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Newsletter

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Preliminary findings of logistics survey performed in the Baltic Sea region

The international logistics survey assesses the level of logistics in manufacturing, wholesale and retail and logistics firms through logistics costs, performance indicators, competence, development needs, outsourcing and choice of location. The survey, performed within the LogOn Baltic project, is executed in spring 2007 in the following countries or regions: Estonia, Finland, Germany (Hamburg and Mecklenburg-Vorpommern), Latvia, Lithuania, Poland, Sweden and NW Russia (St. Petersburg). So far, it has been sent out to over 30,000 respondents. The survey follows the structure and content of the large Finnish logistics survey¹⁾ conducted in 2006, which gathered 2,255 firms' responses through a web-based survey.

The LogOn Baltic logistics survey aims at producing one of the first - if not the first - substantial comparative database in this field in the Baltic Sea region. A key area of interest of this task is the cross-regional comparison of the main variables (logistics costs, performance indicators, competence, development needs, outsourcing). This Newsletter presents preliminary results from the survey on logistics costs and operating preconditions in respect of transport infrastructure in the Baltic Sea region.

Logistics costs

The total logistics costs differ from over 20% of turnover in the Mecklenburg-Vorpommern-region in Germany to some 11% of turnover in Östra Götaland in Sweden. In most of the regions the total logistics costs seem to vary around 13 and 14 percent of total turnover. The high result of Mecklenburg-Vorpommern could possibly be explained by the fact that larger companies tend to have lower logistics costs and in the region most of the companies are small, even micro-sized companies with a turnover of less than 2 million euros and the number

of employees less than 10. Internationally compared (see for example ELA 2004) the level of costs seems to be high in all the participating regions. One has to argue, though that this is mostly due to a different

target group. In this survey the smaller companies are taken into account, whereas the ELA study concentrates on the larger companies.

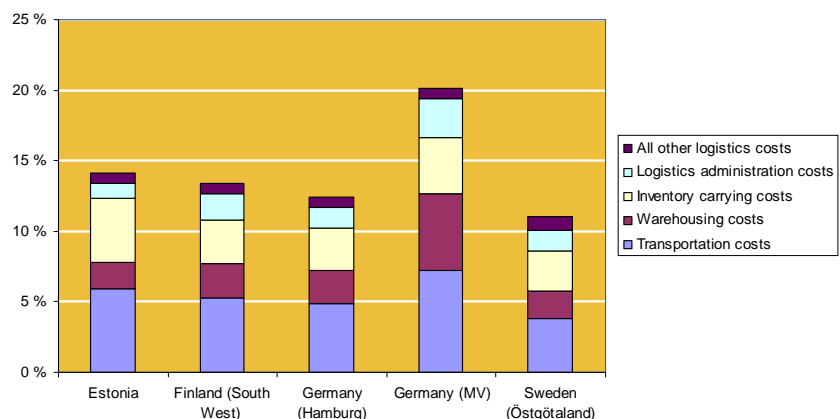


Figure1: Logistics costs, manufacturing companies, percentage of turnover

¹⁾ Finland State of Logistics 2006, Publications of the Ministry of Transport and Communications 45/2006. http://www.mintc.fi/oliver/upl367-Julkaisu%2045_2006.pdf



Logistics service providers' opinions on operating preconditions (transport infrastructure)

The majority of companies' views on transport infrastructure seem to be positive. The share of companies that see the transport infrastructure as „good“ is lowest in the two Baltic States, Estonia and Latvia. The companies were asked also the state of availability of business facilities, and the results were similar. One might be able to explain this finding with the fact that in the same time, there is a basic need for the upgrading of infrastructure and very rapid growth of the economy. One could simply state that the pace of improvements and construction of new facilities cannot keep up with the rapid growth. Furthermore, this could possibly form a bottleneck to the growth of the economy in the Baltic States.

LogOn Baltic project description

LogOn Baltic "Developing Regions through Spatial Planning and Logistics & ICT Competence", is a logistics project co-funded by the Baltic Sea Region INTERREG IIIB Neighbourhood Programme and the Delegation of the European Commission to Russia. The project has 30 partners from Germany, Poland, Lithuania, Latvia, Estonia, Russia, Finland Sweden and Denmark.

The main objective is to produce and disseminate information for regional development agencies on how to support enterprises in the participating regions in their effort to improve ICT and logistics competence, thus improving regional development. The identification of logistics interfaces between industry, commerce, services and authorities will contribute to further integration of the Baltic Sea region.

First reports available this summer 2007!

Do visit the LogOn Baltic homepage (www.logonbaltic.info) later this summer for upcoming reports on logistics and ICT surveys executed in the Baltic Sea region. Also available Development Measures Impact Analysis and Regional logistics and ICT profiles reports from participating regions. All reports produced within the project are free of charge!

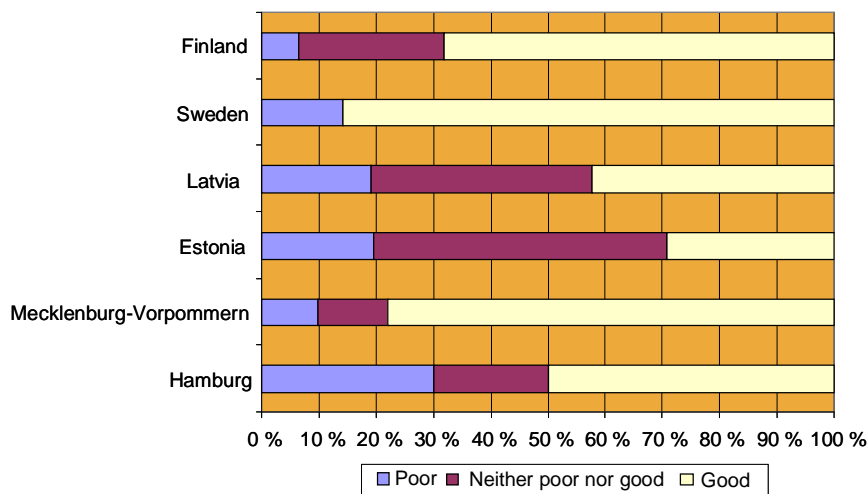


Figure2: Logistics service providers' opinions on operating preconditions (transport infrastructure)

FINAL CONFERENCE

The LogOn Baltic project's final event will take place on 22. November 2007 in Hamburg, Germany

The event will be hosted by the Hamburg School of Logistics.
For further information:
www.logonbaltic.info

OTHER EVENTS

3rd Intl. Conference Baltic Business and Socio-Economic Development
18.-19. June 2007, Tallinn, Estonia

The aim of the 3rd "Baltic Business and Socio-Economic Development" conference is to bring together academic and other specialists and to provide an opportunity to discuss issues related particularly to assessment of socio-economic development and business environment in the Baltic Sea region, the economic and financial situation of SMEs, and possibilities of international co-operation in the area of education activity.

For more information, please visit the conference website: www.bbsed2007.ttu.ee

Hamburg International Conference of Logistics
6-7. September 2007, Hamburg, Germany

The Hamburg School of Logistics organizes the Hamburg International Conference of Logistics (HICL2007) for the second time on the 6th and 7th of September at the Hamburg University of Technology. The main topic of this year is "Innovation in Logistics and Supply Chain Management". All interested scientists and practitioners are cordially invited to register for this conference.

For more information, please visit the conference website: www.hicl.org/.

Contact:

LogOn Baltic Project Office

Turku School of Economics
Rehtorinpellonkatu 3
FI- 20500 TURKU
FINLAND

www.logonbaltic.info

info@logonbaltic.info