



# Irish Freight & Logistics Monthly

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## Dear David,

Welcome to the June edition of Irish Freight & Logistics Monthly.

You have been included within our mailing list because we consider you to be a valuable contributor to the industry.

We are aware of the communities need for an electronic platform for company announcements and press releases. We invite you to forward details to us for consideration in the next edition.

We hope you enjoy the newsletter and will strive to enhance it, so please send any feedback and suggestions to [editor@logiskills.ie](mailto:editor@logiskills.ie)

**Please feel free to forward this to any interested colleagues who can register to receive it from our home page at [www.logiskills.ie](http://www.logiskills.ie)**

### • **Advanced Transport Logistics now EU Priority**



The EU Commission has recently adopted a communication on freight transport logistics. The communication highlights the need for an overall approach to the improvement of transport logistics and rehearses the issues in preparation for an action plan in spring

2007 to promote such logistics.

Jacques Barrot, Vice-President of the Commission responsible for transport, declared that "logistics can optimise the conditions for the delivery of goods. It is a crucial means of making transport more efficient, while limiting the effects of pollution and congestion. I want lorries to go by train or boat over long distances. Efficient logistical services should ensure a seamless flow of cargo. A European logistics policy should keep know-how and talent in Europe and help to avoid the relocation of jobs outside our borders".

Annual expenditure on logistics in Europe is about

## sucesses here!

## Upcoming Events

Auto Logistics & SCM World China 2006 Event for the China's auto industry. September 6-8, Shanghai, China

PortTech Asia 2006 September 27-28, Shanghai, China

Asia Pacific Mail & Express Conference October 3-5, 2006, Grand Hyatt, Singapore

Logistics Ireland 2006, 6th October 2006, Dublin, Ireland

SCM Logistics World 2006 Logistics and supply chain management conference and exhibition. October 16-19, Singapore

Global Automotive Logistics Conference, 17-18 October 2006, Antwerp, Belgium

SITL Italy Exhibition, October 24-26, Verona, Italy

3rd Intermodal Asia 2006 26 - 27 October 2006, Brisbane, Australia

International Rail Forum 2006 November 14-16, Madrid, Spain

Boxship 2006 December 5-6 2006, Shanghai Hilton, Shanghai

5th Intermodal Africa 2007 March 29-30, 2007, Durban, South Africa

4th Thai Ports & Shipping 2007 November 15-17,

Eur1,000 billion. On average, logistics accounts for 10-15% of the final cost of finished goods. The Commission is addressing several areas where action could be taken to enable the logistics market to develop effectively. These include:

- setting up a group of contact points with the Member States and industry to identify and deal permanently with the obstacles preventing faster development of freight transport logistics ("bottlenecks exercise");
- improving effectiveness and interoperability in information technologies and communications so as to provide better tracking and tracing;
- building logistics terminals and improving their efficiency;
- optimising the use of infrastructure to meet the needs of advanced logistics (e.g. through the emergence of a dedicated rail freight network);
- improving the training and certification of logistics providers and other personnel involved in the management of logistics flows;
- harmonising transport documents; clarifying, and ensuring the harmonisation of, the different liability regimes in the multimodal chain;
- promoting multimodal transport solutions;
- devising methods and indicators for assessing logistics performance in Europe and introducing a label recognising logistics excellence in transport and the supply chain;
- researching and implementing common European standards for loading units to ensure a seamless flow of cargo. Rules on vehicle dimensions and loading units should meet the needs of modern logistics.

The communication and the subsequent consultations with the European institutions and interested parties will lead to an Action Plan for Freight Transport Logistics in 2007.

### • **IBEC warns on ports capacity crisis**



A report by the employers' group IBEC says the Government has underestimated the future rate of growth in freight traffic through the country's ports. The report says there is a risk of a 'major capacity crisis' within a few years.

According to IBEC, the volume of unitised trade - which covers goods carried in containers or on truck trailers - will grow by 70% by 2014, compared with an official Government forecast of 35%.

2007 Bangkok, Thailand

6th Intermodal Africa  
2008 February 7-8, 2008,  
Accra, Ghana

Government forecast of 35%.

The employers' group says all current proposals for new container handling facilities at Dublin, Cork and Bremore need to proceed 'as a matter of urgency'. IBEC says capacity shortages at the ports could damage Ireland's attractiveness as an investment location.

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• **Kuehne+Nagel wins contract with Organon Ireland**



Kuehne+Nagel Ireland has recently been awarded a contract to manage the global logistics requirements for Organon Ireland, a manufacturer and marketer in the health care industry. The agreement includes road, sea and air ambient/cool chain logistics services.

Under the scope of the contract, Kuehne+Nagel will manage the inbound transportation by road, sea and air to the Organon facility in Swords and outbound transportation by road, sea and air, including temperature controlled/cold chain services, to Organon's global customer base.

Kuehne+Nagel was selected due to the sustainable benefits it offers, including full visibility for all shipments globally, efficient transport solutions with many additional service options, combined with a partnership approach focused on delivering a value- add service in a structured and sustainable manner.

Gerry Coughlan, logistics director for Organon Ireland, commented: "In order to successfully compete in a global environment, it is important for us to work in a partnership with suppliers who can deliver a value- add service. This new collaboration with Kuehne+Nagel will allow us to further enhance our already high level of service to our customers."

• **New AMS base trebles TwoWay capacity**



European forwarding and logistics operator TwoWay - now part of the Aramex Group - has re-located its Netherlands headquarters to a new

base at Amsterdam Schiphol Airport. The new facility almost trebles the company's warehouse space at the airport.

Conveniently located within the airport, and close to the A4 and A9 motorways, TwoWay's newly- constructed 5,300 m<sup>2</sup> headquarters building features 16 truck docks, storage for 2050 pallets, bonded and non-bonded zones, a high-security area, CCTV throughout and 24/7 security guarding.

The warehouse is fully racked and equipped with high-level reach trucks to service the company's growing logistics business. The adjacent offices are meanwhile over three times larger than those at the two sites which the new facility replaces. The facility houses an expanded workforce of 30.

The opening of the new TwoWay facility in Amsterdam follows the launch of the company's Rotterdam ocean operation in May 2005, and the recent opening of a facility at Maastricht Airport.

Says TwoWay's Netherlands Managing Director Gert- Jan Dokter: "This new larger base at Schiphol will spearhead our continuing rapid growth in the Netherlands. We are extremely pleased with our progress since we first opened in the Netherlands in October 2003. We pride ourselves on listening to what our customers want, and being flexible in our response to their needs. Our success clearly proves that even the largest brand-name customers want an alternative to the one-size-fits-all approach of the major multi-national forwarders."

#### • **Samskip determined to continue on the takeover trail**

**SAMSKIP**

ICELANDIC shipping and logistics group Samskip is eyeing more takeover candidates as it continues to broaden its network

across Europe.

The privately owned company that last year bought shortsea operators Geest North Sea Line of the Netherlands and Seawheel in Britain is now looking for similar lines in other parts of Europe that fit with its basic business model.

The group consists of four core businesses — container transport, conventional and project cargo services, reefer logistics and worldwide logistics. Turnover has tripled since 2002 and is forecast to reach €600m (\$700m) this year.

There are 62 offices worldwide, with branches recently opened in South Korea and Brazil to support the

company's reefer logistics and forwarding activities.

- **Hapag-Lloyd Inaugurates South Africa Service**



Hapag-Lloyd, which has so far focused mainly on East-West services, is expanding its African network by

starting a service to South Africa in mid- October. "The southern and west regions of Africa represent an attractive market for container transport with considerable development potential. We will thus be serving all five continents for the first time in our company's history," commented Adolf Adrion, executive board member of Hapag-Lloyd AG, with reference to the start of a liner service linking Northern Europe with ports in South and West Africa.

A total of four ships capable of carrying approx. 1,200 standard containers (TEU) and equipped with 200 reefer plugs will be deployed in the new fortnightly service. The first departure of the South Africa Express (SAX) from Hamburg is scheduled for October 15th 2006. Ports of call will be: Hamburg, Antwerp, Le Havre, Lisbon, Cape Town, Port Elizabeth, Durban, Cape Town, Dakar, Lisbon, Thamesport and Hamburg again. The round voyage will take 56 days, with each vessel covering approx. 15,000 nautical miles, or nearly 28,000 km.

- **SerCom opens office in China**



Supply chain management company SerCom has opened an office in China, which it says will enable it to source and evaluate local suppliers and trading partners. The office is located in

Shenzhen, in the Guangdong province. Shenzhen was China's first special economic zone and has many investment and tax benefits.

SerCom, which is a subsidiary of business support services group DCC, has been doing business in China for the last six years. SerCom is headquartered in Dublin with facilities in Poland, Limerick and China. The company employs 500 people.

- **Target Express triples capacity in Birmingham**



Target Express which currently operates fifty-one depots throughout the United Kingdom and Ireland, is all set to open its new depot in Birmingham, which is expected to triple the carrier's capacity in the city. The new 42,000 sq ft depot is situated in Star City, close to Birmingham's city-centre.

Petar Cvetkovic, chief executive officer at Target Express said: "The new depot at Star City will include hub sortation facilities, which coupled with the improvements at West Bromwich will further enhance the Target Express network as a whole."

The new Target Express Star City depot became fully operational on 22nd May 2006, with upgrade work at West Bromwich due for completion before the end of June.

#### • **Margin pressure fails to slow Wincanton**



Operating profit rose seven per cent at Wincanton to £42 million despite some pressure on margins. Sales were up 9.6 per cent to £1.8 billion and the company said business wins and renewals totalled some £385m during the year.

Return on capital employed is becoming a critical issue for publicly quoted third party logistics providers. Wincanton said capital employed at 31 March 2006 was £122.9m, of which 35 per cent related to UK & Ireland operations and 65 per cent to continental Europe. "The return on capital employed, at 34.2 per cent represents an increase on last year's 29.8 per cent. This rate of return is believed to compare favourably with the returns of our peer group."

Chairman David Malpas said: "Our operations in the UK & Ireland reported underlying operating profit of £37.8m, up 3.6 per cent on the previous year. Fee pressure is evident in certain of the more mature areas of our activities but we continue to see opportunities for growth across our retail, manufacturing and industrial customer bases.

"The market for supply chain services in the UK & Ireland has become more polarised in recent years, and Wincanton, as one of the two leading operators, has benefited from its greater scale and the loss of market share by smaller operators. This trend is expected to continue to be of benefit to the group in the future. We

also continue to have confidence in the growth potential of our portfolio of ancillary services, which includes consultancy, data records management, waste recycling and fleet maintenance.

- **Announce your successes here!**

Please submit your company announcements to [editor@logiskills.ie](mailto:editor@logiskills.ie) for consideration in our next edition.