

LogOn Baltic logistics survey

preliminary results of the state of logistics in the
Baltic Sea Region

Focus of the survey:

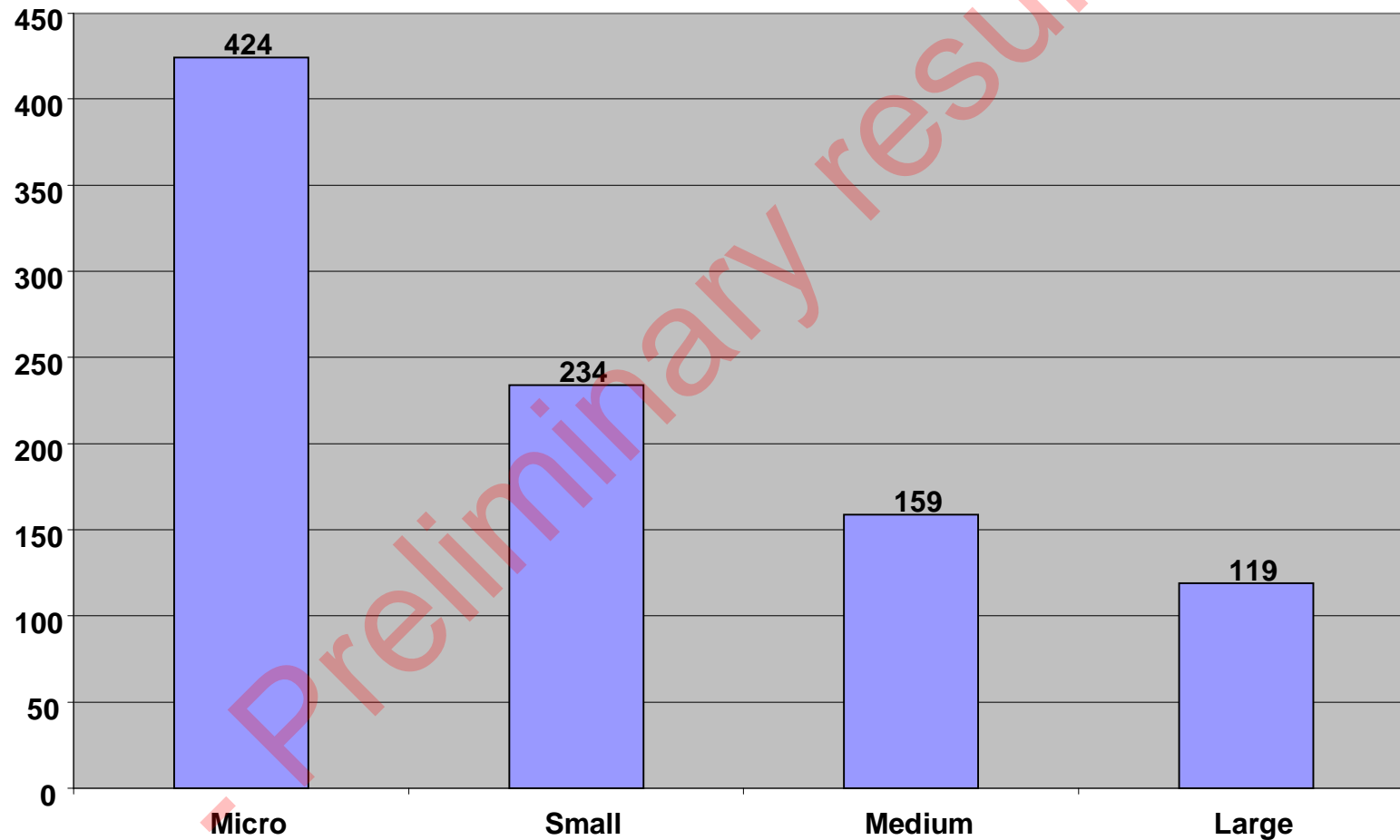
- **The focus of the study is on the logistics solutions and –costs of manufacturing, construction and trading companies.**
- **Logistics service providers and logistics markets are also included in the survey.**

The survey has been conducted in several countries around the Baltic Sea:

- Regions from 8 countries are included in the survey.
 - Russia (St.Petersburg region), Germany (Hamburg and Mecklenburg-Vorpommern), Estonia, Latvia, Lithuania, Poland, Sweden (Linköping) and Finland.
- Of which preliminary results of 6 countries are presented here.

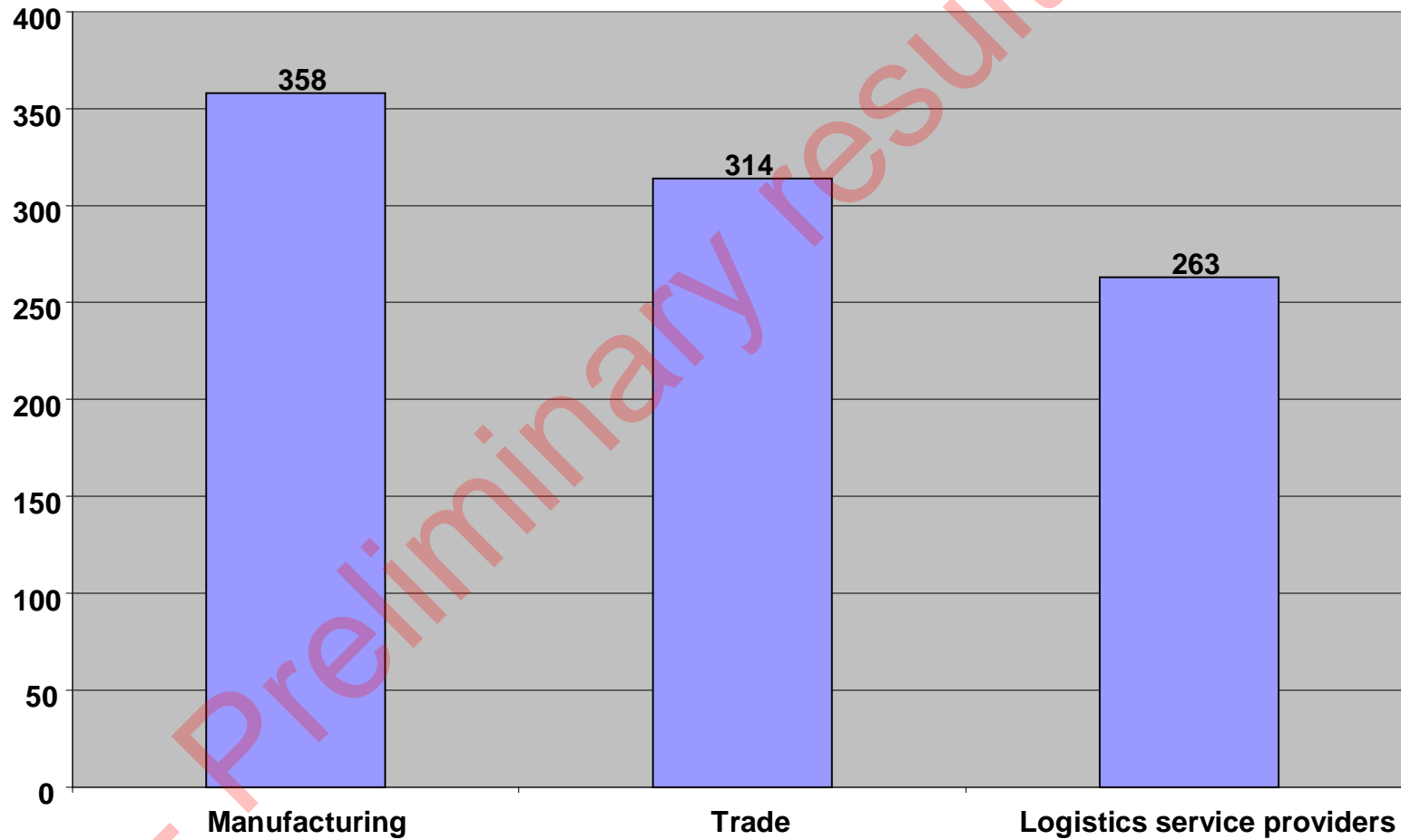


Respondents according to company size



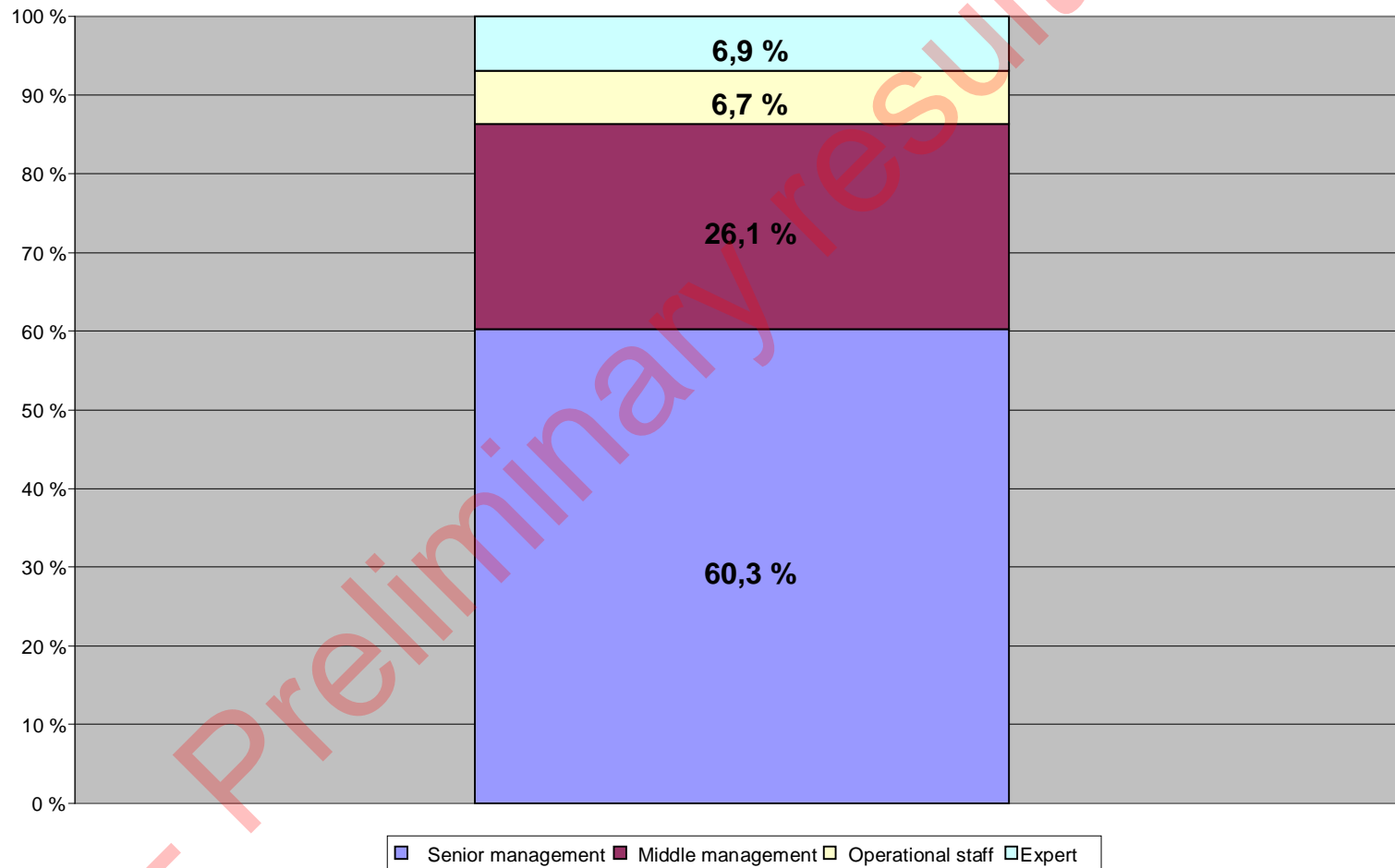


Respondents according to main industry

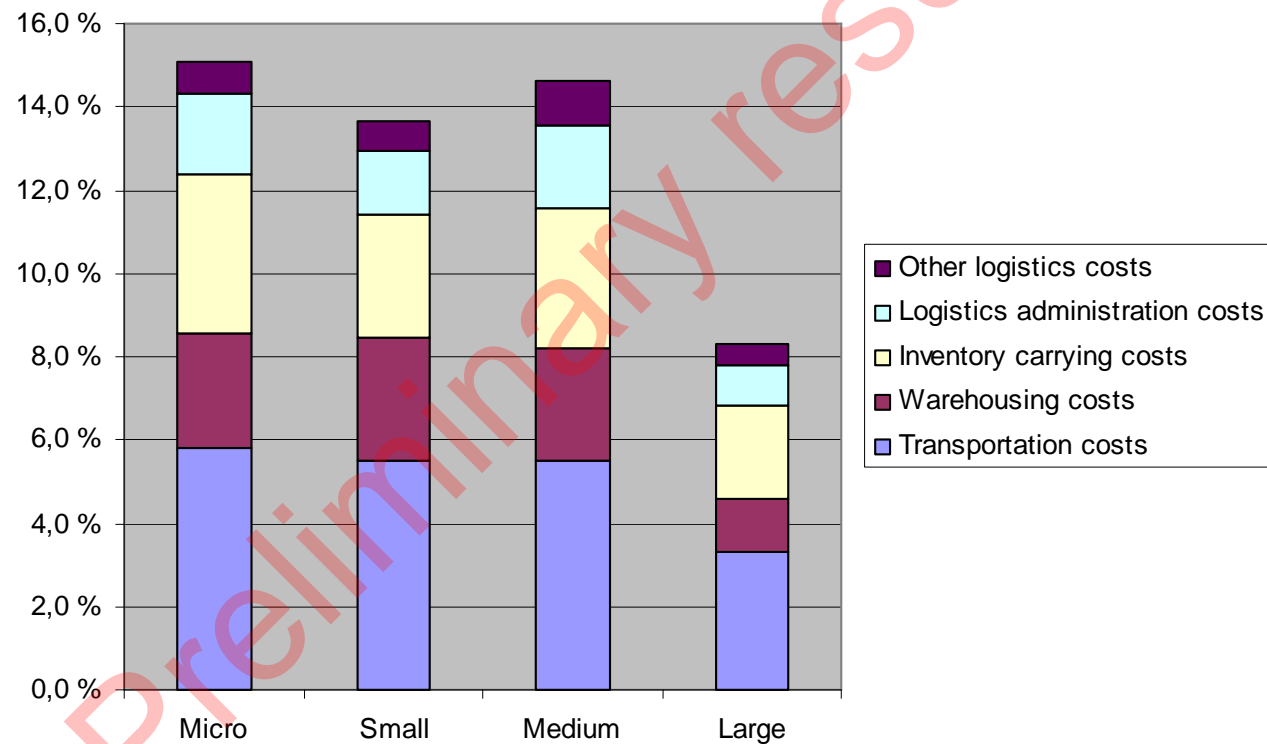




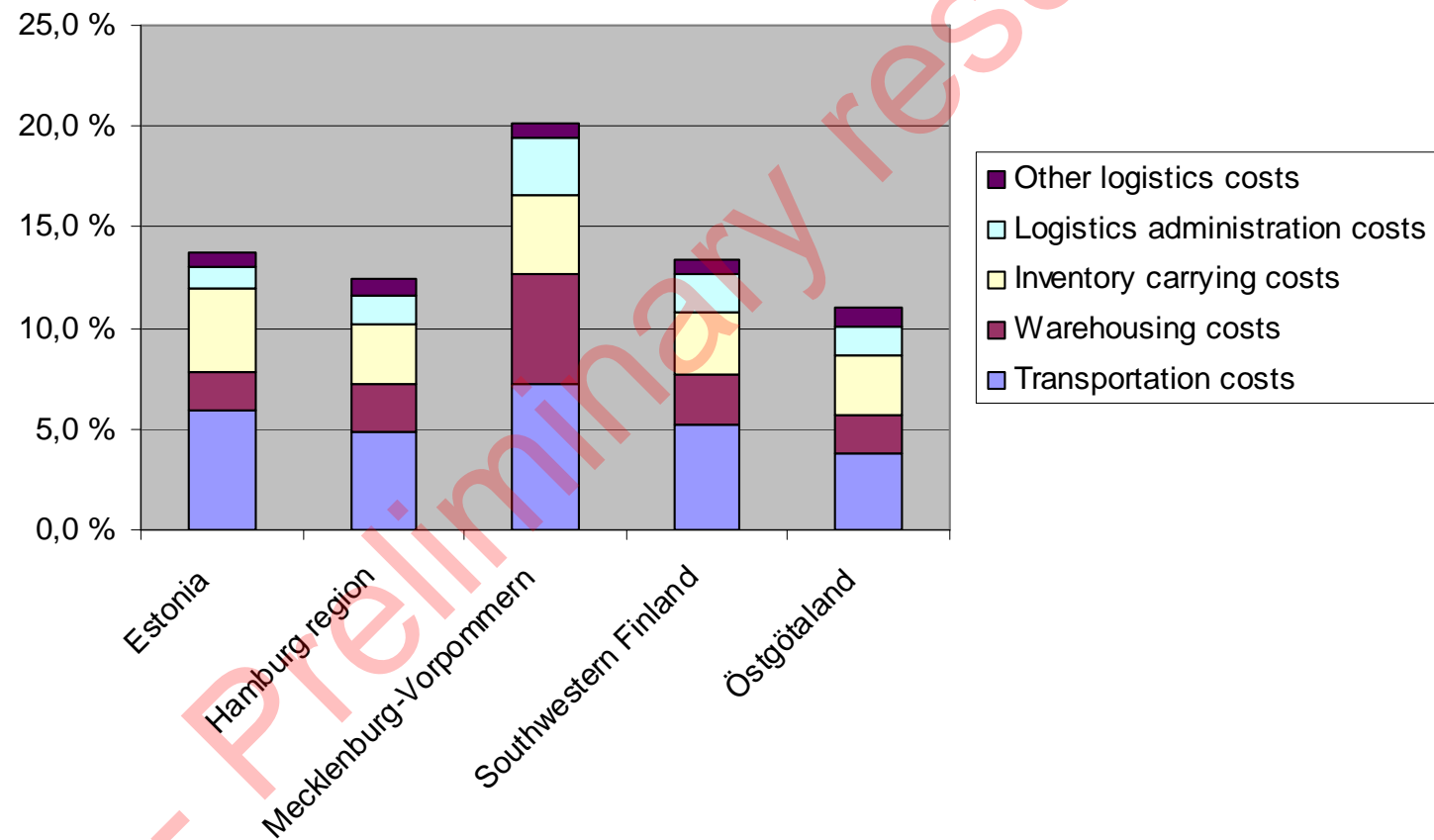
Respondents according to position in the company



Logistics cost by company size, manufacturing

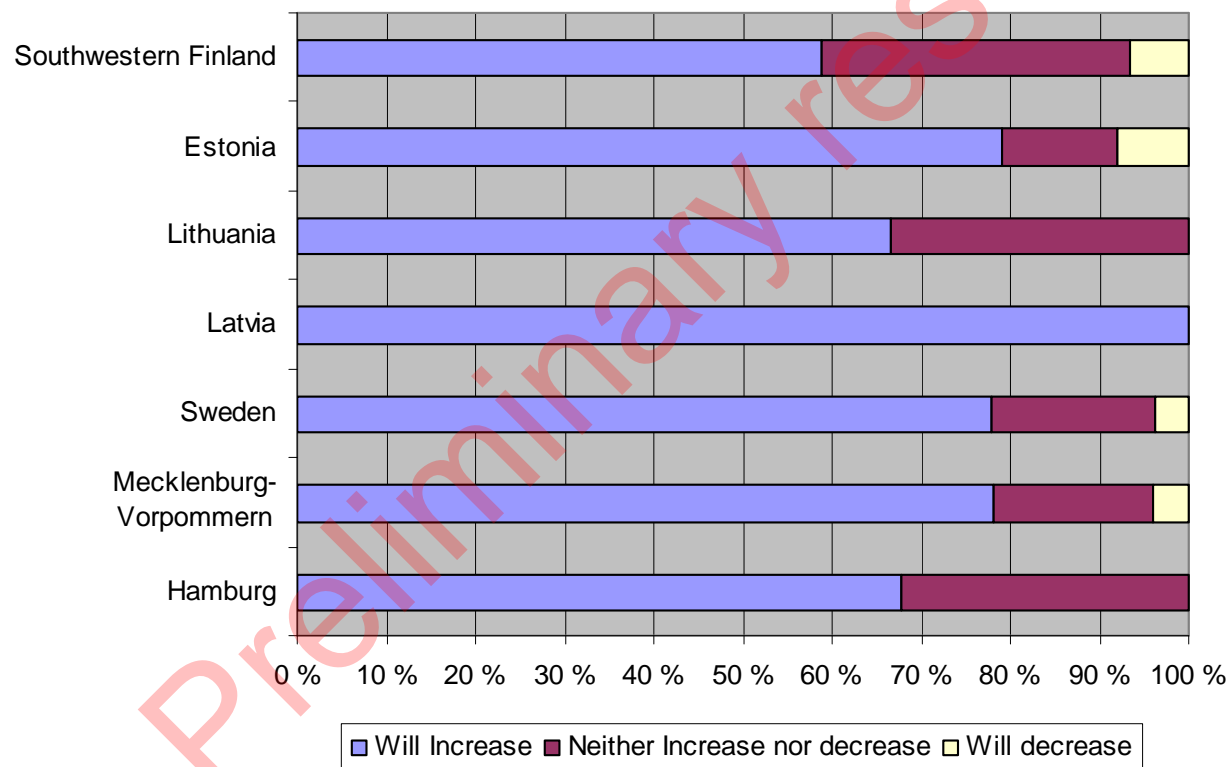


Logistics costs by region, manufacturing

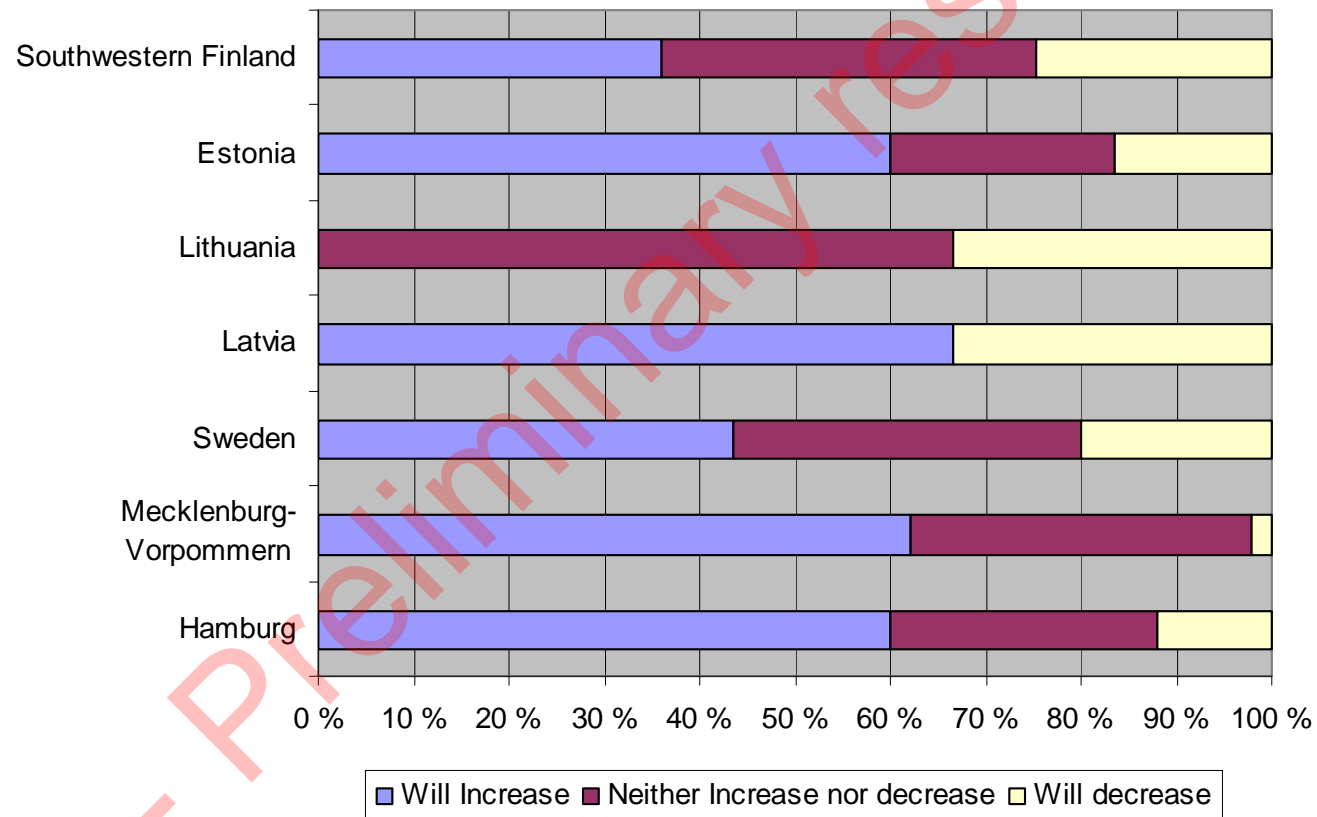


- Throughout the Baltic Sea Region, large companies tend to have lower logistics costs than other companies
- There is some natural variation between industries, which is not shown in these results
- Transportation costs account for as much as 5% of turnover and over 30% of companies logistics costs

Development of transportation costs, manufacturing companies

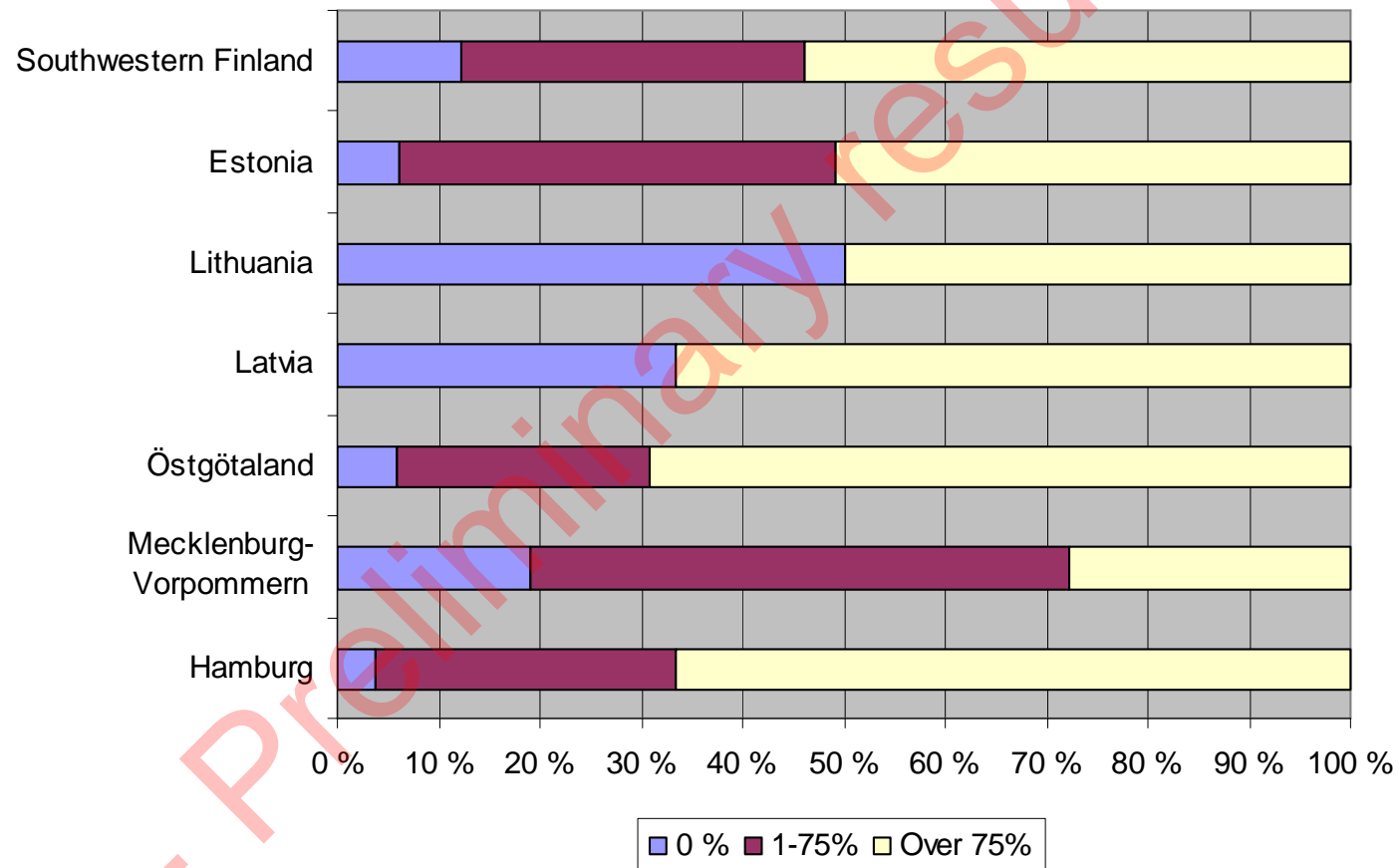


Development of inventory carrying costs, manufacturing companies

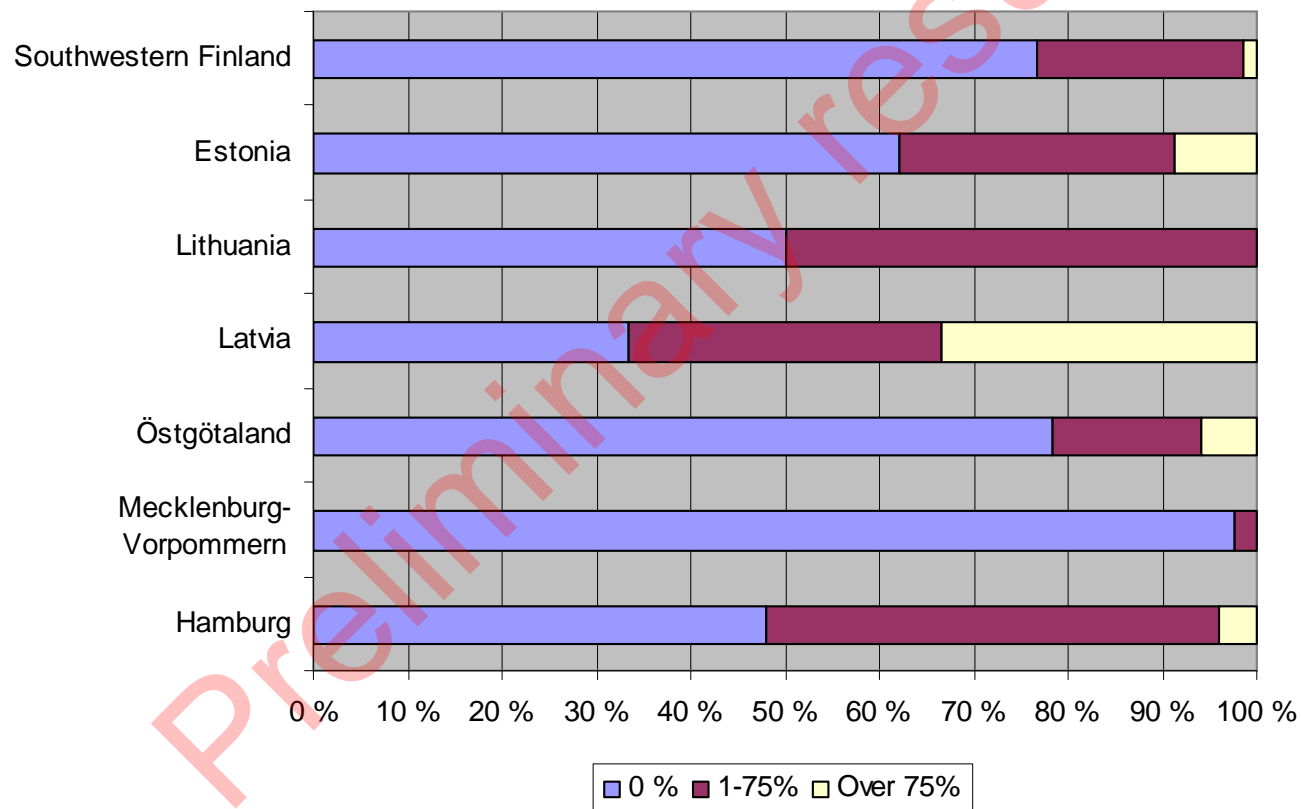


- The companies seem to agree that transportation costs are rising in the future.
- The price of oil is an explanation, but only a partial one
- For example, tighter order-delivery frequency is shifting costs from warehouses to wheels

Outsourcing of domestic transportation

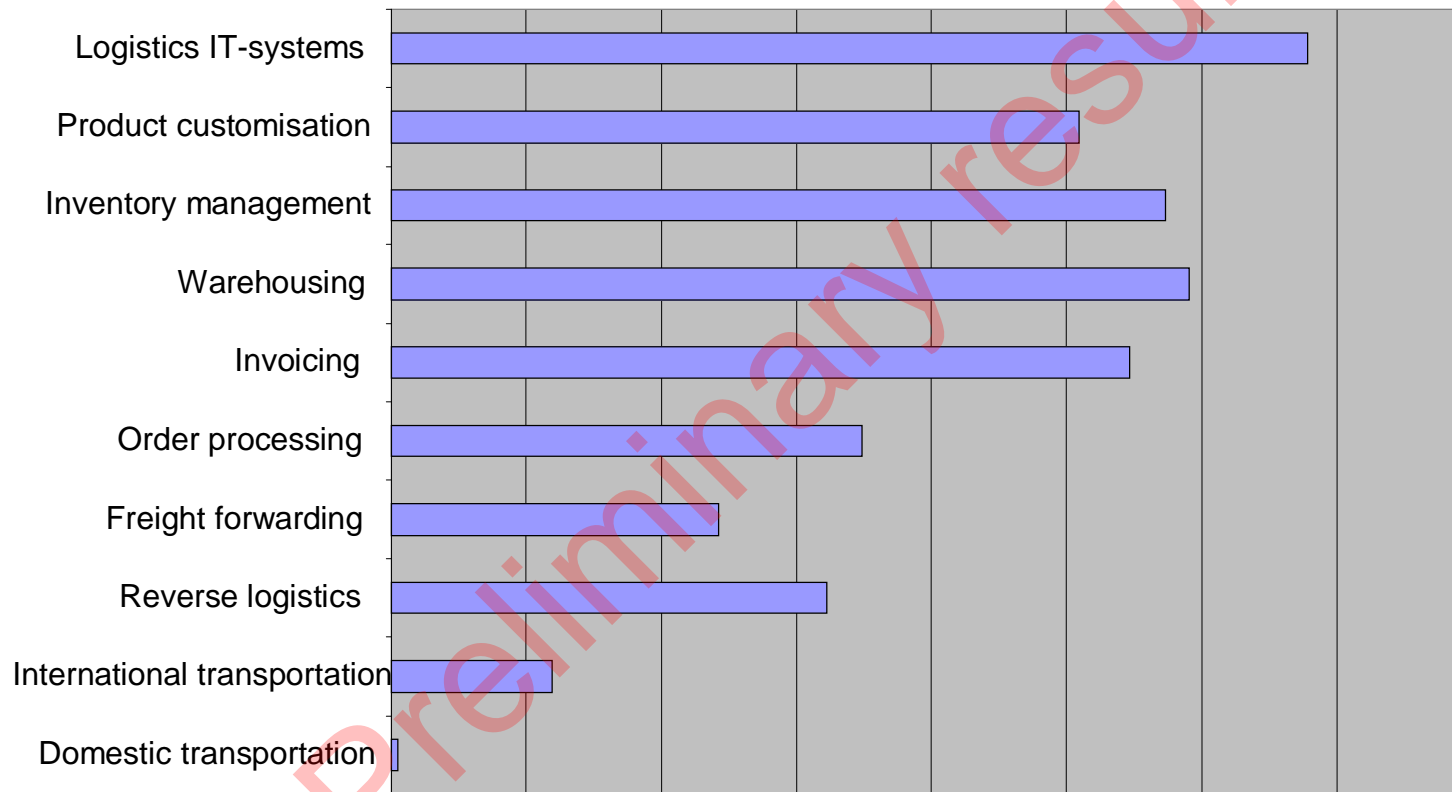


Outsourcing of warehousing activities



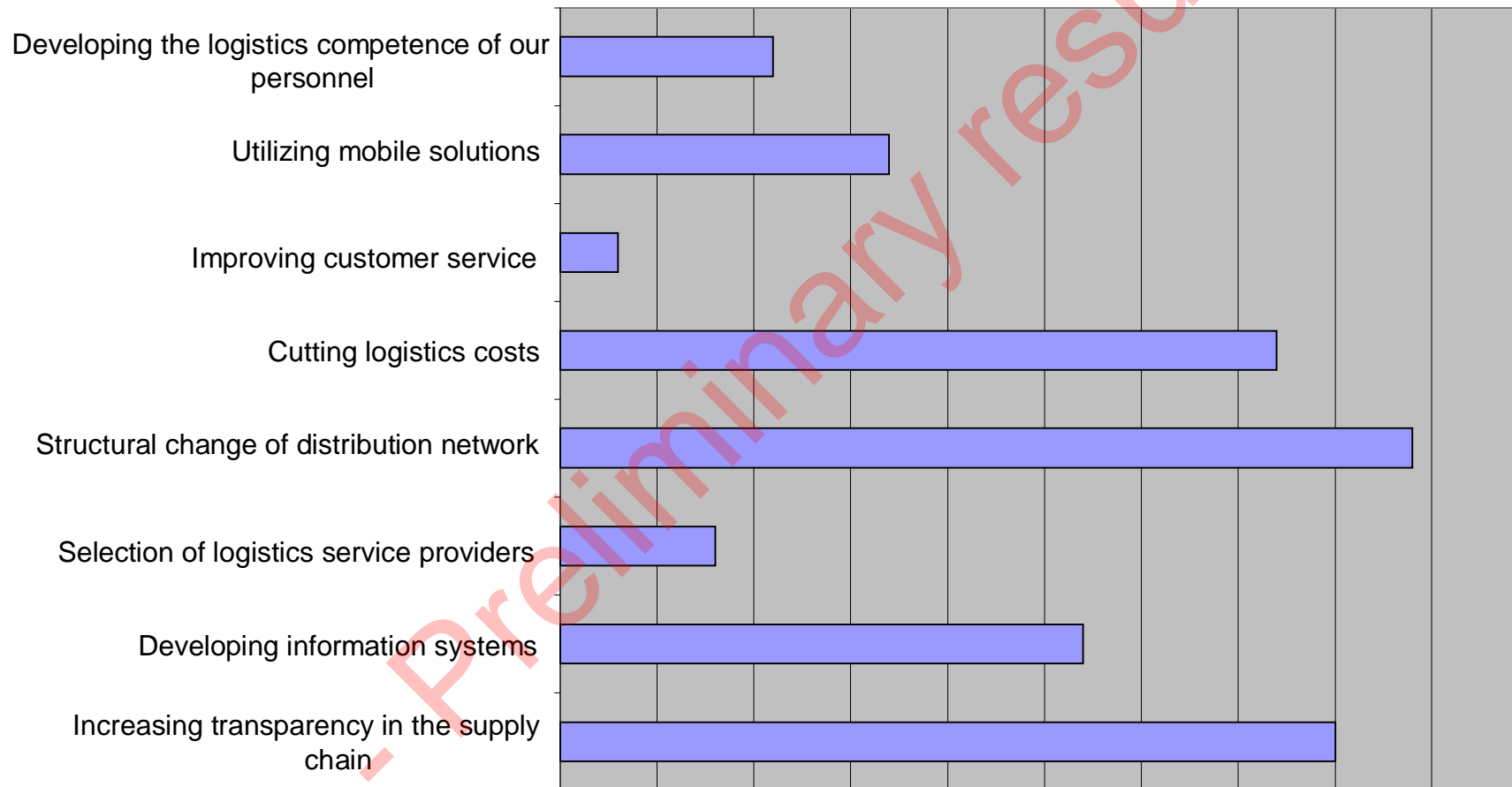


Future development in the outsourcing of logistics operations

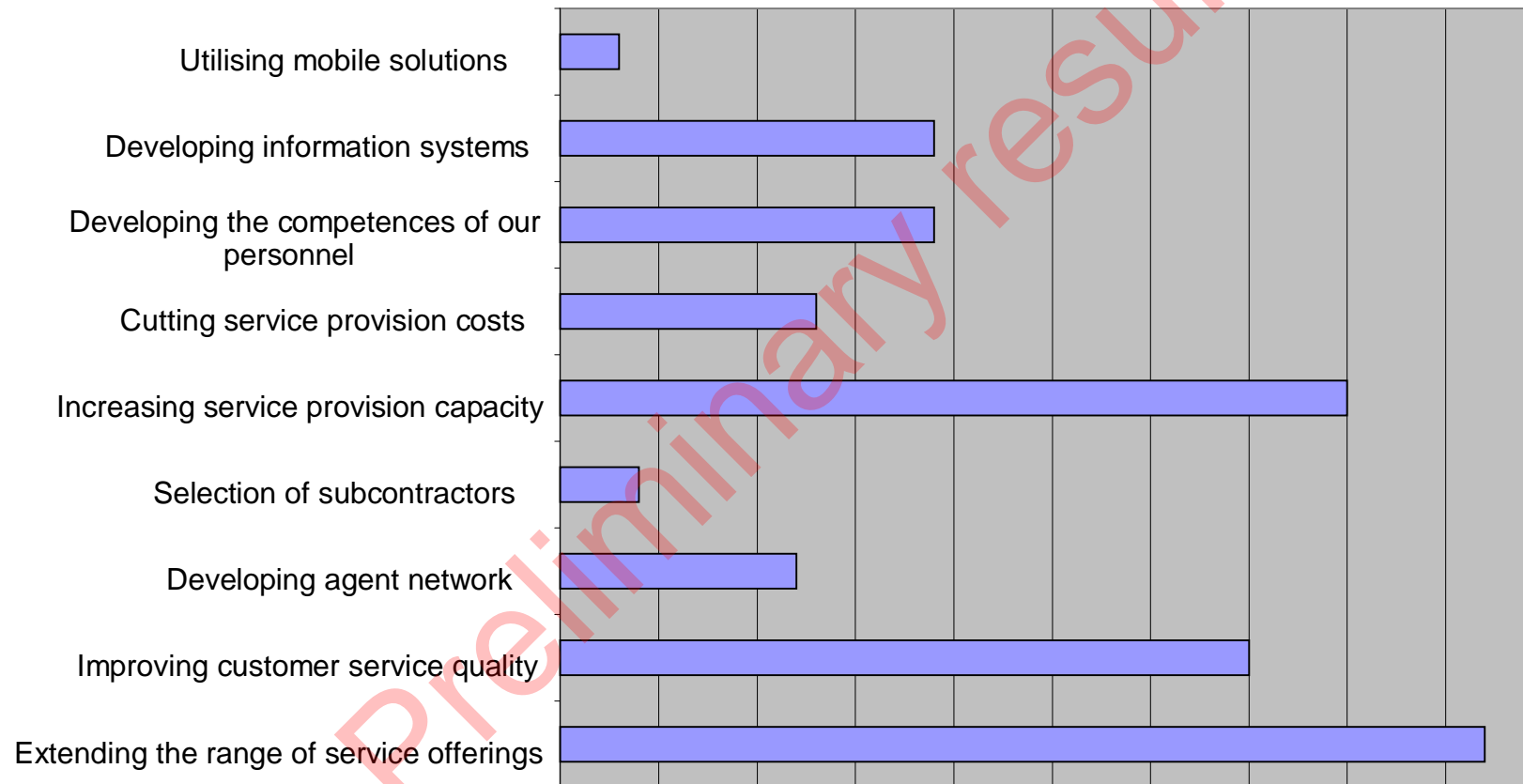


- Transportation is already widely outsourced.
- In the future outsourcing of other logistics functions, for example warehousing will increase
- The biggest growth will be on the outsourcing of logistics IT-functions

The most important development needs in logistics operations

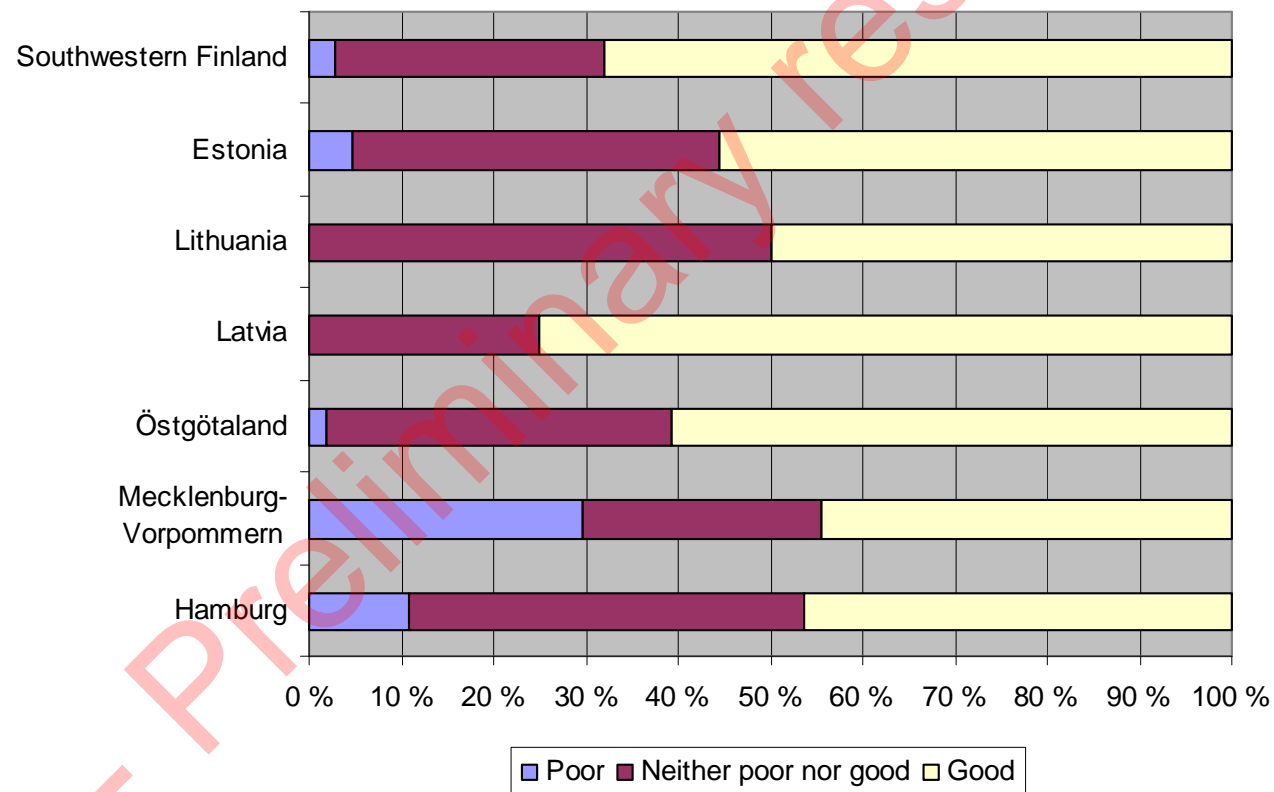


The most important development needs of logistics service providers

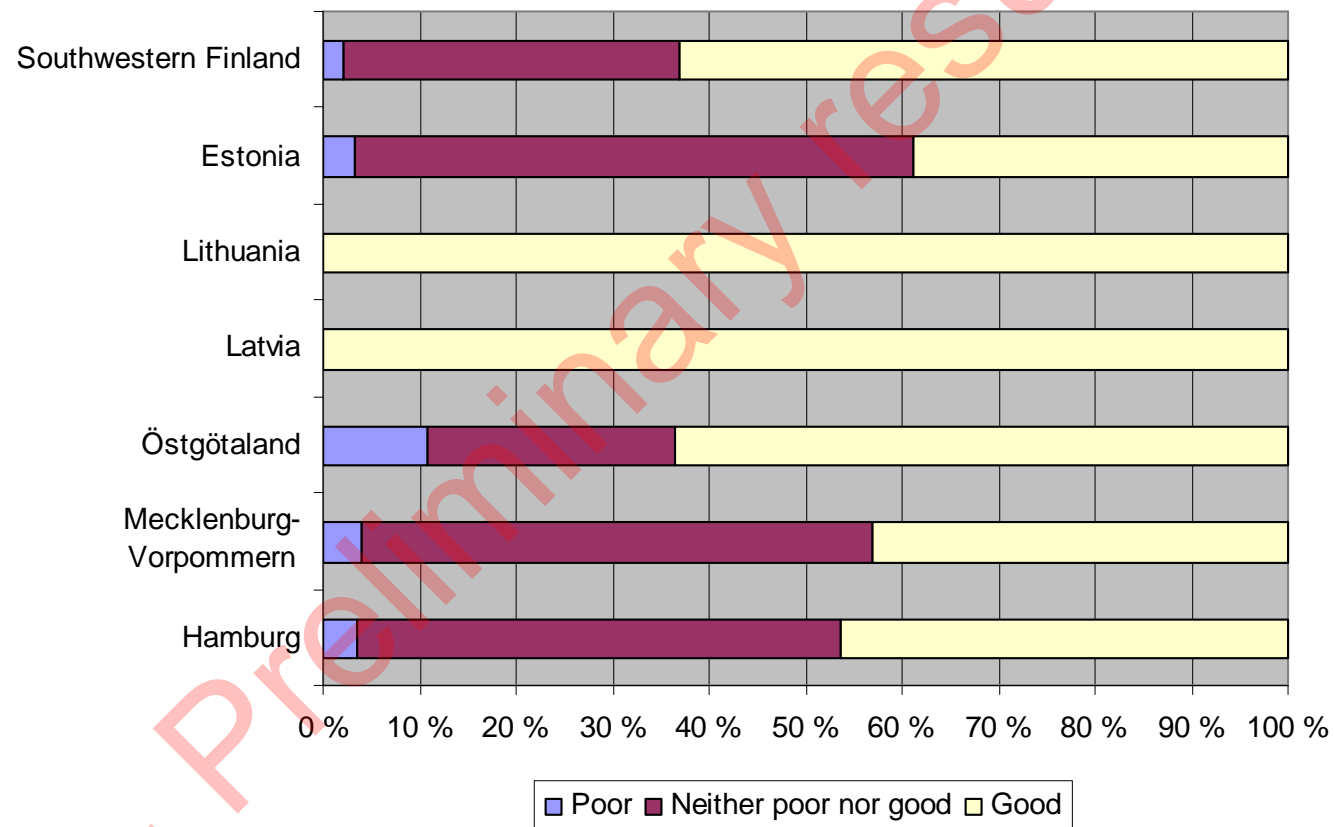


- Costs, transparency and structural change of distribution network seem to be the most urgent development needs of manufacturing and trading companies
- Logistics service providers seem to acknowledge that the scene is changing and they are seeking ways to match the changing demand.

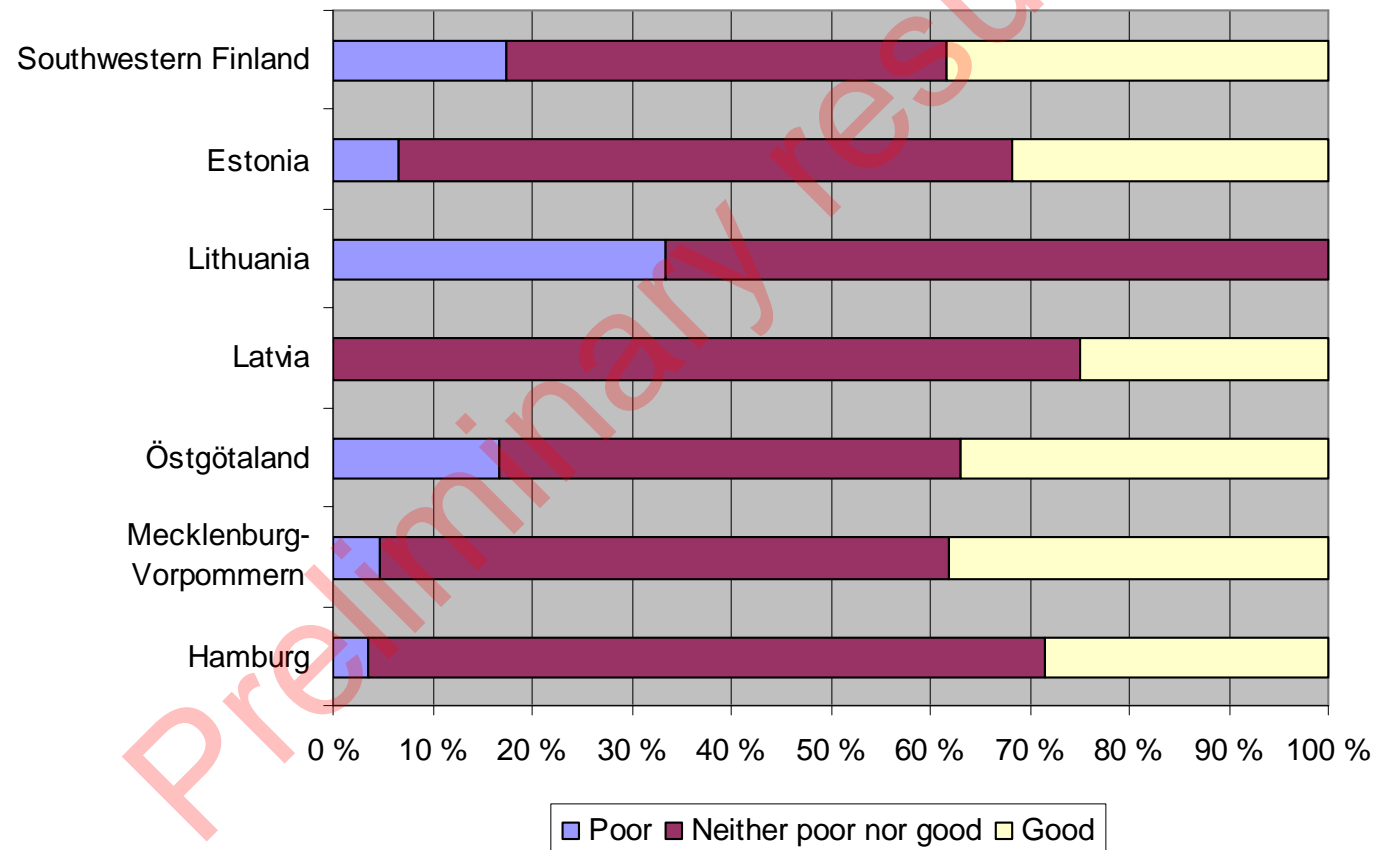
Operating preconditions on company's location, general business perspective



Operating preconditions, logistics efficiency



Operating preconditions, compared to location(s) of competitors



- Generally, the companies seem to be satisfied with their location
- Regarding logistics efficiency (and transport infrastructure) there seem to be differences between regions
- Since the companies all over the Baltic States see the location compared to competitors as a problem, one question arises: Where should they be located?

Thank you for your attention!

- Preliminary results -