

Freight Connections



THE CUSTOMER MAGAZINE OF DHL FREIGHT

LOADING TIMES
A snag at the ramp

FIXED DELIVERY DAY
Reliable option

TREND RADAR
Futures of logistics

REAL-TIME TRACKING

CONNECTED SUPPLY CHAIN

DHL Freight significantly expanded its
Partnership with BMW Group



ISSUE 3/2018

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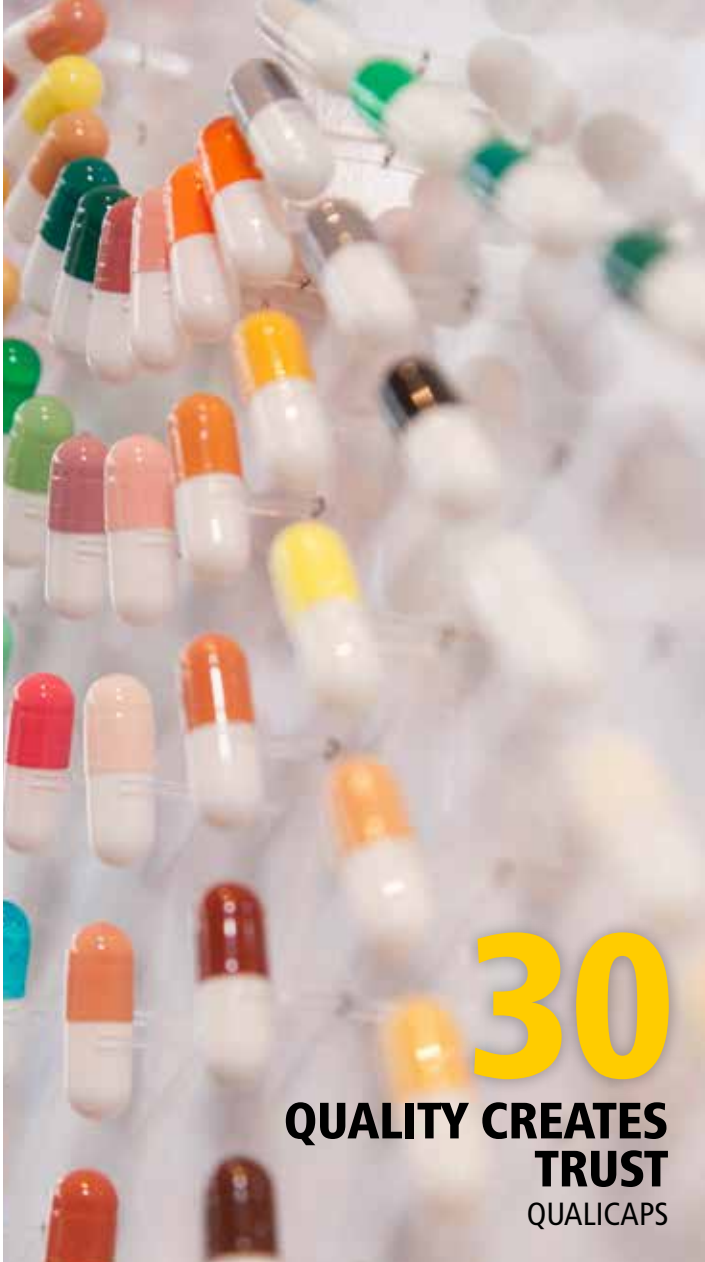
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IMPRESSUM

Freight Connections is a quarterly publication for DHL Freight customers globally. It is intended to provide key updates and developments within our organization, and highlight new, unique and innovative tools and services to benefit our valued customers. ■ **Publisher:** DHL Freight Germany Holding GmbH, P.O. Box 20 03 62, D-53133 Bonn ■ **Responsible for the contents according to § 55 Abs. 2 RStV:** Martin Leopold, Chief Sales Officer, Godesberger Allee 102-104, D-53175 Bonn ■ **Editorial Board:** Martin Leopold, Antje Huber, Torsten Arnold ■ **Board of Management:** Uwe Brinks, Antje Huber, Janina Spiegelburg, Thomas Vogel ■ **E-Mail address:**

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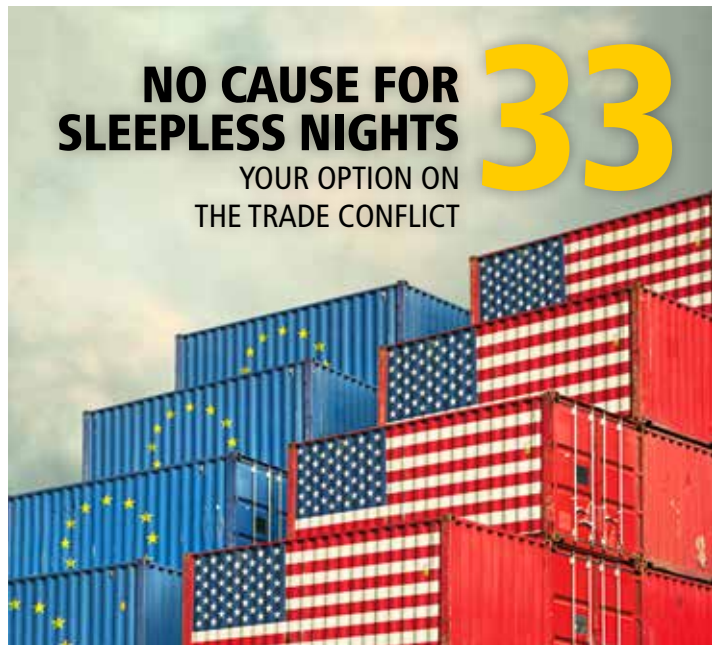
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QUALITY CREATES TRUST
QUALICAPS

NO CAUSE FOR SLEEPLESS NIGHTS

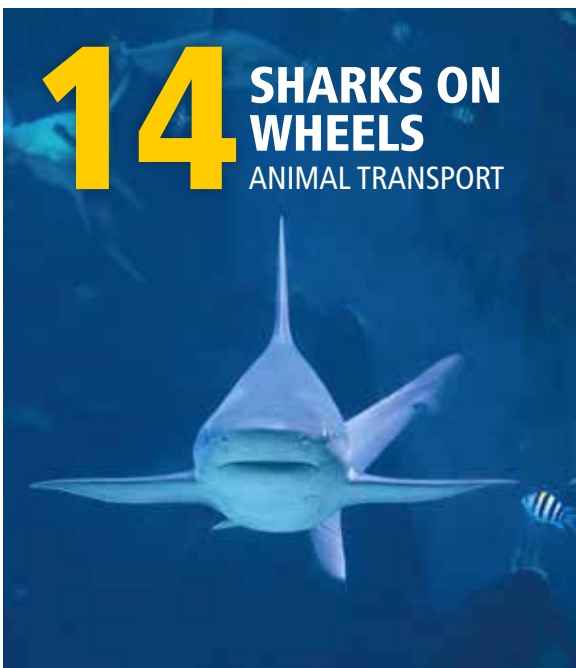
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GAMING TOTAL
LOGISTICS FOR ESPORTS





CEO UWE BRINKS

WE LEAD THE WAY!

DHL is anticipating future developments and is constantly adapting its products and also its infrastructure to meet upcoming challenges. And these are huge, from changing demands within the supply chains up to political regulations.

Logisticians must be able to look into the future. Why? Because we are not only among the first to notice alterations in production processes, storekeeping habits or product cycles, but also need to be the fastest to act on these changes. For us, this means to permanently rethink

our service offerings and provide future solutions at the earliest possible time. The start of DHL Freight Eurapid one year ago is a visible sign of these reflections, as well as the now introduced Fixed Delivery Day option (page 20). This option has been tailored to our strategy and gives you as

our customers the freedom of decision: You decide at what point in time you receive your delivery. As fast as possible, but not sooner than requested. So that our customers do not need to find additional storage capacity. Through this fine tuning we get one step nearer to our goal of being the undisputed leader in the market of overland transportation – in line with our strategy FREIGHT 2020.

INFRASTRUCTURE EXPANSION

Besides service offerings in line with the market demand it is just as important to provide a corresponding infrastructure. Specifically, that means to steadily improve our network where necessary, Bremen being one example, and also building new branch offices (page 21). In Hanover we will maintain our own test facility when the Terminal of the future will be ready to start operations (page 11). In Vienna, we will merge our currently distributed facilities at the future DHL Airport Campus, which at the same time will be a prime example of inter-divisional cooperation: Under one roof DHL unites road-, air- and sea freight and thus enables interchanges with lightning speed between the different types of transportation. And with the commissioning of our warehouse in Manisa (page 17) we strengthen our connections to the economically strong areas in Asia Minor. As you see, we are always on the move.

RECRUITING DRIVERS OURSELVES

Considerably less movement on the other hand is visible on the job market for truck drivers. There is a vast skills shortage in this important segment. And while digital technologies like autonomous driving or truck platooning might be of help one day, we need more people behind the steering wheels right now. With a set of measures we

want to contribute to make the job more attractive as a whole. Besides that, we will intensify our own recruiting efforts to be more independent from market fluctuations. In this regard, politics for sure should be asked to further engage, because without any drivers not only trucks will be at a standstill, but the economy as a whole.

DIFFICULT POLITICAL GUIDELINES

Whereby an observer might get the impression that the legislators are virtually working towards such a standstill. As the bickering about the mobility package in Brussels and the steady enlargement of toll obligations are neither conducive to an attractive professional environment, nor to facilitate a better functioning market. Notably the accumulating delay of unitary provisions about the drivers social situation are leading towards a distortion of the competitive environment. The expansion of the toll collection in Germany and the generally European trend towards rising toll fees leaves carriers like us no alternative option but to factor in the rising costs when calculating freight rates. This artificial price increase in logistics can hardly be desired, particularly with regard to the insecurities contained in the economic forecasts. But, and that has to be said, we are still living in one of the most superbly interconnected economic areas of the planet. This is clearly shown by the Logistics Performance Index of the World Bank, which lists eight European states among the ten best logistics nations across the globe. And Germany is in the lead. For us, this is mandate enough also to drive up to the top of logistics companies for you – and we are well underway!

Warmly,

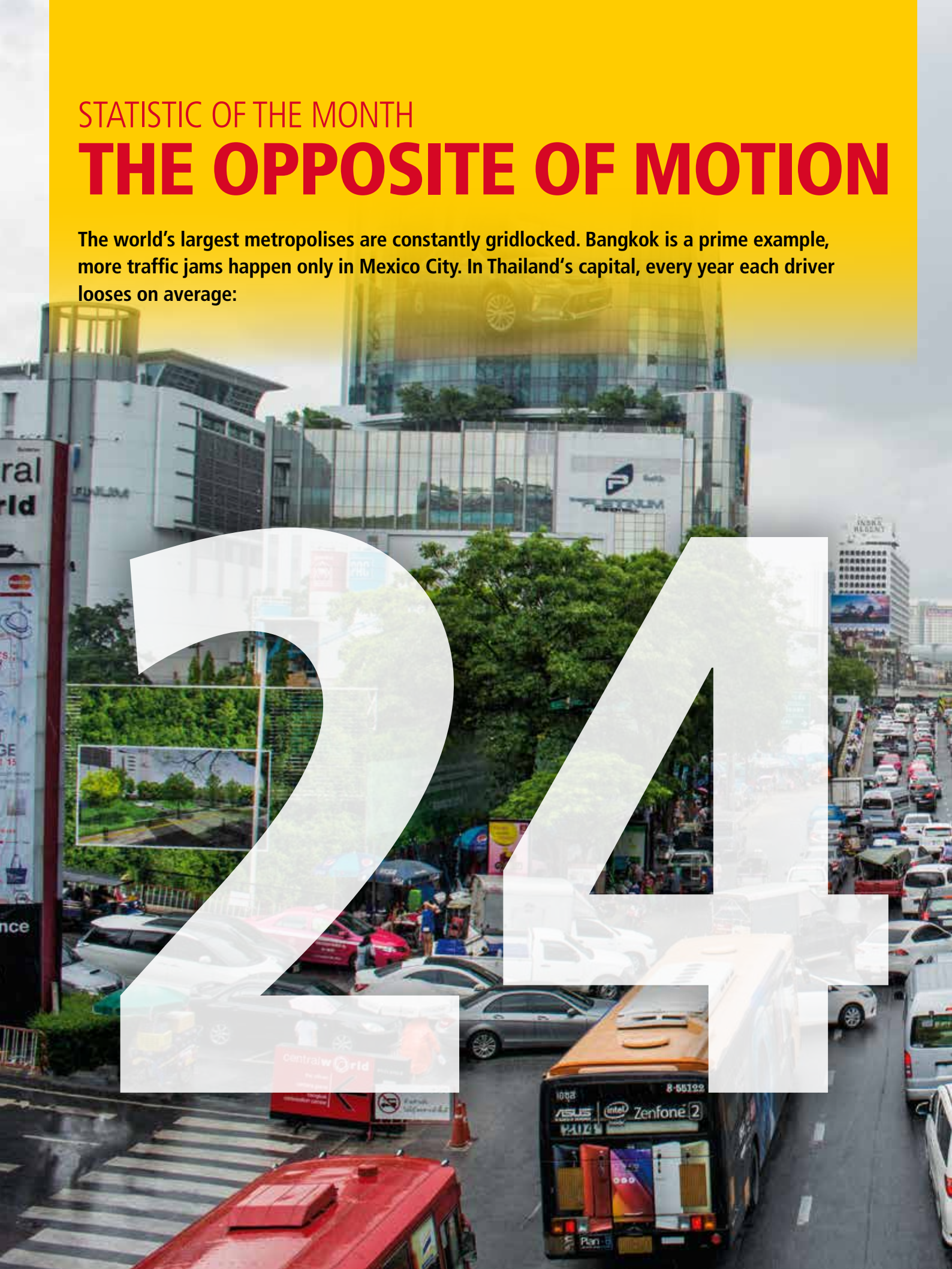
Uwe Brinks, Chief Executive Officer (CEO) DHL Freight

STATISTIC OF THE MONTH

THE OPPOSITE OF MOTION

The world's largest metropolises are constantly gridlocked. Bangkok is a prime example, more traffic jams happen only in Mexico City. In Thailand's capital, every year each driver loses on average:

24





4

Hours.

Source: TomTom Traffic Index

LOADING TIMES

A SNAG AT THE RAMP

The processes on Germany's loading ramps aren't entirely trouble-free: Delays, ambiguous responsibilities, and a lack of information flow are the most important keywords here. This is confirmed by a new report from the Federal Office for Freight Traffic (BAG), for which 778 drivers and 87 terminal operators were interviewed. Their assessments were quite different. Thus, almost half of the surveyed drivers said that the waiting times at the loading ramps were extended in recent years, with only 15.4 percent seeing a reduction. In contrast, 43 percent of the surveyed terminal operators report shorter waiting times. Mathias

Waiting in line and unclear responsibilities: Germany's loading ramps do not always run smoothly. This is currently reported by the Federal Office for Freight Traffic.

Plötner, International Freight Traffic Manager, DHL Freight, views the problem as being at the unloading ramp in particular. "Especially with large receivers such as central warehouses, time windows must be booked through various platforms, which has multiplied the administrative effort in the past few years." It would always come back to downtime, which in turn leads to delays in the next slot.

INFORMATION IS MISSING

The overwhelming majority of respondents demanded an increasing degree of utilization of notification and truck retrieval systems in order to improve information



management. Around 60 percent of both drivers and terminal operators reported that information about the estimated time of arrival of vehicles was rarely or never available. Only a minority of them reported receiving binding information about the waiting time at the ramp, 71.2 percent of the drivers said. Nearly two thirds of the terminal operators confirmed this. "The time that is now required for unloading is in part incomprehensible from our point of view," says Mathias Plötner. Improvement measures have only limited feasibility, since the DHL contracting parties are mostly senders and not recipients. "Nevertheless, we always try proactively to get in touch with the local contact person in order to work out possible solutions. This succeeds sometimes more and sometimes less."

WHO UNLOADS, WHO DECIDES?

There is a lot of confusion at the ramp about who has to unload the cargo. Both drivers and terminal operators put their hands on it, although in their opinion, according to the contract, they were not responsible. For example, two-thirds of drivers and one-third of terminal operators

state that they do not always know whether their assistance in unloading is contractually regulated or not. More than 90 percent of all surveyed drivers reported that they had to unload their vehicle more or less often themselves. 40.2 percent of the terminal operators respond that drivers at their ramps would never have to unload themselves. The operator usually determines in the event of unclear responsibilities. In a quarter of cases this is decided by the drivers' employers and in around 15 percent of cases by the drivers themselves. Language barriers between terminal operators and drivers can have a particularly negative impact on the workflow, according to the report. After all: The human relations are rated quite well. Almost 80 percent of the terminal operators and around 60 percent of the drivers described cooperation on the ramp as positive.

CHRISTINA GRUBER

ADDITIONAL

The entire 2018 BAG Special Report
"Improving processes on the ramp"
(German only)



LISTS OF THE BEST QUALITY OF ROADS

Road infrastructure – which countries lead the world?

Freshly paved motorway or bumpy dirt track? On a regular basis, the World Economic Forum analyzes the competitiveness of countries around the globe. Which countries are ranked on top with regards to the best road infrastructure – extent and condition? See our top-lists.

SONJA TERBRÜGGEN

ROAD INFRASTRUCTURE: HERE IT'S SMOOTH TRAVELING

Worldwide	Score*	Trend**
1. United Arab Emirates	6.4	
2. Singapore	6.3	
3. Switzerland	6.3	
4. Hong Kong SAR	6.2	
5. Netherlands	6.1	
6. Japan	6.1	
7. France	6.0	
8. Portugal	6.0	
9. Austria	6.0	
10. United States	5.7	
Europe-wide	Score*	Trend**
1. Switzerland	6.3	
2. Netherlands	6.1	
3. France	6.0	
4. Portugal	6.0	
5. Austria	6.0	
6. Denmark	5.5	
7. Germany	5.5	
8. Spain	5.5	
9. Sweden	5.5	
10. Croatia	5.5	

*Values ranging from 1 (worst) up to 7 (best). ** Scores of past years.
Source: World Economic Forum, Executive Opinion Survey 2017

TERMINAL OF THE FUTURE GROUNDBREAKING FOR NEW TECHNOLOGIES

DHL Freight is investing in the future: a modern transshipment facility will be built near Hanover on an area of 63,000 square meters by mid-2019 – an important reinforcement of the line network and a test area for the “Terminal of the Future.”



The groundbreaking ceremony that took place in late June has been the start of the construction of the newest and most technologically advanced DHL Freight Terminal on more than six acres of land. In the Airport Business Park Langenhagen, not far from Hanover Airport, an 8,300 square meter transshipment hall with more than 80 loading bays will go into operation in the summer of next year. 260 employees organize and consolidate freight for the Europe-wide all-in-one groupage service EuroConnect as well as the premium day-definite groupage service Eurapid.

TECHNOLOGY CARRIER

The new building in Hanover will serve as a test bed for innovative solutions and technologies of the “Terminal of the Future.” Among other things, a control center for the central collection of all shipment and operating information, intelligent forklift trucks with cameras and sensors for scanning goods, a solution for the automated volume measurement of freight items, as well as ring and glove scanners are used.

In the picture (from left): Bernhard Wirth, CEO DHL Freight Germany & Austria, Thomas Vogel, COO DHL Freight, Gero Schiffelmann, Member of the Management Board DHL Freight Germany and responsible for Euronet, Hartmut Köhler, Branch Manager Hanover, DHL Freight, Piotr Sikorski, Area Manager North, DHL Freight, Ulf-Birger Franz, Head of the Department of Economic Affairs, Transport and Education, Hanover Region, Mirko Heuer, Mayor of the City of Langenhagen.



The new location will be built according to the latest environmental standards. A photovoltaic system, heat exchange pumps, and LED lighting save energy and reduce CO₂ emissions during operation. The aim is to comply with the criteria for the gold certificate of the German Sustainable Building Council. At the same time, DHL Freight contributes to the Group-wide target of reducing all logistics-related emissions to zero by 2050.

“The new freight hub is an important investment in our existing European network with more than 200 terminals and reflects our FREIGHT 2020 corporate strategy,” said Thomas Vogel, COO DHL Freight, at the groundbreaking ceremony. “Here in Hanover – Langenhagen, we will offer sustainable, efficient and customer-oriented road freight and logistics solutions with the highest service quality, bringing us a good deal closer to our goal of becoming the undisputed market leader in overland transport services.”

SONJA TERBRÜGGEN

SPORTS

LOGISTICS FOR WINNERS

Vaulting poles, winners' podiums, plus jerseys and shoes for around 1,600 athletes: when the European Athletics Championships take place in Berlin this August, DHL employees will be in the thick of the action, ensuring gold-medal worthy logistics.

At a track & field event, there is a lot to transport, from bulky items such as vaulting poles, hurdles, and javelins to heavy discus and shot puts. In August, Europe's top athletes compete for the medals in Berlin's Olympic Stadium and other venues. Under the motto "Love, Peace and Freedom", organizers expect about 300,000 visitors on six days.

DHL Trade Fairs & Events (TFE), the specialists for fair and event logistics and part of DHL Freight, take care of the logistics for the European Championships as sole logistics partner. "We have a great deal of experience in handling sporting event logistics and were able to submit a winning bid to the organizing committee. Since being awarded the contract in April, preparations in our Berlin branch have been in full swing," says Vincenzo Scudato, Managing Director, DHL Trade Fairs & Events.

ON THE ROAD ACROSS BERLIN

In addition to the Olympic Stadium in the west of the city, events take place around Breitscheidplatz next to the Kaiser Wilhelm Memorial Church. The "European Mile" features an extensive cultural and entertainment program, medal ceremonies, and the start and finish of the road

races. Another event at this location gives DHL TFE specialists the heaviest single transport of the European Championship, namely a complete shot put ring measuring 240 cm across and weighing 970 kg. It has to be transported from the stadium to the heart of the city, where it will be used for the preliminary rounds. "As unusual as this might sound in terms of dimensions and weight, this is not a major problem. Nevertheless, it is a great thing for my employees to be present at the European Championships," says Patrick Thierling, Branch Manager Berlin at DHL TFE.

CENTRAL CONTROL

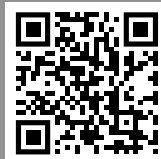
To ensure that everything runs smoothly, the logistics specialists have assigned a project manager and a deputy to the job since early May. The equipment of the participating teams and organizers is picked up by TFE at the airport or train station and then delivered directly to the respective competition venue, athlete's hotel, or a central warehouse offering more than 1,000 m² of storage space. Besides others this is where the 5.3 m long vaulting poles find their place. A special area for sensitive medical devices is also available.

STREETSCOOTERS IN ACTION

In addition to the equipment for the competitors, DHL delivers also the one for supervisors and judges. Moreover, DHL employees pack around 8,500 welcome bags with items provided by about 15 sponsors. These are for the athletes, VIPs, volunteers, judges, and accredited media representatives and will go directly from the central warehouse to the various event hotels. "As you can see, this involves so much more than just driving jerseys and shoes from point A to point B. We serve destinations throughout the city of Berlin with the required equipment. For this we use experienced employees and our most

ADDITIONAL

DHL Trade Fairs & Events



European Athletics Championships
Berlin 2018



LOGISTICS FOR THE EUROPEAN CHAMPIONSHIPS IN NUMBERS

- 1 central warehouse (more than 1,000 m²/10,764 sq. ft.)
- 3 forklifts
- 2 work platforms
- 6 pallet trucks
- 50 rolling containers
- 40 Euro pallets
- 160 moving boxes

modern materials," Patrick Thierling adds. Since almost all of the deliveries take place in the inner city, also StreetScooters are used as environmentally friendly, emissions-free transporters for the European Athletics Championships.

Even when the last national anthem has finally played by mid-August, the employees of DHL Trade Fairs & Events still have a lot of work to do. "Of course, after the event, we will also take care of the reverse transaction, transporting the equipment back to the teams and organizers," says Vincenzo Scudato. "After all, nobody should have to carry their vaulting pole through the airport terminal."

KAI ORTMANN



An underwater scene with a large shark swimming in the upper left and several smaller striped fish swimming in the center and right. The background is a deep blue gradient.

ANIMAL TRANSPORT

SHARKS ON WHEELS

DHL Freight often transports extraordinary freight, but living sharks were also new for the logistics experts. The spectacular passengers survived the 1,320 kilometer ride safe and sound.

How do fish get into the aquarium? It's straightforward for the ordinary hobby fish owner: buy them at the pet store and transport them in a bag filled with water. But if the animals in question are around 1.40 meters long and there are more than 1,000 kilometers of road and the Alps between the starting point and the destination tank, specialists are needed. Specialists such as Tamás Kapczár, Head of Temperature Controlled Operations DHL Freight Hungary, and his employees. The transport contract for the Tropicarium in Budapest was unusual even for the experts: two living sandbar sharks needed to be brought from the Sea Aquarium Antibes in France to the Hungarian capital.

TECHNICALLY CHALLENGING

Transportation of temperature-sensitive cargo is part of the everyday life for DHL Freight, but living sharks require

a lot of preparation and structural conversions. The basis for the shark transporter was a conventional refrigerated truck, in which two stainless steel tanks with a diameter of 230 centimeters and a height of 1.5 meters were installed. Added to this were technical units such as circulating pumps, skimmers, and oxygenators. To run them, it was necessary to install a mobile 220 V generator on a pallet and secure it inside the vehicle. In addition, an emergency power supply consisting of three truck batteries plus an inverter was assembled in case of possible power failure. An absolute emergency was also taken care of, as a few compressed air cylinders with oxygen were added to the truck. All the equipment was secured to the structural elements of the cargo hold by means of several Euro pallets and metal fixings. The partition wall to the cabin was reinforced with additional vertical steel bars – to



protect the drivers, because they finally had two water tanks with five tons each in the back.

LEGALLY FLAWLESS

There was also a lot to clarify on the legal side of things. The transport required a special permit from the Hungarian authorities. First of all, the entire truck had to be sterilized in order to obtain it. Additionally, without the acceptance of the entire structure by a veterinarian, the undertaking would literally have fallen into water. But that wasn't all: the company, vehicle, and drivers themselves still had to be registered in the European TRACES system. This database system is a web-based platform introduced by the European Union that monitors all animal movements within the EU, as well as to and from the EU. →

BONNIE AND CLYDE – TWO SANDBAR SHARKS

The two 1.5 year old animals belong to what's known as the requiem sharks. The largest and best-known representatives of this genus are tiger sharks, which can grow up to six meters in length. The much smaller sandbar sharks reach a maximum of 240 centimeters, are nocturnal, and live in the area of the continental shelf in depths of up to 280 meters. They occur mainly in the Mediterranean, but also on the coasts of North and Central America, as well as in the western Indian Ocean. The two new inhabitants of the Tropicarium in Budapest – one female and one male, respectively named Bonnie und Clyde – were born in captivity. In nature, the sandbar shark is now endangered by fishing and is on the red list of threatened species.



Cargo with teeth: Loaders place the two sharks (upper picture) very gently onto the specially prepared truck (lower picture).

ADDITIONAL

Tropicarium Budapest



Marineland Côte D'Azur, Antibes



After preparations in Hungary, the truck with two drivers drove to Antibes on the Côte d'Azur. Only there the tanks were filled with seawater and after final checks the two sharks loaded as well. That happened, in a conventional way, using a net and muscle power. So: catch the shark, pull it out of the water, and quickly walk to the tank. Three Tropicarium employees accompanied the special transport on the way to Budapest, checking the water quality and condition of the animals at each stop. The unusual transport covered the 1,320 kilometers in 24 hours. After several days of familiarization, the two animals, named Bonnie and Clyde, have now settled in the Hungarian capital. The expertise of DHL Freight Hungary has spread, as there are already new orders for shark transports from Slovakia to Hungary and Croatia.

JESSICA SCHOLL

NEW TERMINAL IN TURKEY AT THE EURASIAN JUNCTION



DHL Freight puts a warehouse in Manisa into commission. The facility near Izmir is not only situated in one of the top export regions of Turkey, but also conveniently near the ground transportation connections to China, South East Asia and the Middle East.

With the Manisa Organized Industrial Zone, founded 1970, one of the first big industrial development zones is situated in Manisa, 40 road kilometers north east of Izmir. Each year, the resident corporations export goods worth in excess of 3.5 billion Euros to more than 100 countries. Consequently, high quality logistics services are in constant demand and sufficient reason for DHL Freight to construct a new logistics warehouse. On July 5th, Uwe Brinks, CEO DHL Freight, ceremonially commissioned the terminal into service.

The complex in Manisa offers storage- and warehousing services as well as tailor-made value added services housed on 38,000 square meters to the customers of DHL Freight. Some 50 employees take care of orders; 10 of these jobs have been created from scratch.

STRATEGIC INVESTMENT

DHL Freight operates more than 200 terminals in 32 countries. The new facility in Manisa is part of DHL Freight's strategy FREIGHT 2020 to become the undisputed market and quality leader for road freight. "We're thrilled to be opening our brand-new warehouse in Manisa,"

declared Uwe Brinks, CEO DHL Freight. "We've chosen to make a significant investment in our own network here in order to meet our customers' growing needs and take advantage of Manisa's essential geographic location for logistics routes."

Uwe Brinks was accompanied at the opening ceremony by Hasan Kavci, Managing Director, DHL Freight Turkey, who emphasized the location's importance: "Manisa hosts Turkey's first logistics park and is home to some of the country's leading production and import/export companies. Our new warehouse provides a great opportunity to play a role in these global operations."

CONVENIENTLY SITUATED

The investment, ranged in the high single-digit million Euros, is also a response to increasing customer demand for transport services in Turkey – consequence of the prolonged economic growth. Notwithstanding the geopolitical situation, the country is becoming more and more of a trade hub between Europe and the emerging markets in the far east.

KIM LIESSFELD



Uwe Brinks, CEO DHL Freight (3rd fr. left), cutting the ribbon together with DHL Freight employees at the Manisa warehouse opening ceremony.

REAL-TIME TRACKING

A PANORAMIC VIEW ON BMW'S SUPPLY CHAIN

DHL Freight not only extended its partnership with BMW, but also expanded it significantly. A custom-made solution "Connected Supply Chain" will provide the car manufacturer with integrated transparency and control of all logistics processes in 17 European countries in the future.

Already for years DHL Freight has been responsible for road freight transports of the BMW Group within 17 European countries. As a result of a new tender, the contract has now been extended and expanded. DHL Freight will incur responsibility for a further seven regions and will provide additional services beyond that. The subject of real-time tracking was an important aspect in BMW's decision to prolongate the contract. The BMW system, is named "Connected Supply Chain" (CSC) and affords a comprehensive overview of all transportation activities to all relevant stakeholders.

EASY-TO-ACCESS OVERVIEW

One of the two core components of CSC is a central web portal in which aspects like order and status information are visible in a quick and easy manner to all parties involved. For identification purposes, all orders receive a single reference number from beginning to end. To keep the database up to date and quickly disseminate information, drivers will get the opportunity to access the system via mobile application designed specifically for

them. Development partner for the web portal is AXIT, a specialist in cloud-based IT solutions for managing cross-enterprise logistics processes.

CONTROL CENTER

The second important building block of the partnership is the DHL Freight control tower, which has the purpose of monitoring all the customers' streams of goods in Europe. All available data is aggregated here, which allows for an optimization of relevant processes during live operations. This is not only conducive to identify saving potentials or to monitor the performance of suppliers, but also to counteract possible hold-ups in best time.

"With BMW, we set out to create a solution specifically designed for their needs, one that would provide complete transparency throughout the supply chain, allowing the customer a consolidated overview of extremely complex processes. This has been achieved with Connected Supply Chain, a solution that gives BMW and their partners at DHL Freight the ability to manage potential issues and identify opportunities for further optimization", says Uwe Brinks, CEO of DHL Freight.

ADDITIONAL

BMW Group – official website



MILESTONE FOR FREIGHT 2020

With the two core components of the CSC-System, BMW obtains real-time access to all activities within its own supply chain. The new contract covers the management of about 90,000 shipments per month including



Digitalized and standardized processes along the entire supply chain offer full transparency and increased efficiency.

temperature-controlled shipping und dedicated transports. About the successful extension of the partnership with BMW, Uwe Brinks declares: "This achievement represents another step towards FREIGHT 2020, our strategy to become the provider of choice in overland transport by offering the best quality and reliability for the customers who depend on us."

MICHAEL WAYAND

CONNECTED SUPPLY CHAIN OF BMW

- Simple overview of complex processes.
- DHL's control tower identifies potential issues, rapidly informs stakeholders and provides support.
- Connects BMW's supply chain across 17 countries.
- For temperature-controlled shipments and dedicated transports.
- A centralized online portal and app for drivers provide stakeholders the information and management control they need – in real time.

FIXED DELIVERY DAY RELIABLE OPTION!

DHL Freight offers a new service on its EuroConnect network to provide customers with even more planning security and flexibility.

Delivery not only as fast as possible, but also on the desired date – this is now possible for road transports with DHL Freight EuroConnect, the standard product for palletized or unpalletized general cargo. The corresponding additional service can be selected by customers when booking, both online and on the phone. The goods will be picked up like normal at the production or storage facility and transported to the destination. But instead of being

productions. “With the new Fixed Delivery Day option, we are customizing transit and delivery times according to the needs of our customers. Timing is everything when it comes to planning and managing supply chains and production processes,” explains Uwe Brinks, CEO, DHL Freight. “In this way our customers receive their shipments exactly when needed.”

DHL FREIGHT EUROCONNECT

The DHL Freight EuroConnect network connects all major business centers in Europe with more than 2,000 daily scheduled services. The comprehensive service enables seamless traceability from pickup to delivery. This allows customers to flexibly and precisely plan their supply chains and production processes, as is necessary, for example, for just-in-sequence production.

delivered to the recipient immediately, upon request the freight will be held back in the DHL Freight network for up to five business days. This can happen at any point along the route, but always in a safe environment, i.e. a terminal. On the agreed date, the shipment will be delivered on time.

The advantage for the customers is a significant facilitation in the planning of their production processes and warehouse capacities. For example, there are no deliveries stored in the production halls that aren't needed until later in the production process. At the same time, this service offers the necessary reliability for just-in-sequence

The delivery day option is available throughout Europe and for shipments up to 2,500 kilograms. In Germany and Sweden, customers can also specify precise delivery timeframes for national shipments. Delivery is possible before 10:00 a.m. or before 12:00 p.m.

CLEAR COURSE

With this addition to DHL Freight EuroConnect, DHL Freight continues its quality oriented approach. “This addition to our product portfolio is one more part of our FREIGHT 2020 strategy, which aims at even better service quality for our customers,” says Uwe Brinks. A year ago already, the DHL Freight Eurapid premium service for the fastest possible general cargo transport in the logistics specialist's wide-spread European network has been relaunched.

JÜRGEN ESCHMEIER

ADDITIONAL

DHL Freight EuroConnect brochure
(German only)



BRANCH OFFICE BREMEN

HIGH-PERFORMANCE WAREHOUSE



In early 2019, DHL Freight will open a state-of-the-art storage facility in Bremen, offering its customers first-class warehouse logistics to guarantee fast and smooth handling as well as the complete range of standard services.

The GVZ, the massive cargo distribution center in Bremen, handles an impressive amount of freight. On the 472 hectare (1,166 acre) site in Bremen's Strom district around 150 companies have some 1.2 million square meters of indoor hall space at their disposal. And right in the heart of it is the Bremen branch office of DHL Freight. This general cargo facility has 48 gates and 4,000 m² (43,000 sq. ft.) of floor space. A new, ultra-modern warehouse is currently being built about 700 m (4/10 of a mile) away. Starting January 1, 2019, customers in the warehouse and contract logistics sector will be able to use the 10,000 m² (108,000 sq. ft.) high-bay warehouse as well as a block warehouse being built there.

FULL SERVICE FOR SUPPLY CHAIN

The new hall offers everything companies need to cope with the complex requirements for order fulfillment,

picking, and supply chain management. The facility comes with a fire alarm and sprinkler system, wireless data processes, a modern warehouse management system, and controlled environmental conditions including a constant temperature of 15°C (59°F). Other examples of the value-added services on offer in Bremen:

- Goods receiving
- Warehousing
- Picking
- Inspection/packaging
- Shipping
- After-sales service

The short distance to the general cargo terminal ensures a connection to DHL Freight's entire European transport network. Services such as the DHL Freight EuroConnect – Fixed Delivery Day option are only possible with closely integrated warehouses and terminals. But they can also offer significantly later cut-off times. The Bremen branch handles about 1,300 consignments a day, weighing about 300 tons (661,000 lbs.).

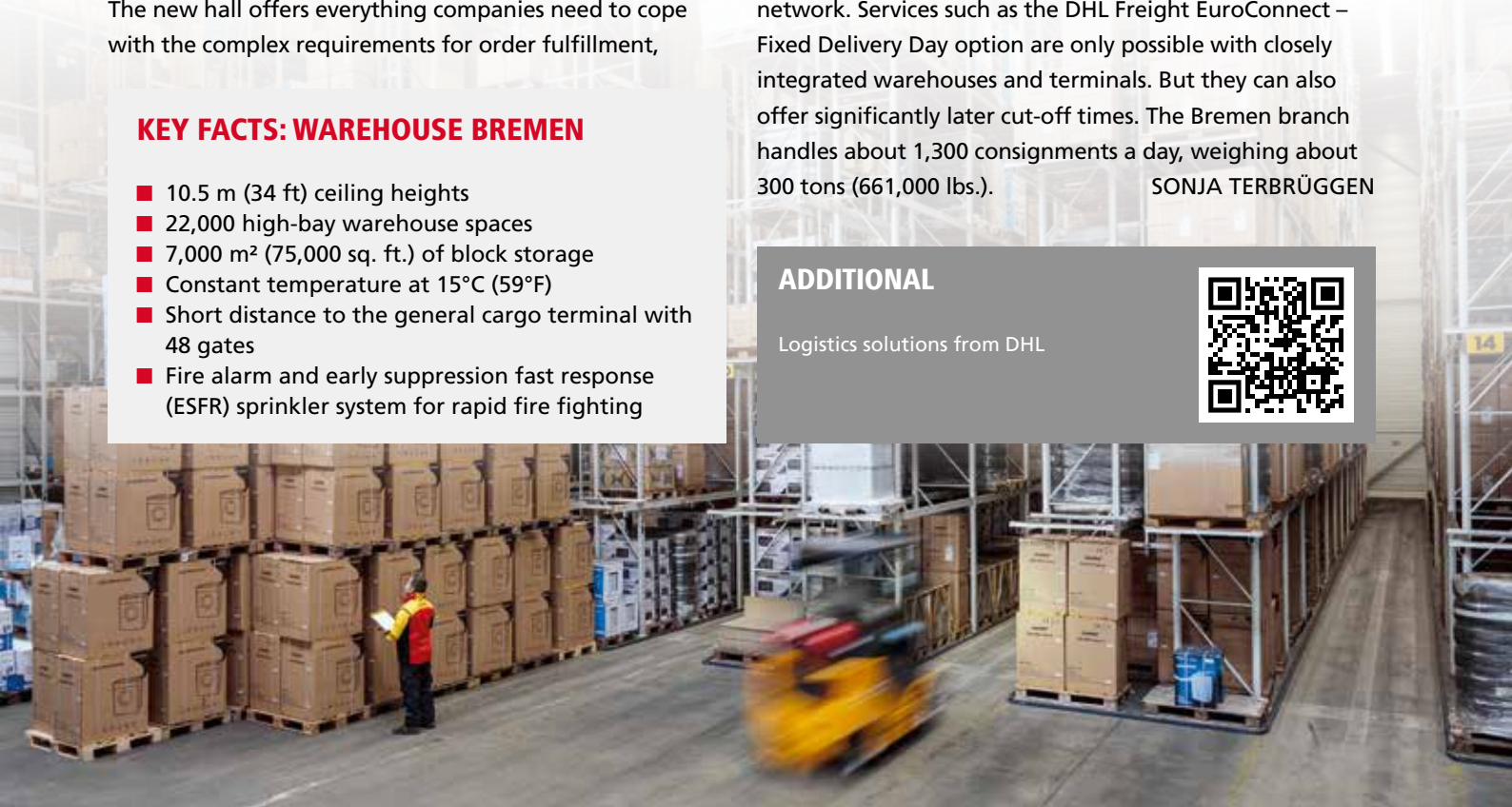
SONJA TERBRÜGGEN

KEY FACTS: WAREHOUSE BREMEN

- 10.5 m (34 ft) ceiling heights
- 22,000 high-bay warehouse spaces
- 7,000 m² (75,000 sq. ft.) of block storage
- Constant temperature at 15°C (59°F)
- Short distance to the general cargo terminal with 48 gates
- Fire alarm and early suppression fast response (ESFR) sprinkler system for rapid fire fighting

ADDITIONAL

Logistics solutions from DHL





ROCLA OY

OPERATIONAL EXCELLENCE

DHL Freight Finland is working systematically on improving its processes. Rocla Oy, an industrial company based in Järvenpää, also benefits from this.



ROCLA OY

Rocla Oy has been producing electric industrial trucks, forklifts, and self-propelled lift trucks in Järvenpää, Finland for 75 years. The production site 37 km (23 miles) north of Helsinki is home to the research, development, and production facilities of the only forklift truck manufacturer in the Scandinavian country. The company is a part of Mitsubishi Nichiyu Forklift Group of Japan. Further information: www.rocla.com

Since 2014, Rocla Oy, Finland's only manufacturer of forklift trucks and industrial trucks, has been working with DHL in logistics. It started with individual freight orders, then gradually shifted to more and more shipments from other competitors to DHL Freight Finland and finally to other

business areas of the logistics specialist. This has resulted in a very close and successful partnership. DHL Express is now responsible for parcel shipping and DHL Global Forwarding transports air and sea freight shipments for the Finnish manufacturer.

IDENTIFYING CUSTOMER NEEDS

To ensure that everything runs smoothly, creativity and flexibility are important, as is precise knowledge of the client's requirements. "We have to give customers exactly what they want and be fast at the same time," says Ben Angelvirta, Director of Sales & Marketing, DHL Freight Finland. "A strong partnership helps us to keep our focus on operational excellence and make the right decisions. We have to differentiate ourselves from our competitors."

IMPROVING SYSTEMS

To further improve the cooperation, Rocla Oy is now also participating in DHL Freight Finland's Top Customer Improvement Program. This uses Deutsche Post DHL Group's clearly structured First Choice methodology to identify additional optimization potential in ongoing

operations. As part of the process, existing bottlenecks are identified, possible negative effects measured, causes identified, and then improvements implemented. Their success is then checked as the last part of the schema designed according to Six Sigma and Lean management

methods. Rocla's management was delighted with DHL Freight Finland's approach to customer service. "Our client's Japanese management team has shown great interest in the First Choice and Lean methods," says Mia Jyrkänkallio, Account Manager, DHL Freight Finland. "These have demonstrably strengthened our business relationship." As a result, both partners are now proactively monitoring performance indicators such as turnaround times and efficient invoicing. Numerous other topics ranging from delivery performance to improving workplace health and safety are on the agenda for the future.

SUCCESSFUL IMPLEMENTATION

The Top Customer Improvement Program has already borne fruit at Rocla. New processes are reducing the cost of account maintenance and freeing up resources for the core business. "Our partnership with Rocla is advantageous for both parties. Together we are securing our future and achieving better results than either company would have achieved on its own," explains Ben Angelvirta, assessing the measures positively.

KIM LIESSFELD



ESPORTS-LOGISTICS

GAMING TOTAL

Scheduling a big sports event during an ongoing football world cup might seem a bit risky – but not when the event in question is about esports. Early in July the ESL One Series made it's planned appearance in Cologne and crammed the Lanxess-Arena up to the last seat. Also present: Sponsor and logistics partner DHL.

When split-seconds are a decisive factor with regard to winning or losing, 15,000 spectators watch the proceedings in a large arena as if under a spell, and the players are rooted to their seats regardless of their surroundings, than in all probability an esports tournament is in full swing. These video game championships are popular among digital natives and are registering a rapid increase in spectator numbers. 2018, an estimated 380 million fans will follow the different competitions. Early in July, the third tournament of the current season of the "ESL One Series" took the competitors in the discipline "Global Offensive (CS:GO)" to the sold out Cologne Lanxess Arena. ESL as the host is the world's largest organizer of esports tournaments

and leagues. The company arranges a large number of high profile international and national events, besides the ESL One for example the Intel® Extreme Masters or the ESL National Championships, as well as being rather active on the amateur levels.

A BIG EFFORT

Even if the competitions themselves take place in a virtual world, behind every tournament of the ESL One a considerable logistical effort is required. Since the beginning of the current season DHL as the official logistics partner is assuming responsibility for this task. And the numbers are impressive: More than 100 tons of materials have to be



transported to the venue in Cologne. Among other things this includes 300 big displays, 200 computer screens and 150 Maxnomic-Gaming-Chairs. While executing this duty DHL can rely on its decenniums of experience in event logistics. "Every event, every freight shipment and every location has its own individual demands and requirements to which the respective logistics must be precisely tailored," says Vincenzo Scudato, Managing Director, DHL Trade Fairs & Events. "All the logistics components need to fit right down to the last detail – from A for air freight to Z for zero defects." Ahead of the stopover in Cologne, the ESL One has already been entertained by Birmingham and Belo Horizonte in Brasil. Upcoming venues are New York in September and at last Hamburg, Germany, during October.

YOUNG TARGET GROUP

The market entry in the future-promising esports sector is by no means a happenstance. DHL is consciously getting active within a market comprising mostly young people. More than 60 percent of all spectators are between 16 and 35 years of age. "In esports, we can reach this important target group with the DHL brand on an emotional level, and with content and formats that are tailored precisely to their interests and their media usage patterns," says Arjan Sissing, Head of Corporate Brand Marketing at Deutsche Post DHL Group. "We are delighted to have found a partner

in ESL that is one of the leading players in the international esports business. Through our partnership we intend to create unique moments that bring people together." Already back in March 2018 DHL announced its official partnership with the Formula 1 esports Series, making its debut into the new trend sports sector. DHL banner advertising will be visible in the soccer simulation video game FIFA 18 as part of its partnership with FC Bayern Munich.

SONJA TERBRÜGGEN

ADDITIONAL

Blog about the ESL One tournament in Cologne



ESL – official website



DPDHL press release about the partnership with the ESL



COUNTRY REPORT **OUTPOST WITH POTENTIAL**

Croatia is the EU's gateway to the Balkans and an important transit country, but shows only a small occurrence of industry. DHL Freight Croatia has positioned itself accordingly and relies heavily on groupage and local distribution.



Since 2013, Croatia has been the external border of the European Union in the Balkans. At the time, the country had not yet fully recovered from the effects of the Balkan wars. Accession to the Community therefore meant a significant boost for the economy. It has also made things a lot easier for transport logistics companies such as DHL Freight, but structurally speaking the general conditions on the ground are not easy. Because the economy focusses on the service and tourism sector, industrial production contributes just 32 percent to the gross domestic product. Nevertheless, Ivan Posavec, Managing Director of DHL Freight Croatia, sees great market potential: "The peripheral location of Croatia in the EU offers a lot of possibilities that are far from exhausted. Our experience, especially in the areas of customs clearance and consulting, is very much in demand, and this will increase in the future."

BROAD NETWORK

DHL Freight Croatia operates an international terminal at its headquarters in Sveta Nedelja near Zagreb. From there, the DHL Freight EuroConnect and Euroline services enable delivery to destinations throughout Europe. For domestic transshipment, there are four national terminals operated by subcontractors in Rijeka, Zadar, Split, and Slavonski Brod. Due to structural reasons, individual orders with large freight volumes are rather rare, but sales are instead provided by many small consignments. "Due to the market situation, we have become specialists for the combination of groupage goods. While this requires a lot of effort on the part of the employees, it also allows for business relationships with remote customers, for example on the Croatian islands," says Ivan Posavec.

LARGE PROJECTS FOR THE SCREEN

Of course, there are also larger transport projects: The country Croatia is once again a popular filming location following the end of the Balkan wars, and the WAM film studio has already commissioned DHL Freight with the road transport of blockbuster equipment twice. In 2016, the logistics experts transported everything that was necessary for the shoot of "Star Wars: Episode VIII – The last Jedi Movie" and in 2017 the set for "Mamma Mia!

BY NUMBERS: DHL FREIGHT CROATIA

- 5 Terminals
- 25 Employees
- 35 Vehicles
- Daily connections to European countries in export and import as well as weekly connections to Bosnia and Herzegovina

Here We Go Again" was loaded onto the DHL trucks. For a change, the focus is now on a contract from industry, namely the partnership with Pro-klima. The air conditioning systems for the Dublin airport, a Porsche plant in Germany, a Renault plant in Romania, and the Magna factory in Slovenia are driven by DHL Freight Croatia.

POSITIVE OUTLOOK

Ivan Posavec sees the location as being on the right track: "We have highly motivated staff who are absolutely putting the continued growth of the company in the spotlight. That is why I believe that despite a shortage of skilled workers and strong competition here in the market, we will not only survive, but in the future will become even stronger." The conditions are in place, as experts at the International Monetary Fund expect growth rates of 2.5 percent and more for Croatia over the next few years.

KAI ORTMANN

ADDITIONAL

DHL Freight Croatia



FUTURE OF LOGISTICS INDICATOR FOR INNOVATIONS

What are the key factors for a successful future in digitized logistics?
The new DHL Logistics Trend Radar 2018/19 gives some information.

The fourth edition of DHL's Logistics Trend Radar outlines the key societal, economic, and technological drivers on the logistics industry over the next five to ten years. The digital revolution has already fully captured the logistics industry. This is where the Trend Radar sees great potential, because digitalization opens up many new business models, possibilities for more efficiency in all processes, and real opportunities for improved customer service.

FOUR FUNDAMENTAL TENDENCIES

The Logistics Trend Radar has identified the most important key factors in which the innovative strength of market participants will be particularly in demand in the future:

1. CUSTOMER ORIENTATION

The desire for faster and more convenient logistics solutions drives especially all the B2B market, which will lead to omnichannel solutions. The increase in time and temperature-critical deliveries to consumers requires new innovations in storage and packaging. And in the last mile the trend towards "connected life" calls for the integration of logistics into smart home environments..

2. SUSTAINABILITY

The greener design of logistics processes is a prerequisite for the functioning of global supply chains, both during the last mile and en route. Because far-reaching agreements of cities, governments, and companies to reduce pollutant emissions and waste prevention will come.

3. TECHNOLOGY

Artificial intelligence and robotics are crucial fields in terms of efficiency, speed, and value for money. Add to that the potential of the next generation of wireless networks, resulting in even better connectivity. Many experts rely on blockchain technology, but acceptance within the industry can become a hurdle to overcome.

4. HUMANS

Without personnel there can be no logistics, this applies today as it will in the future. However, the trend of robotics, automation and software automation are significantly changing the field of work, with a tendency to shift jobs to the management level. Digital working concepts are necessary in order to bind the current generation to the logistics sector on a lasting basis and to facilitate the daily work of other older employees.

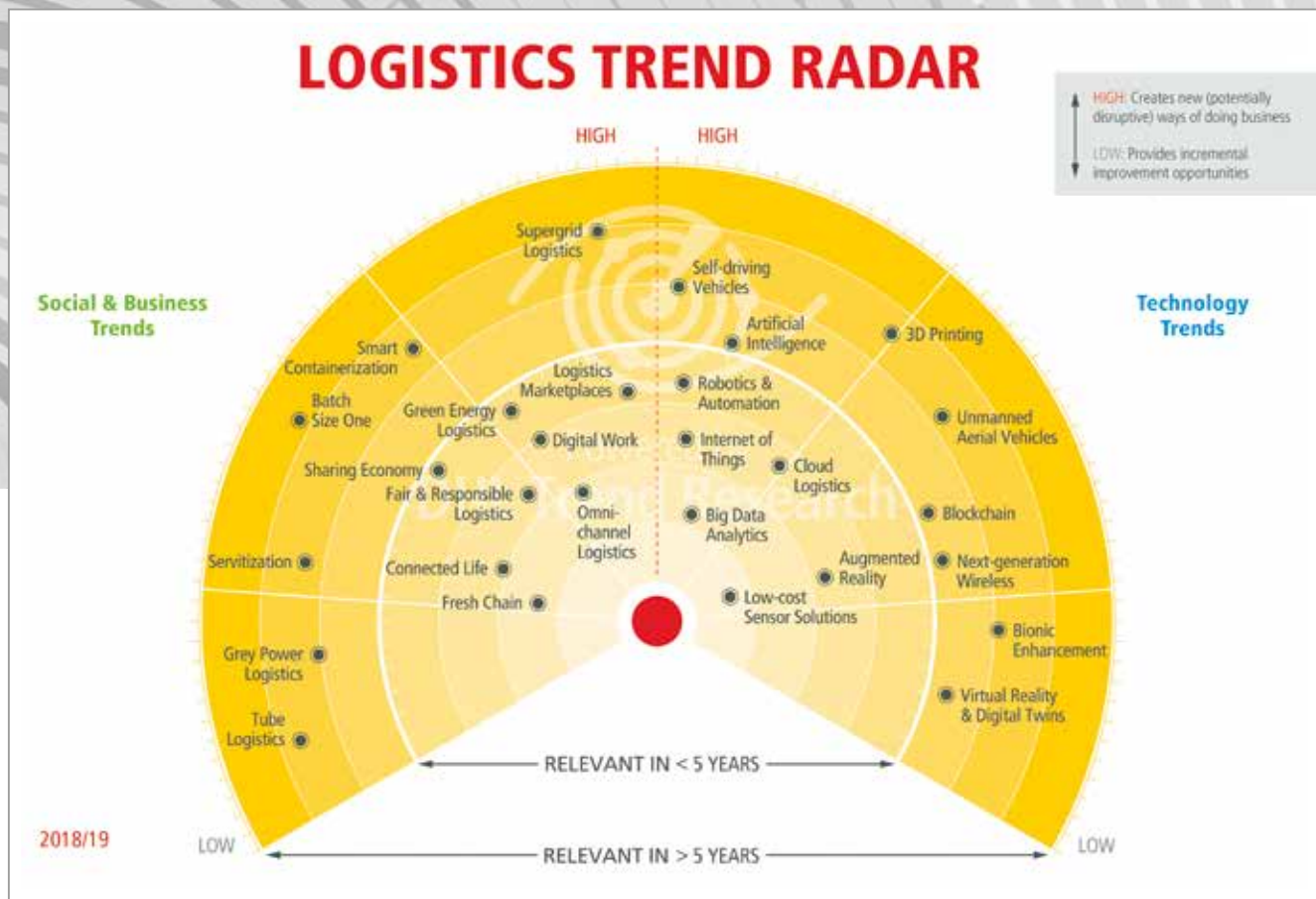
ACTIVE PARTICIPATION

None of these developments is set in stone. "As much as we aim for an accurate prediction, we know from experience that the impact of some trends will not

ADDITIONAL

The DHL Logistics Trend Radar 2018/19





Indexing of the 28 mega- and microtrends analyzed within the DHL Logistics Trend Radar 2018/19.

materialize. Innovation does not follow a linear path – the success of some trends will rely on culture and capabilities as much it does on breakthrough technologies and business acumen. That’s why we need to actively engage first-hand on driving the development of these trends,” explains Markus Kückelhaus, Vice President of Innovation & Trend Research, DHL Customer Solutions & Innovation. With this in mind, DHL will launch in-depth analysis of new trends after the release to further explore its implications.

JESSICA SCHOLL

LOGISTICS TREND RADAR

Published for the first time in 2013, DHL’s Logistics Trend Radar is based on the analysis of mega and micro trends and direct input from partners such as research institutes, technology companies, startups, and customers. Add to that information from more than 10,000 logistics and technology experts visiting one of the DHL Innovation Centers each year. The dynamic and strategic tool takes a look into the future, keeps track of previously reported developments, and presents promising new trends. Matthias Heutger, Senior Vice President, Global Head of Innovation & Commercial Development at DHL, says: “Our Logistics Trend Radar acts as a roadmap for innovation, helping to structure and catalyze further industry-leading research and projects together with our customers and partners.”

QUALICAPS

QUALITY CREATES TRUST

If you need a safe and secure delivery of your high-quality products to your customers, you need a competent partner. For 20 years, the global capsule manufacturer Qualicaps is relying on DHL Freight to handle deliveries to the pharmaceutical industry in Germany and abroad.

Transporting medical products such as hard capsules is a real challenge. In order to ensure that these hollow, still unfilled tubes have a long shelf life, the temperature and humidity during transport and storage must be kept within certain limits. Qualicaps relies on DHL Freight to maintain these conditions in transport for two decades now. "If I had to describe the cooperation with DHL Freight in one word, it would be reliable," explains Milla Kosonen, Head of Purchasing at Qualicaps.

HIGH QUALITY PRODUCTS

When properly stored, Qualicaps promises its end customers in the pharmaceutical sector that its unfilled capsules will stay in pristine condition for five years. This is only possible by ensuring the highest quality on each step of the production and logistics chain: "Our manufacturing process and quality control from raw materials to the end product ensure that Qualicaps capsules meet the exacting standards of the pharmaceutical industry," says Kosonen. This applies to the capsules' pharmaceutical quality, the continued productivity of the machines that fill them, their stability through guaranteed shelf life, and their ability to protect the active ingredients they contain.

QUALITY IS MANDATORY

Qualicaps also demands these high standards for the transportation of its products. The company has representatives in all major pharmaceutical markets, with production facilities and service teams in the US, Canada, Japan, Spain, Romania, and Brazil. The products are delivered all over the world. Transport requires flexibility and precision, not only due to the sensitive cargo, but also in response to last-minute changes, cancellations, or spontaneous customer orders.

"The reasons why we initially chose DHL Freight were very clear: quality and professionalism of service," says Kosonen. DHL Freight meets Qualicaps' requirements with an experienced team and an efficient, global network that ensures safe and secure transport around the globe. "We are very satisfied with the service: Product delivery is reliable and the service quality is good," says Kosonen, praising the custom logistics solutions offered by DHL Freight. Her conclusion: "We would recommend DHL Freight to others."

ALWAYS IN CLOSE CONTACT

This good relationship with the customer is also the result of the close support provided by Carmen Mouzo and José Luis de Dios of DHL Freight Iberia. True to their mission statement of spending as much time as possible in contact with customers, they are in daily contact with Qualicaps via telephone, e-mail, or in person. Taking things for granted after two decades? Not here! They know Qualicaps and its demands and needs very well and can react to new challenges at an early stage. The trust they have thus established is the best basis for many more years of a satisfied partnership for both sides. SILKE MESSNER

MORE ABOUT QUALICAPS

The company is a wholly-owned subsidiary of Mitsubishi Chemical Holdings Corporation (MCHC) through its Life Sciences Institute (LSII), which unites the Group's healthcare business. Qualicaps originated in 1897 within Eli Lilly & Co. as a capsule manufacturing plant at the company's headquarters in Indianapolis. Further information: www.qualicaps.com

FREIGHT THEFT UNPLEASANT RECORD

Once again, the number of freight thefts increased significantly in 2017. A bundle of actions, from protection technology and intelligent route planning to decisive action by politics might alleviate this problem.

Knife attacks on truck drivers, tarpaulin slashings in the parking lot, raids at full speed – all types of freight theft are booming. According to the Transported Asset Protection Association (TAPA), in 2017 the numbers rose to the highest level in the 20-year history of the transport security association. It recorded 2,880 incidents in 41 countries. Compared to the previous year, this is an increase of ten percent. Since TAPA receives very little data from Africa and the Middle East, 96 percent of the documented offenses were attributable to ten countries. The leader was Great Britain with about 1,500 cases, 262 incidents were registered in Germany. However, the numbers here again only reflect the cases reported to the TAPA by its member companies. The estimated number of unreported incidents is therefore expected to be significantly higher. The Middle German Broadcasting Corporation (MDR) reported 613 incidents for Saxony-Anhalt in 2017 alone. There have already been around 500 this year.

TARGETING EVERYTHING OF VALUE

In the past year, 73 percent of the offenses registered by TAPA (2016: 61 percent) involved stolen cargo from trucks. As before, foods and drinks were particularly popular with thieves – about every tenth theft was about this type of freight. Generally speaking, however, the perpetrators steal everything that can be turned into money: from consumer goods to pharmaceutical products, to car parts. According to TAPA statistics, the total loss due to freight theft is 105 million euros (2016: around 78 million euros). In fact, the numbers are probably far higher. For Germany alone, the “Theft Prevention in Freight Transport and Logistics Working Group” estimates the value of the stolen goods to



be 1.3 billion euros per year. In addition, 900 million euros would be lost due to consequential effects such as delivery delays, repair costs, lost sales, and production losses. The primary location for offenses last year were parking lots: In 70 percent of the cases, the perpetrators struck there. In 2016, the share was still at 41 percent. In order to defuse this danger zone, TAPA has developed minimum standards for parking security requirements. Other concerned parties are also working on the problem. For example, the European Commission has commissioned a study on secure parking for trucks, which is also expected to include a concrete action plan.

It is likely to be some time, however, until such initiatives provide more security. Until then, companies and drivers have to help themselves, for example through more security technology in the vehicle. An innovation in this area is what's known as the tarp alarm, which signals when thieves tamper with it. Forward-looking planning and scheduling can also help, for example via the Resilience360 risk management platform for supply chains from DHL. For example, this early warning system analyzes cargo theft trends in terms of geographical location and particularly affected industries. This makes it easier to evaluate transport routes and – hopefully – avoid loss of goods.

ADDITIONAL

DHL Resilience360



YOUR OPINION

DONALD TRUMP NO CAUSE FOR SLEEPLESS NIGHTS

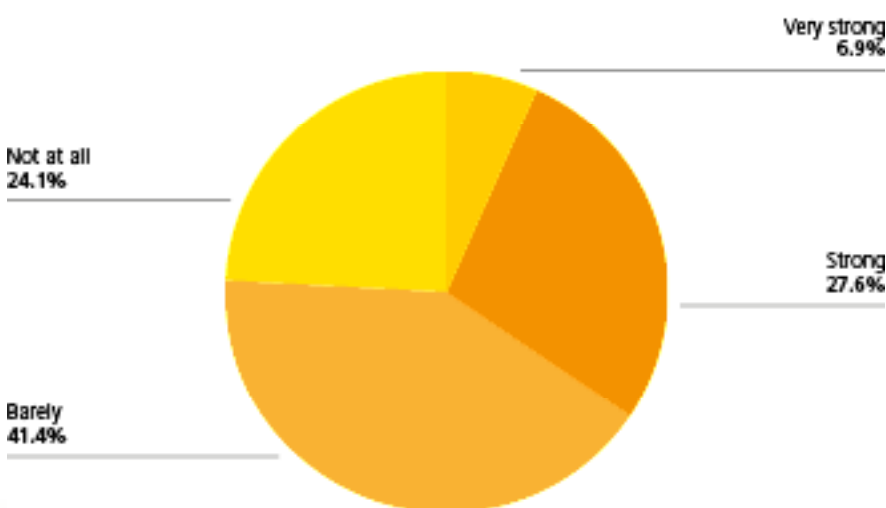
Results of the Freight Connections survey about the trade conflict between the EU and the United States.

Punitive tariff duties imposed by one state, reciprocal sanctions implemented by the other side. The trade dispute between the EU and the USA has become a permanent issue during the last few months. But our readers have not been impressed by far. This is substantiated by our current survey. More than 65 percent of the responders stated that their business has not been affected by the ongoing differences at all or has barely been affected. The detailed results are.

A heartfelt thank you to all participants! The winners of the three classy DHL notebooks with a rarefield DHL embossment have been informed by email.

YOUR OPINION

HOW MUCH WILL YOUR BUSINESS BE INFLUENCED BY THE DISSONANCES BETWEEN THE US AND THE EU?



Source: DHL Freight Connections, August 2018



LOAD FACTOR

RESILIENT MARKET DEVELOPMENT DESPITE GROWING CHALLENGES

Commentary on the current situation in the European logistics industry and the load factor during the second quarter 2018 from Martin Veen, Head of M&A and strategic projects, DHL Freight.

The economic momentum persisted during the second quarter 2018, even against the background of a slight downward correction by 0.2 percent of the growth forecast for the European economic area, now at 2.2. percent. This is primarily caused by one-off effects in the first quarter 2018 and persisting political insecurities such as, for instance, the protectionist tendencies of the United States, the impact of Donald Trump revoking the Iran Nuclear Deal and the temporarily sketchy political situation in Italy. Still, the Eastern European economies are posting strong growth figures beyond three percent, whereas the general growth prospects in the rest of Europe are expected to be around two percent per annum.

During the course of the second quarter 2018 the key indices stabilized on a comparatively high level after a slight decline during the first three months of the year. Thus, the Economic Sentiment Indicator came in at 112.2 points in June, ten points above the long term prognosis. The German Ifo business climate index changed it's methodology in April and from now on also factors in the services sector. The index stabilized just a tad above 100, standing at 101.8 points in June. Likewise, the European Purchasing Managers Index (PMI) by

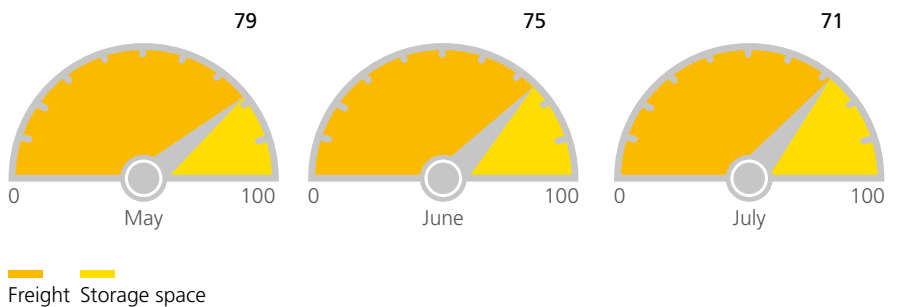
IHS Markit continued its minimal downward trend due to slowing growth numbers, but remained at a comparatively high level with a June reading of 54.9 points.

INDUSTRY SPECIFIC FACTORS

The capacity shortage in the European road freight market has gained further momentum. This is increasingly reflected in the freight rates. For instance, the index of the Transporeon Transport Market Radar rose to 112.4 points in June 2018, compared to 107.9 at the same point in time in 2017. The increase is even more pronounced in comparison to the first quarter 2018, with a 15.3 point differential. Along these lines the available transport capacities underwent a significant drop-down caused by seasonal

CURRENTLY FREIGHT CAPACITY UTILISATION

Share of freight* (in %)



*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, July 2018

effects, losing 32.2 points in Q2 to a value of 73.7, as per Transporeon. This is roughly correlating with the previous year's levels. Likewise the TimoCom European Transport Barometer stated a demand-supply-ratio of 79:21 in May, which marks an unprecedented record. The respective values in June were 75:25, which represents the highest level since 2011. Summarized, these trends clearly indicate a continuously aggravating systemic shortage of transport capacities on the market.

OUTLOOK

Even accounting for the seasonal drop at the beginning of the year freight volumes are significantly up in the second quarter in comparison with the first three months. This applies to Terminal Based Operations (TBO) as well as to Non Terminal Based Operations (NTBO). A slowdown of demand during the remainder of the year is not to be expected. Underpinning this, the European Road freight Forwarding Index of Danske Bank predicts another increase of demand within the next two months.

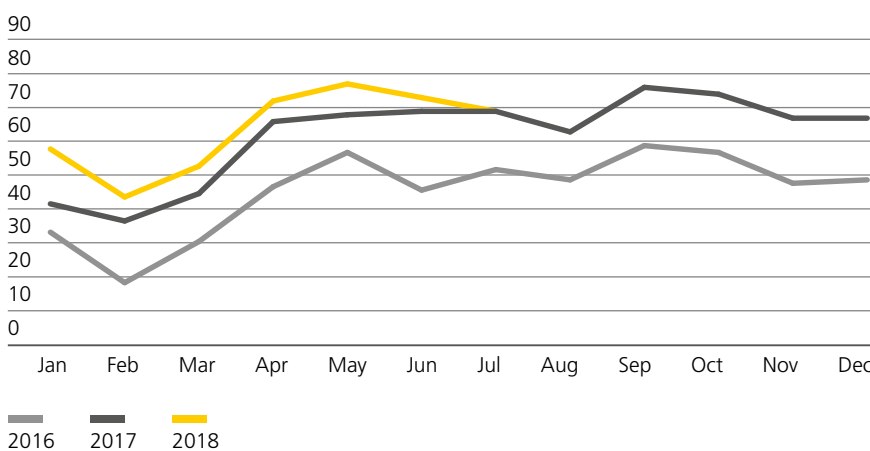


Meanwhile, discordance on the EU-Level concerning a unitary legislation of European Road Transport still persists. In early July, the European Parliament rejected the so-called European Mobility Package, which included important topics like the posting of workers directive, cabotage rights and drivers' working hours. The bill was remitted to the committee stage. This brings national regulations back into focus, and consistent rules and regulations for all market participants are currently out of sight. In combination with continuously rising diesel prices and additional road tariffs such as the more or less agreed significant increase in Germany, a further price inflation on the market is to be expected.

MARTIN VEEN

YEARLY COMPARISON OF FREIGHT CAPACITY UTILISATION

Share of freight* (in %)



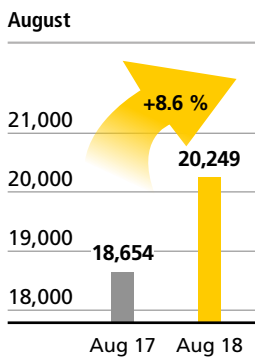
*Share of freight capacities compared to all capacities traded at the transport platform TimoCom (the sum of freight and vehicle capacity)

Source: Tranportbarometer app, <http://www.timocom.co.uk/TimoCom/TimoCom-mobile>, July 2018

NEW HEAVY TRUCK REGISTRATION INCREASING FREIGHT CAPACITY ON THE ROAD

HGV statistics of the European market

NEW HEAVY TRUCK REGISTRATIONS* IN DETAIL



Country	January till August 2018	vs. LY
EU	205,628	+5.1 %
Germany	45,300	+2.5 %
France	31,056	+10.0 %
UK	22,925	-8.9 %
Poland	17,609	+12.4 %
Italy	14,311	+13.3 %
Spain	12,522	+4.2 %

During the first eight month of this year, the number of new HGV-registrations in the class of 16 tons and above increased by 5.1 percent. Speaking in absolute numbers, 205,628 new heavy vehicles have been registered thereby.

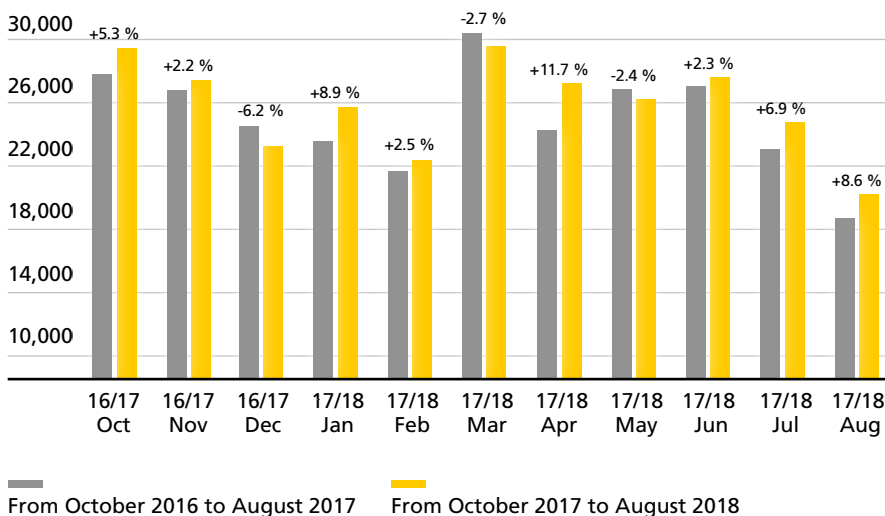
In these countries the markets did show the strongest gains:

- Italy (+ 13.3 percent)
- Poland (+ 12.4 percent)
- France (+ 10.0 percent)

Source: European Automobile Manufacturers Association (ACEA), September 2018

* over 16 tons, EU-wide

REGISTRATIONS OVER A PERIOD OF A YEAR*



On the other hand, the United Kingdom still has to cope with the biggest decrease in new HGVS (- 8,9 percent).

AUGUST 2018

August 2018 did see significantly higher new registration numbers (+ 8.6 percent) than during the same period last year. A positive contribution rendered these countries:

- France (+ 15.6 percent)
- Spain (+ 10.7 percent)
- Germany (+ 9.6 percent)
- Italy (+ 4.7 percent)

Source: European Automobile Manufacturers Association (ACEA), September 2018

* over 16 tons, EU-wide



DIESEL PRICES COMMENT

WINDS ARE CHANGING

by Barbara Lambrecht, commodities analyst at Commerzbank

With almost \$700, respectively €600 per ton in wholesale, diesel is nearly as expensive as back in the fall 2014. In this case, the price increase of crude oil is decisive. Saudi Arabia and Russia increased production in early summer to make up for Venezuela's unexpectedly sharp production stoppages. Simultaneously, the US production is continuing to increase as well what leads to strong numbers. As a result, the market is currently well supplied.

However, the fears of a renewed supply shortage as a result of US sanctions against Iran are driving prices up. At the beginning of summer, the margin on the diesel market was also supported by above-average declines in

diesel supplies on both sides of the Atlantic. In addition, the price probably benefited from a strong demand for kerosene, which also belongs to the group of middle distillates. The drop in new registrations of diesel cars due to the diesel scandal and driving bans will only gradually begin to weaken the demand in Europe's diesel-heavy fuel market.

Nevertheless, the tendencies have recently taken a turn: In recent weeks, inventories in the industrialized countries have been rebuilt at an above-average rate. In addition, especially in China, refinery processing is very high and this large diesel production is increasingly flowing onto the world market. Chinese net diesel

exports reached record highs in the first seven months of the year.

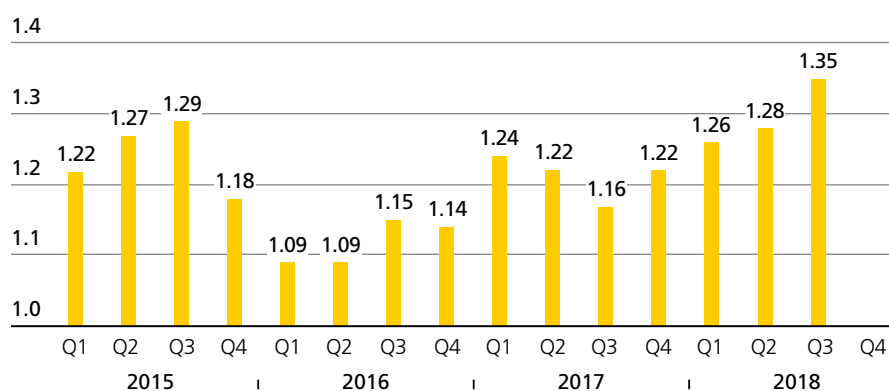
Elsewhere refinery capacity is growing rapidly in the short term.

The otherwise usual winter expansion of the margin is therefore expected to be minimal and the diesel price should decline in line with the price of crude oil. At the end of next year, however, the tightening of the sulfur limit for marine fuels from 2020 onwards will lead to significantly higher margins.

The reason: Numerous shipping companies are likely to switch at the starting date of the new regulation from sulfur-containing heavy fuel oil to low-sulfur marine gasoil.

FUEL PRICES – DIESEL 2015 TO 2018

Prices quoted per litre (in EUR)



As of September 17, 2018: 1.38 Euro

Source: Eurostat, Weekly Oil Bulletin, September 2018

OUT OF THE BOX



Become a
logistican.
Because **super**
hero is not
an official
occupation!



#DHLFREIGHT #SIMPLYDELIVERED

DHL FREIGHT AT A GLANCE



More than
208
terminals

Specialist expertise in
8
sectors

More than
40
countries

44 mio.
tons
transported
per year

Automotive | Chemicals
Consumer | Energy | E&M
LS&H | Retail | Technology



Excellent groupage
NETWORK with
more than

2.200
linehauls



43 mio.
shipments per year

12.500
employees



DHL Freight – Excellence. Simply delivered.



NEW OPTION FIXED DELIVERY DAY

More flexibility with the new **Fixed Delivery Day** option of DHL Freight!

Read more
on page 20