Eastern Europe remains a promising market during the crisis

Interview
With Jan-Christian Philipp on Brazil, its people and logistics

E-Fulfilment
The complete service chain from one source

The magazine for logistics customers and decision makers 01 | 2009
Dear Readers,

Almost a year has passed since our new Logwin brand was launched and you are now holding the inaugural issue of our Logwin Magazine in your hands. This is a proud moment because, for the first time, all business segments of the Logwin Group are sharing a joint platform to disseminate the wide range of communicative formats we employ, such as news, reports and business analyses. Of particular significance is the fact that this is a magazine and not an information brochure.

The Logwin Magazine has been conceived as a forum for facilitating an exchange of ideas on diverse economic and social issues with you and other professionals. These include issues that may even be contentious and subject to keen debate, such as for instance the current economic crisis. In these uncertain times, supply chains will once again be put to the test, requiring precise planning, both ecologically and economically. At the same time, the capricious market environment demands swift and flexible responses. This is where we, as full-service logistics provider, face our greatest challenges. The Logwin Magazine will provide you with valuable insights into our unique solutions in rising to such challenges, as well as offering you the chance to meet the people behind such approaches.

With each issue you will also be introduced to a selected number of our business operations centres around the globe – extending from Stip in Macedonia to São Paulo in Brazil. And you’ll find background information on the various logistics sectors – from air freight to on-site warehouses.

As a globally positioned service provider, we are wholeheartedly committed to a process of continual optimisation. Logwin is already synonymous with a global network of diverse services, offering the experience and expertise of more than 8,600 employees and their vision in terms of forward-looking logistics strategies.

Our sights are set far beyond the present situation. It is for precisely this reason that this year we will be continuing our drive to exploit new markets, thereby opening up additional business opportunities to our customers. We will keep you abreast of these latest developments in forthcoming issues of the Logwin Magazine.

I am looking forward to our journey ahead with great anticipation!

Sincerely

Berndt-Michael Winter
CEO Logwin AG
## Focus on Eastern Europe
A close look at logistic relations between East and West

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East Europe remains a promising market

Since the early 1990’s, Poland, Romania, Slovakia, Hungary and the Czech Republic have been seen as Europe’s boom economies. The “golden East” boasted impressive growth rates, high export figures and low unemployment. But the effects of the global financial crisis have lead to disenchantment in these economies as well. What opportunities does the crisis offer? And what is the outlook for the region in the long-term?

Favourable production conditions, substantial foreign investment, strong exports and, at the same time, a strong desire on the part of local consumers to make up for past inadequacies – these were the factors driving the success of the Eastern European economies. However, it was the high level of dependence on capital inflow and the purchasing power of the western industrial nations that made these economies so susceptible to the current financial crisis.

Consequently, the ensuing effects are being felt all the more keenly. Capital has been withdrawn. Exports have slumped due to low demand. Some exchange rates not fixed against the Euro have plunged, resulting in many private borrowers, companies and even governments no longer being able to service their foreign currency loans. Sinking demand – in both the east and the west – has forced foreign companies to shut down or curtail their production. This has put pressure on local suppliers, with the number of bankruptcies growing. Rising unemployment then shrinks domestic demand.

Insolvency a risk – but stock markets are bullish!

Hungary received 20 billion euros in financial aid last year in autumn. The EU and the International Monetary Fund (IMF) gave Latvia a 7.5-billion euro shot in the arm. The Russian Federation granted a 1.5 billion dollar stabilisation loan to Belarus, with a further loan for two billion dollars promised by the IMF in January. The Russian Federation granted a 1.5 billion dollar stabilisation loan to Belarus, with a further loan for two billion dollars promised by the IMF in January. In March, Romania had to be rescued from national bankruptcy. The EU contributed an estimated seven billion Euros, with the IMF contributing another twelve. Is avoiding bankruptcy the only thing on the agenda in Eastern Europe?

Stock market trends provide a contrary picture. In March, the global bonds market in Eastern Europe recorded the highest monthly rise in the market since the fall of the Iron Curtain in 1989. With a plus of 17 percent, the MSCI Emerging Market Index, which includes the eastern stock markets, outperformed most western stock markets. The Russian stock index also rebounded positively in March. At the end of the first quarter 2009, it had jumped an impressive 35 percent in regional currency terms.

Even in the light of normal currency fluctuations, these trends totally contradict the horror scenarios being painted by numerous analysts. It does not appear as if the bulls are anticipating the country to go broke in the near future. And they’re not alone in their opinion. The EU Commission is also forecasting that the GDP of stable eastern economies – including Poland, the Czech Republic and Slovakia – will show a small plus at the end of 2009. This is far rosier than the prospects most Western European countries are facing at the present time. Can this slight advantage be attributed to the fact that the crisis hit Eastern Europe somewhat later? Or will the previous growth economies turn out to be the new ones as well?

Interplay of east and west

There are strong signs that the recovery in Eastern Europe will be a rapid one as soon as the global economy has stabilised. That is because the current crisis in the region is largely attributable to the high level of international integration. The automobile industry provides a prime example. Manufacturers from Western Europe, America and Asia have built factories in Hungary, the Czech Republic, Poland, Slovenia, Romania and Slovakia. In 2008, around five percent of global automobile production stemmed from the “Eastern Europe Automotive Region”.

Volkswagen, Kia and Peugeot-Citroen have manufacturing plants in Slovakia. Until now, they have accounted for a quarter of the country’s total economic performance – and for one quarter of its exports. The automotive sector generates a fifth of the domestic product in the Czech Republic. In early 2009, the assembly lines in the largely state-of-the-art factories were repeatedly being brought to a halt. Economic stimulus packages such as the German car scrappage scheme have now generated some new activity.

A large proportion of production output – not just in the automotive sector – is being shipped to Western Europe. In Poland, for example, the
focus of foreign trade has shifted massively toward the European Union in the past decade. Almost 80 percent of all exports are sent to EU countries. In the opposite direction, 64 percent of imports come from these countries. This is because, with its growth in prosperity, Eastern Europe has increasingly become more interesting, also as a market for their goods.

Long-term outlook

As a result of the EU’s expansion to the East, by 2008 per capita income in these new member states had increased to an average of 52 percent of per capita income in the old member states, up from just 40 percent in 1999. There were similar developments outside the EU. Wages have increased dramatically in certain countries – in Romania, for example, they are up five-fold since 2000. But here, as in other Eastern European countries, employees are currently facing massive pay cuts, as both companies and governments embark on a “cost cutting crusade”. At the same time, the price of basic consumer goods is skyrocketing. Although extremely difficult for individuals, on the macroeconomic scale low wages will help regain the region’s competitive edge – possibly allowing them to recover more quickly from the crisis than most Western European countries.

One thing is certain. Eastern Europe is going to be catching up for a long time to come, both in terms of consumer goods as well as economic development. As efforts to drive development in these countries continues, economic stimulus packages are being implemented at this very time. The Polish government, for example, doubled their expenditure on infrastructure this year. Romania and Bulgaria are also planning to respond to the crisis by investing billions in infrastructure, education and environmental protection. If nothing else, this willingness to put up a fight, combined with the know-how acquired since the beginning of the 1990s, could see Eastern Europe being one of the most productive markets in the world again within one or two years.

More efficiency in logistics:

“The economic crisis is exerting massive price pressure on industrial, commercial and service companies alike – in Eastern Europe as well as in all other markets. This is acting as an enormous catalyst for businesses to rationalise, while refining processes and boosting efficiency. The logistics sector has also been impacted by this trend, constituting one of the largest cost pools in any economy. However, there is still great scope for improving logistics productivity levels. Many companies have a lot of catching up to do. According to a recent study, only 30 percent of all companies have a fully-developed logistics strategy already in place. This is where the support of a competent logistics service provider is necessary. At the present time in particular, such providers have an excellent opportunity not only to provide tailored analyses and innovative concepts, but also to design logistics in a multi-facetted, reliable and transparent manner. The key to success lies in the efficiency of both internal and external logistics. And last but not least, an innovative logistics strategy constitutes a competitive advantage – offering quality, customer service and favourable terms and conditions.”

Robert Müller, Managing Director Road + Rail Eastern Europe at Logwin
When Americans come to know (Western) Europe, they are often surprised by the diversity of languages, customs and traditions. It was no different for Western Europeans meeting their Eastern European neighbours in 1989 after the fall of the Iron Curtain. The former Eastern bloc turned out to be less monolithic than anticipated. Today, it is taken for granted that companies feel at home in both Western and Eastern Europe. But specialists are still needed in many cases, for instance in logistics.

It has all been made possible by the fall of the Iron Curtain in 1989 and the expansion of the EU to include Eastern Europe in 2004. Business and commerce has boomed between East and West – development has been rapid ever since. “The Eastern European countries were considered to be an inexpensive production location with quick access to the buyer’s markets of Western Europe”, explains Alexander Haak, Managing Director Road + Rail Western Europe. “Therefore, in the last five to ten years, companies from all kinds of business sectors have moved their production sites from Western Europe and Asia, at first to neighbouring countries like Poland and the Czech Republic and later further east and south-east as well.”

Not only the import, but also the export of goods has increased dramatically, regardless of whether in consumer goods, the automotive sector, electronics, mechanical engineering or retail. Domestic demand in Eastern European countries has also skyrocketed. With the increase in trade has come an increase in the demand for reliable logistics solutions.

**Logistics market Eastern Europe**

Nevertheless, the demands placed on logistics service providers in Eastern and South-Eastern Europe should not be underestimated. “We have to deal with very different countries, languages, cultures and mentalities”, says Alexander Piwonka, Managing Director Road + Rail Eastern Europe. “Furthermore, a large number of regions with very diverse business and logistics needs have developed in a very short period of time, both within the European Union as well as outside it. The transport network is relatively well developed, but still falls far short of Western European standards. There is demand for both road and rail as a means of transportation. The railway system ranks high with respect to bulk goods and containers, vehicles with mixed cargo shipments and for local supply solutions in particular.”
Globalisation unabated

“For quite some time, Eastern Europe was one of the most active growth markets in the world. The Eastern European countries were able to profit from dynamic growth for many years. Just as the countries of Eastern Europe enjoyed the fruits of the disproportionate boom, they are now also temporarily feeling the effects of the economic downturn triggered by the financial crisis. However, the mid and long-term perspectives are excellent in the Eastern European countries, because trading and production companies will be seeking logistics services not only locally, but also in international networks as they strive for cost effectiveness. Well-positioned logistics service providers can combine transport and logistic solution competence, using the current consolidation trend to strengthen their market position by providing high value-adding services and acceptable margins.

The core challenges facing logistics companies are network globalisation, product individualisation, increasing customer demands upon corporate services and the concurrent management of robust and reliable supply chains. To these can be added the issues of climate change, diminishing resources and increasing energy prices. Resource-efficient logistics is set to become one of the big issues in future. Nevertheless, in terms of logistics ecological sustainability remains little more than a declaration of intent in most cases. In future, the sector will be required to disclose how wasteful or protective it is in its utilisation of environmental resources. Companies are therefore urged to audit their logistics systems for adverse environmental effects and to present their strategies for protecting the environment and resources.

With the global economy becoming more tightly interwoven, international production and logistics networks will also maintain their significance despite the current economic crisis. The trend toward outsourcing large and demanding portions of added-value services and logistics will continue. However, dealing successfully with the complexity of these global networks does demand a high degree of network competence, as well as intelligent management systems. In this respect, an important role will be played by both intelligent information systems and smart auto-ID technologies, such as for example, RFID.”

It is the customer’s needs that dictate the perfect logistics solution. “Since the Eastern European companies are currently under a lot of economic pressure as well, they need logistics providers who can offer flexible warehousing and distribution solutions”, states Piwonka. “And companies that outsource their production to an Eastern European country need logistics partners who are at home in both Eastern and Western Europe.”

In both cases, in order to provide a reliable connection between Western and Eastern Europe – and overseas when required - customers not only expect to be able to rely on the quality of execution, but also on a high level of IT competence in addition to appropriate transport networks.

Battling for best poll positions

Both large local suppliers and international logistics service providers alike are competing for the best poll positions in every Eastern European country. Competition is particularly fierce in the large markets of Poland, Russia, the Czech Republic and Hungary.

“Today, Logwin is one of the larger logistics providers in the Eastern European market”, says Robert Müller, Managing Director Road + Rail Eastern Europe, who was decisive in the development of the Eastern European network. “We are active in 16 countries in Eastern and South-Eastern Europe, are very familiar with the logistical circumstances and can guarantee synchronised transport connections with the new EU member countries as well as with the CIS states. And for logistics projects we have our own cross-docking and warehousing -facilities that we are consistently expanding.”

It is on this basis that the provision of full-service solutions is possible. For example, Logwin organises multi-modal transportation or customs clearance for a diverse range of cargo. Customers can monitor the progress of their products at all stages of the process. Stock levels can also be monitored via Tracking & Tracing and special software solutions.

Robert Müller accepts the fact that things don’t always operate to Western standards: “The distances that our trucks have to cover are enormous. Therefore, Tracking & Tracing is not necessarily always the right choice. What benefit do you have from a system message telling you that your cargo was loaded 20 days when it has been on the road the whole time since then? For instance, we tell our customer Ford over the phone where ‘their’ truck is every two hours.”

Strong connection: Berlin – Moscow

When it comes to trade and logistics in Western and Eastern Europe, one special connection is always mentioned: Berlin – Moscow. Russia’s most important trade partner is Germany. And Moscow plays a key role in the Russian economy. Up to 80 percent of Russia’s financial resources are to be found here, while Moscow’s share of the country’s gross domestic product (GDP) amounts to about 20 percent.

Customs regulations in Russia are complicated, but a reorganisation is currently underway. Customs offices are being moved from Moscow to regional areas. As long as the freight documents are correctly prepared, a bulk goods shipment from Germany to Moscow is just as prob-
lem-free as a national consignment. “We have had a presence in Russia since 1992”, says Robert Müller. “Today with five branch offices – one of them in Moscow – and more than 150 employees. We service customers from the automotive, mechanical engineering, food and textile industries. In addition to international consignments and national distribution, we also offer warehousing, handling, picking and further value-added services. In the last five years in particular, the dynamic intensity of business development here has increased dramatically.”

Successful with new customers in Eastern Europe

Logwin’s business has seen some pleasing developments in early 2009, not just in Moscow, but right across Eastern Europe. Customers who have bought additional or new services in recent weeks include the Romanian paper manufacturer Papyrus, the container and switchboard technology system provider Rittal – now also active in the Czech Republic – and the dm pharmacy chain in Bulgaria (also see pages 10 and 24, editor’s note). Furthermore, some customer relationships have existed for decades, with cooperation being developed on an ongoing basis.

Despite the crisis, Logwin sees future developments in Eastern Europe in a positive light. “In 2008, Eastern European sales jumped by almost 10 percent, although there was a discernible deceleration in development in the fourth quarter”, says Alexander Piwonka. “2009 will be a difficult year, but we are convinced nonetheless that we can maintain our competitive position in Eastern Europe and that we will even grow in certain segments.” Only one year ago, market researchers also calculated that nominal expenditure on logistics services and warehousing would grow from the current figure of approx. USD 272 billion to approx. USD 370 billion in 2012. “This trend might have been dampened by the global crisis, but it won’t stop it”, states Alexander Piwonka.
RETAIL IN EASTERN EUROPE

“Brave, but not foolhardy”

The drugstore chain dm is expanding into Central and South-Eastern Europe. An essential element in the expansion strategy is a logistics concept that bravely opens up new countries – while placing emphasis on well considered and proven processes.

2,115 chain stores in eleven European countries with a selection of more than 14,000 articles, supplemented by over 300 service units for hairdressers and cosmetics – this constitutes the current dm store network. New stores are continuously being opened – almost one per week – in particular in the Central and South-Eastern European countries where dm Austria’s subsidiaries have a presence. Hungary already has 242 dm stores, the Czech Republic 158, Slovakia 75, Slovenia 61 and Croatia 109. In Serbia there are 26 stores, with 18 in Bosnia-Herzegovina. In Romania, where dm opened its first store at the end of 2007, the number has now risen to 12. Bulgaria is very new on the dm map, having opened up the first of its current three stores in January. dm Austria posted sales of 1.344 billion in the last fiscal year (2007/08). More than half of this figure, i.e. 799 million, was generated by its subsidiaries in Central and South-Eastern Europe. In comparison to the previous year, turnover increased by an impressive 29 percent!

“Logistics as a service for the stores”

“The growth and development of dm Austria is closely connected to our logistics philosophy”, says Martin Engelmann, CEO of dm Austria. The 47-year-old has been with the company for 23 years. And he is largely responsible for the development of logistics at dm Austria. He outlines his logistics philosophy in seven guiding principles:

1. Efficient logistics begins in the stores
2. Logistics serve the stores
3. Systems serve the processes
4. Logistics is a mental activity
5. Structures develop homogeneously
6. Savvy automation
7. Value-stream partnerships compete with one another

The growth and development of dm Austria is closely connected to our logistics philosophy, states Engelmann. Store processes need to be optimised by supplementing them with preliminary central input. This includes refining the rhythm of delivery schedules and replenishing store stock in an organised, reliable manner.

But what underlies these processes? dm replicates all goods and cash flows using their IT system. The stores and the central office are networked accordingly, utilising a closed inventory control system. “All information can be accessed in real time, both centrally and locally”, emphasises Engelmann. “Our aim is to reduce the movement of goods to a minimum by exchanging information. Logistics takes place primarily in our heads.” The processes should be lean, with the appropriate procedure being implemented on the basis of this criteria. Whether it’s direct delivery, cross docking or central warehouse operations – the process is always decisive.

dm Austria relies on Logwin for their transport logistics. “We have taken care of procurement logistics as well as store distribution for twenty years”, says Hermann Költringer, Director Business Development Solutions at Logwin. “Our routing strategy allows us to deliver on tight schedules and prevents empty in store”, states Engelmann. Store processes need to be optimised by supplementing them with preliminary central input. This includes refining the rhythm of delivery schedules and replenishing store stock in an organised, reliable manner.

DM IN FIGURES

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<th>dm corporate group:</th>
<th>Sales: 4.7 billion euros (2007/08)</th>
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<td>Stores: 2,115 (March 2009)</td>
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<td>30,700 employees</td>
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<th>dm in Austria and in the nine affiliated countries in Central / South-Eastern Europe</th>
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<td>Sales: 1.344 billion euros</td>
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<td>Stores: 1,058 (March 2009), over 1,100 by end of year</td>
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<td>More than 11,000 employees</td>
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runs at the same time.” The trucks we use are very noticeable on the road as their swap bodies are emblazoned with dm advertising that is modified on a seasonal basis. Logwin is also underway for dm Austria’s expanding subsidiaries, delivering to local distribution centres in these countries. A team of Logwin employees manages these processes in the dm Logistics Centre in Enns. “Working together with dm, we developed a special solution for the market launch in Romania and Bulgaria”, explains Költringer. “We are shipping all the dm quality brand products to our warehouses in the cities of Arad (Romania) and Sofia (Bulgaria). Our employees label the products there in the national language and pick the appropriate orders for the stores. We also handle deliveries to the stores.”

“This is an interesting opportunity for dm in the market launch phase – with negligible fixed costs”, says Martin Engelmann. The advantages to the customer are obvious to Hermann Költringer: “dm can concentrate on the roll-out of further chain stores. We also handle deliveries to the stores.”

“We do not reinvent the logistics wheel in every new country”, assures Engelmann. “We are brave, but not foolhardy.” He builds on a similar developmental logistics structure for start-ups in each new country. For the time being the focus is on the stores. “It’s a matter of establishing a presence and the actual availability of goods, especially in terms of our dm quality brands.” Then product delivery is optimised, for example, by setting up central warehousing space and refining in-store operations. Phase 3 involves expanding the IT platform and closing the inventory management loop. After these tasks have been completed, the detail and global optimisation phase begins. “In well-established countries, logistics is an essential centralised service for achieving efficient processes in order to attain the desired quality and cost leadership”, explains Engelmann.

But he has a poor opinion of imprudent automation: Bundling processes remains something that is done “by hand” in order to ensure that automation actually works. This applies of course to storage and transportation in particular. One thing is clear to Engelmann: “A low purchase price is no longer the only thing that matters. We have been in a highly competitive environment for quite a while, where the efficiency of a partnership’s entire value stream constitutes a real market advantage”. Expansion into new national markets in particular only works with good logistics. “We rely on ECR standards as the foundation, use our Extranet as a platform and are always seeking new potential by integrating the supply side”.

Engelmann remains unperturbed by the current economic crisis, which is having a perceptible impact on South-Eastern Europe: “Despite, or maybe due to the changing economic times, consumers are maintaining their faith in us. Therefore, we are not experiencing a consumer “crisis” in the true sense of the word. We are continuing to expand very dynamically in all countries.” While there has been a shift in property management projects, this has in turn been counterbalanced by new opportunities in the city centres. He is keeping a watchful eye on current developments: “We are in good shape to take advantage of opportunities and minimise risk.”

**EXPERT OPINION**

**Investments and growth planned**

“Every year, Mondi Uncoated Fine Paper produces approximately 1.9 million tons of wood-free uncoated natural paper in two factories in Central Europe (Austria, Slovakia) as well as in one plant each in Russia, Israel and South Africa for the office communications and printing sectors. We had already expanded our activities to include Eastern Europe at the beginning of the ’90s. Already in 1992, we had a share in the Russian factory in Syktyvkar, about 1,500 kilometres north of Moscow, and in 2002 we took over a majority of the company shares. In the year 2000, we acquired a majority of the SCP paper factory in Rozemberok in Slovakia. At the heart of our Eastern European expansion is the strongly growing Eastern European market along with the very competitive production locations. Mondi recognised the potential of these markets quite early and therefore has a dominant position today. We were able to create a strong local presence with our five sales offices and our brands are well-established in the respective markets. We will continue with our expansion plans in the region, because the growth rates are still interesting. We will be investing approximately 525 million Euros in the modernisation and expansion of our Russian factories until 2010 – thus making further growth in the Russian market possible.”

**BACKGROUND MONDI**

**About Mondi**

Mondi is an international paper and packaging group with sales of approximately 6.3 billion Euros in 2008. The core markets and main lines of business are in Western Europe, Central and Eastern Europe, and Russia as well as in South Africa. Mondi maintains production plants in approx. 35 countries and employed about 33,400 people in 2008.

**About Mondi Uncoated Fine Paper**

Mondi Uncoated Fine Paper is a leading manufacturer of office and graph paper and has production facilities in five countries as well as sales offices around the world. The range of products includes paper for offices as well as for pre-print and offset use. The most well-known brands include Color Copy, the leading colour laser paper in Europe, Snegurochka, IQ, MAESTRO, BIO TOP 3 and NAUTILUS.
Textile finishing plays an increasingly important role in the Macedonian city of Štip with its 45,000 inhabitants. Five years ago, Logwin put a new textile logistics warehouse into operation here. With a total of 5,500 square metres, 1,700 square metres are available for hanging textiles and 2,600 square metres for raw materials and classic bulk goods. The remaining space is used for customs formalities. According to Trajan Angelov, Country Manager in Logwin’s business segment Solutions, it’s the only textile logistics centre of its kind in the entire country and in the Balkans. The advantage to customers is obvious – increased financial flexibility – as Logwin is permitted to import and store all materials duty unpaid. “Our customers don’t have to pay customs duties until the goods have been ordered and delivered”, says Angelov. “In some cases this can take weeks or even months – a significant payment deferral that greatly increases the liquidity of the Macedonian companies”.

Nation of subcontractors

Macedonia is a classic subcontracting country, with a notable increase in processing volumes. Textile finishing is one part of this. Almost a third of all articles of clothing that enter the German market are re-imports that have been finished abroad. And of these, more than three quarters come from Eastern Europe. In the past several years, electronics and automobile manufacturers have also made increasing use of what international production has to offer – for instance for the assembly of automobile electronics such as cable harness assemblies and for galvanisation, heat treatment or painting vehicle parts.

Embroidered, sewn, finished:
Macedonia wears it well!

Her colleagues call her the “Embroidery Queen” and Emilija is proud of the fact: Whether on shirts, blouses, jackets, collars, sleeves or pockets, in multiple colours, shapes or with brand names – since the beginning of the year she has been embroidering everything that she can fit in her machine. Emilija and her 14 colleagues work in a modern textile logistics facility run by Logwin in Štip, Macedonia.
Logwin in Macedonia works for more than 60 textile manufacturers and delivers around 14 million parts to Western Europe each year. The Macedonian subsidiary offers a full service, including design, implementation and delivery of the finished collection to the points of sale.

In the past, Logwin processed the outward arrangements directly with the production companies in the country. According to Trajan Angelov the problem was that as a rule Macedonian companies had too little space for storing the materials. “We would often have to place the containers outside on the company grounds because there wasn’t enough storage space. Thanks to the possibilities offered by our logistics centre, this problem is a thing of the past,” he explains.

Textiles and more

Today, Logwin in Štip offers the full range of services. This includes export-import customs formalities, sorting and distributing raw goods, CAD/CAM services, embroidery work, picking up finished parts and temporary storage. Quality control, labelling and picking round out the selection. About 25 trailer trucks drive from Macedonia to Germany each week.

Textiles form the focal point of the cargo. “But we do also transport other goods such as, for example, ball bearings, computers, perfume and a range of technical products”, says Angelov. “Thanks to our diversity and the new relationships we are servicing, such as Kosovo and Albania, through our logistics centre in Štip, we can avoid empty runs and can use our storage capacity in the best possible manner.”

Embroidery is well received

Business is good at the modern logistics facility in Štip and the services are expanding continuously. Since the beginning of the year, Logwin is even taking care of their customers’ embroidery. Ten brand new embroidery machines were imported from Germany for this purpose. This facilitates embroidery in nine colours and sewing on appliqués such as cords, sequins or studs.

Emilija is happy. She – along with her colleagues Aneta, Ljubica, Julijana and Marija – has a job thanks to the additional service. “Designer brands are out of our reach personally”, the women from Štip all agree, “but our standard of living has improved notably.”

Logistics means service

Subcontracting is a lucrative branch of business for Macedonia as well as for all other manufacturing countries. Thanks to the establishment of labour-intensive industries and services, it has become possible to gradually improve employment levels in the country and stimulate regions with weak infrastructure.

“It is the task of logistics to connect various production locations and target markets with each other”, says Frank Sobotka, Director International Network Fashion. “In doing so, the logistics service provider, as well as the manufacturing company, are responsible for minimising costs. Along with effective planning and the organisation of multimodal loads, this requires transparent process controls. Therefore, these days all processes are carried out with IT support. Interfaces are established between all the partners involved to the greatest extent possible in order to optimise planning and guarantee the requisite transparency.”

EXCELLENT SERVICE

In March of this year, Logwin in Macedonia was awarded the “International Star for Leadership in Quality Award”. The prize, awarded annually by the “Business Initiative Directions” in Paris, recognises outstanding performance in the business development and service quality sectors in accordance with the QC 100-Standard.
Well-equipped for turbulence

The global economic crisis has hit the air freight sector particularly hard. According to the IATA (International Air Transport Association), 20 to 30 percent fewer goods are currently being transported by aircraft than last year. Logwin Magazine spoke with Carsten Spohr (42), Chairman of the Board at Lufthansa Cargo AG, about his company’s strategies in times of crisis.

Logwin Magazine: The low level of demand in the air freight sector is continuing. How is Lufthansa Cargo reacting to this development?
Carsten Spohr: We already felt the first effects of the economic crisis in the summer of 2008 through sinking freight volume. Due to the drastically worsening situation in December we decided upon a comprehensive package of measures. In addition to a 20 percent reduction in our cargo capacity, it included a cutback in personnel and material costs by, for example, reducing working hours for our 2,600 German ground staff and implementing voluntary pay cuts for management and board members. At the same time we are focusing on essential operating projects – but we are also taking advantage of what the crisis has to offer.

This includes for example, new freight connections from Italy to the USA as well as the integration of new destinations such as Hanoi, Malta and Hyderabad into our worldwide freight network.

Logwin Magazine: Reduced working hours, suspension of aircraft, voluntary pay cuts – what additional measures would be imaginable if the situation continues to worsen?
Carsten Spohr: With the measures described, Lufthansa Cargo has reacted quickly and flexibly to the existing effects of the crisis. Our crisis plans are laid out in stages, which means that we are prepared for a possible further worsening of the situation and will adjust our
measures to meet the requirements of the current circumstances. What this means exactly will be decided on the basis of the current economic situation at the time.

Logwin Magazine: The air freight sector has been affected particularly badly by the downturn. After all, air freight is the most expensive of all transportation options. Manufacturers are deciding more often for cheaper alternatives to get their goods from A to B. What is Lufthansa Cargo’s strategy to work against this trend?

Carsten Spohr: Due to the crisis, there is without doubt a certain percentage of freight that is no longer transported by air, but by sea. But there is no alternative for by far the largest portion of shipments that were transported by air freight in the past, because these products are valuable and time-critical and therefore need to reach their destination as quickly as possible. Air freight is and will remain their means of transport; there is no alternative. We focus on a permanent level of high quality across the entire transport process, also in times of crisis. Our customers are also aware that these services have their price. In order to continue to fulfill their high demands in the future we are continually optimising our product selection, our network and our individual services.

Logwin Magazine: Last year, Lufthansa Cargo earned almost half the traffic revenue from the Asia/Pacific routes. Now the revenues in air freight have fallen dramatically there. Do you still have faith in the Asia/Pacific growth region?

Carsten Spohr: Very clearly: yes! Asia was, is and will remain a growth region. Although the crisis is also putting a strain on the Asian countries, the most important economic nations such as China and India are still showing high rates of growth. Strategically, Lufthansa Cargo is therefore optimally positioned in Asia, and has been so for years – with numerous goods handling joint-ventures in China, with our subsidiaries Jade Cargo International in Shenzhen and with a dense network of destinations and frequencies all over Asia.

Logwin Magazine: The central air freight hub for your cargo business is Frankfurt Airport. At the moment there are night flight limitations and a general ban is being discussed. Why is the question of night flights to and from Frankfurt so crucial for your business model?

Carsten Spohr: Frankfurt is one of the largest freight airports in Europe – and number eight in the world. The Frankfurt Airport is therefore an indispensable hub for global trade functionality – also in the role it plays for the world champion exporter Germany. The worldwide distribution of labour in a globalised industry requires a certain number of aircraft that take off at night in Frankfurt. Without this so-called logistical headstart at night, conveyor belts in many locations would come to a standstill and a lot of companies would look towards other airports and airlines. And this is in spite of the fact that Lufthansa Cargo can guarantee the fastest connections, thanks to the optimal networking of traffic carriers and the interlocking of freight and passenger carriers at Frankfurt Airport. Lufthansa Cargo’s very existence would be threatened should these economically essential night flights, which are required by the market, cease to exist.

Logwin Magazine: Where do you see the biggest challenges for the future in the air freight sector?

Carsten Spohr: Firstly, it is essential that we make the right decisions quickly and flexibly during the crisis. We feel that the existing measures will help us to water down the effects – but will possibly not yet be enough. It’s important that we can take off after the end of the downswing and that we already need to set the course now. I also see projects such as “E-freight” to be decisive for the worldwide air freight industry. This project aims to make paperless freight transport possible worldwide – it was born in 2004 during the course of the IATA “Simplifying the Business” initiative and represents a major step toward process simplification for the air freight sector. The freight documents produced worldwide each year would currently fill 39 Boeing 747-400 freight aircraft.

Logwin Magazine: You successfully completed a training course as a pilot – when was the last time you sat in a cockpit?

Carsten Spohr: That was almost two years ago, on the day I took office as Chairman of the Board for Lufthansa Cargo. This function no longer leaves any time for flying. But I fly in the simulator every two months so that I can keep my license. But we experience turbulence daily in the air freight business, even without a simulator ...

Logwin Magazine: Mr. Spohr, thank you very much for this interview. ■
Project logistics: Mission possible!

Very big, very heavy, very bulky? Unusual goods require well thought-out transport logistics. From Hamburg to Saraburi, from Xinyang to Witbank or even in Melbourne: Logwin is active worldwide.

Good prospects for Melbourne

14 metres long and weighing 80 tons: A colossal spindle is the central element of the largest observation wheel in the southern hemisphere. The “Southern Star” is in the Australian city of Melbourne and, with its dizzying height of 120 metres, is as tall as a 40-storey building. Within twelve months, a total of 25 shipments of Ferris wheel components arrived at the construction site. This included eleven drive units, each measuring four metres in length and weighing nine tons, as well as 21 cabins at 25 tons each.

Packaging for thirst quenchers

Whether for cola, beer or lemonade, aluminium cans are quite often the packaging of choice for thirst quenchers. Heavy transportation was needed to prevent production at one of the leading can manufacturers in Thailand from coming to a standstill. A grinding machine was shipped from Hamburg to Laem Chabang – the urgently needed system weighed in at 8,500 kilograms. The 200-kilometre journey to the factory in the distant city of Saraburi was then completed on a flatbed truck.

Washer system on board

Did you know that coal needs to be washed? Because only then can the extracted raw material be cleansed of undesirable substances such as waste rock. Two new coal washing plants are currently being built in South Africa. The facilities that were built in China were sent on their way packed in ten 20-ft. containers and six breakbulk cargo shipments. The first part of the journey was by sea to Durban from Xingang in the vicinity of Tianjin. After approximately 680 kilometres of South African roads, the heavy transport reached its destination in Witbank.
Abu Dhabi: Natural gas cars instead of petrol guzzlers

More than 90 percent of the United Arab Emirates’ petroleum and natural gas reserves can be found in Abu Dhabi. While until recently exportation was the main focus, the aim is now to increase the use of natural gas in the desert metropolis of Abu Dhabi City with its 860,000 inhabitants.

A total of 16 natural gas filling stations will be built within the city limits in the upcoming months. An additional 250 are planned. In this way, Abu Dhabi is focusing on a modern as well as environmentally friendly technology. The natural gas filling stations are being built by a German company and exported to the desert state. “We were able to win a worldwide invitation to tender, despite very strong competition”, says Heinz Bauer, owner and CEO of Bauer Kompressoren GmbH. “The secret of our success? Our quality and our technical as well as planning expertise gave us the upper hand. Every aspect of production, from the unfinished casting to the completed system, takes place to the south of Munich in the world’s most modern production plant for compressor systems.”

Strong logistics: housing on a hook

The first natural gas filling station has already been erected in Abu Dhabi: A mobile 400-ton crane manoeuvred the compressor housing over the freshly poured concrete bed. Precision work and speed is what is needed as the housing has to be placed in exactly the right spot in the filling station compound before the concrete hardens. The team is all concentration and everything works as planned.

Good preparation helps achieve objectives

This undertaking was preceded by six months of preparation. “The teams in Munich and Dubai worked together very closely”, explains Eva-Maria Jackermeier, Senior Sales Manager at the Logwin Munich site. “In the process, the proportions of the building and the project modifications at short notice were a particular challenge.”

After all, the compressor housing was ten metres long, three metres wide and three and a half metres tall and weighed all of 67 tonnes.

The compressor housing made the first segment of the journey from Munich to Antwerp by flatbed truck. It then continued on board a breakbulk ship to Abu Dhabi on the Persian Gulf. The last part of the journey took place in the middle of the night in order to interfere with traffic as little as possible.

The new natural gas filling station went into operation as planned. Preparations for the next shipments are in full swing to allow the growing fleet of natural gas cars to fill up all over Abu Dhabi.
DEMAND FOR INNOVATIVE E-FULFILMENT

Double-digit growth for online trade!

The world market for online shopping has grown by 40 percent in the last two years. The most active online shoppers can be found in front of monitors in South Korea, closely followed by Germany, England and Japan. An end to growth is not in sight. Despite the global economic crisis, experts forecast double-digit growth for the next few years as well. Transport volumes are up, logistics are in demand!

Clicked, packed, delivered – this is how Internet users would like to see their online orders being handled. Whether it’s B2C or B2B, whether it’s clothing or electronic devices: The user structure is just as diverse as the products in the virtual shopping carts. More and more companies are following the online trend and offering their products through the Internet. But only those who have perfected the entire repertoire of online trade will survive in the tough competitive field of e-business. This is because there are no second chances. The competition is just a mouse click away.

Make or buy?

Building their own online platform and taking on the complete logistical implementation is a big challenge for companies. Cooperation with a competent logistics service provider allows them to remain focused on their actual core business. The magic word is E-fulfilment. In E-commerce, it constitutes the preparation of an IT platform and/or web shop, then complete order processing from the Internet order to payment, storage and transport plus the delivery of the goods, including a wide range of after-sales services. And often just a little bit more – because those who want to prove themselves as logistics partners give their customers the requisite added value.

E-commerce has changed logistics

"Today, it’s not just about integrating the E-commerce solution into the physical logistics process, but about increasing the efficiency of all processes connected to E-commerce", points out Dr. Stephan Freichel, Managing Director of the business unit Industrial Goods in the Logwin business segment Solutions. “However, this does require mastery of the entire E-fulfilment module.”

What’s needed is experience and competence in planning and in project management, comprehensive IT know-how, expertise in implementing add-on services and, last but not least, a high level of competence in the actual core business of logistics. Whether it’s purchasing, call centres, E-payments, the labelling of goods or even assembly work – a logistics service provider does all of this today.

“Close cooperation is necessary between experts on both the customer and logistics sides when planning and implementing E-commerce solutions in order to secure a successful long-term market presence”, says Dr. Freichel.
Worldwide, more than 85 percent of international online users have bought something at least once through the Internet. The proportion of online shoppers has even reached 93 percent in Europe. The preferred payment method in online shops is by credit card. (Source: Nielsen, 2008).

E-Fulfilment in demand as never before

Logwin has also faced the challenges of E-commerce and, with special tools for the flow of information and goods, offers a platform for online trade, for example with complete webshop solutions. Customers profit from additional services such as supplier management, warehousing or handling that are customised to meet the needs of E-commerce. The combination of a web shop solution and professional logistics handling is ideal – especially for customers who offer part of their range through the Internet, such as spare parts, accessories or merchandising articles. Logwin supports E-commerce customers from almost every sector, such as John Deere, MAN or Peugeot.

The demand for reliable and efficient E-fulfilment solutions continues to grow. In today’s classic mail order business, the online percentage has already reached 46.9 percent. Furthermore, more and more companies are profiting from the opportunities the internet has to offer in the way of purchasing or distribution. An increasing number of experienced logistics service providers are at their side to prepare efficient tools and, at the same time, to acquaint themselves to the specific requirements of their customers.

Nothing works without IT competence

Today, modern logistics service providers are IT experts: Logwin not only offers its customers scalable E-commerce platforms, but also the opportunity of individually designing their online shop. Stock management systems are adjusted to the customer-specific environment. “In doing so, we always make sure to optimally integrate our customer’s existing software solutions and to reduce interfaces,” says Thomas Lauber, Director of IT Solutions at Logwin.

Whether it’s handling E-payments, effective supplier management or quite simply tracking the goods, online trade could not exist without modern IT. “It’s what guarantees the fast forwarding of the order, maximum transparency and the complete documentation of all processes,” states Lauber.
Logwin Magazine: Is Logwin seen as a “foreign”, a “global” or more as a “German” logistics company in Brazil?

Jan-Christian Philipp: Definitely as a global logistics company – also due to the way we present ourselves. We introduce ourselves to customers who might not yet know us by showing them a world map with all our offices marked on it. It then becomes abundantly clear that we have a strong international presence that makes it possible for us to work globally. We are in close contact with a total of approx. 400 customers locally. They know what we can do.

Logwin Magazine: Which national growth drivers do you think you’ll see most strongly in the next several years?

Jan-Christian Philipp: It remains the automobile industry, even though that might sound strange at the moment. The large manufacturers are all present in Brazil. There has been total stagnation the last several years – not in terms of sales figures, but in terms of the models. The example of the Golf makes this clear: In Brazil they were still building the 3rd generation, while in Europe the 5th/6th generation was rolling off the lines. Therefore, there is an enormous imperative to catch up in Brazil. The country has opened itself up much more to imported products and the Brazilians have reasonable buying power. But more than anything else, they are very aware of international innovations. Therefore, there is a certain pressure in terms of design policy to match the global standards. This affects the 1st and 2nd tiers, the OEMs. But of course much depends on how the world economic scenario unfolds. EU and US companies were very euphoric before the crisis, because wages here are still notably lower than in their home markets, even though Brazil is not India. Therefore, large amounts were invested in modern machinery parks. These companies will therefore remain in the automobile and machinery industries. Few consumer goods are imported due to the relative strength of the dollar against the real.

Logwin Magazine: How is the prevailing economic environment?

Jan-Christian Philipp: One is very dependent on the direction the political wind is blowing at any time. Brazil is still a very strongly regulated economy. When you have a left-leaning government, as is currently the case, companies lose numerous incentives. The crisis has now finally been acknowledged in the Brazilian capital – it was previously being completely ignored – and now customs duties are being axed to stimulate consumption. Such moves are being financed for instance by increasing the price of cigarettes 25%.

Logwin Magazine: São Paulo, what makes this city what it is?

Jan-Christian Philipp: First of all, the city is the engine of the Brazilian, and in many cases the entire South American, economy. The metropolitan area has 27 million inhabitants requiring accommodation. More than 1,000 German companies have an office here. But let’s not try to fool ourselves; it is also a monstrosity with a transportation structure that was not built for this kind of load. Logistics strategies are not really aided by the fact that it takes 3 hours to drive 5 km. That costs money. Therefore, many companies are saying they need to get out of here and into the peripheral areas of the region. The hinterland prefectures are naturally quite happy about the new taxpayers and are therefore giving away building sites and handing out tax benefits and incentives. But that is only happening within a 70 km radius of São Paulo. What sense does it make to move 400 km to the west (which is, by the way, still the state of São Paulo) to be completely cut off from transportation routes? Here in the environs you have space, safety, low wages and less stress than in the city. But you have to plan half a day to visit a customer in the
centre of the city: 2 hours there, 30 minutes for the meeting, 2 hours back.

Logwin Magazine: And São Paulo from a logistical standpoint?
Jan-Christian Philipp: On a national and a continental level, the city is an important axis. Most sea freight arrives at Santos harbour approx. 75 kilometres from here and has to be taken to São Paulo first to be distributed. This is where goods are stored or where the cross-docking is done. Therefore, there is great demand for warehousing capacity here. But one has to add that the import philosophy of the country is very restrictive. It’s not easy to import something here.

Logwin Magazine: What are the complications?
Jan-Christian Philipp: Customs wants to know exactly what is being allowed into the country and behaves very restrictively. If you put a comma in the wrong place it will already mean “no, we won’t do that”. Due to this blockade mentality there is great demand for customs warehousing where goods have to be stored once they’ve left the harbour. Sea freight customs clearance will not happen here in under 5 days. It can even take up to 14 days if it’s a complicated product. But, on the other hand, you can export anything you want, because foreign currency is brought in through exports.

Logwin Magazine: São Paulo is considered to be a very violent city. How is logistics affected by this threat?
Jan-Christian Philipp: There is a police division with several hundred staff specialising in combating cargo theft: the Roubo de Cargas Division. All trucks are monitored by GPS, but the bad guys know quite well how to turn it off. Armed cargo escorts are big business here. Every seventh or eighth truck is followed by a small car with two heavily armed security men, even within the city limits.

Logwin Magazine: What are the biggest trans-shipment centres within São Paulo?
Jan-Christian Philipp: There’s no real answer to that because the numerous customs warehouses and private distribution centres are spread across the municipal area along the main thoroughfares. For several years now, the city has been building a peripheral motor-
way. Once it’s finished in approx. two years, many warehouses are sure to move near the future motorway interchanges.

Logwin Magazine: How relevant is transportation between São Paulo and the large sub-centres within South America for Logwin?

Jan-Christian Philipp: Very relevant. And not because of the MERCOSUL (joint South American market) or any other alliances. In general one can say that São Paulo trades quite extensively with other countries in South America. A lot is produced here and exported to the other countries. But goods are also imported and processed further, for example medication that is sent to Argentina, Chile and Bolivia from here.

But there are two clearly dominant centres in Central and South America. São Paulo is definitely the one for the sub-Amazonian region, i.e. the entire region to the south of the Amazon, and for northern South America and into Mexico, the free trade zone of Panama is the corresponding distribution node.

In this country we also have an important free trade zone. However, it is not in such a geostrategic position as Panama, but very much off the beaten track. Manaus, the Brazilian free trade zone, is 3,500 km away from São Paulo. It is not accessible by road and is completely isolated. With a constant temperature of 40 degrees Celsius and 95% humidity, no wind and overcast, it’s unbearable for Europeans. Many Japanese and American companies have manufacturing plants in this zone and the container ships are anchored in long lines on the Amazon. But in Manaus, government support has created nothing more than an artificial production site. To get to Manaus from here it takes 16 days, first by truck and then by ship. That is really remote, but that is also Brazilian economic reality. The story goes that almost no one insures their car in Manaus because there are only 154 kilometres of road. Should your car disappear you’re sure to find again.

Logwin Magazine: How does one develop customer relations and a network here?

Jan-Christian Philipp: Very differently, depending on who and where the customer is: For the multinationals, time is money, it’s very simple. The question from them is: “What can you offer me that is better than what I already have?” and then, depending on your answer, you are either back outside after only 10 minutes or are writing a preliminary contract. But once you venture into the metropolitan hinterland it’s purely a “people business”. First you have to spend 30 minutes talking about soccer, the weather and children before moving on to business. You should also make sure not to turn up in a pinstripe suit (which on the other hand is expected here in São Paulo), otherwise the door will quickly be closed in your face. In the hinterland, especially when talking to company owners, a special dress code applies, namely sporty, casual clothing. A sound commercial attitude and commitment, also to verbal promises, is of course a requirement.

Logwin Magazine: Are people biased towards you as a German in Brazil?

Jan-Christian Philipp: In general, the Germans in Brazil are held in high esteem for their precision and their good education. But it’s much more important to speak Portuguese, as well and as fluently as possible – only then will one receive a compliment. Then, when you say in conclusion that you “wouldn’t want to trade Brazil for anything” or are even married to a Brazilian, your acceptance will be complete. This is because it becomes clear that you wish to become integrated and work together on the Brazil project. Basically, almost everyone here has immigrated from somewhere else, so the

“São Paulo is the distribution node for Sub-Amazonia.”
Brazilians are very open to foreigners. But if you have the attitude that you are the “big German” or “big American”, you won’t get far.

**Logwin Magazine:** Now to the Logwin brand. What effect is the new unified brand having on business?

**Jan-Christian Philipp:** At the beginning the reaction was “What has happened? Is this another merger?” This has happened here in Brazil in the forwarding logistics sector so often recently.

There was therefore a need to explain the basic situation, i.e. a group of companies that were previously internationally known under various names are now operating under the Logwin banner. Unlike in Europe, in Brazil it only meant a changeover from Birkart Globistics to Logwin, but we did need to do some explaining. What helped was the fact that in recent years we have been quite aggressive in the market and are therefore known by our customers and potential customers. The name change gave us an additional reason for sales meetings. After we explained it, the name change was seen in a very positive light.

**Logwin Magazine:** Is pronunciation an issue?

**Jan-Christian Philipp:** No, not at all. One doesn’t enunciate the “W” like in American English, just softer. But everyone understands the concept and everyone can pronounce it. Logwin is quite meaningful – and together with Your logistics! it really does say everything. ■

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- Population of 188,600,000
- Approx. 4,300 km from North to South, East to West
- Freight vehicle transports commonly with armed escort
- Extremely bad roads, average speed 40 km
- Practically no rail system

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- São Paulo metropolitan area has 27 million inhabitants
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En vogue in Thailand

The Spanish fashion label Zara is also in high demand in Asia. In February 2009, the company launched a second store in Pattaya, Thailand. Logwin was responsible for the logistics of the shop opening – as they were a year ago when the first store opened its doors. Reliable services such as just-in-time inland transit or the handling and unpacking of store decorations contributed to the shop’s timely opening.

Case study

“Switch to perfection” – that is the slogan of Rittal International, one of the world’s leading system providers of container and switchboard technology. With more than 10,200 employees and over 60 branch offices, the company supports customers around the world in Industry, Engineering and IT. Logwin has been responsible for punctual delivery to Czech Rittal customers since early March this year. Up to 80 deliveries are made daily through the hub in Prague.

Experience counts – contract extended

The globally active precious metal and technology concern Heraeus is market and technology leader in the areas of precious metals, sensors, dental and medical products, quartz glass and specialty lighting sources. Heraeus has relied on Logwin for more than 20 years and has now extended the contract for another three. The following on-site services are amongst those offered at the company headquarters in Hanau: Stock receipt, interoffice transports, packing, outgoing goods and customs. The customer profits from a customised IT solution: The WMS with integrated order management is interfaced with the customer ERP system (SAP). Additionally, service invoicing is consolidated from the source system and transmitted to Heraeus. At the end of last year, Heraeus also assigned a large part of their air freight exports and worldwide relocations to Logwin.

CZECH REPUBLIC

PRESS LOGISTICS

Cosmopolitan & Co.

Since March 2009, Marquard Media Polska has been using Logwin’s new multi-user warehouse in the Polish city of Sokolow near Warsaw. Approximately 2,000 pallets of press products are stocked there – ranging from magazines such as “Cosmopolitan” and “Joy” to advertising supplements and give-aways. Along with cross-docking, warehousing and distributing the magazines, the logistic activities include return logistics and recycling. Logwin provides value-added services, for example co-packing, filtering and sorting of press products. Marquard Media Polska, a subsidiary of the Swiss Marquard Media AG, is one of the largest publishers in Poland.

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NEW ZARA STORES

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**COLOUR COORDINATED!**

Whether professionally or DIY, with new wallpaper, fresh paint and the right accessories you can transform any room. One of the largest and oldest suppliers of painting tools in Europe is the ColorExpert-Storch Group with headquarters in Wuppertal, Germany. The company opened a subsidiary in Romania in 2007. At the beginning of the year, ColorExpert entrusted Logwin with its warehousing and commissioning tasks at the Sibiu site in Central Romania. Deliveries to national hardware stores also began recently.

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**POLAND WINS!**

Quality is rewarded: Logwin received a gold medal in Poland in the “National distribution” category. The award was bestowed during the “Logistex 2009” international transport and logistics trade fair in the Polish city of Sosnowiec. The Logwin Road+Rail Poland Sp. z o.o. Country Managers Leszek Choluj (left) and Rafal Puszczewicz (right), delighted about the award.

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**SMART DELIVERY**

Paper waits for no man!

Papyrus is one of the leading paper and packaging manufacturers in Europe. The company established its own business in Romania at the beginning of 2008. At the Bucharest location, the Logwin Team supports its customers with the commissioning of up to 30 tons of paper articles per day. Distribution to end customers in the Bucharest area is also part of the service they provide, with delivery being executed within just four hours.
Logistics at your fingertips

Once again this year, Logwin participated in Logistics Day (“Tag der Logistik”) which took place on 16 April throughout Germany and Austria. The biggest event was organised by the branch office in Enns in Upper Austria. Approximately 40 students majoring in Logistics at the Academies of Commerce in Perg and Linz Auhof were able to experience operations in the Enns Logistic Terminal at first hand. Along with a tour of the 7,800 square metre transfer station, the program included interesting lectures and case studies. In Germany, the Hamburg and Nuremberg businesses opened their doors to interested students. About 30 Year 9 students accepted the invitation. They learned about day-to-day activities in a logistics company and the diverse training opportunities at Logwin.

Barely printed, already distributed

Since 1 January 2009, Logwin has been distributing the magazines “WirtschaftsWoche” and “Junge Karriere”. The Handelsblatt Publishing Group issued an invitation to tender for the commission – Logwin ultimately won the bid. Logwin delivers the magazines hot off the press to wholesalers, train station bookstores and airlines in Germany and other parts of Europe. The magazines are dispatched all over the world by airfreight.
Pharmaceutical products on course

Switzerland is one of the leading exporters of pharmaceutical and biotechnical products. Approximately one third of all exports come from this industrial sector. Logwin has developed their own transport solution with international services in Switzerland specifically for the requirements of the pharmaceutical industry: Pharma Plus ++. Modern refrigerated vehicles deliver the temperature-sensitive raw materials and products to their destinations across Europe just in time. The range of services include among other things, continuous monitoring of deliveries, documentation of transport temperature during unloading and the use of special vehicles equipped to transport hazardous goods. With Pharma Plus ++, international consignees are also able to receive bulk goods shipments and partial loads. The focus is on the countries neighbouring Switzerland as well as destinations in Southern, Central and Eastern Europe. The refrigerated warehouses in Basle and Schaffhausen offer the ultimate in safety standards.

Footwear logistics in Austria

Every year, Logwin employees are responsible for picking orders for approximately one and a half million pairs of shoes for Ferdinand Richter GmbH, Austria. The manufacturer with a long tradition of high-quality children’s and young people’s shoes has signed a five year contract with Logwin for logistics outsourcing. Purchasing, goods receiving, value-added services and shipment preparation all belong to the logistic services. The new INCONSO warehouse management system is being used for the first time for this project. Modern, remote-controlled and comprehensive order picking is made possible by the interfacing with the customer’s system.

When every second counts

Intensive medical care products such as respirators or temperature management systems need to be available quickly. Elan Medizintechnik GmbH in Cologne, Germany relies on the medical logistics competence of Logwin for purchasing, storage and distribution. Since February 2009, the Cologne branch office has been managing all air freight imports from the USA for their customer. The number of time-sensitive shipments amounts to approximately 50 per year. The team also provides warehousing, picks orders and distributes the goods in Germany and Austria.

SPECIALIST TRANSPORT SERVICES
New branches

With more than 400 offices and facilities in 45 countries on five continents, Logwin has a worldwide presence. And the global branch office network continues to grow, with six new locations being added in Asia and Eastern Europe in recent months.
LOGWIN IN RUSSIA

Location: St. Petersburg
- Logwin Road + Rail Rus ZAO
- 8,000 square metres of storage and logistics space
- Sector focus:
  Food, automotive

LOGWIN IN CHINA

Location: Hong Kong (1)
- Logwin Air & Ocean Hong Kong Ltd.
- 5,500 square metres of storage and logistics space
- Sector focus:
  Textiles, cosmetics, electronics

Location: Shanghai (2)
- Cooperation with Finnish partner Wikeström & Krogiu
- 3,100 square metres of storage and logistics space
- Supply chain centre for the Wärtsilä marine propulsion and power generation group, Helsinki

Location: Zhangjiagang (3)
- Logwin Air + Ocean China Ltd. Zhangjiagang
- Sales and customers office
- Sector focus:
  Electronics, chemicals
Play Sudoku and Win

1st prize:
Toshiba NB100-11R netbook valued at approx. 250 Euros

Elegant and compact: The netbook from Toshiba will surprise you with its state-of-the-art technology and chic design. This lightweight has an 8.9 inch (22.5 cm) screen and a fully-fledged keyboard. Work on documents, view pictures, surf the Internet or listen to music – you can do all of these things with your new netbook, even when you’re on the road.

Yours to win!
Top technology for the great outdoors

Need some fresh air? Whether it’s a short trip to the countryside or lunch in the park – our great prizes will make the ideal travel companions. Don’t miss your chance! All correct entries will go in the draw for:
2nd prize:  
Canon PowerShot A1000 IS digital camera valued at approx. 150 Euros  
Say cheese! You can capture every motif in sharp focus with your new digital camera from Canon. 10 megapixels, quadruple optical zoom and an integrated picture stabiliser guarantee brilliant photos. Modern face recognition makes people’s pictures appear even more natural. And you can even film high-quality videos thanks to the movie function.

3rd prize:  
MP3-Handy Sony Ericsson W350i valued at approx. 100 Euros  
The Walkman mobile phone from Sony Ericsson, only 10.5 mm thick, is a portable stereo: The 512 MB memory card offers space for several hundred songs. The software provided helps to align the music data with the PC. The integrated camera, a colour display and Bluetooth are further features of the new hi-tech mobile phone.

And this is how it works:  
Fill out the empty squares with numbers from 1 to 9, making sure that each number only appears once in every row, once in every column and once in every one of the nine 3x3 boxes. The five coloured squares provide the required code.

Please email the code, together with your name and address, to: magazine@logwin-logistics.com

The deadline for entries is 15/09/2009. Employees of the Logwin Group and their next of kin are excluded from participating. There is no legal recourse. The winners will be notified in writing and announced in the next issue.
As an integrated logistics and service provider, Logwin develop comprehensive solutions for industry and commerce. With a staff of 8,600 at 400 locations in 45 countries around the world, Logwin offer contract logistics, international air and sea freight as well as road and rail transport services. Logwin's customised logistics solutions help create sustainable growth for its customers. Find out how Logwin can assist you with 70 branch offices in 16 countries in Eastern Europe: www.logwin-logistics.com