

Freight Connections

THE CUSTOMER MAGAZINE OF DHL FREIGHT



SALOODO!
The most important
features

EURAPID
Priority lane
for road freight

HYPERLOOP
Tunnel vision



GOGREEN

SETTING NEW GOALS!

Zero-Emission-Logistics by 2050

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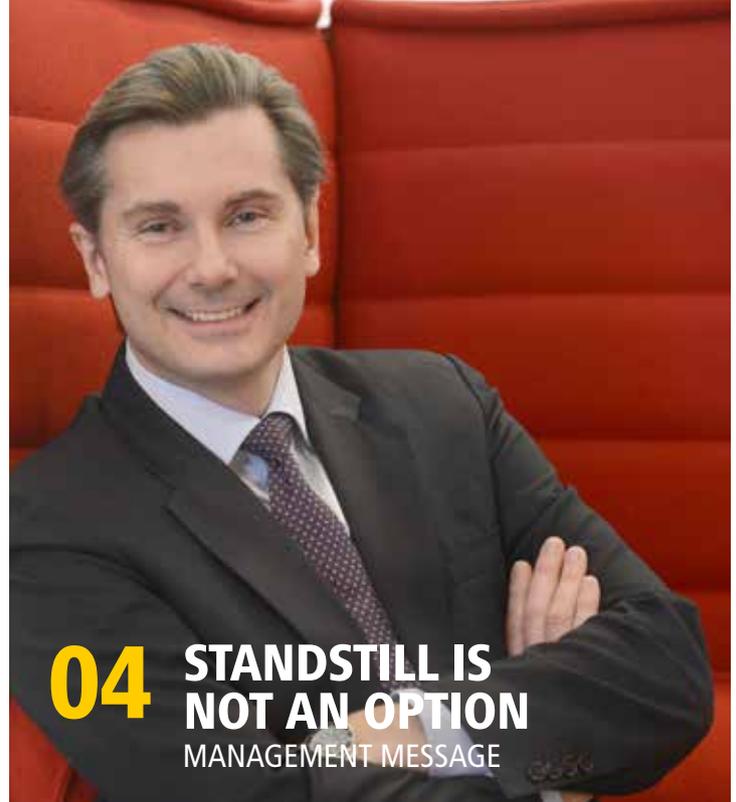
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IMPRINT

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Robert Ziegler
Chief Operations Officer NTBO & VAS, CEO BENELUK DHL Freight

STANDSTILL IS NOT AN OPTION

The heads of state and government of the G20 countries have met in Hamburg. A major point of discussion at the summit was the issue of protectionism, which we actually thought had been overcome...

America First and Brexit are the best-known examples of a trend towards geo-political nationalism, which we have also been observing in continental Europe for some time. Increasingly bureaucratic hurdles by individual countries can be seen here too, including the electronic road transport control system EKAER in Hungary, which makes all transportation to and from Hungary subject to registration, the French "Loi Macron", weekend regulations that vary from country to country, or the temporary reintroduction of border controls in the Schengen Area as a reaction to the refugee crisis. These are in fact only examples, and the complete list is surely much longer. For the road freight transport sector, high bureaucratic hurdles, for example for customs clearance, mean longer transit times and rising costs.

What happens after Brexit?

And there's more to come. The talks on the withdrawal of Great Britain from the EU began on the 19th of June. What does this mean for freight transport to and from Great Britain? The uncertainty is still very much tangible. Many imponderables and risks, new regulations, interim solutions and deadlines have to be taken into account. For most companies, these are difficult to calculate.

Freight transport between Great Britain and the countries of continental Europe is and remains an important economic factor. DHL Freight will continue to support its customers to ensure that the transport of goods via the channel carries on as smoothly as possible.

As transport experts, we will continue to keep a close eye on new legislation and regulations, and inform our customers promptly and comprehensively. This is where it is important to keep the costs as low as possible for our customers. That is why we are working together with the competent customs authorities and transport operators on the ground to ensure that all currently necessary regulations are met and goods can easily cross borders.

In addition, we are preparing our customers for Brexit by examining their supply chains, designing alternative models and testing routing options.

Despite all setbacks, the international movement of goods has not come to a standstill. And we at DHL Freight are doing everything to ensure that the obstacles for our customers are overcome as easily as possible.

ROBERT ZIEGLER



Source: Fahrzeugvernetzung revolutioniert Mobilität – Perspektiven, Chancen und Herausforderungen für NRW; Hrsg. von CPS.HUB NRW, Institut SIKoM+, Bergische Universität Wuppertal, June 2016

STATISTIC OF THE MONTH

TRAVELING WELL CONNECTED

Self-reliant and precise running of a vehicle in real, everyday traffic without human input – that is the commonly accepted definition of autonomous driving. And the points toward that are set, as shown by the number of totally ...

... connected vehicles estimated
to be in service by 2020: **220**
Million

The Z-Truck is a concept study by Iveco. Among it's characteristics zero emissions and moving automatically and fully connected stick out.



Bundesverband Wirtschaft,
Verkehr und Logistik e.V.



BWVL-President Jochen Quick

INTERVIEW

“THE WHEELS OF GLOBALIZATION CANNOT BE TURNED BACK!”

Interview with BWVL-President Jochen Quick: Global free trade has moved into the sights of isolationists, but the logistics industry requires stable framework conditions.

An open general election, European directives, diesel restrictions and the trade policies of President Donald Trump – many areas of logistics are currently in turmoil. Nevertheless, the President of the Federal Association of Economics, Transport and Logistics (Bundesverband Wirtschaft, Verkehr und Logistik e.V.), Jochen Quick, took the time for an interview with DHL Freight Connections.

Opinion pollsters again see an open race in the coming Federal Elections in September. Whether Schulz or Merkel – what do you expect from the next Federal Government in the field of logistics?

Democracy thrives on the competition of different policy approaches. This is the positive aspect of the nomination of Martin Schulz as a Chancellor candidate. Regardless of

the outcome of the elections in September, we, as a transport economy, need reliable framework conditions in the long run. This also includes a further increase and consolidation of investments in infrastructure at a high level. Only sustainable financing by the next Federal Government will secure a permanent modernization and needs-based development of infrastructure, both analogue as well as digital.

EU Transport Commissioner Violetta Bulc has now announced the presentation of her repeatedly postponed proposals for fair road freight in May. In your opinion, what should the priorities be?

Whether the paper will actually be published at the end of May still remains to be seen. The Commission will surely set priorities in the areas of market access and access to the profession, as well as with regard to social issues. In my opinion, the main objective should be the clarification of existing regulations. Cabotage is certainly a good example. This is where we need clear and, above all, controllable rules and regulations.

The likelihood of driving bans for diesel vehicles in German city centers is growing. What impact would this have on logistics?

A ban on diesel vehicles, and be it only partially in some cities, would have lasting negative effects on logistics! In addition to the clearly ever more difficult organization of the last mile, the level of prices for transport services would rise sharply. The introduction of the blue sticker could again be averted with the support of the logistics associations. We can see a specific field of tension between fine dust emissions and climate protection. Ultimately, it is a social question as to how we want to deliver goods to our inner cities. Drones will not be able to take care of that!

In your opinion, how well is the German logistics industry prepared for the increasing digitalization?

This is a difficult question and unfortunately cannot be answered with a simple yes or no. In order to keep up on an international level, digitalization is rapidly advancing along the entire supply chain. However, as of today, we are still far from being able to reach our objectives with regards to the buzzwords Industry 4.0 or Logistics 4.0. We must all – and that certainly includes myself too – concern ourselves even more with the topic of digitalization.

US President Donald Trump does actually seem to be trying to turn back the wheels of globalization. What impact on the German logistics industry do you expect from that?

First of all, I do not think that the wheels of globalization can simply be turned back. There is a mutual dependency between the major economic powers and I think the American President is only just beginning to understand that. All unilateral actions by the United States, to help dampen the effects of globalization in their own country, will ultimately have a very negative effect on the American economy. Nevertheless, we must take seriously the signals coming from the new US Administration and prepare ourselves for a much more complicated future. This of course also applies to the logistics industry. KAI ORTMANN

Additional

Bundesverband Wirtschaft,
Verkehr und Logistik e.V.





HYPERLOOP

TUNNEL VISION

Moving through a vacuum at supersonic speeds – is Hyperloop the transport system of the future?

In recent years, the search for the transport system of the future has gained momentum. These attempts are focusing not just on emission-free drives, new energy sources and innovative railway technology, but also on completely new and, at first sight, very futuristic concepts. One idea in particular is causing “tunnel vision” in the truest sense of the word: the Hyperloop.

Behind the idea is no less than Elon Musk, founder of electric car manufacturer Tesla. His concept consists of two pods containing up to 28 passengers each, sliding over air cushions in two parallel tubes mounted on concrete pillars. The air cushions are produced by a compressor, which sucks

air from directly in front of the pods and expels it directly underneath them. A partial vacuum is created throughout the system. This allows driving speeds just above the speed of sound at normal pressure. Due to the creation of the vacuum, however, the sound barrier is not broken. The electric drive is powered by so-called long-stator linear motors similar to those already used in magnetic levitation trains.

Open development

The project has an open-source approach: anyone who wants to help can get involved, whether through research or funding. Accordingly, a large number of



companies and scientists are currently working on the further development of individual parts of the system. In addition to the tubes, the focus is above all on the vehicles themselves, the pods. To date, the highlight of the project has been the “Hyperloop Pod Competition”, sponsored by SpaceX, another of Elon Musk’s technology companies.

The various teams of designers who took part had about a year to develop and present a concept, and another year to build a working prototype. SpaceX built a test track in Hawthorne, California. It consists of a steel tube one mile (1.6 km) long, with an inside diameter of 1.79 metres. The power transmission was achieved using aluminium rails. In January 2017, all of the individual designs were given a chance to prove themselves in nine test journeys each. The highest speed was achieved by the pod from the Scientific Working Group for Rocket Technology and Space (Wissenschaftlichen Arbeitsgemeinschaft für Raketentechnik und Raumfahrt, WARR) at the Technical University of Munich. The overall winner was the Delft Hyperloop from the Delft University of Technology in the Netherlands.

DHL expertise sought

When developing their solutions, the Dutch researchers were also careful to seek input from seasoned practitioners. To this end, they engaged in a detailed dialogue

with DHL, one of the world’s leading logistics companies. From the very start Tom Vervoort, Vice President of IT for DHL Express Netherlands, was in close contact with the development team, and he also helped organise DHL’s transportation of the prototype to California. For him, this proximity to Hyperloop technology also has economic aspects: “We have to start thinking about this technology before it is available on the market. We can already start thinking about how the loading and unloading process should work, how the system would fit into our current processes and, last but not least, if it is still possible to secure patents. If you wait too long, these competitive advantages can disappear.”

In the development of Hyperloop, the brakes are off in the truest sense of the word – the next step is a second pod competition, which will focus on achieving the highest possible speed, and on braking. **SONJA TERBRÜGGEN**

Additional

Delft Hyperloop



DHL as a Partner of Delft Hyperloop



Video “DHL, Delft Hyperloop, and the future of logistics”



ROADMAP TO REFORM

RECIPE FOR GROWTH

To promote road transport around the world – that is the subject of the guide the World Bank presented at the International Road Transport Union (IRU) in Marrakech. The paper focuses on five important starting points for reforms.

Road transport is a key sector for economic development – not more and not less. This is particularly true when taking a global perspective. In order to tap this potential, the World Bank and IRU have for the first time developed a roadmap for reforms in road transport. It is addressed at governments as well as stakeholders from politics and the

transport industry. The guide provides instructions for data analysis, illuminates important fields of action and outlines what a detailed catalogue of measures could look like. The objective is the implementation of reforms that will provide advantages for logistics, trade, security on roads and the economic development in the long term.



Example Mexico

The Mexicans began their reform of road transport in 1989 and, according to the guide, have already achieved specific positive results:

- From 1989 to 1995, the volume of transport on national roads rose by 52 percent, from 107,200 to 162,827 tonne-kilometers, while the average distance increased by almost 30 percent from 346 to 444 km
- The average growth rate of companies that expanded their fleets was 64 percent. For larger providers, it was even 75 percent
- Actual transport rates were reduced by 25 percent since 1989
- Employment in the industry increased by 5.2 percent from 509,000 to 536,000 workers with annual remuneration between 1989 and 1995.

Impulses with great effect

Many measures can in fact have a large leverage effect. For example, as 85 to 90 percent of all accidents involving trucks are due to human error, driver training is an effective approach for improvement. The cost for the training sessions is then offset by a decline in the number of accidents, a fuel-friendly driving behavior and lower vehicle maintenance costs.

A modern fleet of vehicles would also have positive effects. For example, the average fuel consumption of trucks decreased by 40 percent in the past 40 years, from 50 liters per 100 kilometers in the 1970s to 30 liters in 2008.

Five major areas of reform

The guide defines five areas that could be targeted by reforms.

- **Improvement of market structures:** The objective is to provide guidelines that include operating safety, security and quality of service. The regulations currently still vary from country to country, and can range from a complete absence of regulations to regulations that even include quantitative determinations.
- **Pushing back the informal sector:** Some forwarders operate outside of a proper legal framework. When it comes to pushing back this gray market, the negative social effects also have to be offset. It must be ensured that small businesses with only one truck (one man / one truck) can still work within a legal framework.

- **Driver training:** Training based on international models can ensure a minimum level of knowledge, competence and qualification. Issuing certificates that demonstrate professional skills, helps to increase professionalism.
- **Renewal of the vehicle fleet:** Just like drivers, vehicles are also an essential aspect for good transport services. Reforms therefore also have to include mechanisms aimed at the renewal of vehicle fleets. Appropriate economic and fiscal instruments should facilitate the purchase of vehicles. Other aspects include requirements for the import of used vehicles or for technical standards.
- **Lowering external costs through increased efficiency:** The full costs of transport include not only internal positions such as operation and maintenance of vehicles and equipment. External costs such as traffic load, environmental impact and the consequences of accidents also have to be taken into account. Greater efficiency in transport processes can help to reduce these external costs.

JÜRGEN ESCHMEIER

Additional

Working Paper "Road Freight Transport Services Reform: Guiding Principles for Practitioners and Policy Makers"



 SALOODO!

WICKED FEATURES!

Saloodo!, the digital freight exchange from DHL launched in January 2017, brings consignors and freight forwarders together on a single platform and is fully on the road to success: More than 5,300 transport companies are already signed up to offer customers services in 17 countries (as of June 2017).

Saloodo! continues to evolve since the launch, adding new features to meet the needs of users with whom Saloodo! stays in constant contact. Freight Connections presents the most important new features: The platform and the Saloodo! Driver app make it quick and easy for consignors to find the right shipping company for their needs. Forwarders can offer their transport services and make best use of their available capacities.

Price forecasts using machine learning

Particularly attractive is a novel algorithm to predict fluctuating market prices. Machine learning allows the app to predict seasonal variations in prices and identify unbalanced capacity utilization on certain routes. This gives consignors meaningful price indicators based on real-time data when making shipment enquiries.

Dynamic transport pricing calculator for competitive bidding

On the other hand, the Saloodo! dynamic transport pricing calculator helps forwarding companies make competitive offers. The system lets the forwarder know whether their offer is attractive and at a price in sync with the average of other offers, all before submitting their bid. The tool is based on real-time data as well as special algorithms.



Pallet exchange system ensures transparency during exchanges

The newly developed pallet exchange system also offers both consignors and transport companies an optimal solution to this often troublesome issue. The Saloodo! Driver app lets drivers precisely document the movement of pallets at both pick-up and point of delivery. This gives everyone full transparency about the pallet exchange process.



Partnering with Saloodo!

In order to ensure the greatest possible security for both consignors and transport companies, Saloodo! acts as a contract partner with both sides to ensure the smooth transport of the consignment.

Tracking & tracing thanks to the intelligent Saloodo! Driver app

The Saloodo! Driver app lets transport companies send drivers upcoming routes directly via SMS. Drivers get all the details delivered to their smartphones. The app handles tracking & tracing as well as delay notifications. Delivery receipts and any damage during on- and off-loading can also be documented directly via the app. The personal dashboard gives both the transport company and the consignor immediate access to all documents.

The intelligent app also helps drivers so that they no longer have to print out each order individually and all of the documents are stored in a single location.

Faster payment processes within 14 days thanks to digital delivery receipts

Once drivers scan the delivery receipt with the Saloodo! Driver app, it can be uploaded. The delivery confirmations are thus stored directly on the dashboards of both the

transport company and the consignor. As soon as the consignor has accepted proof of delivery, payment is approved via Saloodo! The transport company receives payment within 14 days.

Saloodo! is the intelligent end-to-end solution for consignors and freight-forwarding companies alike. Innovative ideas and lean structures help optimize the entire transport chain and increase transparency to ensure reliable deliveries and a competitive advantage.

KIM LIESSFELD

Additional

Saloodo! Website



GOGREEN

ZERO-EMISSION LOGISTICS BY 2050

GoGreen, the environmental protection program by the Deutsche Post DHL Group, is working well. The current environmental target of a 30 percent CO₂ efficiency increase compared to 2007 has been achieved – four years ahead of schedule. So, it's time for new goals, and they are even more ambitious ...



The Group's new guideline is to reduce all logistics-related emissions to zero. That makes Deutsche Post DHL Group the first large logistics company in the world to set itself such a broad and ambitious target. The Group, which sees sustainability as an integral part of the company's strategy, is thus once again setting standards in green logistics. At the same time, the zero-emissions decision demonstrates its pioneering role in environmental and climate protection.

The new climate protection targets apply to the Group's own activities as well as those of transport partners. The mission is supported by four specific sub-targets that Deutsche Post DHL intends to achieve in 2025 as part of the Group-wide environmental protection program GoGreen:

Partial targets for 2025

1. On a global level, Deutsche Post DHL Group will



increase the CO₂ efficiency of its own activities and those of transport partners by 50 percent compared to the base year of 2007.

2. On a local level, Deutsche Post DHL Group aims to improve the quality of life of people where they live and work through clean transport solutions. To this end, 70 percent of the company's own pick-up services and deliveries are to be transferred to clean solutions, such as electric vehicles. →

MISSION 2050
ZERO EMISSIONS
GOGREEN



3. The share of turnover that contains green solutions and thus makes the supply chain of our customers greener, is to rise to more than 50 percent.
4. 80 percent of employees are to be certified as experts in green logistics through training measures by 2025 and actively participate in environmental and climate protection activities. In addition, the Group intends to plant a million trees together with partners every year.

The company is thus playing its part in achieving the goal of the Paris Climate Protection Agreement to limit global warming to below two degrees Celsius, and is also supporting the United Nations Agenda 2030.

With its new climate protection activities, the Group is focusing on its extensive experience with the environmental protection program GoGreen. The company actually reached its environmental goal of improving CO₂

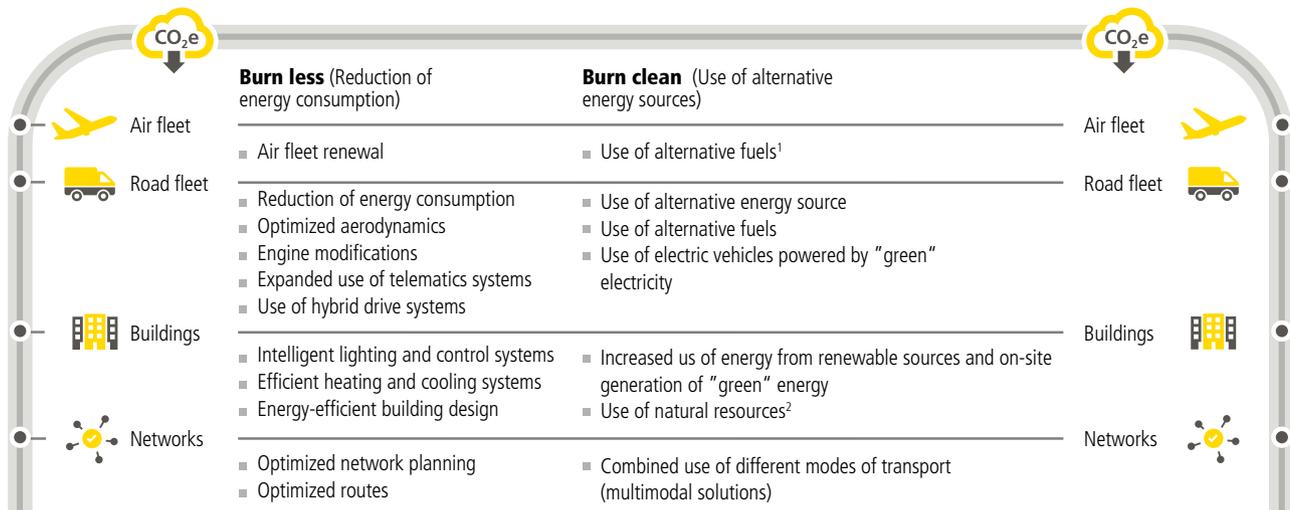
This is GoGreen

As a leading logistics company the Deutsche Post DHL Group connects people around the world and helps drive global commerce. This impacts the environment in the form of greenhouse gas emissions, local air pollutants and noise. The GoGreen environmental protection program takes action to

reduce the company's own emissions and to support customers and subcontractors in reducing the impact of their business on the environment. All solutions guided by the concept of "shared value" – the idea that the Group can create business value by contributing to society and the environment.

Efficiency improvement approach

To improve the carbon efficiency of freight operations and facilities, the Deutsche Post DHL Group reduces the energy and fuel consumption of their operations („burn less“) and taps additional emissions-reduction potential through alternative energy solutions („burn clean“).



¹Currently not possible. Participation in relevant Initiatives (aireg e. V.)

²Daylight and rainwater harvesting

efficiency by 30 percent compared to the base year of 2007 four years ahead of schedule, in 2016. This was achieved by a wide range of optimization measures for the vehicle fleet, buildings and the design of logistical networks. "I also see great opportunities for DHL Freight with regards to GoGreen – for example the pollution burden in inner cities. The first few cities have already imposed bans on old trucks, and more have been announced. Our customers are also increasingly asking us about this issue – because only those who are prepared will be able to supply them in the future", says Uwe Brinks, CEO DHL Freight. GoGreen provides management and employees with a set of tools and technologies to save fuel and energy, thus avoiding unnecessary costs. This is where LED lighting in the transshipment halls is a good example.

DHL Freight has created its own work program for GoGreen, which contains specific measures to achieve the set goals. "These include eco-fuel with a high proportion of renewables, which we already primarily use in Sweden, as well as tests for LNG as a substitute for diesel. We are

also continuously working to improve the aerodynamics of our vehicles," points out Christoph Schönwandt, Head of GoGreen, DHL Freight. "In the future, we will give our customers even more opportunities to consciously opt for green solutions by expanding our existing offer."

JÜRGEN ESCHMEIER

Additional

Press release
Deutsche Post DHL Group



Corporate Responsibility Fact Book



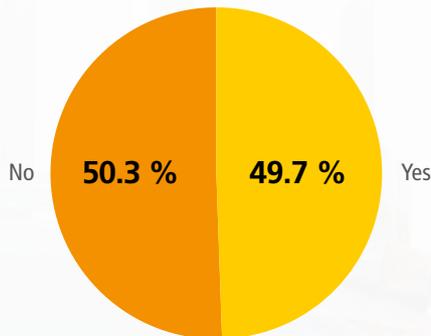
DECIDEDLY UNDECIDED

Results of the Freight Connections survey on the effects of banning diesel engines in cities.

The topic of diesel engine bans is becoming more and more explosive. A growing number of cities want to be emissions-free, and plan to ban diesel-powered vehicles from city centres. For this reason, we wanted to ask you: Have diesel engine restrictions in cities had an impact on your economic existence? The results are in: a clear draw.



YOUR OPINION



Have diesel engine restrictions in cities had an impact on your economic existence?

EURAPID

PRIORITY LANE FOR ROAD FREIGHT

DHL Freight expanding premium service.

From Barcelona to Duisburg, from Warsaw to Bari, from Hamburg to Turin – daily, with fixed delivery times and same-day pick-up? No problem. From now on, DHL Freight provides the Eurapid premium service for 105 regions in 22 European countries. The cargo service for shipments weighing up to 2.5 tons is possible within 24 hours for distances up to 1,000 km and within 48 hours for distances up to 2,000 km. The priority status of shipments ensures fast and precise day-definite delivery for all major European economic regions. Pre12 delivery is available at selected locations as an additional service, and same-day pick-up of the shipment is also possible. “We seamlessly connect all important European markets and provide the highest possible quality, speed and reliability through our services”, explains Uwe Brinks, CEO of DHL Freight. “Ever more customers, for example from the technology, textile and fashion industries, demand higher frequencies and reliable processing. With the new offer from DHL Freight Eurapid, we are able to meet these requirements.”

Priority services included

Freight Eurapid gives customers many advantages: daily connections, mandatory transit times, same-day

pick-up and optional Pre12 delivery at the destination. Furthermore, the priority service also includes preferential shipment handling during the entire transport procedure – from booking to boarding and delivery. With priority booking, customers can take advantage of flexible, digital order management with all the required pricing information. After the dedicated booking by DHL, customers receive a confirmation in order to avoid any delays due to incorrect or incomplete shipping information.

All shipping processes are accompanied by a high-skilled and dedicated customer service team that works exclusively for Freight Eurapid. The cargo is loaded and unloaded quickly and carefully, and customers are also given standardized reports on the respective delivery times.

The DHL Freight Eurapid service is built on the backbone of the Freight Euroconnect network: With more than 2,000 international lines across Europe, the network stands for a seamless and cost-efficient door-to-door service. →

DHL FREIGHT EURAPID REDEFINING RELIABILITY AND SPEED WITHIN ROAD FREIGHT (LTL) BUSINESS

DUISBURG



BARCELONA



SERVICE ADVANTAGES



PRIORITY BOOKING



PRIORITY BOARDING



PRIORITY HANDLING



PRIORITY DELIVERY



PRIORITY SERVICE



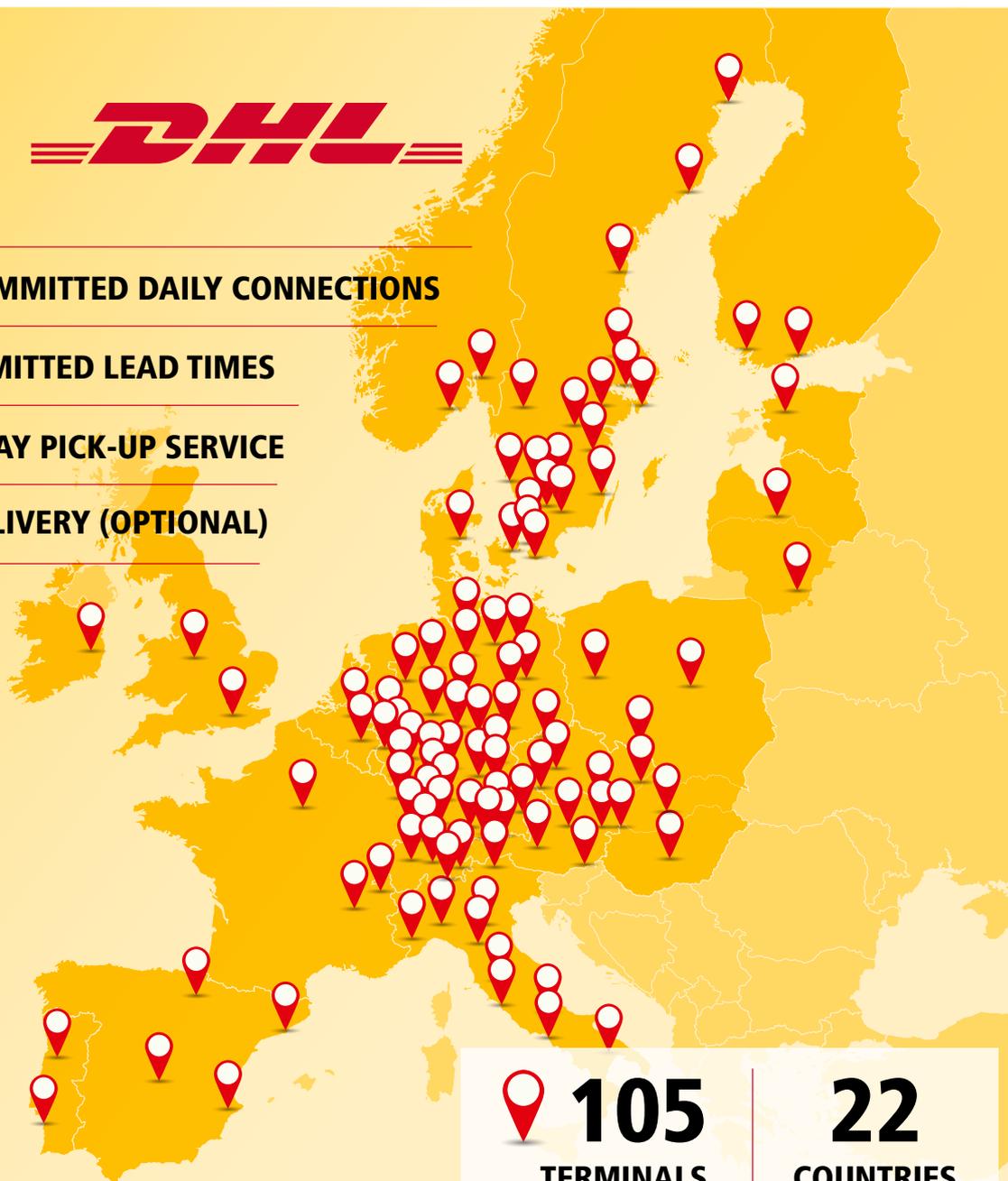


COMMITTED DAILY CONNECTIONS

COMMITTED LEAD TIMES

SAME-DAY PICK-UP SERVICE

PRE-12 DELIVERY (OPTIONAL)



 **105**
TERMINALS

22
COUNTRIES

DUISBURG



"THANK YOU"



EUROPEAN NETWORK

THE QUICK WAY ACROSS THE ALPS

Daily with DHL to Switzerland and Italy.

Transporting cargo in 48 hours from Germany to Switzerland or to Northern and Central Italy, and in 72 hours even all the way to Southern Italy – just a normal day for DHL Freight. The logistics specialist handles the shipment of goods on the routes headed to the Alps and on to the Mediterranean punctually and reliably. Running times are available every day, because all destination regions of both countries are serviced daily from Germany. “For customers with cargo destinations in Italy and Switzerland, it’s worth taking a look at our extended services,” states Bernhard Wirth, DHL Freight Germany CEO. “They benefit from small consignments or partial and full loads directly from the upgraded logistics connections to these countries.”

Destination Italy

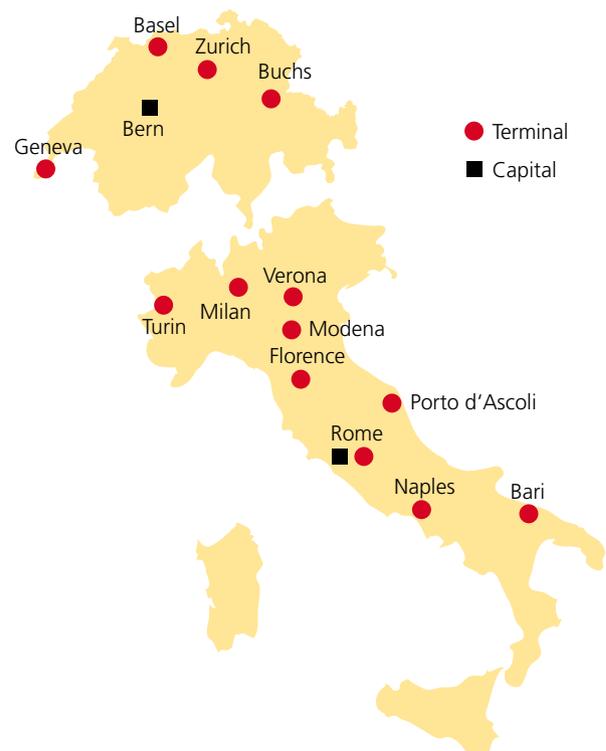
Customers can place orders for complete solutions on all shipment sizes bound for major business centers. In addition, DHL Freight has a private, comprehensively integrated network with nine locations from Milan in the north to Bari in the south. The offerings range from cargo shipments (DHL EuroConnect) to flexible solutions for direct shipments (DHL EuroLine). All Services are based on experience: The logistics expert is not a newcomer between the Alps and the Ionian Sea – having been present there since 1908.

Destination Switzerland

DHL can also look back on many years of transportation experience in this alpine country and is able to use this knowledge for efficient alpine traffic. A 24-hour service

is also available on request in addition to the obligatory 48-hour service for loads. The network of locations includes four permanent establishments, permitting logistics solutions for all shipment sizes. The portfolio on

Permanent establishments DHL Freight in Switzerland and Italy





offer includes three main services: Cargo shipments (DHL EuroConnect), direct shipments (DHL EuroLine), as well as premium services (DHL Eurapid).

Additional services for individual requirements

The DHL Freight-performance bandwidth and the excellent country-specific know-how make possible a wide range of services. These range from proofs of delivery to transport insurance, all the way to things such as customs clearance. The DHL professionals are also skilled in import, export, and transit formalities. For example, DHL is Switzerland's largest 3rd-party payer of duties. About 15 percent of the total Swiss import/export volume is cleared by DHL.

Additionally, customers can book special services: These include hazardous goods shipments, customized reports, or CO₂ measurement and the CO₂ footprint of the respective

transport. Because DHL aims to not only play a leading role as a company, but also in green logistics. It also provides targeted support for customers while achieving its climate goals.

JÜRGEN ESCHMEIER

Ensure attractive bonuses now

Take advantage of the fast daily shipping connections to Italy and Switzerland and earn points for selected bonuses. Find out more: Just click on the link below, request offer and click on **Ensure thank you**.



 DATA TRANSFER - EASY AND RELIABLE

ELECTRONIC POWER FOR BETTER BUSINESS

DHL relies on customer-oriented customizations of technologies such as electronic data interchange (EDI) for the best connections on the road. Lessons learned from new projects quickly benefit all customers.

More efficiency and speed, lower costs and fewer errors – the benefits of electronic data interchange (EDI) are wide-ranging. EDI lends itself well when the focus is on faster processing of invoices, shorter delivery times, error-free transport orders, or relieving employees of routine tasks. Because the exchange of information is then handled without any manual intervention. Higher processing speeds are possible and transmission errors caused by the human factor no longer occur. Since EDI uses structured data formats according to international standards, the technology is also suitable for cross-border business connections – ideal for logistics.

Practical approach through expertise

DHL has wide-ranging expertise on the implementation of EDI. It is also continuously developed by current projects. Fields of application include connecting suppliers to production facilities as well as freight from companies to consumers or even goods movements between company locations. All transport services can be digitally processed using various EDI standard formats. The range of EDI messages includes:

- electronic order bookings,
- transmission of the shipment status,
- accounting and auditing
- as well as information on customs clearance.

The teams at DHL Freight have the expertise needed to adapt the EDI standards to obtain customized solutions for customers. If for example the freight volumes of certain customer locations aren't enough to economically implement EDI there, the use of a web solution for data interchange is possible, for example for booking process

What are SOPs (Standard Operating Procedures)?

SOPs are understandable documentation. They precisely describe agreed upon processes. This not only includes the procedures, but also the presentation and examination of the results. SOPs play a major role in critical production areas such as the pharmaceutical or aviation sectors. They help to assess the quality of processes and are also an aspect that plays a role in admission procedures. At DHL Freight for example, there is an SOP for the implementation of new customer solutions. It includes:

- the phases of the project according to a proven project management methodology,
- standards and templates for documentation,
- expertise, which helps in the development of solutions,
- access to standard applications and solutions for similar transactions and tasks.



Cooperation ensures standards

Integrated projects can range from automated booking, to transparent transport processes, to invoicing. In addition, they often develop standards that are particularly well-tailored for customers. To make all of this a reality, cross-team cooperation and close contact with the customer is important. "The key to good business is the close cooperation of everyone involved," explains Gio Theunissen, Vice President of Engineering & Manufacturing, Aerospace at DHL Freight. In an exemplary project, the DHL customer implementation team monitored the analysis and development of appropriate solutions as well as their installation according to the customer's infrastructure. Together with the staff from the Control Tower, a center for DHL Information Services and large customer support, the team then relied on reporting that was precisely tailored to the customer. Then the Control Tower team takes over

the monitoring of everyday business. "Such a complex project provides us with blueprints for standard processes with which similar tasks can be easily developed for other customers," Theunissen says. "With coordinated standard operating processes (SOP), all colleagues who are involved with the implementation of customer needs benefit from the lessons learned. This applies to project management and to the customer-specific adaptation of existing solutions as well as to the design of smooth cooperation."

JÜRGEN ESCHMEIER

Additional

DHL Standard-EDI



UPDATE ON DHL FREIGHT NETWORK

Network Improvements



UPDATES	ROUTE	DESCRIPTION
New direct connection	Germany to Slovenia and Croatia	A new daily line from Heilbronn to Zagreb with a stop-over in Ljubjana has been installed to offer now a 48h/72h e2e service to main industrial areas in Slovenia and Croatia.
Service improvement	Belgium to Central- and Southeast Europe	With the implementation of a high-frequent HUB connections from Opglabbeek in Belgium to Vienna in Austria we can offer now a more systemized and cost efficient traffic with a competitive 48h e2e service to Austria, 72h service to surrounding countries like Slovakia, Hungary, Slovenia and 72h-96h service to Southeast Europe.
Service improvement	Germany to Italy and v.v.	In the course of their sales campaign the network connections between Germany and Italy have been re-designed to allow now for a reliable 48h e2e service between the main industrial areas of both countries.
Service improvement	Germany to Prague	Northern- and Eastern Germany are now connected with a 24h e2e service to Prague's industrial area after the recent arrival gateway change from Decin (Teplice) in Northern Czech Republic to Prague.
New direct connection	Torino to France	A new daily connection from Torino to Paris has been installed to close the competitiveness gap and allow for a 48h service door-to-door from north-west Italy to now all main industrial areas in France.
Service improvement	France to West Germany	Daily round-trip between Duisburg and Paris is going to be centralized and re-designed to ensure a more cost efficient production and faster service from France to Western Germany.
New direct connection	Germany to Serbia and v.v.	A direct line between Germany and Serbia has been installed to allow for a more competitive and reliable service between both countries.
Service improvement	Sweden to Norway and v.v.	Network setup between Sweden and Norway with Gateways in Gothenburg and Oslo has been optimized to ensure a faster lead time and more reliable service for our customers. (48h door-to-door between all main industrial areas.)

Lead time information can be obtained via the DHL Freight LeadTime Calculator.

SIGNIFICANT GAINS IN MARCH

New Heavy Truck Registration within the European market

During the first quarter of 2017, the numbers of new heavy goods vehicles (HGV) in Europe grew by 4.8 %, compared with the relevant timeframe 2016. The biggest boosts to the market were:

- Italy (+44 %)
- France (+6 %)
- Germany (+ 5 %)

In March, the statistics registered not only the highest value during the last twelve month. It could also be noted that the downward trend concerning registration numbers of new HGVs, which declined steadily since October 2016, has been halted. Comparing just the values of March 2017 with the values of March 2016, new HGV registrations in the EU were up by 6.2 per cent, lead by the markets of:

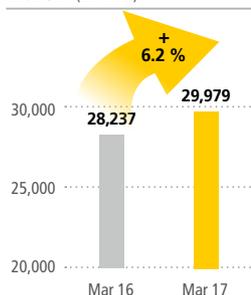
- Italy (+ 60 %)
- Portugal (+ 35 %)
- Austria (+ 19 %)

On the other hand, there were also some worst cases:

- Czech Republic (- 19 %)
- United Kingdom (- 12 %)
- The Netherlands (- 13 %)

NEW HEAVY TRUCK REGISTRATIONS*

March (EU-wide)



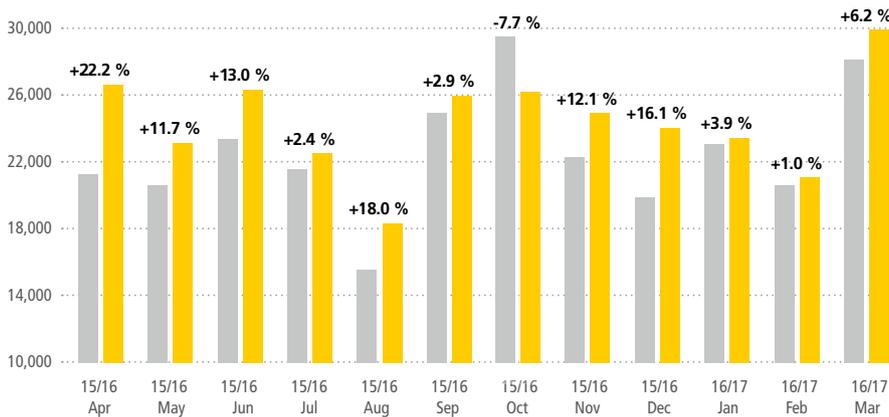
Jan till Mar 2017

		vs. LY
EU	75,329	+4.8 %
Germany	16,826	+4.9 %
France	10,672	+5.7 %
UK	8,322	+0.6 %
Poland	5,805	-1.2 %
Spain	4,842	+2.0 %
Italy	5,235	+43.9 %

Source: European Automobile Manufacturers Association (ACEA), May 2017

* 16 tons +

NEW HEAVY TRUCK REGISTRATIONS OVER A PERIOD OF ONE YEAR (16 tons +, EU-wide)



Source: European Automobile Manufacturers Association (ACEA), May 2017

■ From April 2015 to March 2016
 ■ From April 2016 to March 2017



Compared to the beginning of last year, the European transport market made a strong start in 2017, as current figures from the TimoCom transport barometer leave in no doubt. In the first quarter, the freight share was 43:57 in relation to unoccupied capacity. All in all, even the classic February drop in freight rates did not throw the transport market off course.

- In January, the freight share was 44 percent, and thus a mere 7 percent lower than during the strong Christmas month of December.
- In February, the freight share dropped somewhat, as expected. In the middle of the quarter, for example, the freight share was at 39 percent compared to 61 percent unoccupied capacity.
- In March, the transport barometer rose by 8 percent to a freight share of 47 percent. This made it the strongest month of the first quarter.

Spring freight in sight

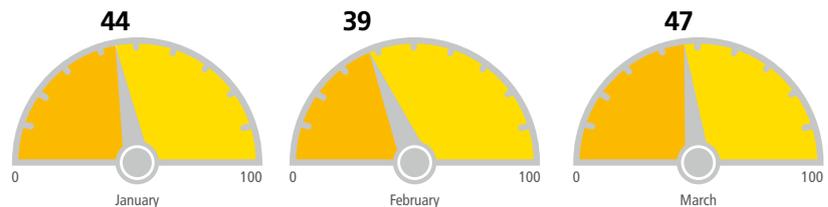
Looking ahead, Gunnar Gburek, TimoCom Company Spokesman explains: "So far, we have not experienced any fallout from economic and political uncertainties. It will be exciting to see the eventual impact on the development of Europe's transport sector." Despite these uncertainties, TimoCom's experts are assuming that in April, May and June, the transport platform will experience its traditional increase in freight orders at this time of year. As a result, freight would once again exceed unoccupied capacity on the market.

FULL STEAM AHEAD

Transport Barometer

CURRENTLY FREIGHT CAPACITY UTILISATION

Share of freight* (in %)



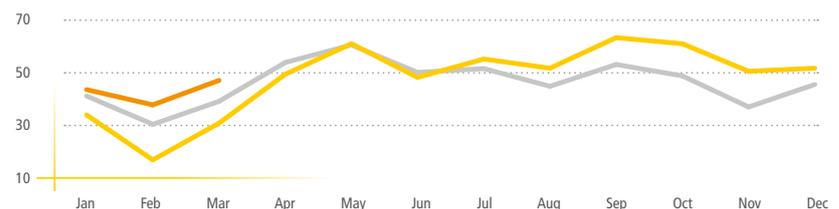
■ Freight ■ Storage space

*Share of freight capacities compared to all capacities traded at the transport platform TimoCom (the sum of freight and vehicle capacity)

Source: TimoCom Transportbarometer: www.portatio.com/Transportbarometer, April 2017

YEARLY COMPARISON OF FREIGHT CAPACITY UTILISATION

Share of freight* (in %)



■ 2015 ■ 2016 ■ 2017

*Share of freight capacities compared to all capacities traded at the transport platform TimoCom (the sum of freight and vehicle capacity)

Source: Transport barometer app, <http://www.timocom.co.uk/TimoCom/TimoCom-mobile>, April 2017

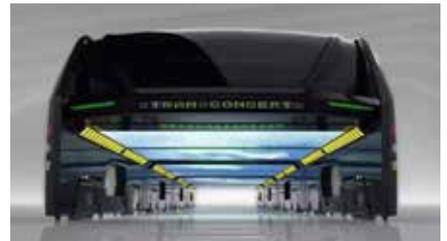
VIDEO OF THE MONTH

SPOILER: A LOOK AT THE FUTURE

Future Trucks and Busses

What is that, a submarine, an UFO? No, it is a revolutionary concept for a future truck or bus. Watch eight fascinating examples of what kind of vehicles could pass you by on the other side of the road in only a few years time.

See for yourself:



See video

A QR code linking to the video content.

REDUCED DOWNWARD MARGIN

Comment by Eugen Weinberg,
Head of Commodity Analysis
at Commerzbank.



Oil prices were unable to maintain the high level they presented at the beginning of the year, of well above USD 50 per barrel. Accordingly, diesel prices are also most ten percent lower than those quoted during the winter. Finally, USD 50 per barrel is considered as the profit

threshold for the US shale oil sector, which has established itself as a marginal producer on the market. It ultimately reacts to the prices by means of volume expansion or reduction and thus also determines the price level.

OPEC Influence

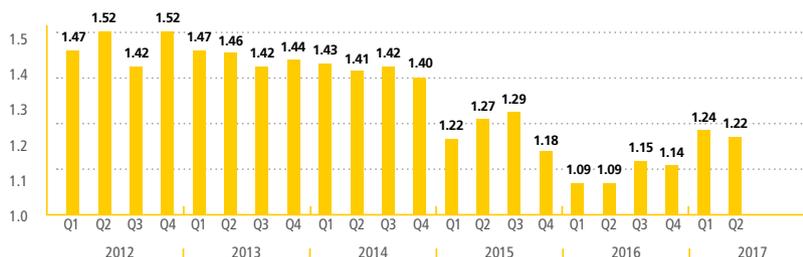
Thus, OPEC can only marginally influence prices via “its volume-based control”. Nonetheless, together with other important producer countries, it has succeeded in boosting prices since its twelve-year low in early 2016, by announcing a supply shortage. And in fact, supply in the current year is likely to lag behind demand and the overflowing stocks will be reduced.

How will the second half of the year develop?

However, the currently prevailing discipline in the implementation of the agreement is unlikely to last for long. To contain the progressive loss of market shares, the supply of oil will probably (mostly secretly) be increased once again during the second half of the year. Therefore, crude oil prices should ease during the second half of the year. However, diesel prices are unlikely to reflect this price slump due to increasing processing margins. Following a rather weak previous year, the demand for diesel is currently on the rise. This is also due to the favorable economic situation on the European market. And even if diesel-based drive technology is currently on trial – due to the exhaust scandal, the high level of fine dust pollution and looming driving bans in the inner-city areas – reducing the share of diesel vehicles in newly registered cars in Europe to below 50 percent, this effect is expected to reduce the demand for diesel fuel only slightly. Consequently, the price will escape crude oil’s slight downward trend and at the end of the year will even quote slightly higher than currently, due to seasonal factors.

FUEL PRICES – DIESEL 2012 THROUGH 2017

Prices quoted per litre (in EUR)



As of 29. May 2017: 1.20 Euro

Source: Eurostat, Weekly Oil Bulletin, June 2017

CARTOON



A WIDE CHOICE

DHL Freight Services



DHL Freight facts and figures

The DHL Freight comprehensive overland transportation service comprises **208 road terminals** in more than **40 countries**. This way, the company transports **43 million shipments** a year, comprising **44 million tons of freight**.

Try by yourself!



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