



European logistics trends

Hungarian Logistics Association

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Global trends in logistics

Europe in the focus

Hungary as crossroad of transportation flows

Intermodality, logistics of the future

- Railway linked to water & road

- Special project – on track to China

- European ports, gates to the Far East?

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Global trends in the field of logistics in the past years could be identified as follows:

- Structural shift from air freight to sea freight
- Environmental awareness and sustainability pressure
- New technology facilitates communication

Smartphones, tracking & tracing worldwide

- More trucks from Eastern Europe

Particularly from Poland, but also Hungary

- Increasingly specialised logistics solutions

Infrastructure development, containers/semi trailers/intermodal solutions



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Existing logistical centers in Europe



What is the future?

More and more potential in Central-Eastern Europe

European Union – huge support for railway reconstruction works, aim is to increase railway transportation

Still the 2/3 majority of the transported goods will be transported on road

Transportation volumina increases slowly within the continent

Importance of e-trading is growing, parcel transports increase

Door-to-door solutions



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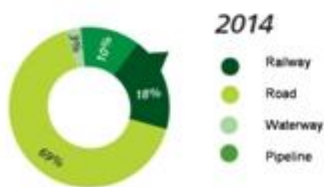
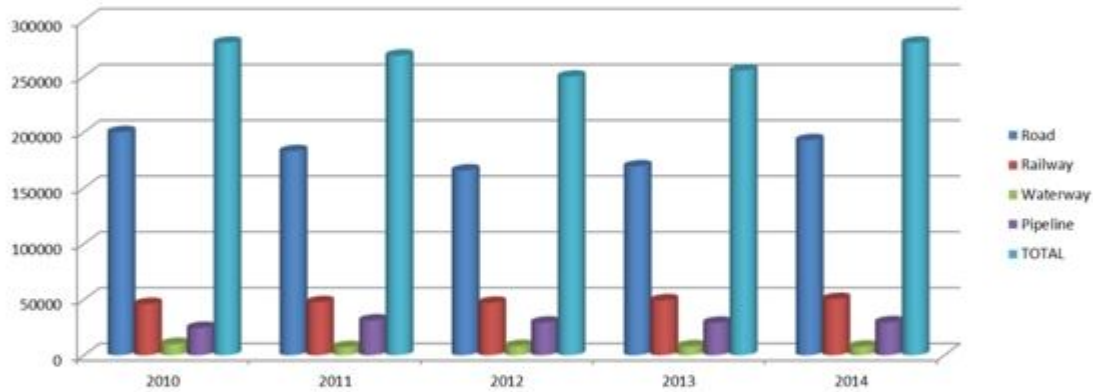
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Volume of transported goods in Hungary



1000 tons/year	2010	2011	2012	2013	2014
Road	199848	182840	165514	169210	192688
Railway	45794	47424	46884	49085	50300
Waterway	9952	7175	8135	7857	7650
Pipeline	24410	31050	29140	28949	29438
TOTAL	280004	268489	249673	255101	280076

Source: KSH

Intermodality in Hungary



- Railports and terminals are used more and more commonly (Budapest BILK and Mahart Container Center, Győr, Debrecen)
- Hungary is well equipped with motorways, railway lines and is in the crossroads of main European routes
- In transit traffic semi trailers and containers are transported via railway frequently as well as to/from terminals
- It is highly recommended to support such terminals, where railway meet road and waterways, to construct logistics centers on strategical points
- These terminals could serve beneath transnational companies also local SME-s either

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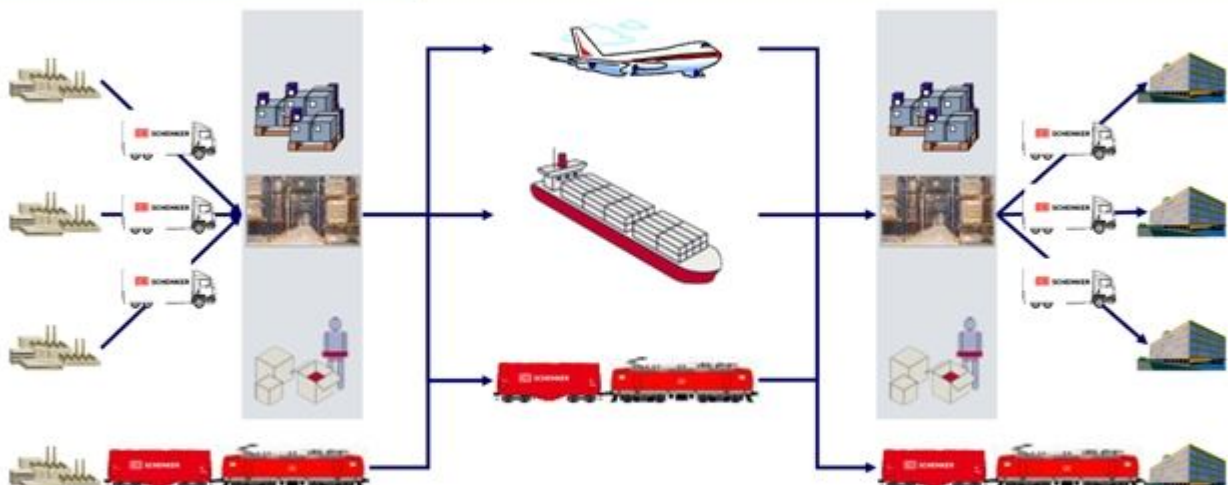
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The future is of those who offer integrated solutions from a single source



Door-to-door, track and trace

Holistic management of supply chain

Global account management team



Why railway?

- **Speed** – Reliable and punctual (usually)
- **Costs** – Less expensive than air freight and in many cases than road
- **Environment** – Environmentally most friendly transport mode
- **Volumes** – 1000 goodtons with one engine, for long distances

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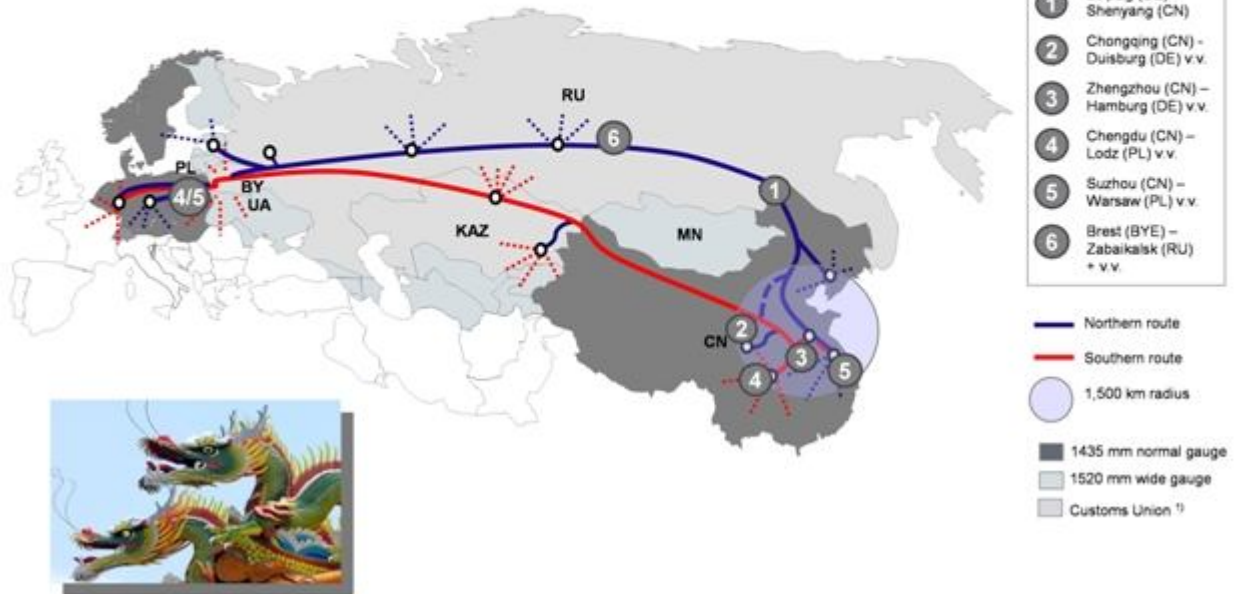
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Available regular intermodal services

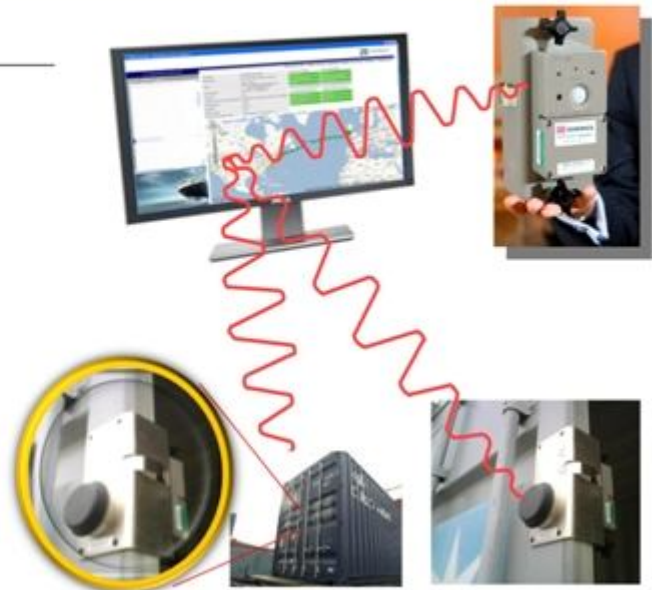


Technology serves logistics - smartbox

GPS Real Time Monitoring

Door-to-door security concept:

- Originally developed for Ocean Freight, but now also applied for rail logistics
- **Smartbox** offers:
 - 24/7 Container monitoring along the complete rail route
 - Highest level of transparency of the supply chain
 - Real-time alert system
- Rapid response in case of open door alerts by local railway units and police



Smartbox provides full visibility



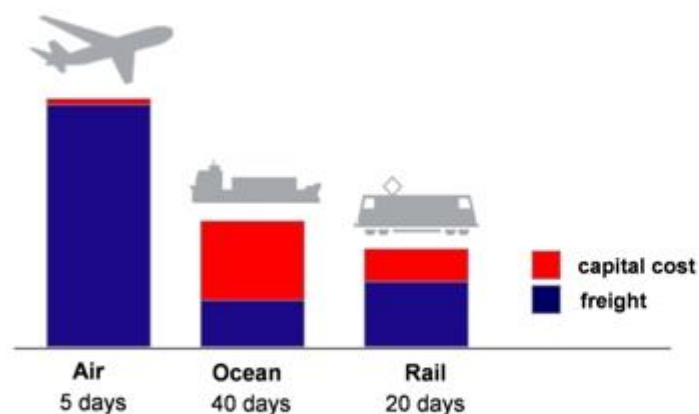
Monitored
in real-time

- ✓ Tilt
- ✓ Impact (Shock)
- ✓ Vibration

Considering capital and freight costs Rail is the most economic option to/from China



Example: freight & capital cost for High Value Goods ¹⁾
Chengdu-Berlin door-door



- Rail is the most economic option among the 3 transport modes, if freight and capital cost are considered
- Rail is superior to ocean. Whether rail or air should be used depends on time-cost preferences

Example: Door-to-door transport of Notebooks Central China - the Netherlands

	Ocean	Rail ²⁾	Sea-Air	Air
Door to Door	38 days	22 days	24 days	4 days
USD/Notebook (freight only)	1.9	3.8	9	18

1) USD/Container, 7% capital cost, 1 Container = 10,000kg, 2.0 Mio USD value of goods

2) Block train service

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Ports in Europe (1)

Facts and figures

- 74 % of the goods reaching the European Union arriving in one of the approximately 1200 ports around the about 70.000 km of coast of the EU.
- 37 % of the goods of EU origin also meet some of these ports.
- Yearly this means all together about 3,7 MRD tons and 60.000 ship landings
- 70 % of the goods are in bulk, 18 % containerized and 7 % is Ro-Ro
- 110.000 people are working for the 2200 port operators in 22 EU countries having seacoast/ports, but indirectly an other 1,5 million people is living from port operations (forwarding, customs agency, etc.)

Offered services:

- Operation on 24/7 basis
- Full and partial stuffing/unstuffing of containers and trucks
- Multimodal transportation for bonded and non-bonded cargo
- Processing of customs formalities (in case of goods with non-EU origin)
- Innovative VAT solutions
- Cross docking for multimodal transportation
- Free Trade Zone customs status
- Technology Asset Protection Association (TAPA) – most of the ports have it



Port connections from Hungary

- North continent: Bremerhaven, Hamburg
 - daily connection with the German ports
 - transit time: 2 days
- Mediterranean: Koper, Trieste, Piraeus
 - daily connection
 - transit time: 2 days



Ocean Freight
Export (Europe – Far East)



Hinterland Connection
Piraeus – Hungary by Rail v.v. “Container”



- Far East links become more and more important, there is a range of possibilities how to reach there?
- Europe is well equipped with all kinds of transportation methods, motorways, railroads, terminals, ports
- China is not only a destination but invests in the logistics infrastructure, in Europe either (ports, terminals)
- The future is of those companies/countries who offer integrated solutions from a single source, because logistics still remains an important factor in Hungary, Europe and the world



Thank you for your attention!

