

CEO Newsletter

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2017 Total Logistics Report Released

Written by Kim Winter
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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."

NEWS

IATA 2017 Air Cargo Innovation Awards Finalists

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.

[View list of finalists here.](#)

LMFAsia 2017 Last Call to Book Your Space. Free Registration for Trade Visitors.

Have you registered for the event? Delegates and visitors from Akamai Technologies, BliBli.com, Estee Lauder, FlipKart, Lazada, Maybank, PayPal, PricewaterhouseCoopers, NTUC, Watsons, Zalora and more will be attending the event. Mingle with these industry practitioners in our networking sessions and use the business matching tool to meet your potential partners face-to-face.

www.lmfasia.com

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.

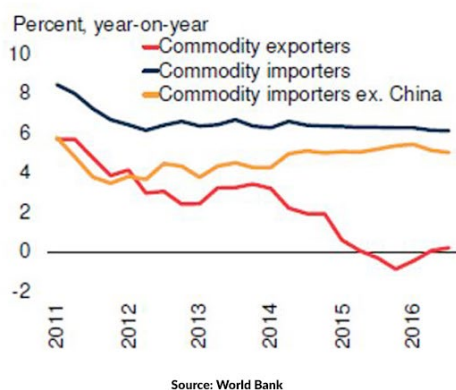
Manners-Bell continued, "What is clear is that after a turbulent period of transformation, there is no sign that change in the logistics industry is slowing down. A powerful mix of demand and supply side factors means that further restructuring is possible, if not probable."

A key statistics from the report is that global economic growth in 2016 was just 2.3% according to World Bank.

What's the outlook for logistics?

2016 has been the weakest year for the global economy since the Great Recession of 2008-09. That is the clear and simple message of the World Bank's most recent Global Economic Prospects report. Global economic growth was just 2.3% in 2016, down from 2.7% in 2015. Weak US performance and recessions in large commodity-dependent economies curtailed growth. In emerging markets, the disparity between growth of commodity exporting nations compared to importing nations was vast:

GDP Growth in Emerging Markets



Logistics Academy CSCMP Quick Courses on Sale

This month only purchase the CSCMP Quick Course Bundle and receive a 15% discount of overall price. Enrolments before 30th December will receive a VIP delegate ticket to LogiSYM Dubai. Logistics Academy CSCMP Quick Courses allow you to learn core supply chain topics online, at your own pace, and when it's convenient for you. Consisting of a series of Thirteen (13) courses,, the CSCMP Quick Courses are highly educational Supply Chain and Logistics courses that are designed by carefully selected faculty for entry to mid-level professionals. Backed and supported by the US Based Council of Supply Chain Management Professional. For more information or to sign up, click below. Coupon code: LEQC15OFF

[Register Here.](#)

UPCOMING EVENTS

Heavy Iran
3 March 2017
Tehran, Iran

On April 27, 2016, the 1st International Conference "HEAVY IRAN 2016" successfully took place. It was attended by more than 60 delegates from Iran, Iraq, Russia, Kazakhstan, Uzbekistan, UAE, Germany, Belgium, Netherlands and Turkey. The Conference was sponsored by Russian "Volgo-Dnepr" and Italian "Cometto". This year Heavy Iran will be held on March 3, 2017.

heavy.world/conference-heavy-iran.php

VCI Fashion & Luxury Supply Chain Leaders Round Table 2017
3 March 2017
Hong Kong

The VCI Fashion & Luxury Retail Supply Chain Leaders Round Table to be held on March 3, 2017 in Hong Kong is a small room event with 80+ selected international fashion & luxury brands, vertical e-tailers, and marketplaces attended. It is by invitation only and is exclusive for VPs & Directors of Supply Chain/ Logistics/ Merchandizing/ Marketing/ Strategy.

www.vcintegration.com/events/id_84

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.*

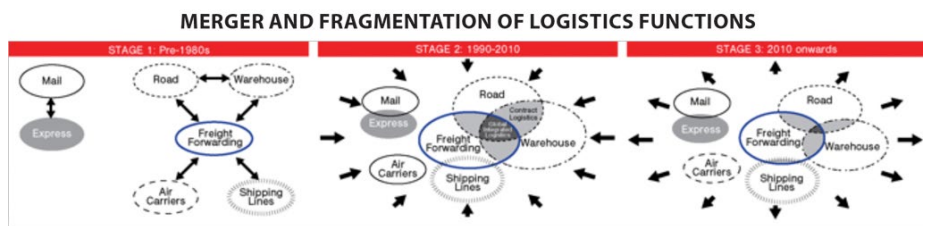
Looking ahead, some of the World Bank's key expectations for 2017 are:

- Global growth is projected to rise from 2.3% in 2016 to 2.7% in 2017. However there is substantial uncertainty 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.

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

FACE Summit
13 March 2017
Abu Dhabi, UAE

FACES is the annual Future Air Cargo Executives Summit for young professionals under 36 with the ambition to become the next generation of Air Cargo leaders and industry decision makers, which is held in conjunction with IATA's World Cargo Symposium (WCS). IATA organized the first FACES in 2013 to highlight the important role young leadership plays in the future growth of the air cargo industry. Since then, other five editions of the summit allowed the newest generation of industry executives to express their viewpoints and make a sound contribution to the global air cargo agenda.

www.iata.org/events/wcs/Pages/faces2017.aspx

11th World Cargo Symposium
14 – 15 March 2017
Abu Dhabi, United Arab Emirates

The World Cargo Symposium (WCS) is the largest and most prestigious annual event of its kind and the only one to bring together key stakeholders from the entire air cargo supply chain. IATA's 11th annual World Cargo Symposium will continue to move the industry from talk to action with this edition. WCS 2017 will feature plenary sessions, specialized tracks, workshops and executive summits, tackling aspects related to Technology & Innovation, Security & Customs, Cargo Operations, and Sustainability.

www.iata.org/events/wcs/Pages/index.aspx

LogiSYM Singapore
17 – 18 May 2017
Singapore

The region's premier Supply Chain Symposium and Summit, LogiSYM Singapore 2017 focuses on bridging concepts, practice and technology in supply chain management, real world implementation and benefits that result in increased supply chain pipeline velocity, profitability and performance.

logisym.org/2017/

ABOUT US

Logistics Executive Group is the acknowledged industry leader providing a suite of whole-of-lifecycle business services including Corporate Advisory, Executive Search and specialist Supply Chain and Logistics Training.



For the logistics industry's take on global economic prospects and to purchase a copy of the Full Report, follow this link.

*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?

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.



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The founder of Logistics Executive Group, Kim possesses 35 years of executive leadership experience spanning Executive Search & Recruitment, Corporate Advisory, Trade Facilitation, Executive Coaching & Leadership Development, across Supply Chain, Aviation, Maritime, E-Commerce, F&B, Logistics, FMCG and Retail.

A professional public speaker and event MC and regular contributor to industry media, Kim is a Director of companies in Australia, Asia, India, and the Middle East and is the Founder of Australian registered charity Oasis Africa Australia www.oasisafrica.org.au providing freedom from poverty through education to over 8000 orphaned children in Kenya's slums since 2006.

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