The Official Journal of The Logistics & Supply Chain Management Society

The Logistics & Supply Chain Management Society
The Regional Professional Body for Logistics Practitioners

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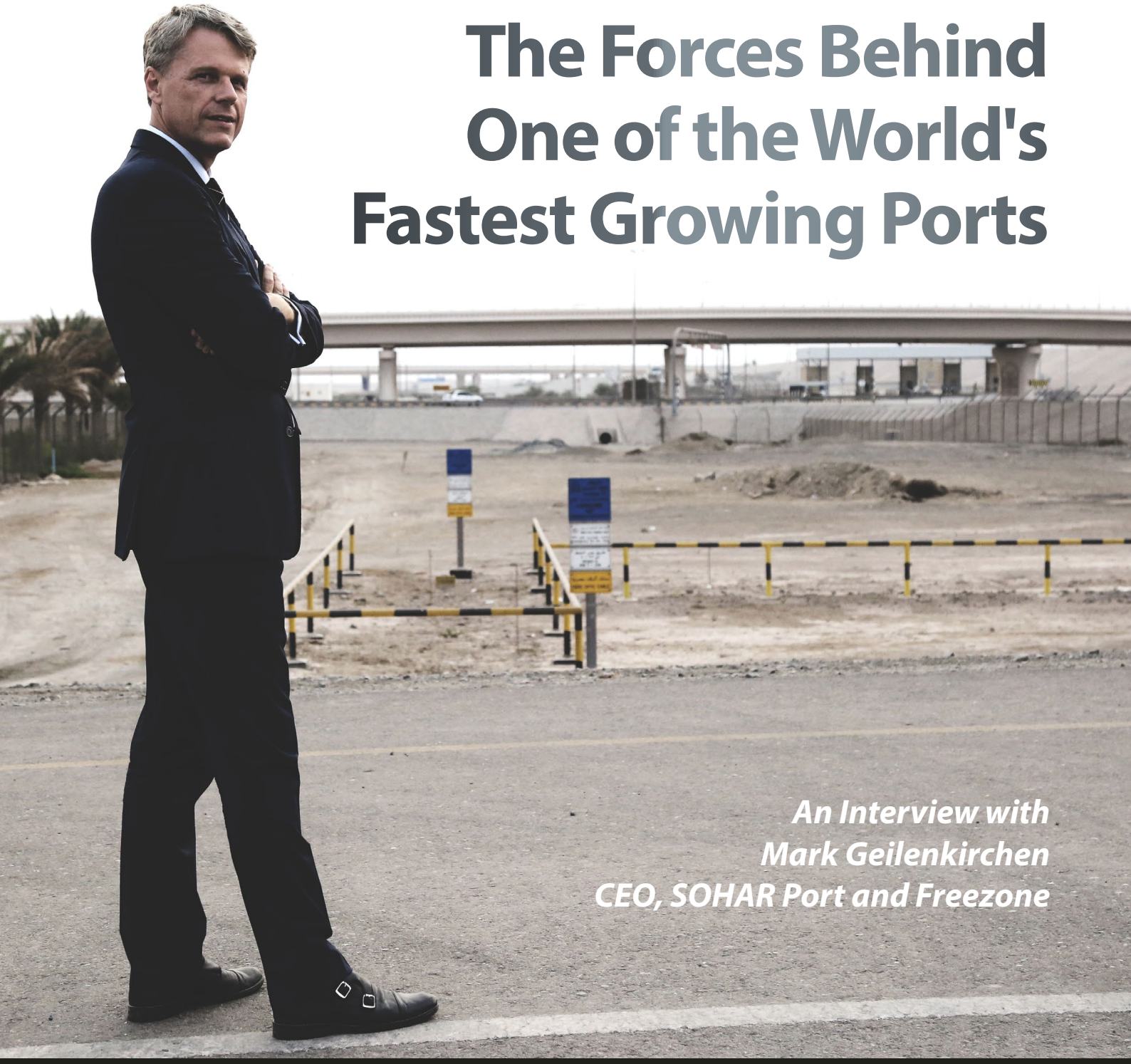
LogiSYM

The Magazine for Supply Chain Executives

this issue



The Forces Behind One of the World's Fastest Growing Ports

An Interview with Mark Geilenkirchen CEO, SOHAR Port and Freezone

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from the editor

……how are we coping with high dosage of disruption that we see around us?

Dear Readers,

As we start 2017, we are already inundated with so many disruptive elements in our business and private life. The talk of so many news items reaching us from across the world, seems to saturate our lives. With such an overload, are we likely to skip a lot of the news updates and general chatter? But can we ignore the news if disruption affects us now or will do at some point down the road?

For most, disruption means change and change means uncertainty and uncertainty sometimes means fear. But today we are seeing an uncertainty with a major shift in the stability factor. What we could trust, seems no longer the given. And it is this change that creates an unprecedented anxiety in our environments.

We must also note that perceptions of uncertainty, fear and instability come mainly from those who have the most to lose. And then we see those that have least to lose welcome change and the disruptions we see. How then do we reconcile this difference?

To find the answer, one has to think in the "neutral" - "I have nothing to lose & nothing to gain" – this approach provokes an un-bias thinking process of what should we do? It is very clear to me, that when thinking is un-bias, no matter what you face in the environment and landscape in your path, the opportunities are unlimited.

It is in state of visioning that most productive and effective solutions are formulated. And it is the very disruptive energy that stimulates such possibilities. But to realise the full potential of the disruptive moment, one must be positive and un-bias in the outlook.

In business and in particular the supply chain industry, disruptors can easily decouple and destroy what were robust relationships and effective supply lines. Changes in bureaucratic processes and regulations can also create unforseen havoc.

How do we cope with these elements of change in our business environment? The answer can vary from situations to another. But it is the underlining core enablers of Leadership, Collaboration and Core Values, that will steer a course of robust correction.

This is the right time for new or refreshed Collaborations, Alliances & Partnerships in your business environment. With a focused leadership coupled with an outward looking perspective of the disruptors around us, change & uncertainty will become just another routine challenge in our daily work schedule.

In this issue there are two excellent related articles on Levels of Partnership in the supply chain & Disruptive Technologies – hope you enjoy the reading.

We wish all our readers very best wishes & prosperity in the year of the Rooster.

As usual, I look forward to receiving your feedback at **info@lscms.org** and even publishing an article of yours.

Joe Lombardo
International Editor

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a word from the president

Making it up as we go along

The latest buzzwords making the rounds in Supply Chain at the moment are Industry or Supply Chain Management 4.0 and Blockchain Technology.

We stand on the brink of a technological revolution that will fundamentally alter the way we live and work. Industry 4.0 will in its scale, scope and complexity lead to a transformation that will far surpass those of the first, second and third industrial revolutions. When this will happen is hard to tell but the transformation will be unlike anything humankind has experienced before. The fusion of technologies will blur the lines between the physical, digital, and biological spheres and the velocity at which these start to happen, coupled to the velocity of these transactions and information taking place - along with the scope to which this can be applied, is to me, mind boggling.

The blockchain for example has the potential to transform the Supply Chain and disrupt the way we produce, market, purchase and consume our goods. The increased transparency and traceability to the supply chain will help make our discrete transactions between multiple parties infinitely more secure. This will in turn make our economies safer and much more reliable by promoting trust and honesty, and preventing the implementation of questionable practices. The blockchain has the potential to transform the supply chain.

The topic has piqued my interest and is also a key topic for LogiSYM Singapore in May. I had also been trying to work within my organisation to set up an R&D group that would be staffed with the 'best and brightest' people from within the organisation to work on solutions centred around these bleeding edge technologies. Because of these reasons, I have been attending events, learning and reading up on these topics wherever possible and one thing has become apparently obvious.

Many so called 'experts' or protagonists of these changes are literally making things up as they go along. I attended a FinTech meetup kindly organised by the good people at "Block Chain Startups" last week and what one of the speakers, a supposed expert on Block Chain and the Supply Chain was saying simply did not make sense. The other speaker was a fairly clued in chap from a Block Chain start-up and he was was honest enough to say that many things are being made up as they went along simply because the technology and even the very concepts around what we are seeing is so new.

The fist chap, the CTO of a company listed on the ASX was not doing our industry any favours. We should always be mindful of such individuals but characters like that aside, there are developments taking place that will soon turn what we do on it's head. Along the way that will be much trial and error and not everything will succeed – or even make sense. What we can do is keep abreast of what is happening and learn to separate the wheat from the chaff. LogiSYM plans to be with you on this journey and as always, certainly more interesting times ahead.

Raymon Krishnan
President
The Logistics & Supply Chain Management Society

Compact and Cost-effective – One-Level Shuttle System CUBY

The Cuby is the single-level shuttle system from the SSI Schaefer shuttle family. It is designed for bins and cartons up to 35 kg. The system combines excellent storage density with high availability and achieves high rentability in a short payback period. The patent-pending and ingenious use of the support beam as a guide for the shuttle‘s load handling device is one of a kind. A scalable lifting system with double-story function ensures high performance and compact system layouts. The Cuby system is suitable for a wide range of applications and fits perfectly to an impressive line-up that comprises Navette (multi-level shuttle for small containers), Schaefer Tray System (multi-level shuttle for individual pallet layers) and Schaefer Lift&Run (multi-level shuttle for pallet).

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The founder of the company, Kim is an acknowledged specialist in Executive Recruitment across Logistics and Supply Chain sectors. He has held senior executive positions within international Logistics, Supply Chain and Freight organisations during his 35 year career. Kim often speaks at international conferences / events and regularly contributes thought leadership to industry media.

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Complexity and change is a constant in today's environment. Smart, agile companies must navigate the changes, while sustaining growth and improving operational effectiveness. Logistics Executive Group Corporate Advisory and Consulting Group is a leading boutique provider of performance and outcome driven consulting services across Business Performance, Supply Chain and Operations and Human Capital.

We deliver a globally, consistent set of multidisciplinary services, based on a collaborative approach. This is grounded in deep, industry-specific experience and a commitment to delivering measurable, sustainable results that can help you adapt and succeed, even in uncertain, changing environments. Our industry focus helps ensures our experienced practice leaders develop a rich understanding of clients' businesses and the insight, skills and resources required to address industry-specific issues and create opportunities.

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About us

Logistics Executive Group is the acknowledged industry leader providing a suite of whole-of-life-cycle business services including Corporate Advisory, Executive Search and specialist Supply Chain and Logistics Training. Since 1999, clients have trusted us to help recruit, build world-class leadership and drive business performance with integrated Corporate Advisory services.

Today, we are a single source for leadership development, talent & recruitment services and business consulting to empower businesses and leaders to reach their goals. We offer a full suite of solutions designed and executed to best position our clients to enhance growth and overall performance.

Swiss Panalpina Seeks To Grow Through Acquisitions

Swiss logistics services provider Panalpina is on the lookout for acquisitions to boost its growth, CEO Stefan Karlen said in an interview with newspaper Finanz und Wirtschaft.

Acquisitions are the top priority for the logistics company, Karlen told the paper. Panalpina is currently focused on smaller takeovers as it is in the process of introducing a new software platform which will allow the integration of bigger companies in future, the chief executive added.

Asked about whether there is potential for organic growth, Karlen said that the global market is still fragmented which offers a plenty of growth opportunities. The chief executive sees increasing demand for personalised offers and since Panalpina's business model does not require much capital investment, the company is flexible in terms of clients' needs, Karlen was cited as saying.

Earlier in January, Panalpina got the green light from the European Commission to acquire a majority stake in Kenya- and Netherlands-based Airflo, a freight forwarder for flowers and vegetables.

Dubai's DWC Airport Saw Cargo Volumes Up by 0.8% in 2016

Dubai World Central (DWC), the Middle East emirate's second international hub, recorded a slight increase in 2016 airfreight volumes at 897,998 tonnes, up 0.8% versus prior year.

Owner Dubai Airports stated: "[DWC] Cargo volumes registered strong growth in the fourth quarter with 252,300 tonnes of air freight, up 10.3% compared to 228,770 tonnes recorded in Q4 2015."

DWC in the UAE is currently served by 27 passenger carriers, operating an average of 108 flights weekly to 44 international destinations and is home to 64 scheduled cargo operators that fly to as many as 138 destinations around the world.

Sister airport Dubai International Airport (DXB), reporting its full year 2016 results last week, shrugged off a 2016 third quarter cargo lull to rebound with a 3.4% rise in volumes to just under 2.6m tonnes.

Paul Griffiths, chief executive of Dubai Airports, said: "After having emerged as one of the top 20 international cargo hubs, DWC is now growing steadily in stature as a passenger hub, and we are pleased with the growth in passenger traffic in 2016.

"Considering the unique proposition DWC offers to airlines in terms of easy availability of slots, quick turn-around times, quick transit times though the airport for passengers and access to new catchment area – not to forget the expansion project underway that will more than quadruple its capacity to 26m passengers by next year – we expect the growth trend to continue this year, and beyond."

Record Cargo Year for Singapore's Changi Airport

Singapore Changi Airport recorded a 6.3% rise in airfreight throughputs versus prior year to reach 1.97m tonnes in 2016.

The Asian hub, the world's 15th largest cargo hub by volumes in 2015, ended 2016 with a strong December, handling 177,360 tonnes, up by 8.4% on the same month in 2015.

Changi Airport welcomed two freighter carriers — Neptune Air and Silkway West Airlines — to its family of over 100 passenger and cargo airlines last year, while freighter airline K-Mile Air resumed operations to Singapore. A spokesperson for the airport authority said: "In terms of airfreight throughput, growth was recorded across imports, exports and transhipments.

"Perishables and pharmaceuticals were segments that performed well, contributing a significant portion of Changi's total cargo throughput."

The top five country markets for airfreight were China, Australia, Hong Kong, the US and India. To strengthen its pharma cargo handling capabilities, Changi Airport last year formed a community of cargo partners to attain IATA's Center of Excellence for Independent Validators on pharmaceutical handling (CEIV Pharma) certification.
Beyond the establishment of a CEIV Phama certified community, Changi Airport Group also joined Pharma. Aero, an organisation focused on achieving reliable end-to-end air transportation for pharma cargo.

In October 2016, the DHL Express South Asia Hub, a 24-hour express hub facility located within Changi Airfreight Centre, was officially opened. This has tripled DHL Express' cargo handling facility in Singapore and allows shipments to be processed six times faster.

Together with SATS' upcoming e-commerce AirHub, expected to open later in 2017, "these developments will boost Changi's position as a leading air cargo hub in Asia", added the spokesperson.
Changi Airport Group CEO Lee Seow Hiang said: "2016 was a record-breaking year for Changi Airport, with passenger traffic and cargo throughput both registering new peaks.

> "2016 was a record-breaking year for Changi Airport, with passenger traffic and cargo throughput both registering new peaks.
>
> **Lee Seow Hiang**
> **CEO**
> **Changi Airport Group**

"Despite a backdrop of economic and socio-political uncertainties, we maintain a positive outlook for the year ahead. We see opportunities in emerging markets within Africa and Eastern Europe.

"At the same time, we will continue to grow our long haul routes to Western Europe, and strengthen our connectivity within the region to secondary cities in South East Asia, China and India."

Asia-Pacific Airlines See Cargo Rebound in Late 2016

by Lewis King

Preliminary airfreight figures for 2016 from the Association of Asia Pacific Airlines (AAPA) reaffirmed continued strength in the second half of the year, after a weak start.

International air cargo freight tonne kilometers (FTKs) increased by 1.8 percent for the year, pushed up by strong second-half growth of 5.7 percent, year-over-year, following a 2.2 percent, y-o-y, contraction during the first six months of the year. Capacity over the same period expanded by 3.5 percent, leading to a 1 percent decline in the average international freight load factor, to 62.5 percent for the year.

Commenting on the results, Andrew Herdman, AAPA director general, said that the quickened pace for air cargo in the second half of the year came about thanks to "broad-based expansion in manufacturing production and international exports, supplemented by growth in demand from expanding consumer markets in Asia."

Amazon to Spend $1.49B on New Air Cargo Hub

Amazon is making a major investment to boost its air delivery capabilities.

The world's largest e-retailer plans to spend US$1.49 billion to create its first worldwide air cargo hub at the Cincinnati/Northern Kentucky Airport in Hebron, Kentucky, the company and state officials said Tuesday. The new hub is slated to create up to 2,700 new full- and part-time jobs.

The project, spanning up to 900 acres around the airport, would be the largest-ever single investment by any company in Northern Kentucky, Cincinnati.com reported.

"It will change the entire shipping and fulfillment industry," Jack Mazurak, communications director for the Kentucky Cabinet for Economic Development, said in an interview.

Last year, Amazon partnered with two carriers to lease 40 Prime Air cargo planes to ship its packages around the country. Today, 16 of those Prime Air planes are in service, with more coming online over time. The new air cargo hub will support this new fleet by loading, unloading and sorting packages.

The new hub shows just how big Amazon's ambitions are to grow its logistics and shipping, in hopes of keeping up with the growing mountains of packages it has to deliver and, perhaps, someday competing with UPS and FedEx as a shipping company.

For now, though, Amazon has continued to say it values its partnerships with its shipping partners and sees its expanding shipping infrastructure as a way of supplementing UPS, FedEx and the US Post Office.

State officials granted preliminary approval on an incentives package of up to US$40 million over 10 years for the new project. The hub should start construction this year and take five to seven years to complete, the Northern Kentucky Tribune said. Kentucky's Mazurak said that the full incentive amount will be given to Amazon only if it meets specific investment, job creation and wage targets.

The new hub adds to Amazon's employment in the state, which already includes over 10,000 full-time workers in 11 fulfillment centers. The announcement also keeps up Amazon's plans to hire many more workers in the US.

Along with the new air cargo hub, Amazon has bought 4,000 truck trailers to boost its trucking capacity. The company's worldwide shipping and logistics network includes 149 fulfillment centers and 20 sorting centers.

IATA 2017 Air Cargo Innovation Awards Finalists

Air Cargo Innovation Awards 2017

LIST OF FINALISTS *(in no particluar order)*:

- Astral Aerial Solutions – UTM Concept for Africa (Kenya)
- Etihad Cargo – Smart Electric Cool Dolly (United Arab Emirates)
- Gate chain – Redefining trade with block chain (Switzerland)
- Jettainer – Innovative Decision Support System (DSS): synergies from big data and expert system technology for ULD management (Germany)
- OpenAirlines – SkyBreathe Fuel Efficiency (France)

The second edition of the IATA Air Cargo Innovation Awards received 46 entries from across the industry from small start-up companies to large multinational corporations. Submissions covered a wide-range of topics including drones, ULDs, special cargo and dangerous goods. Applicants used cutting edge and emerging technologies such as block chain and big data to develop innovative solutions to benefit the industry.

The finalists, in no particular order are:

- ***Astral Aerial Solutions – UTM Concept for Africa (Kenya)***

- ***Etihad Cargo – Smart Electric Cool Dolly (United Arab Emirates)***

- ***Gate chain – Redefining trade with block chain (Switzerland)***

- ***Jettainer – Innovative Decision Support System (DSS): synergies from big data and expert system technology for ULD management (Germany)***

- ***OpenAirlines – SkyBreathe Fuel Efficiency (France)***

Seven members of an independent jury which included industry experts, academics and CEO's evaluated the submissions based upon their assessment of the idea, its coherence to the program objectives, its potential for value creation, and the likelihood of achieving success based upon the submitting team's plan and experience.

Below are the seven members of the independent jury:

- ***Alain Lumbroso, Economist at International Transport Forum / OECD***

- ***Darryl Judd, Chief Operating Officer of Logistics Executive Group***

- ***Bernd Maresch, Owner, MARESCH Ltd.***

- ***Holger Buerskens, Partners, Arnecke Sibeth***

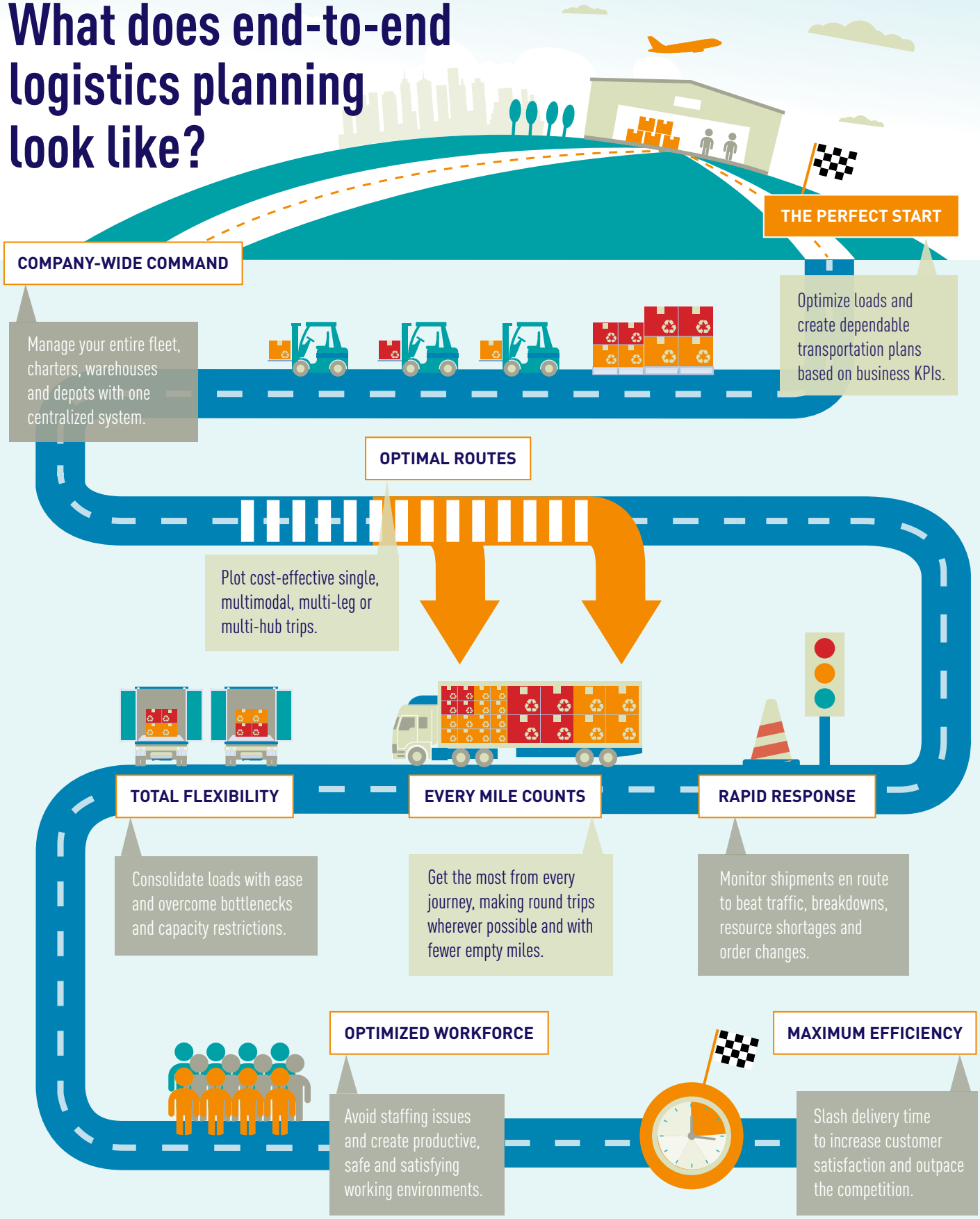
- ***Marco Bloemen, Partner at Seabury***

- ***Stephen Miles, Research Affiliate and Consultant at MIT***

- ***Wolfgang Lehmacher, Head of Supply Chain and Transport Industries, World Economic Forum***

The finalists will present their project at the 11th IATA World Cargo Symposium in Abu Dhabi, UAE. Delegates will then vote for their preferred innovation and the winner will receive USD 20,000 during the conference's closing plenary on the 16th of March 2017.

What does end-to-end logistics planning look like?



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INTTRA Container Orders Grew by 16% in 2016 - More than 5x Industry Rate

INTTRA, the world's ocean shipping marketplace, announced that it generated 16% growth in 2016 over 2015 in container orders, which include bookings, shipping instructions and shipping orders. The company processed 38.5 million container orders on its platform. Containership sailings in the industry rose by just 3% in 2016, according to Container Trade Statistics.

In addition, INTTRA tracked a record 427 million container status events in 2016 through its Track & Trace service, the world's largest source of container tracking information and the foundation of INTTRA's growing data analytics business.

"INTTRA played a significant role in 2016 as the rate of technology and digitization accelerated rapidly in the ocean industry. We believe that digitization is now indispensable," said INTTRA CEO John Fay. "

In 2016, INTTRA introduced innovative regulatory compliance and data analytics products, and also strengthened its industry leading platform, expanded its network and improved customer experience."

> "INTTRA played a significant role in 2016 as the rate of technology and digitization accelerated rapidly in the ocean industry.
>
> **John Fay**
> **CEO**
> **INTTRA**

In 2016, INTTRA introduced its cloud-based eVGM Service – the industry's most comprehensive, flexible and efficient SOLAS VGM compliance solution. INTTRA led the industry initiative to develop common standards and express a preference for a digital approach to VGM compliance. INTTRA estimates that today, the vast majority of VGMs are being submitted digitally.

INTTRA also broadened its portfolio of Decision Support Dashboards, which help customers optimize shipment performance by providing a comprehensive view of their shipment histories based on their own data. INTTRA's Dwell Time Dashboard measures turnaround time for various phases of the shipping lifecycle, while the Status Event Dashboard enhances planning and container management with full visibility into shipment notifications.

Introduced in the fourth quarter, INTTRA's new cloud-based user interface expanded functionality and improved ease-of-use on the INTTRA portal, saving customers time in processing orders, while the company's customer service satisfaction ratings reached all-time highs.

INTTRA CEO John Fay added, "The changes in ocean shipping over the past twelve months show that the digital divide is widening and the path to success in ocean shipping is combining the best of digitization with a strong physical network. This trend will continue and INTTRA is committed to helping our customers achieve this synergy with innovative solutions that leverage the technologies of today and tomorrow."

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Japanese Carriers Expect Record Losses

Two of Japan's "Big Three" container lines warned of record losses for the fiscal year ending March 31, as all three reported revenue declines of roughly 20 percent year-over-year in the first three fiscal quarters.

NYK Line, Japan's top container line, and third-ranked "K" Line are anticipating record losses for the fiscal year while MOL, Japan's No. 2 container line, expects no profit. NYK and "K" Line also reported losses in the first three fiscal quarters while MOL managed to turn a profit.

The anticipation of record losses and no profit for the fiscal year underscore the necessity of the three container lines' plan to merge their operations into a single unit. That process, expected to wrap up in 2018, will be facilitated by the fact they are all members of THE Alliance along with Hapag-Lloyd and Yang Ming Line, which begins in April.

NYK predicts a fiscal year net loss of 245 billion yen ($2.15 billion), while "K" Line expects to lose 94 billion yen, more than double its previous 45.5-billion-yen estimate for its full-year net loss.

MOL had expected to turn a 7-billion-yen profit for the fiscal year, but that proved too optimistic amid a global market of slumping freight rates and cargo volumes in a market defined by structural overcapacity and stagnant demand.

"In the container ship business, although the freight rate market appears to have bottomed out, mainly in the east-west services, the recovery in short-term freight rates is expected to stall on account of an anticipated weakening of the freight market due to seasonal factors," "K" Line said in a statement.

Spot freight rates on the Asia-Europe and trans-Pacific trades improved throughout the fourth quarter as the collapse of Hanjin Shipping coincided with the traditional peak shipping season, with the sudden gap

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in capacity and increase in demand helping to keep rates elevated.

Spot rates maintained much of that strength even after the peak season began to subside thanks to the early Lunar New Year of 2017. That meant shippers kept moving goods to ensure they had adequate inventory before factories in Asia shut down for two weeks starting Jan. 28. Many in the industry, seemingly "K" Line as well, believe that freight rates will weaken now that those seasonal demand factors have run their course.

"K" Line said it will work to increase profitability "by adjusting vessel allocation through its alliance scale in line with supply and demand," cutting costs, and focusing on more profitable cargo, such as refrigerated goods.

MOL downgraded its earnings forecast because of concerns over the declining value of its container shipping assets, as the value of container ships has dropped significantly over the past year, the company said.

On the revenue front, NYK recorded a 19.9 percent year-over-year decline in the first three fiscal quarters to 1.4 trillion yen, while "K" Line's revenue declined 22.2 percent to 761 billion yen, and MOL's revenue fell 17.9 percent to 1.08 trillion yen.

NYK Line incurred a net loss of 226 billion yen in the April-to-December period, compared with a net profit of 22.8 billion yen a year earlier, as "K" Line suffered a net loss of 54.5 billion yen, compared with a net profit of 9.27 billion yen a year earlier. Net profit at MOL surged 43.1 percent year-over-year to 19 billion yen.

Abu Dhabi Ports Net Profit Jumps 77% During H1

Abu Dhabi Ports, the master developer, operator and manager of the ports and Khalifa Industrial Zone in the Emirate, has seen a 77% jump in net profit and 20% revenue growth during H1.

The successful first half of 2016 was due to major growth across general and bulk cargo, container volumes and Roll-on/Roll-off (RoRo) traffic.

Since January 2016, Abu Dhabi Ports has witnessed 77% jump in net profit and 20% revenue growth while the EBITDA margin exceeded 40%, reflecting a 15% increase compared to H1 2015 figures.

Bolstered by rapid growth in polymer exports and transhipment activity across the Gulf, 699,776 TEUs were handled in the first six months of 2016, up from 629,941 TEUs in the same period of 2015.

Building on the infrastructure of Abu Dhabi to keep abreast with its economic growth, Abu Dhabi Ports successfully completed the implementation of the Terminal Operating System (TOS) in Zayed and Musaffah Ports.

The RoRo offering saw new levels of productivity with a record average of 206 cars handled per hour in April 2016 alone, an important boost for the automotive industry in the UAE and the region, demonstrating the growth of Abu Dhabi as a logistics hub for this industry.

During the first half of 2016, Abu Dhabi Ports enjoyed an increase in RoRo volumes of 4% compared with the same period in 2015, with 58,000 vehicles passing through the ports so far in 2016. The amount of new land leased in Khalifa Industrial Zone is over 1.5 million square metres, 50% up on this time last year.

The area has now leased 14.5 million square meters of land, 1.9 million square meters of which is leased in the trade and logistics zone. There has also been a 17% year-on-year increase in the number of investors from 2011, with a value exceeding AED 22 billion.

Ten facilities in logistics, warehousing, food, printing and packaging, aluminium, workshops, repairs and mixed use are already operational.

"These results demonstrate the crucial role that Abu Dhabi Ports plays as the UAE's regional and increasingly global maritime trade hub, especially for those seeking to access the US $7.8 trillion Middle East, Africa and South Asian region," said capt. Mohamed Juma Al Shamisi, CEO of Abu Dhabi Ports.

GWC among Growth Leaders in Qatar with 11% Growth in Net Profits

GWC (Q.P.S.C.), Qatar's leading logistics provider, concluded 2016 with one of the healthiest growth rates in the State of Qatar, achieving an increase of 11% in net profits with QAR 205.7 million, as compared with QAR 185.2 million in 2015. The company has maintained its growth by increasing its operational efficiency, improving its profit margins, and actively seeking new revenue streams, drawing in gross revenues of QAR 849.5 million at the end of 2016, representing 8% increase from QAR 787.9 million in 2015. The company's assets continued to develop, with total assets reaching QAR 3.741 billion by the end of December 2016, compared with QAR 2.981 billion at the end of December 2015, representing a 26% growth.

"Every effort has been taken to ensure that the company serves the best needs of the state of Qatar as it diversifies from oil dependency to a diversified and sustainable economy," stated GWC Chairman Sheikh Abdulla bin Fahad bin Jassem bin Jabor Al Thani. "It is through this lens that we find, in the current climate, a wealth of opportunity to develop, innovate and prosper, thereby recompensing our stakeholder's investment and trust in us, and our pursuit of the Qatar National Vision 2030,"

GWC has moved forward on its various development initiatives in 2016, with its resources poured into the completion of the GWC Bu Sulba Warehousing Park, with preparations for launch of operation set for the first quarter of 2017. The 517,375 square meter facility is equipped to handle the varying demands of the small and medium enterprise (SME), demonstrating flexibility in design and service needed to accommodate the diverse industries it will serve.

The company also saw developments in its various current facilities, with the completion of the Phase V expansion in the Logistics Village Qatar (LVQ) adding 45,000 square meters of storage capabilities within the one million square meter fully-integrated logistics hub, in addition to new accommodation and recreational facilities. GWC also added 64,000 square meters of fully-integrated, specialized Hazmat logistics solutions to its Ras Laffan Industrial City hub in the West Side Support Area at the beginning of 2016.

The company's departments also made significant developments in their respective fields. GWC Contract Logistics expanded on a number of their contracts, completing the roll-out of several programs it had begun for clients in the health, retail and telecom sectors. GWC Forwarding held on to its position as the No. 1 freight forwarder in the State of Qatar, and enhanced value for its clients' projects by offering new products that reduce turnaround time for many shipments. GWC Records maintained its 100% client retention record while adding clients among ministries, government authorities and financial institutions. Meanwhile, GWC Relocations, Fine Art, and Transport expanded on the types of services they offer while making significant contributions to the company's revenues.

Beyond Qatar, GWC's Dubai operation is contributing to the growth of the Company in extending its reach to the UAE market and beyond. This progression has led to the acquisition of two warehousing properties which will meet local demand and help better coordinate GWC's international distribution operations.

In addition to its contributions to the country's logistical infrastructure, GWC has participated in a number of initiatives to improve Qatar's social wellbeing. During Ramadan, the company participated for the third year in a row as the logistics partner for The Youth Company's Ramadan charity initiative, "7assanat Olympics", packing and distributing thousands of Iftar and Garangou boxes. The company also participated for the fourth year in a blood drive, organized in collaboration with the Hamad Medical Corporation, collecting over 52 units of blood. For the National Day initiatives, GWC participated in two events, "Henna Ahalha" at the Katara Cultural Village, organized by Embrace Doha, and the "Associated Activities of the Qatar National Day 2016" in partnership with Lekhwiya.

The company's successes in 2016, both financial and operational, earned widespread industry acclaim and recognition, earning GWC the Frost and Sullivan award for "Leading Domestic Logistics Service Provider of the Year 2016"; the SCATA award for "Leading Logistics Manager of the Year"; the Employer Branding Institute award for "GCC Best Employer Brand Award for 2016"; and the Enterprise Agility Award for "Logistics Innovation".

Considering the breadth of the company's success, and to reward the trust the shareholders have placed in GWC, the company's Board of Directors has recommended that a 16% dividend be distributed to the shareholders, which was presented for discussion and approval during the company's Assembly General Meeting held last January 30th, 2016.

FedEx Boss Says US President's Decision to Quit TPP 'Unfortunate'

The founder and chief executive of FedEx Fred Smith has criticised the US president's decision to withdraw from the Trans Pacific-Partnership (TPP) by saying that being cut off from trade would be like "trying to breath without oxygen."

Speaking on the Fox Business Network, Mr Smith said the decision to pull out of the TPP was "unfortunate." He reasoned that "trade is what made America great" and added that the decision would actually benefit China, the London's Air Cargo News reported.

"About 27 per cent of [the] entire [US] economy is related to trade 95 per cent of the world's consumers aren't in the US, they're elsewhere around the world, 80 per cent of the purchasing power," he said.

"I think the decision to pull out of TPP is unfortunate because the real beneficiary of that is China and China has been very mercantilist, very protectionist. They've engaged in industrial policy to the disadvantage of American and European countries.

"But the real opportunity is to get China to take down their barriers for American goods because the countries we have a free trade agreement with, which are 20, we actually have a surplus which seems to be what President Trump is focusing on the most.

"The problem with having a free trade, a bilateral agreement, it's wonderful but trade doesn't happen just bilaterally. It happens multilaterally."

US president Donald Trump signed an executive order a few days ago to withdraw from the Trans-Pacific Partnership (TPP). The move by Trump has been described as largely symbolic given that it had yet to be ratified by congress. This was far from certain given the strength of opposition to the deal in the country because of concerns that it could have a negative impact on US manufacturing and job losses by making foreign goods less expensive.

Mr Smith has long been an advocate of free trade and has previously spoken of the perils of protectionism.

GAC Partners with Hemas to Develop Logistics Facilities in Sri Lanka

Photo: Courtesy of GAC.com

GAC Sri Lanka has partnered with Hemas Transportation to develop a 6,000 TEUs container yard, distribution centre and 15-acre warehouse. Development will take place in Muthurajawela Industrial Zone in the western part of Sri Lanka.

The distribution centre will consist of 22,000 pallet positions with both ambient and temperature-controlled facilities. The distribution centre's operation will run on an integrated IT platform that encompasses warehouse management, distribution management and yard management capabilities with barcode and RFID enabled infrastructure.

The container yard is expected to be operational by early June 2017 and the distribution centre by February 2018.

Toll's New Boss Prioritises Growth Amid Pressure

Reflecting on his recent appointment to Managing Director of Australia's largest transport company, the Toll Group, Michael Byrne has pledged to improve the company's bottom line in 2017.

Following the retirement of his predecessor, Brian Kruger, the former Chief Executive of Coates Hire and Linfox told the Australian Financial Review (AFR) that he was "looking forward to working with Toll's customers to understand how we can improve our business and continue to evolve". Byrne officially took over as Toll's head man at the start of the New Year after Kruger announced his retirement in December 2016, ending an eight-year run with the transport and logistics giant.

According to AFR's Jenny Liggins, Byrne and the new Toll Chairman, John Mullen, are under pressure to turn around the trucking and logistics group as profits tumble following its US$6.5 billion acquisition by Japan Post in 2015.Japan Post Co, which is owned by financial services conglomerate Japan Post Holdings, reported in November that earnings before interest and taxation in its international logistics business – the division formed to hold the Toll businesses – fell 56 per cent in the six months to September to US$68 million, while operating income slid by eight per cent to US$3.9 billion. According to research company, IBISWorld, Toll has a 9.6 per cent market share of the national road freight industry, while rival Linfox boasts a 4.8 per cent share, followed by the K&S Group with a 1.1 per cent share.

Photo: Michael Byrne, Managing Director of Toll Group

RSA Logistics Launches Dubai Investment Park Warehouse

RSA Logistics, a leading Dubai-based third party logistics (3PL) provider, recently announced that it has expanded its operations to Dubai Investments Park (DIP) with a new warehousing facility. The new warehouse is strategically located within the DIP complex to serve customers with faster distribution in the local markets.

The warehouse will add to RSA Logistics' existing contract logistics capability and complements established facilities in Dubai South and Jebal Ali. The facility, which spreads across 2500 sqm with a total capacity of 2500 pallets, is designed to store general cargo and handle a diverse range of product categories including fast moving consumer goods (FMCG) and beauty products.

It will offer an extensive range of value added services such as distribution, cross documentation, and ecommerce to meet diverse customer requirements with international standards.

Abhishek Ajay Shah, co-founder and managing director- RSA logistics said the expansion was due in part to anticipated demand from the Expo 2020 project. "Our new facility in DIP is in close proximity to the Expo 2020 site making it a favoured location to begin operations in view of the projected increase in economic growth resulting from the mega event," he said. "It also reinforces our commitment to bridging gaps in the market based the market's and our customers' needs."

The facility is strategically located to take advantage of the modern transport infrastructure, with easy access to both Jebel Ali port and Al Maktoum International Airport.

Moreover, the facility is very close to Sheikh Mohammed Bin Zayed road and Emirates road which connects to the industrial and commercial areas of Al Quoz in less than 20 mins and covers Dubai and Sharjah in less than 45 mins each.

Dubai Trade Recognises Strategic and Logistics Partners

Photo: Group photo of the appreciated oragnisations

Dubai Trade, the single window for cross-border trade and smart trading solutions and a DP World company, recently recognised strategic and media partners during its first appreciation ceremony.

The ceremony was part of Dubai Trade's strategy to support partnerships between the public and private sectors and to encourage trade relations in Dubai. It was attended by H.E. Ahmed Mahboob Musabih, Director of Dubai Customs, Mohammed Hamdan Al Zaabi, Director of Trade Promotion and Investment at the Ministry of Economy, Eng. Mahmood Al Bastaki, CEO of Dubai Trade, along with organisations that have contributed to Dubai Trade's success, including government and financial organisations, private sector companies and the media.

Dubai Trade honored organisations that provide smart services to their customers and those who have integrated their services with its smart electronic systems, such as the secured electronic payment gateway "Rosoom". Other attendees included cargo insurers, storage businesses, shipping companies, and others providing information on ship and port traffic.

The ceremony, was inaugurated by H.E. Ahmed Mahboob, Director of Dubai Customs who said: "We are working hard to ensure our leaders' vision for Dubai to become the smartest city globally becomes reality. Dubai Trade has been at the forefront of this effort since its establishment and today provides 820 services through its electronic portal, used by more than 113,000 users leading to 50,000 daily transactions. This is down to those who maintain the portal and the support of our partners who chose to use the services." Mr. Mahboob pointed out that Dubai Trade is continually improving its support services, such as the introduction of the newly launched Land Transportation Management and Warehouse Booking Systems.

Eng. Al Bastaki, CEO of Dubai Trade underlined the importance of technology, he said: "The power and reach of large global corporations lies in their use of modern technology and the way they adapt to change. Facebook, Alibaba, and Airbnb are great examples of organisations that have thought ahead of need and we strive to continue serving our customers in much the same way, adopting smart systems to provide innovative solutions."

Dubai Trade provides its services exclusively through its online portal that covers the trade and logistics industry. All services are also available via smart applications, allowing customers easy access to their full range of services, anytime and anywhere. Dubai Trade also enables organisations to connect and integrate with its advanced systems, including the secured e-payment gateway 'Rosoom' and the e-insurance platform 'Tradeshield'.

Dubai Trade plans to expand the scope of its strategic partnership to include the business and trade sectors as well as retail outlets in the private sector. It works to enhance smart trade in Dubai, and supports Dubai's vision to become the smartest city in the world.

Toyota Ends Australian Manufacturing Leaving 2,500 Unemployed

More than 2,500 people have been left without jobs after Toyota announced it would close its manufacturing plant in Melbourne's west in Australia.

Toyota said its total staff in Victoria would drop from around 4,000 to 1,300 people when it stops manufacturing and moves its workforce to the CBD.

In a statement, the company said it would stop building the Aurion model in August, Camry Hybrids in September and Camry petrol models in October. Dave Buttner, president of Toyota Australia, said employees would be supported to prepare for the future.

"We remain extremely proud of our rich manufacturing history which spans over 50 years," Buttner told the Australian Broadcasting Corporation (ABC) on Wednesday.

"Our employees are committed to producing vehicles of the highest quality as we work towards our goal of last car equals best global car."

The Australian Manufacturing Workers' Union (AMWU) said the announcement actually came as relief for a lot of staff after years of uncertainty though they would struggle to compete with the 40,000 people employed by the broader industry.

"They can now get on with their lives and organize around a date, they know when they'll be leaving the plant, so for many of them in a very bad circumstance, it is a positive," the AMWU's Dave Smith told the ABC.

"There's going to be so many people coming onto the jobs market at the same time.

"The company has put in a support program... But at the end of the day you can provide all the training in the world, but there's got to be jobs there to go to."

Toyota will join Ford and Holden in shutting down its Australian manufacturing in recent years.

SMART Will Return to Sydney in 2017

SMART will return to Sydney in 2017, and bring a world-class line-up of expert speakers for the two-day event. Smart Conference is the only supply chain and logistics conference that's brought to you 'by industry – for industry'.

Over two days, delegates will hear 30 real-world case studies from leading organisations on how they have increased supply chain efficiency, with Samsung, Kathmandu, Roy Hill, Woolworths and McGraw Hill Education all presenting their insights. Sessions will be centered on the key themes of supply chain strategy, transport and logistics, operations management, procurement and purchasing, systems and technology, and leadership and development.

Outside of the conference sessions delegates will have more opportunities to learn and network with site visits, the Supply Chain Industry Dinner & Awards, as well as the SMART Expo 2017.

To celebrate Smart Conference's return to Sydney, it will be held at the world-class International Convention Centre (ICC). With its new fully integrated facilities, world class cuisine and spectacular views, ICC Sydney is the perfect venue for Smart 2017.

Registrations are now open at **www.smartconference.com.au**

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Unilever Plant Launched at Dubai Industrial Park

The region's largest personal care products manufacturing plant has been launched in Dubai Industrial Park by consumer goods giant Unilever.

The company will mark products manufactured at the factory with a 'Made in UAE' label and will export 80 percent of them to Europe and MENA region.

The official opening ceremony, of the AED 1 billion facility, took place in the presence of His Highness Sheikh Ahmed bin Saeed, chairman of Dubai Civil Aviation Authority and chairman of Emirates Group.

Sheikh Ahmed bin Saeed Al Maktoum, said: "The UAE is accelerating its efforts to boost the industrial sector and make it a valuable contributor to the national economy, turning the 'Made in UAE' label into a mark of quality and global excellence. We can achieve this through successful partnerships with international manufacturers, and stimulating investments in industry."

"Our country has become a destination of choice for the industrial sector, as it provides modern infrastructure, an investment friendly environment and a world-class legislative framework for businesses seeking to become global trail blazers," he added.

Spanning 100,000 square meters, this plant is the largest in the region, and is set to deliver the highest output of 100,000 tons per annum of liquid beauty and personal care products a year (approximately 500 million units). The brands manufactured include Dove, Fair & Lovely, Lifebuoy, Vaseline, Clear, TRESemmé, and Sunsilk.

The facility utilizes state-of-the-art technology, which combined with a modular design, ensures shorter, faster and highly responsive production lines that are highly flexible to match market demand. The facility is also designed to reduce waste and energy consumption, in line with the Unilever Sustainable Living Plan via which the company aims to decouple its growth from its environmental impact, while increasing their positive social impact.

In addition to supply chain efficiency, the advanced technology will enable automatic quality control, scanning at a rate of 350 bottles per minute, while also ensuring the highest safety standards integral to and embedded in all equipment designs.

In addition, 25 percent of the energy required to run the plant will come from solar power, and 80 percent of waste water will be repurposed and reused for agricultural and cleaning purposes.

Highlighting the importance of the GCC and UAE markets for Unilever, Polman said: "Choosing the UAE was a strategic decision. It is a trade corridor that connects the East and West, with important growth potential and world class infrastructure. Our new factory is testament to that – as the UAE's largest private solar park, it reflects a shared vision of driving resilient, sustainable growth, underpinned by innovation".

Asahi to Build a High-bay Warehouse in Queensland

Asahi Beverages, comprising some of Australia and New Zealand's most successful beverage businesses including Schweppes Australia, Asahi Premium Beverages, Independent Liquor and The Better Drinks Co., has awarded Dematic a contract to build a high-bay warehouse.

The warehouse in Heathwood, Queensland, will consist of satellite storage containing six aisles of six-deep satellite ColbyRack, capable of storing 28,000 pallets. The automated storage and retrieval system (ASRS) will include six new Dematic RapidStore Storage Retrieval Machines (SRM) with Dematic's latest 'free roaming' Automover satellite carts.

The system will also feature Skate Auto-loading Truck Docks, an extensive pallet conveyor system, stretch wrapper, automatic barcode labelling, and a full-case picking area.

The new warehouse is due for completion by the end of May 2018.

Crown Launches Updated Heavy-Duty FC 5200 Electric Counterbalance Forklift

The most efficient heavy-duty counterbalance forklift for warehouse and manufacturing applications to come from Crown Equipment has been launched across the South East Asian region.

Helping the company deliver a more extensive counterbalance forklift line-up for a wide range of warehousing requirements, the Crown FC 5200 Series provides the expected strength, stability and manoeuvrability from a brand renowned for producing equipment that stands up to the task.

Proprietary Crown-built AC drive motors are central to the Crown FC 5200 Series' efficiency while supporting loads ranging from 1800 to 3000 kilograms. These combine with improvements to the motor-controller interface and the battery cut-off, furthering FC 5200's economical battery use. Crown's e-GEN™ braking benefits runtimes, while reducing the need for maintenance compared to traditional friction brakes, further improving the cost of ownership.

Photo: Crown Equipment has launched its most efficient heavy-duty counterbalance forklift for warehouse and manufacturing applications, the FC 5200, which benefits from Crown-built AC drive motors and other efficient technologies.

On-demand power steering means that power is only used when the steering wheel is turned, avoiding energy loss. Fingertip-control hydraulics operate on a similar basis while providing streamlined ergonomics.

The FC 5200 helps operators get more done in less time, using faster acceleration, travel and lift speeds, to move up to 10 per cent more per shift. Its dual drive motors and steering axle geometry allow for a smaller turning radius so operators can handle heavy loads in tight spaces without causing extra tyre wear.

The tighter turning radius of the forklift enables the truck to be used in the same space as a conventional four-wheel forklift, while also allowing room for a larger battery that provides 15 per cent more runtime per battery charge. When the performance of the forklift is set to "optimise efficiency", an additional 25 per cent of runtime can be realised, resulting in a combined 40 percent more runtime per battery charge.

FC 5200 positions the operator for productivity with ideal ergonomics, all-around visibility and ample workspace. Enhanced visibility results from the cab-forward design, low-profile cowl, narrow steering column and exceptional visibility through the mast.

Crown's Intrinsic Stability System™ uses integrated sensors and controllers to constantly monitor and control key forklift functions and movements to enhance stability and safety. This combines with a strong, durable frame and power train to handle the most demanding loads, giving operators an added level of confidence.

Marketing Manager Southeast Asia, Crown Equipment, David Sultana said the FC 5200 Series' pre-emptive focus on efficiency has resulted in a future-proof forklift that will remain ahead of the game for a long time.

"It's safe to say that the forklift industry is likely to face increased pressure to provide more efficient products, just as the automotive industry has," Sultana said. "That's why we've produced our latest products with an emphasis on driveline efficiency and are offering state of the art technology to achieve it.

"The FC 5200 was also built with a focus on efficiency in all functions and movements, favouring the operator and helping to maintain a comfortable, safe working environment.

"Crown has always built its equipment for durability and longevity and the FC 5200 provides optimum strength and manoeuvrability for heavy-duty use in applications such as dock work, stacking in racks and feeding assembly lines," he said.

Flipkart Set to Roll-out 'Low-Cost' Delivery System Made up of Kirana Stores, Tech Parks

India's largest online retailer Flipkart is set to implement a low-cost delivery channel across major cities this year. The company, which had piloted a low-cost delivery model in select cities last year, is now gearing up to scale it up over 50 cities in an effort to reduce its logistics cost and bring down pressure on its delivery network.

The new delivery model, once implemented, will constitute about 20% of its total deliveries on daily basis, Flipkart sources said.

The alternative delivery channel comprises of kirana stores, large apartment complexes and tech parks, where Flipkart is looking to appoint last-mile delivery agents so as to meet customer demands quickly. For example, Flipkart will deliver packets at a kirana store, which will in turn be either picked up by customers on their own at a convenient time or delivered to their doorstep by the store owner depending on the convenience. This model has helped Flipkart improve its last mile connectivity at a far lesser cost, sources said.

This way Flipkart can get a large number of parcels delivered by one or two kirana stores at a nominal commission as against paying salaries to a large workforce or delivery boys.

Typically, delivery boys are paid a salary of R9,500 to R12,000 depending on their level of experience. Flipkart's delivery team, irrespective of whether they work directly or through third party agents, get all benefits including incentives just as regular employees.

Currently, Flipkart's logistics arm Ekart ships around 500,000 packets per day including the third party logistics companies. During the festival season, the number goes up to as high as 800,000 parcels a day.

The cost of logistics at Flipkart is 30% lesser than the competition as it uses a mix of different delivery models such as its own logistics arm and third party logistics firms. Flipkart also uses third party logistics firms like Bluedart, Delhivery and Ecom Express.

Although Flipkart did not reveal its cost of logistics, the typical cost of delivering a half kilo packet is pegged at R45 to R55, analysts tracking the sector said.

"We have tested the alternative delivery mechanism across 30 cities in India last year. The experience we have gained from this pilot has given us very good result and helped us cut down our logistics cost significantly. We are now doubling the number of cities in 2017," Flipkart sources said.

Foxconn Ties Up with Robo 3D to Produce 3D Printers

Foxconn Electronics has signed a cooperation agreement with Robo 3D, under which Foxconn will produce the Robo R2 3D printers for Robo 3D, according to a Chinese-language TechNews report.

Initial production will reach 10,000 units a year with the first batch of the Robo R2 3D printers to hit the market in March, said the report.

The Robo R2 can be operated through the Wi-Fi network of users' mobile devices, using Robo app. The Robo R2 also supports iOS, MacOS, Windows and Linux, according to Robo 3D.

The Robo R2 will be available at US$1,300 per unit, according to a Chinese-language Economic Daily News (EDN) report, citing documents from Robo 3D.

Wal-Mart to Scrap its Amazon Prime Rival; The ShippingPass Service

Wal-Mart Stores Inc. is abandoning its effort to create a rival to Amazon.com Inc.'s membership program.

The service, called ShippingPass, was introduced almost two years ago and offered free two-day shipping for customers that paid the $49 annual membership fee. Instead, Wal-Mart will offer free shipping on more items it sells online and lower the minimum purchase required for free shipping on all orders to $35, from $50.

Wal-Mart declined to say how many people had signed up for ShippingPass, which was similar to Amazon's $99 Prime program.

Under the change, Wal-Mart plans to offer free two-day shipping on about 2 million products on Walmart.com. The site sells about 30 million items, mostly from third-party sellers. "We are hoping to build loyalty on the fact that you are able to get free two-day shipping...without a membership," Wal-Mart's e-commerce chief Marc Lore said Monday on a call with reporters. "This day and age, two-day shipping is just table stakes."

Wal-Mart plans to refund ShippingPass members the cost of the membership.

Wal-Mart has spent billions boosting e-commerce sales and speeding up deliveries of online orders. Last September, Wal-Mart bought Mr. Lore's company Jet.com Inc. for $3.3 billion, placing him at the head of e-commerce operations.

Since then, it has also shuffled the leadership ranks of its e-commerce operations in California, and last week it laid off about 200 e-commerce employees there as part of broader corporate job cuts.

Wal-Mart started offering ShippingPass in the spring of 2015, first as a free three-day shipping membership program for $50 per year. Last year, Wal-Mart made it a two-day window and cut a dollar off the annual fee.

Wal-Mart used ShippingPass to test and ramp up its logistics and online warehouse network on an easier to manage, limited number of shoppers, says a person familiar with the strategy.

Now Wal-Mart is able to ship millions of products to any house in the U.S. in two days, Mr. Lore said.

The Walmart.com products that will automatically qualify for free shipping will include everyday purchases such as shelf-stable food, household cleaning supplies and diapers, he said. While those staples aren't big moneymakers for most e-commerce players, they can help attract shoppers who buy them frequently.

Fonterra's Chinese Makeover

Fonterra is riding a wave of demand in China for dairy products to use in Western foods, including breakfasts.

The dairy giant said data from China Customs showed that imports for butter, cream and cheese all rose in the first 11 months of last year compared with the year prior, with cream up 57 per cent, cheese up 31 per cent and butter up 21 per cent. To meet demand, Fonterra has increased the number of stores it sells into from 1400 to 1700 in recent months and boosted the presence of its products on e-commerce platforms.

The co-operative has also launched a mobile app campaign inviting users to share their favourite breakfast recipes using dairy ingredients. More than 8000 recipes were shared during December and January by shoppers who bought Anchor products.
About 70 per cent of the recipes were Western-style dishes such as breakfast paninis and omelettes, while 30 per cent were Chinese- inspired dishes such as sweet potato cream soup, toast rolls with peanuts, and cheese and egg breakfast cups.

"Breakfast as we know it is changing in China," said Chester Cao, vice-president of brands for greater China.

"As incomes rise and the middle class grows, we are seeing greater demand for Western-style breakfast items such as butter, cheese and cream.

The co-operative has hired celebrity chefs such Michelin star holder Steven Liu to stage cooking events.

The campaign also included digital advertising and activation with China-based food delivery app Eleme, which generated 89 million impressions among app users.

The Forces Behind One of the World's Fastest Growing Ports

Innovation is in the DNA of SOHAR Port and Freezone. The mega-development has been pushing the boundaries of maritime logistics since it was first established and has found new ways of doing business, making its tenants' operations more efficient and convenient along the way. "Today, SOHAR is one of the world's fastest growing port and free zone developments and is really establishing itself as the region's challenger brand," says Mark Geilenkirchen, CEO at SOHAR Port. "All over the world, people in our industry are sitting up and taking notice of what we're doing here. Investments at SOHAR reached a staggering US$25 billion last year, which is more than the GDP of some smaller European countries." With this kind of clout, SOHAR is able to use its position to enhance innovation in Oman and the wider region.

Mark Geilenkirchen
CEO SOHAR Port and Freezone

At the end of 2016, as part of ongoing expansion amid strong growth in throughput for the second half of the year, SOHAR Port and Freezone closed contracts with some significant new tenants, whose identity is due to be announced soon. The tenants have agreed to lease a substantial new area as an integral part of a land reclamation project at the Port. The reclamation project is part of the SOHAR 2040 Masterplan, currently under finalisation, and will give a substantial boost to the port's ability to support the Sultanate's aims to increase its diversification efforts.

"Moving forward, we will be looking to create more synergies between our Port and Freezone and especially developing the Freezone as a hub for innovation

'SOHAR Port South', as the newly reclaimed area will officially be called once completed, will allow the port to expand its portfolio of companies and add more business to drive growth within the Omani economy. CEO Mark Geilenkirchen added: "SOHAR will build on the Port of Rotterdam's extensive experience with similar projects, like the massive Maasvlakte 2 land reclamation in the Netherlands, to achieve the best results during construction."

As well as continued organic growth, SOHAR will be focusing on two main areas moving forward: food and logistics. Mark Geilenkirchen explains: "The port was originally based around three industrial clusters: logistics, metals and petrochemicals. We recently added food as our fourth pillar with the launch of SOHAR Food Zone, the region's first dedicated agro terminal." Earlier this month, Sohar Flour Mills announced that they are moving ahead with construction of a new 500 tons a day milling facility in the Food Zone. The new mill is a joint venture between the UAE's Essa Al Ghurair Investments and Aytab Investments of Oman and is due for completion by the end of 2017. Built on the site of the old container terminal B at SOHAR, the new Food Zone also includes firm plans for a sugar mill and the infrastructure for downstream food processing, packaging and logistics industries.

As well as continued organic growth, SOHAR will be focusing on two main areas moving forward: food and logistics.

This new expansion phase at SOHAR is expected to generate a further US$8 billion worth of investment over the next five years. "There are certainly some external factors that are currently influencing growth: the general level of global economic uncertainty and historically low oil prices that are affecting all the GCC economies. However, those same low oil prices are acting as a catalyst to spur on economic diversification across the region," says Mark Geilenkirchen.

"The whole Middle East is moving from an economic base powered by oil and gas exports to one that is fuelled by knowledge, and this diversification is driving investment with an upside for our business in SOHAR," he says.

"Moving forward, we will be looking to create more synergies between our Port and Freezone and especially developing the Freezone as a hub for innovation," says Geilenkirchen. This will include a scheme that aims to create better use of resources between the Port and Freezone's existing tenants and those looking to setup business. "For example, where one company produces steam as a waste product, another may actually need steam for its own industrial processes. By improving the level of connectedness between our tenants' businesses we can help them grow more efficiently with more synergies, and a very positive environmental upside for all of us."

Ports don't look very smart seen from outside the fence, but over the past ten years there has been a revolution in the way that they work. Behind the scenes, there has been huge investment and innovation. Dutch-born, but with broad global business experience, the new SOHAR CEO knows that the focus of port operators is changing across the globe. Instead of being really good at doing just one particular thing, today it's more important that they become really good at learning how to do new things - and doing that faster and better than ever before. "Right now, that's our focus at SOHAR, and ensuring that we have the management structures in place to deliver against that," explains Geilenkirchen.

SOHAR Innovation Zone is central to this effort. The Port and Freezone wants to operate the Innovation Zone as an ideas factory. Working in close cooperation with the Port of Rotterdam, it will try to find innovative ways to solve tomorrow's logistical problems. "Together with private sector companies, international research institutes and some of the world's top universities, we are seeking solutions across a broad range of issues that affect our shipping, logistics and industrial hub at SOHAR Port and Freezone," says Geilenkirchen.

"From innovative ways to track containers and their loads moving between our Port and Freezone; through the use of 3D metal printing to create high quality industrial parts onsite; to the world's first self-sustaining Freezone logistics cluster, at SOHAR we firmly believe that everything is possible." SOHAR Innovation Zone will particularly focus on sustainability, and will operate as the world's first self-sustaining Freezone cluster. It will not be connected to the national power grid, instead getting all its electricity needs from renewable sources, while all waste will be recycled. The Innovation Zone is not a hypothetical, futuristic concept, however. It will use proven and trustworthy techniques brought together in one integrated system for the first time, to demonstrate the full potential of Oman's technology sector.

The original plans for SOHAR Freezone foresaw an industrial complex of 4,500 hectares adjacent to SOHAR Port and the first-phase development of 500 hectares is now practically leased out while, in many cases, the industries are already fully operational. The technical teams at SOHAR are now busily planning the zone's expansion into phase-two.

Mark Geilenkirchen continued: "As both the Port and Freezone continue to grow, we are looking at new ways to further enhance the already excellent connectivity between the two areas. In the near future, there are likely to be a number of new options available for the transportation of incoming feedstock from the Port to the Freezone as well as outgoing finished products from the Freezone to the Port. We are also looking to open a fully bonded road corridor soon, to optimise trade and facilitate the swift movement of goods, avoiding unnecessary customs paperwork for our tenants.

> "In SOHAR we always say 'It all starts here' and that has never been more true than now: 2017 promises to be our most exciting year ever.
>
> **Mark Geilenkirchen**
> **CEO**
> **SOHAR Port and Freezone**

For instance, as the Food Zone takes off in the Port we are expecting a rapid influx of regional and international food companies to set-up downstream food processing and food logistics businesses in the Freezone, and we want to facilitate the ease of doing business for them, as well as for all our other businesses.

All of these efforts are helping to increase efficiency, making the port smarter through innovation. Mark Geilenkirchen summed up the sentiment as the Omani hub settles down to another year of continued growth: "In SOHAR we always say 'It all starts here' and that has never been more true than now: 2017 promises to be our most exciting year ever."

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Three-Levels of Partnerships in Dyadic Supply Chains

Supply chain management is a vital part of business that leads firms to systematically coordinate the flow of products, information and finances to meet end-consumers' demand. Managing the supply chain in today's fast-paced environment is a challenging effort due to increased competition, fragile economic conditions, and continuously evolving consumer behaviours.

Long lead-times, limited visibility at the upstream and downstream levels, with demand uncertainties are only some of the barriers that supply firms strive to cope with in today's business environment. On the other hand, partners investing in partnership advances their supply chain with a competitive advantage. Firms like Unilever, Kraft, Tesco, Sainsbury's, Kimberly Clark and Whirlpool are only some of the firms that gained successful competitive advantage from partnerships. Wal-Mart and Sara Lee Branded Apparel partnership led to increased sales by 45% and market share by 10%, while Nabisco and Wegmans partnership led to sales growth by 32% and inventory reduction by 18% *(source: Ireland and Bruce, 2000)*.

Partnership is a resource-sensitive and effort-driven practice that needs mutual trust, commitment and continuous communication. When executives and senior managers aim at building collaboration with partner firms, the foremost consideration should be the manifestation of corporate goals and objectives. Then, it should be determined whether these goals and objectives are compatible with partner's goals and objectives.

When manufacturing firms aim to improve production with minimum production and inventory costs,

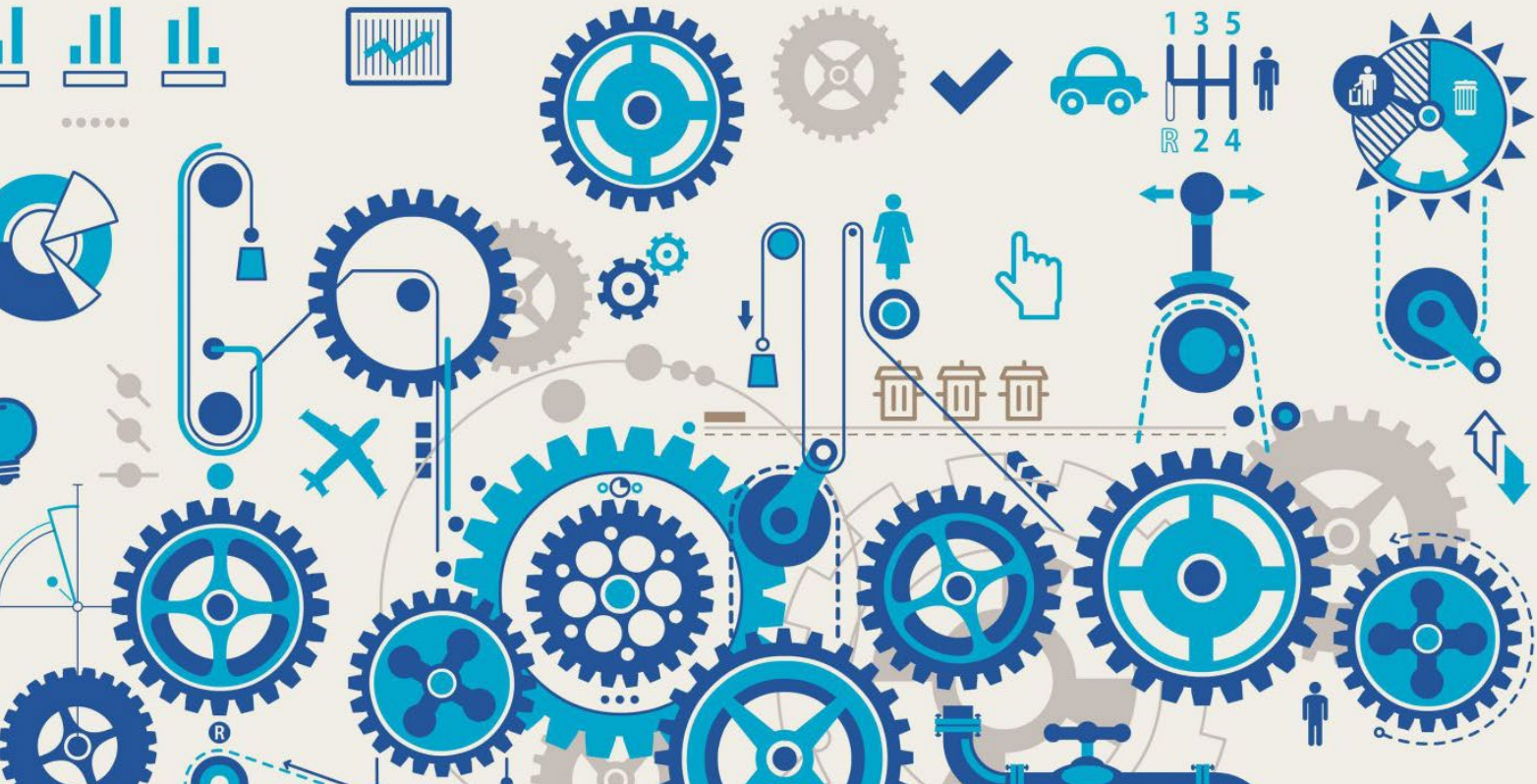

Figure 1. Level of Partnership

distributors focus on higher service levels at the downstream level, with minimum cost of inventory and logistics operations. On the other hand, retailers aim at minimising inventory costs whilst maximising availability on shelves and of course sales. It is critical for supply firms to leverage on tangible benefits of partnerships. Understanding the mutual goals and objectives are about trade-offs between cost of supply chain and service performance. Since partnership is a matter of collaboration, I would categorise it as ***operational-, mid-, and strategic-level*** partnership.

1. ***Operational-level partnership*** focuses on improving operational efficiency and effectiveness between supply firms. Whilst improved efficiency leads to minimise the usage of resources, effectiveness in partnership is more about improved ability to deliver goods and services at the acceptable level of end-consumers. This partnership needs exchange of information for better visibility on demand and supply operations, made separately by parties. Whilst the intervention of top- and senior-management is minimal, improving supply chain performance is a primary goal, which is expected to be delivery speed, consistency in operations, and flexibility to handle customer service requests.

2. ***Mid-level partnership*** is the level of collaboration practice where partners are not necessarily to define mutual goals and objectives, but rather to involve their process planning through high level engagement of senior-management. Since the focus of each party is to achieve their mid-level goals and objectives (e.g. sales target, inventory levels, fulfilment rate, etc.), partners need to monitor performance at the customer and supply level. Although strategic decisions are made separately, efficient communication, sharing of resources and planning are essential whilst committing to collaborative benefits.

3. ***Strategic-level partnership*** is the level of collaboration practice that involves complex demand, supply and sales planning. This requires a more sophisticated relationship built on a high level of trust, understanding and flexibility. Commitment and support of top-management are mandatory in order to integrate partners' goals within a single business plan. I call this a ***Partnership Book*** to achieve long-term but mutual goals and objectives. Clear definitions of responsibilities, information types and frequency of sharing resources as well as smart Key Performance Indicators (KPIs) to measure collaboration performance are vital for continuous improvement of relations.

Organisations can get benefit from three different types of partnership. Depending on the infrastructure and functionality of firms, they should aim at building correct partnership level. But, how to decide which partnership is the best for your organization? To answer this question, I do recommend the following five criteria;

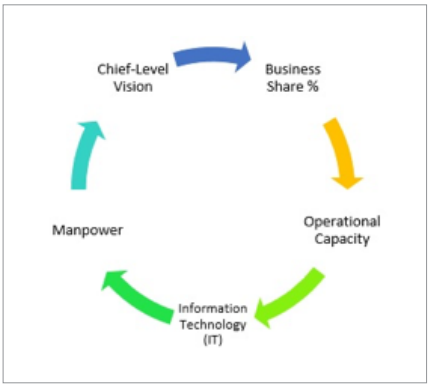

Figure 2. Partnership Level Decision Criteria

HOW CAN ORGANISATIONS IDENTIFY WHEN TO TRIGGER INTO PARTNERSHIP ENGAGEMENT LEVELS?

1. ***Business Share (%)***

We first need to identify the partners/ company that give a significant contribution to your organisation – main case being that provide revenue or gross profit. A level of at least

20% of revenue or gross profit, be candidates to develop strategic-level. The mod level partnership would targeting functional dependencies, which should be about 30% of impact. The operating level partnerships could account for 50 targeting more on transactional efficiencies. Updating this partnership mapping periodically is crucial to strengthen the decision that will be made to invest in correct partnership level.

2. ***Operational Capacity***

The present marketing environment is fast-paced and purely demand-driven. Partners have to be responsive against any fluctuations and volatility on demand. This is because, the partner firm's production and distribution capacity undertake a key role on the implementation of correct level of partnership. Success rate of operational capacity is recommended to be evaluated based on Pareto principle, which will show the 20% of products leading the 80% of business or sales. If the partner firm's operational capacity meet the 80% of sales on time with full fill rate, there is a great potential to collaborate at the strategic-level.

Managing capacity saturation will be vitally important to partnerships. Each side should work on the way of justifying the resource commitment through the investment required for either mid-level or operational-level partnership. Lead-time of finished goods or raw materials at the upstream level also play a vital role on the operational capacity, thus on time alignment for order placement, shipment and replenishment of finished goods will help partner firms to find the best way of meeting demand.

3. ***Information Technology (IT)***

Today's business is built upon IT and calls for different IT tools and systems for accurate, on-time and relevant information exchange between partner firms. The sources of demand, supply and production planning are the information that flows among partner firms. The more accurate and timely information exchanged, the better planning executed for collaboration. Insufficient IT is a limiting factor for the strategically aligned companies.

Partners' agreement on the information types and the conditions of sharing information will be one of the factors of deciding the level of partnership.

Each side will have to make the adequate investments to ensure that their capabilities to the partnership can be sustained. Reluctance or inadequate levels will put the partnership in jeopardy. Continuous review and engagement in such areas will be crucial.

4. ***Manpower***

Collaboration needs willingness, time and continuous effort put into the practice. It calls for highly skillful, knowledgeable and also flexible employees and leaders to contribute to the collaboration. Having limited manpower is likely to limit number of collaborations conducted with partner firms.

Particularly, strategic-level partnerships need good personal sources to establish the frame of partnership and to lead complex processes for win-win relations. Therefore, a significant requisite is to appoint correct leaders to the partnership development process. Today's leaders are responsible from articulating a vision, motivating people to act and focusing on problem solving. Partnership development rather seeks leaders who can safeguard the process, facilitate constructive interaction and are capable of dealing with high levels of frustration.

Leadership in a collaborative environment is completely different from hierarchical position. The leaders in collaboration embrace the positive change despite of complexity. They are open to all viewpoints, focus on consensus-building, and are passionately optimistic. Instead of aiming at individual recognition and unilateral acquisition, sharing knowledge, power and credit is priority for collaborative leaders. They motivate partnership teams to excel,

and to develop a keen understanding of key benefits in partnership.

Building strategic-level partnership calls for leaders who lead productive and goal-oriented meetings. They use each opportunity for sustainable exchange of perspective, with ensuring full contribution of team members. These leaders are the ones that strategically put the unified vision of firms to the practice with a great harmony of resolving conflicts and disagreements. Leader and manpower is a significant factor for not only deciding the correct level of partnership, but also ensuring the longevity of partnership.

5. ***Chief-Level Vision***

One of the distinguishing features for strategic alignment is to combine the long-term objectives of partner firms in a single plan. This requires a clear and unified vision of top-management. Both parties' CEOs' or GMs' continuous support to their collaborative teams are vital on the success. The benefits of strategic-level partnership do not appear in the short-run, but rather manifest in the long-term. Chief-Level people's vision shared with their teams and openness to investment are vital.

Lack of vision by top-management is the most limiting factor of strategic-level partnership. Once the thinking and strategy is aligned, the Chief-Level team should share this vision with their collaborative teams that are responsible for execution of the vision into sustainable goals and objectives. A framework of goals, the objectives and required investment extended over time, is the foremost duty of the Chief-Level people.

Strategic-level partnership involves complexity and sophistication whilst higher degree of trust and commitment is mandatory from both parties. The continuous pursuit of progress is necessary by Chief-Level people. Their regular involvement with collaborative teams will also streamline the sense of rationale for investment required for partnership.

IN SUMMARY, PARTNERSHIPS IS THE WAY TO GO BUT NEED CAREFUL CONSIDERATIONS.

The key focus of developing partnership, is to gain a competitive advantage in today's challenging and competitive business environment. Although investment at different levels seems requisite, the return on investment over the period of time is worthwhile. Operational-level partnership is a good option that aim at improving delivery speed, having consistency in operations and handling customer needs resiliently. Whilst mid-level partnerships need more engagement of senior-management to make them work effectively. The successful deliverables expected are growth in sales, savings from inventory costs and better service levels.

Strategic-level partnerships are the most complicated and time-consuming agreements for all parties. However these should yield the higher long-term benefits as they cover a deeper engagement touching sometimes the fundamentals of an organisation's structure, tools and enablers.

Despite all the hard work in setting up any type of partnership level, it also has an important intangible that good leaders recognise. It is a way to grow and accelerate the maturity of the people in their organisations. Beyond, all the other strategic benefits, the visible improvements in their long-reaching predictability through better planning and risk management due to joint forces, commitment to and trust built in the partnership.

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2017 Total Logistics Report Released

Logistics Executive Group announces the release of the Total Logistics 2017 Report, by partner Transport Intelligence (Ti).

The Report examines the dynamics of each logistics segment. Key elements of the report including some highlights by David Buckby, Economist at Ti, including the following:

- The logistics industry has undergone a transformation in terms of the major logistics service providers which have come to dominate the market.
- Ti's new report examines the dynamics of each logistics segment that have caused the industry to transform.
- For the first time, this report includes Ti's unique total logistics market sizing, segmentation by logistics market from top to bottom, and forecast growth to 2020.
- Major developments, such as the 'Internet of Things', 'autonomous vehicles' and '3D printing' are all assessed in detail.

This report offers a concise, easy to understand view of the industry. In addition, for the first time, Ti has sized the total logistics market and is offering a breakdown of the industry by logistics market, as well as forecasts to 2020.

Ti's CEO, Professor John Manners-Bell explained, "The global logistics industry is vast, both in terms of market size and the huge numbers of people employed in the sector. It is therefore surprising that its role in the development of the global economy is generally overlooked."

According to Manners-Bell, "Without the inexpensive and reliable transport of freight, manufacturers would not be able to tap into the cheap labour resources based in remote locations throughout the world. Nor would retailers be able to provide ever-increasing levels of service to their customers, ensuring shelves are always stocked whilst inventory is kept to a minimum".

This report examines all the pressures which have led to the emergence of today's vibrant global logistics industry – from both the 'demand' (i.e. manufacturing and retailing) and the 'supply' (i.e. logistics provider) side perspective. In addition to the roles of the contract logistics and freight forwarding sectors, it also examines the dynamics of the express parcels, container shipping, air cargo, road freight and intermodal industries.

Whilst global macro-trends are highly important to the long term future of these sectors, conversely it is the structure and competitive nature of these sectors which has a 'bottom up' influence on supply chain management and hence global economies. For example, hyper-fragmentation and price competition in the European road freight industry has been a key input into the formulation of manufacturers' and retailers' centralised distribution strategies.

Manners-Bell continued, "What is clear is that after a turbulent period of transformation, there is no sign that change in the logistics industry is slowing down. A powerful mix of demand and supply side factors means that further re-structuring is

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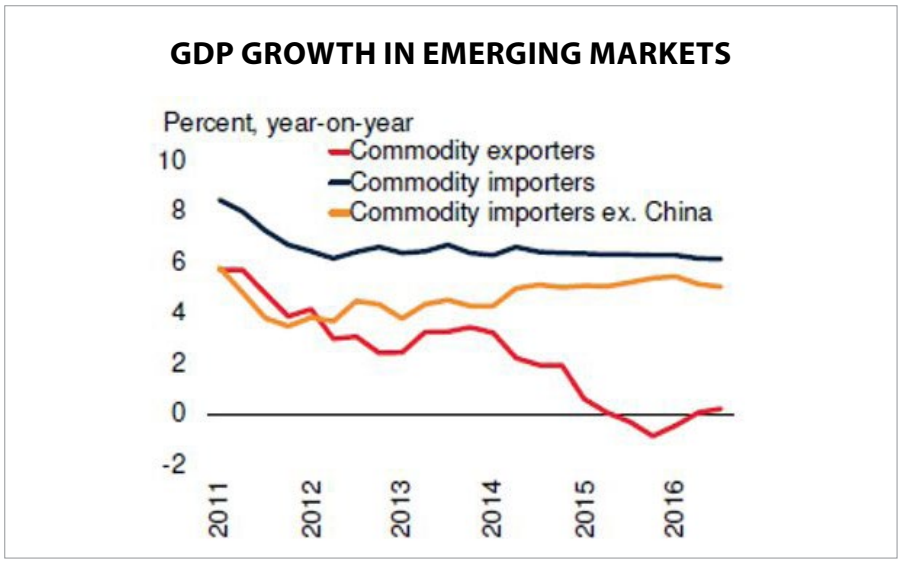


Source: World Bank

The struggles of commodity exporters' overall economic growth are thought to have spilled over and negatively affected their logistics sectors.

This is apparent in the findings of the forthcoming Agility Emerging Markets Logistics Index 2017 report, due to be released later this month, which features a composite index that ranks emerging markets based on their logistic industry prospects. Index scores and rankings of several major commodity exporters have suffered while importers have been far more resilient.*

** Many of the forward-looking issues that the World Bank's Global Economic Prospects report addresses are also questions that have been asked of over 800 supply chain and logistics executives in the upcoming Agility Emerging Markets Logistics Index 2017 survey. For example: How will economic growth in emerging markets fare in 2017? What do you think will be the most significant drivers of the global economy in 2017? How concerned are you about growing protectionism and moves away from free trade?*

LOOKING AHEAD, SOME OF THE WORLD BANK'S KEY EXPECTATIONS FOR 2017 ARE:

- Global growth is projected to rise from 2.3% in 2016 to 2.7% in 2017. However there is substantial uncertainly around this baseline figure. The World Bank asserts there is a 50% chance that actual growth will be between 2.0% and 3.2%.

- Political uncertainty (largely associated with Brexit and Donald Trump) has been identified as a key risk which could curtail growth in 2017.

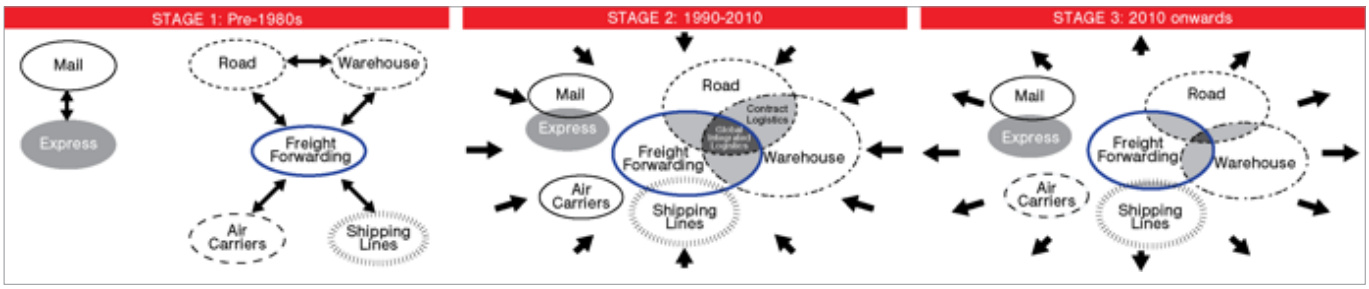
- On the other hand, possible fiscal stimulus, especially in the US, represents a substantial upside risk to the outlook.

- Rising oil prices are expected to help boost three leading commodity exporters – Brazil, Russia and Nigeria – from recession in 2017. However metals and agriculture commodity prices overall are expected to remain more or less flat to 2019.

- World trade volume growth was just 2.5% in 2016. It is expected to increase to 3.6% in 2017. Although new trade restrictions reached a post-crisis high in 2016, encouragingly, most emerging markets "still have a large untapped potential to move up the value chain, by shifting to more complex and higher domestic value-added products".

Main take-outs regarding the logistics industry are first, that unsurprisingly, the expectation of slightly higher economic growth in 2017 is good news, but don't count in any way on the global economy to deliver a more favourable environment in 2017 than in 2016, as more uncertainty surrounds these forecasts than in previous years. Ditto for world trade growth. And finally, it is quite possible that growth in global 'supply chain complexity' has slowed down significantly over the last five years or so – not good news for logistics providers, especially forwarders.

MERGER AND FRAGMENTATION OF LOGISTICS FUNCTIONS



The Report outlines Consolidation & Fragmentation across the Logistics Industry as outlined in the above diagram.

Although growth in supply chain complexity encompasses all manner of considerations, one possible proxy for it is growth in global value chains. Global value chains measure the extent to which production processes are fragmented across countries – the iPhone contains parts from at least 10 different countries. It seems that growth in fragmentation of production has slowed significantly since 2010, and it does not appear that it will pick up to rates seen in years past. The Report also provides an excellent insight into global Exports trends.

For the logistics industry's take on global economic prospects and to purchase a copy of the Full Report, follow this link:
www.logisticsexecutive.com/product/total-logistics-2017/

TI HAS ALSO RELEASED 2017 GLOBAL E-COMMERCE LOGISTICS REPORT.

The report includes an exploration into how e-commerce trends are disrupting 'traditional' e-commerce logistics as rapid growth sees businesses searching for a comfort zone that they may never find and logistical challenges still need to be overcome in last-mile and fulfilment operations

The report offers readers valuable insight into the development and prospects of this market. A key theme examined throughout highlights e-commerce itself as the disrupter to 'traditional' e-commerce logistics. Presented from multiple angles (global and regional, fulfilment and last-mile, and from retailers and LSPs) the report offers comprehensive analysis on e-commerce logistics trends which could provoke further developments and innovations within the industry.

To Purchase a copy of the 2017 Global e-commerce Logistics Full Report, follow this link:
www.logisticsexecutive.com/product/global-e-commerce-logistics-2017/

Source: World Bank, with data taken from Haugh et al. (2016)

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Disruptive Technology – Runners and Riders

In today's challenging and dynamic business environment where the business model is constantly shifting followed by heightened uncertainty from a still weak global recovery and the impact of the new US president economic policy, many business leaders face a daunting question; What is the next disruptive technology and how do we tackle the disruptor? There are several different interpretations of disruptive technology but there is no singularity and standard definition as disruption doesn't necessarily associate with a technology trend but involves business strategy across industry segments and markets. To simplify the above statement, any disruption is made up of three core components; process, technology, and people. Although the role of the technology is undeniable but a disruption involves a shift in mindset around the value of products, services, channels, and any aspect of business operations.

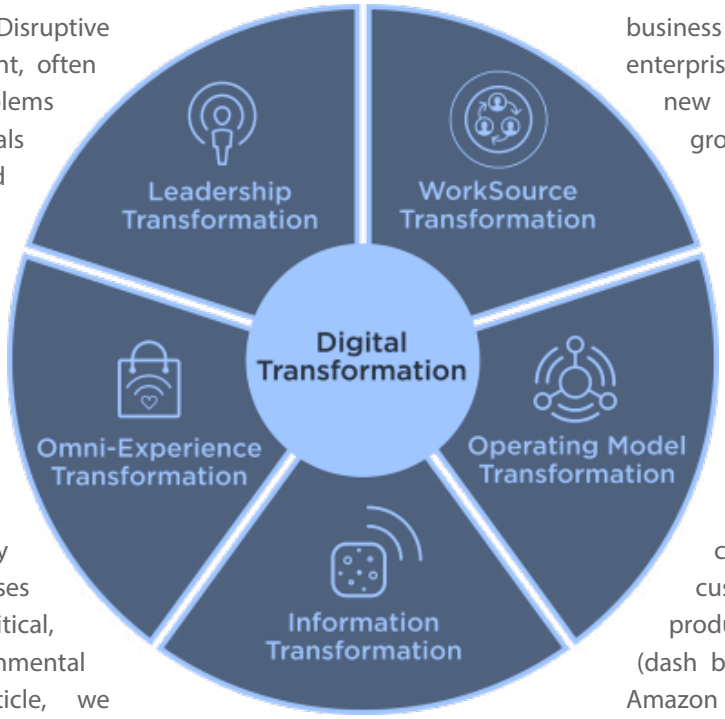
A disruptive technology (or disruptive innovation) is an innovation that creates a new market and ecosystem that eventually disrupts an existing business model and value chain, displacing established market leading companies, products, and distribution channels. Harvard Business School professor Clayton M. Christensen in his best-selling book "The Innovator's Dilemma" separated new technology into two categories: sustaining and disruptive. Sustaining technology relies on incremental improvements to an already established technology. A good example of sustaining technology is aviation industry where airplane design and technology is constantly being improved to enhance efficiency and safety. Disruptive technology lacks refinement, often has performance problems because it is new, appeals to a limited audience and may not yet have a proven practical application. For example, online booking has changed the supply and demand in commercial air travel and disrupted the traditional travel agencies ecosystem.

Apart from technology disruption, businesses should also cope with political, economic and environmental disruptions. In this article, we review the importance of disruptive technology for the enterprise of the future and how business leaders should take advantage of these opportunities. We also examine the six disruptive technologies known by IDC as innovation accelerators and their impact on the business model and best practices.

Disruptive Technology, an Opportunity

Before we dive deeper into disruptive technology it will be necessary to explain the term Digital Transformation. IDC defines digital transformation (DX) as the continuous process by which enterprises adapt to or drive disruptive changes in their processes, competencies and business model. DX enables enterprises to innovate new products and services by leveraging digital competencies. DX seamlessly integrates digital, physical, business and customer experiences while improving operational efficiencies and organizational performance.

Picture 1:
DX Five Key Dimensions



Source: IDC

DX involves enterprise-wide change requiring innovation in at least one of the five key dimensions; organization transformation (workforce); omni-experience (customer); operating model (business model/process changes); information (data); and leadership (senior executives).

Digital transformation and disruptive technology are two sides of the same coin. Digital transformation supports innovations and makes business operations more responsive and effective by leveraging digitally-connected products/services, assets, people, and trading partners. The key fact is that majority of business leaders fail to establish a reasonable digital transformation strategy to disrupt the existing business model and stay relevant. As cloud, mobile, social, and big data/analytics becoming standard technologies embedded in every industry, the next differentiator for any organization is to offer a unique product/service enabled by these technologies. Disruptive technology allows companies to redesign their business model and move their enterprise to the next level, creating new ways of operating and growing businesses.

Amazon is a good example of an enterprise that is using both disruptive and sustaining technology to run its business. The organization uses disruptive technology to create a new supply chain model by offering convenient shopping for its customers to buy a favorite product with the press of a button (dash button). On the other hand, Amazon using sustaining technology to provide better, faster, more convenient shopping experience for its physical grocery store enabling customers to just grab and go (Amazon Go).

Disruptive technologies have enormous potential to improve business processes, to drive higher productivity, to make workflows more efficient, and to speed up the supply chain and transform the back-office operation. Forward-thinking

leaders adopt disruptive technologies to differentiate and transform their organization from an industry survivor (companies applying minimum efforts toward DX) to an industry thrivers (companies take advantage of DX to gain competitive advantage).

INNOVATION ACCELERATORS; IMPERATIVE DISRUPTIVE TECHNOLOGIES

Internet of Things (IoT)

IDC defines IoT as a network of networks of uniquely identifiable endpoints (or things) that communicate without human interaction using IP connectivity. IoT is the most mature of the innovation accelerators. and IDC predicts that the worldwide IoT market will grow to $1.7 trillion in 2020 and the installed base of consumer IoT devices exceeds the installed base of smartphones and tablets combined by 2020.

Cognitive Systems

IDC defines cognitive technologies as those that analyze, organize, access, and provide advisory services based on a range of unstructured information. At the same time, cognitive can bring smaller, more immediate enhancement to today's IT systems. Examples included improved recommendation engines to help advertise relevant products and services to potential customers, and improvements to natural language extraction will help contact centers provide multilingual support to written inquiries around the world. IDC predicts the market for cognitive solutions will exceed $40 billion in 2020.

Next-Gen Security

Next-gen security (NGS) is defined as the recognition of the direct link between mastery of data and the ability to protect it. NGS is a new approach to security in response to supporting digital transformation, dynamic threat landscape, and increasing regulatory trade pressures. It is a more predictive, analytics-based approach that is focused on protecting the data rather than the physical perimeter.

Augmented and Virtual Reality

IDC defines Augmented Reality (AR) as purpose-built devices, worn on the head and over the eyes, which allow the wearer to see their surroundings while being served data or feedback. The device may overlay digital objects in the real world, or simply generate actionable feedback in the form of a heads-up display (HUD). In addition, Virtual Reality (VR) is a purpose-built device, worn on the head and over the eyes, which completely obscures the wearer's vision of the outside world, creating an all-inclusive virtual reality. IDC predicts that by 2020, over 60% of the market will be AR, and 75% of that AR market will be commercial-based. AR/VR benefits in retail, healthcare, and education are already evident, in particular, increased engagement and augmented user experience.

Robotics

Robotics is one of the core technologies that is enabling significant change in manufacturing through the factory of the future initiatives. While traditionally used in the automotive industry, there is an increasing adoption of robotics in other industries such as retail, healthcare, logistics, agriculture, services, education, and government. Robotics deployment is incremental, slowly delivering better business outcomes, but only when tightly linked to Big Data analytics and cognitive systems technologies. IDC predicts commercial robot shipments will increase 5X by 2020 and the average selling price of an industrial robot will be one-fifth of what it is today but have 5X the capability by 2018. However, the transition to robotics will have to be managed carefully as job losses might occur, especially in professions that might find it hard to be reallocated in the labor market (e.g., drivers, non-specialized medical staff, and legal aid staff).

3D Printing

According to IDC's definition, 3D printers enable the creation of objects by layering materials (additive manufacturing). 3D printing often comes up in discussions linked to custom design, prototyping and production, and various aftermarket services. IDC predicts by 2020, 3D printing transforms the market for prototypes, manufactured parts and packaging. The largest opportunity for 3D printing is in commercial applications such as manufacturing, healthcare, and education. However, there is a growing trend using 3D printing in custom food manufacturing and retail sector.

KEY TAKEAWAY

Adopting disruptive changes in an established enterprise is not a casual decision. There are risks and pitfalls, and above all, business leaders need to overhaul the organization's business model as most are not in "flying condition" needed to for a safe disruptive journey. Business and IT leaders in traditional organizations considering adopting digital transformation strategy should also consider shifting from a process and performance driven organization to an innovation culture environment. Innovation culture supports creative thinking and disruptive efforts to extract economic and social value from knowledge and to generate new or improved products, services or processes. In addition, to be a disruptor companies must focus on what IDC

refers to as the "three masteries": Mastery of relationships (relevancy and reciprocity with customer), Mastery of Operations (automation and speed) and Mastery of information (monetizing information)

I would like to leave you with some of the questions that as a business leader you should ask to ensure being on a disruptive route.

1. What do I want to achieve from disruption?

2. What type of technology or innovation are most relevant?

3. What primary market are we going to disrupt? And how digital transformation able to support it?

Mike Ghasemi
Research Director, Retail Insights - Asia Pacific
IDC

Mike Ghasemi is the Research Director for IDC Retail Insights & Hospitality Asia Pacific, where he leads the definition, creation, and production of IDC market intelligence solutions for countries across the region. Before joining IDC, Mike spent 15 years in the IT industry, with 10 years in retail information technology software solutions.

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LogiSYM Dubai 2017

Our first LogiSYM event was held in the Jumeriah Creekside Hotel in Dubai on 24th and 25th January 2017.

With more than 200 registrants and the excellent line-up of speakers, presenters and delegates, the event received excellent reviews and was a resounding success given that it was our first foray into the Middle East.

The Conference Chairman - Mr Darryl Judd from Logistics Executive Group extended the appreciation and thanks of the LogiSYM team to our sponsors, delegates and organisers during the event. Without such a strong showing, LogiSYM would not be possible and we look forward to working with everyone concerned in using this a a springboard to bigger and better events in the weeks and months ahead.

Eng. Mahmood Al Bastaki (Dubai Trade)

Darryl Judd (Logistics Executive Group)

From left: Imran Shah (GulfCap Advisors) Mohsen Ahmad (Dubai South), Andrew Fullerton (DCM International)

From left: Gerard Seeber (Australian Trade Commission), Anthony Harris (RFIB Middle East), Glyn Hughes (IATA), John Manners-Bell (Transport Intelligence)

Mark Geilenkirchen (SOHAR Port and Freezone)

From left: Kim Winter (Logistics Executive Group), Raymon Krishnan (LSCMS), Darryl Judd (Logistics Executive Group)

From left: Abhishek Shah (RSA Logistics) , Abhijit Devdhar (Centrum), Hasso Marggraff (Dow Chemical), Udit Arora (GPCA)

Flexigistic Team

From left: Bala P (Logistics Executive Group), Tom Nauwelaerts (Momentum Logistics), Alan White (National Air Cargo), Mark Heald (Al Ghurair Foods)

LogiSYM Team with student volunteers from Middlesex University Dubai and SP Jain School of Global Management

From left: Walid Daniel (SPAN), Cristian Carstoiu (KPMG), Paolo Traisci (BGroup Asia LTD), Anna Fedeles (Australian Trade and Investment Commission)

Nadia Abdul Aziz (NAFL)

EVENTS

March

LAST MILE FUFILMENT ASIA
March 2nd - 3rd, 2017
Singapore EXPO
www.lmfasia.com

VCI FASHION & LUXURY SUPPLY CHAIN LEADERS ROUND TABLE 2017
March 3rd, 2017
Five Star Hotel, Hong Kong
www.vcintegration.com/events/id_84

HEAVY IRAN
March 3rd, 2017
The Hotel Espinas Palace
Tehran, Iran
www.heavy.world/

FACE SUMMIT
March 13th, 2017
Abu Dhabi National Exhibition Centre
Abu Dhabi, UAE
www.iata.org/events/wcs/Pages/faces2017.aspx

11TH WORLD CARGO SYMPOSIUM
March 14th - 15th , 2017
Abu Dhabi National Exhibition Centre
Abu Dhabi, UAE
www.iata.org/events/wcs/Pages/index.aspx

MARITIME CYBER SECURITY FOR MANAGERS
March 30th - 31st , 2017
Hong Kong
maritimecybersecuritytraining.com

SMART CONFERENCE
March 29th - 30th , 2017
International Convention Centre, Sydney, Australia
www.smartconference.com.au/

May

LOGISYM SINGAPORE 2017
May 17th - 18th , 2017
NUSS Kent Ridge Guild House, Sinagpore
logisym.org/2017

THE 4TH MENA COLD CHAIN FORUM
May 16th - 17th , 2017
Dubai, UAE
www.menacoldchain.com

SUPPLY CHAIN INNOVATION SUMMIT 2017 CHINA FOCUS
May 25th - 26th , 2017
Shanghai, China
www.scinno-cn.com

June

CAREER PLANNING & DEVELOPMENT
June 10th, 2017
Organised by CILT Hong Kong

October

LOGISYM MALAYSIA 2017
October 2017
Kuala Lumpur, Malaysia
www.logisym.com/events/logisym-malaysia-2017/

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