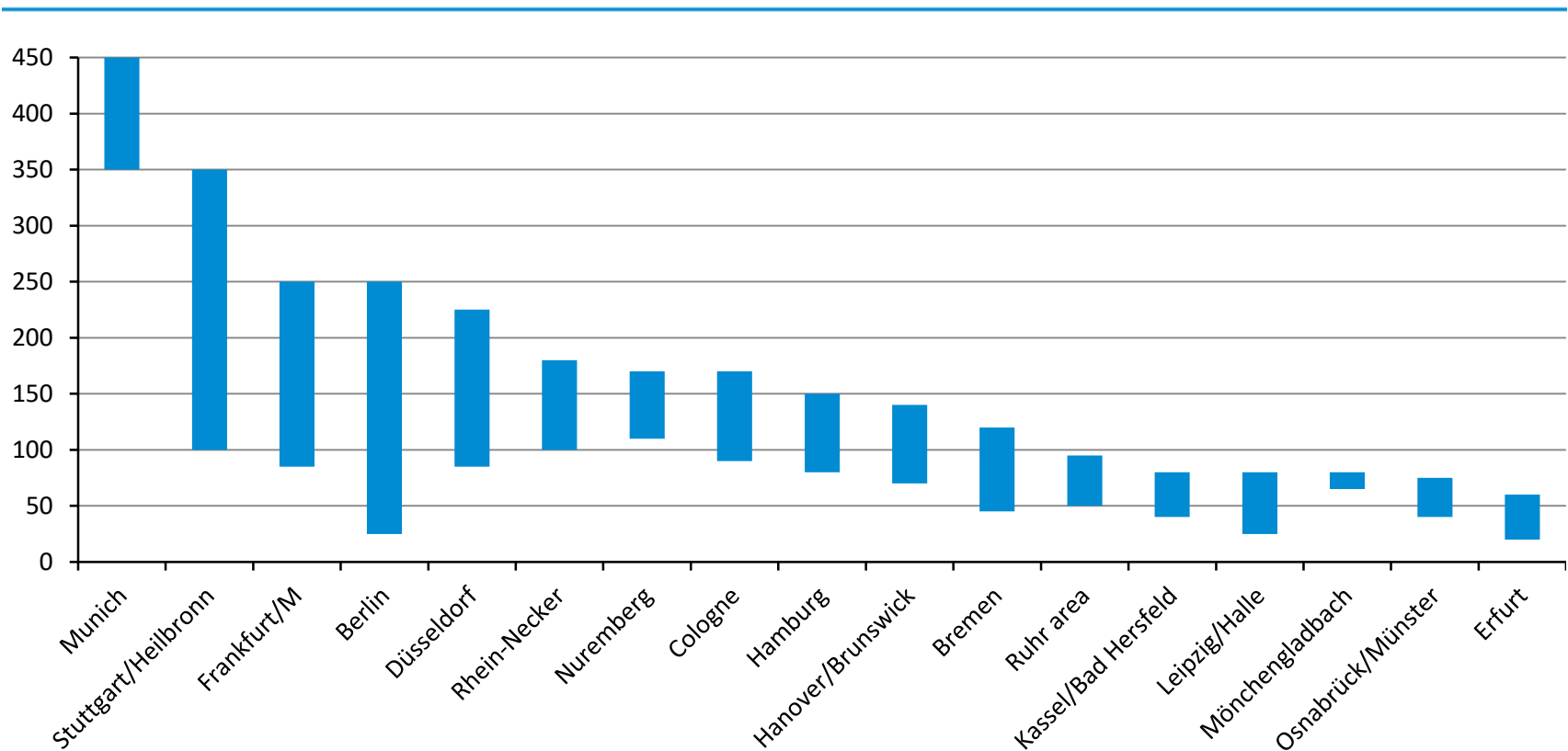


Source: Jones Lang & LaSalle, 2018

# Germany's Competitive Warehouse Market

Germany offers excellent value amidst great price variety

Sale prices for logistics sites (in EUR/m<sup>2</sup>)

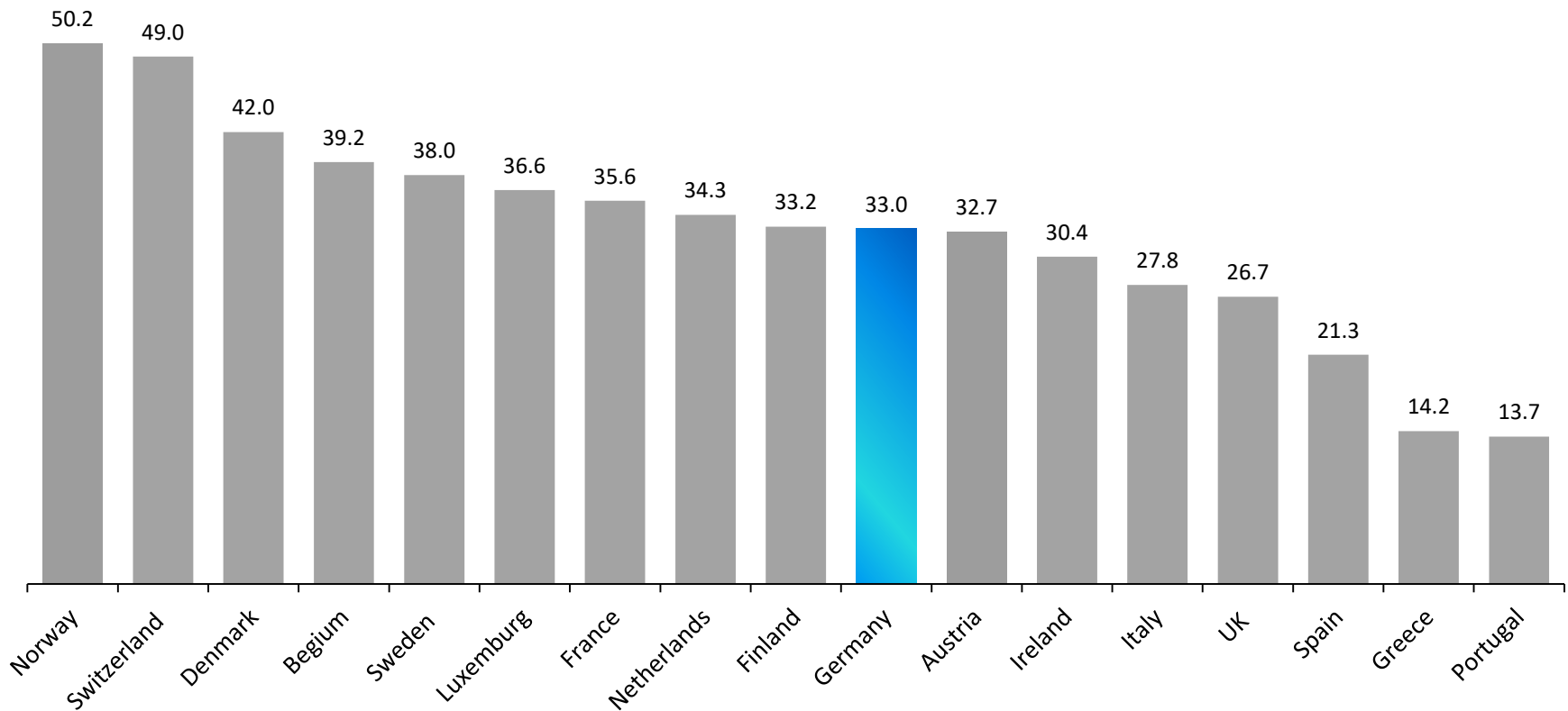


Source: Jones Lang & LaSalle, 2018

# Germany's Competitive Labor Market

## Highly Competitive Logistics Wages in Western Europe

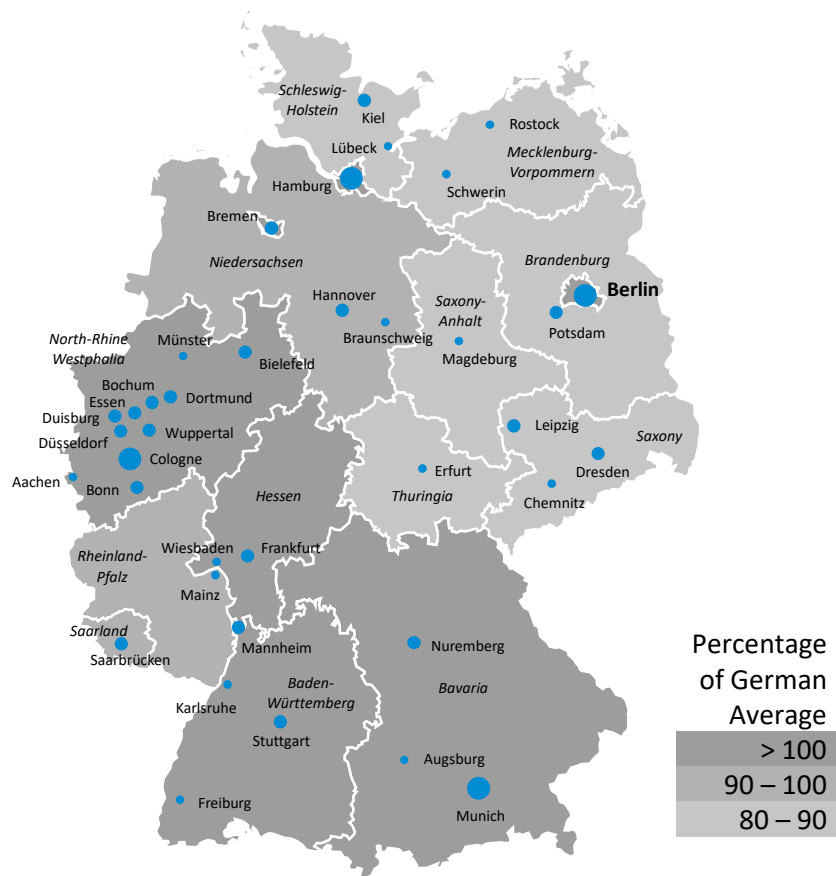
### Commercial Road Freight Costs: Labor costs per hour indictator (in EUR)



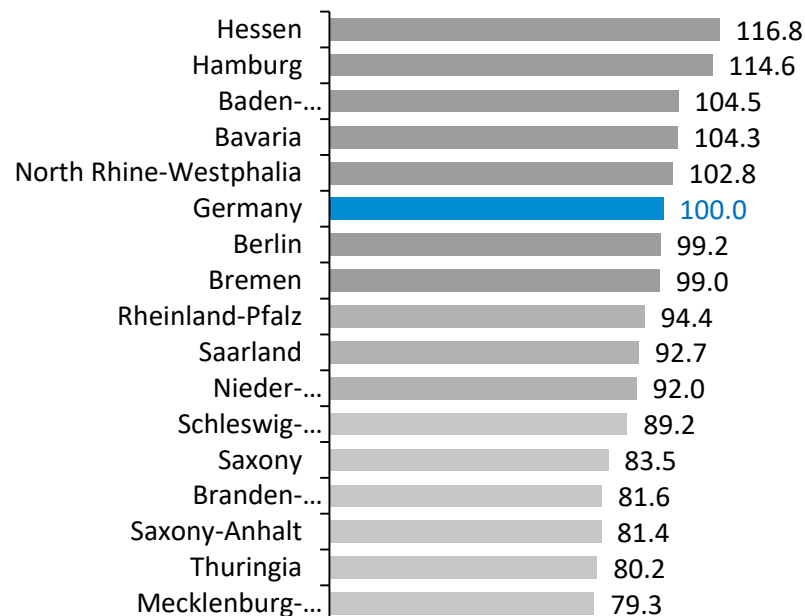
Source: Fraunhofer IIS: „Top 100 in European Transport and Logistics Services 2017/2018“

# Labor Force

## Germany Offers a Broad Spectrum of Wage Levels in the Service Sector.



### Index of the Average Gross Monthly Salaries in the Service Sector (2017, Incl. Extra-Payments)



Note: Please be aware of strong labor cost/salary variations within German regions. For detailed salary information, please contact Germany Trade and Invest

Source: Federal Statistical Office 2019.



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# Investors in Germany

Amazon's largest European Market is Germany with 2 Mega-Logistics Centers in North Rhine-Westphalia and Bavaria & over 20 locations

## Amazon

<b>Investor</b>	Amazon (Completed 2011, latest 2013)
<b>Locations</b>	Rheinberg (NRW) & Graben (Bavaria)
<b>Industry</b>	Two 110,000 m <sup>2</sup> distribution and logistics centers for commercial goods built by Goodman
<b>New jobs</b>	1,000 permanent & 1,000+ temporary positions at each mega-facility; 16,500 permanent employees total planned by year's end 2017
<b>Deciding factors</b>	<ol style="list-style-type: none"><li>1. Central location for existing markets</li><li>2. Quality &amp; competitive cost of work force</li><li>3. Excellent potential for growth and emerging markets</li></ol>
<b>Germany: Amazon logistics center highlights</b>	Bad Hersfeld 2x, Raunheim Mönchhof, (Hessen), Brieselang (Brandenburg near Berlin), Graben (Bavaria), Koblenz (Rhineland-Palatinate), Leipzig (Saxony), Pforzheim (Baden Württemberg), Rheinberg (NRW), Werne (NRW)

# Investors in Germany

UPS: Expansion of German airfreight hub at Cologne Bonn Airport marks largest investment in UPS history in a facility outside the US

## UPS

<b>Investor</b>	UPS (USA, Expansion completed 2014); UPS has been serving customers in Germany for forty years and has more than 18,000 employees at 83 facilities
<b>Investment</b>	Original: US\$ 135 million / Expansion: US\$ 200 million: will significantly enhance existing hub's sorting capacity from 110,000 to 190,000 parcels per hour
<b>Industry</b>	Logistics service provider
<b>New jobs</b>	Original: 700
<b>Deciding factors</b>	<ol style="list-style-type: none"><li>1. Infrastructure</li><li>2. Proximity to the market</li><li>3. Strategic location for EU's eastern enlargement</li><li>4. Qualified, varied workforce</li><li>5. Night flight permit</li><li>6. Cooperation with the local authorities</li><li>7. Stable weather conditions (takeoff/landing)</li></ol>

# Investors in Germany

## DHL: EU Hub relocates to Leipzig/Halle Airport from Brussels

### DHL

<b>Investor</b>	DHL Deutschland GmbH (2004)
<b>Investment</b>	EUR 300 million
<b>Industry</b>	European logistics hub since 2008
<b>New jobs</b>	3,500 direct (10,000 total)
<b>Deciding factors</b>	<ol style="list-style-type: none"><li>1. Central location for existing &amp; merging markets</li><li>2. Great air freight capacity</li><li>3. 24/7 operations</li><li>4. Excellent trimodal infrastructure</li><li>5. Extensive space for expansion</li><li>6. Abundant pool of qualified labor at low cost</li></ol> <ul style="list-style-type: none"><li>20% savings over the Brussels locations</li><li>&gt; 45,000 applicants received</li><li>20% of the employees previously unemployed</li></ul>

# Germany Trade & Invest: Our customer Service

Information, consultancy, project management services



## Summary

<https://www.youtube.com/watch?v=odijNBXyaaM>

# Contacts

## Germany Trade & Invest Foreign Trade and Inward Investment Promotion Agency

**David Chasdi**

**GTAI Berlin Headquarters**

Senior Manager Investor Consulting

Logistics

T. +49 (0)30 200 099-310

David.Chasdi@gtai.com

**Thomas Hundt**

**GTAI Bangkok**

Director Thailand, Cambodia, Myanmar, Laos

Market Research

T. +66 2 055 06 80

Thomas.Hundt@gtai.com

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