

The financial crisis and its impact on the road transport market

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Our approach to measure logistics

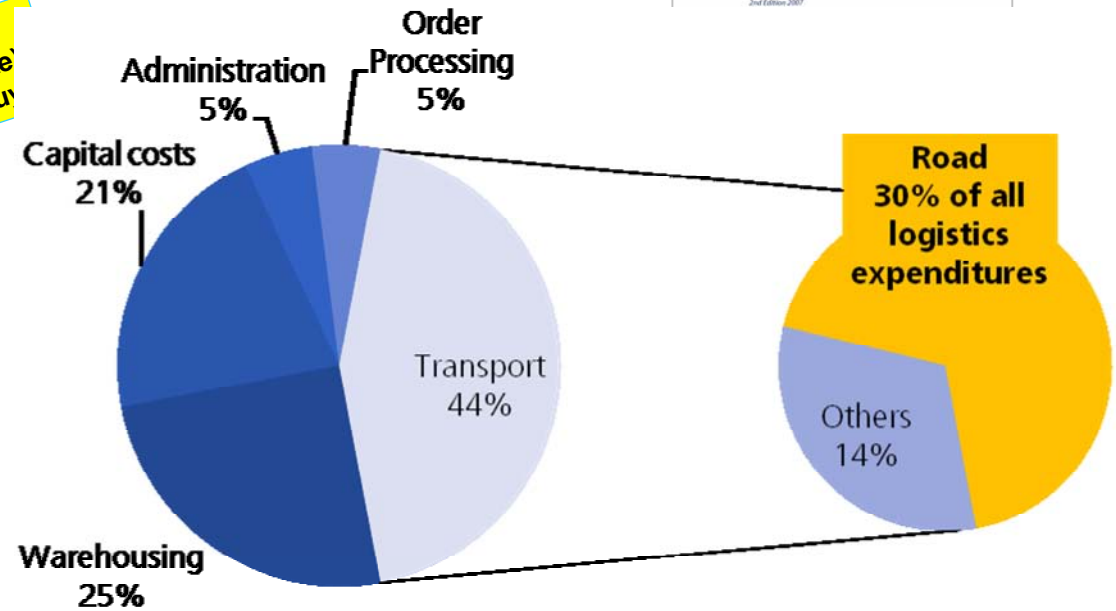
I. Supply-Side Approach:
„Bottom Up“ from
Transportation
Statistics to Logistics

II. Demand Side Approach:
– „Top Down“ from
Industry Revenue Data
through Logistics
Expense Percentages

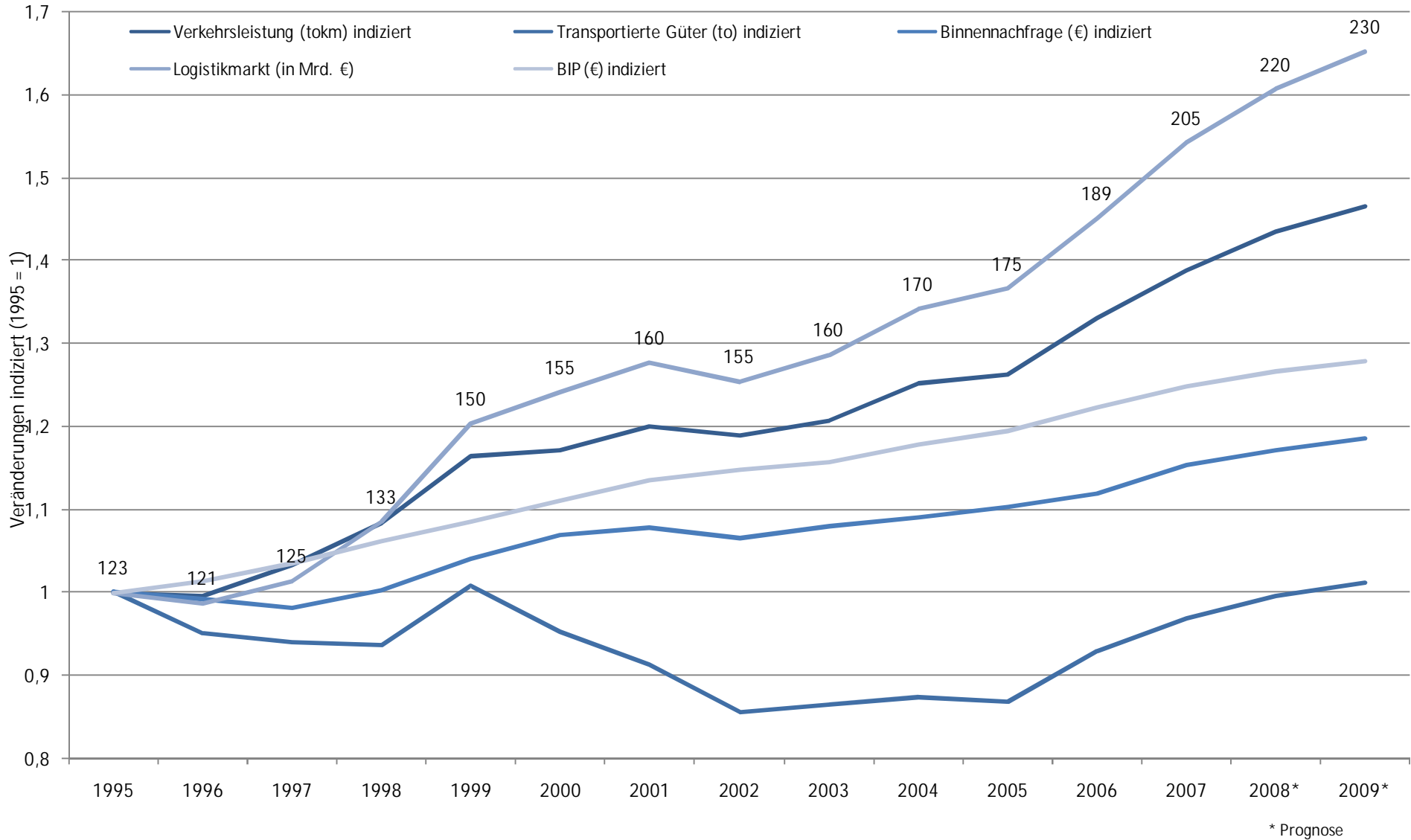
Logistics
expenditures 2007
Europe 29: 900 b.
€

III. From Employment Statistics
To Personnel Expense
Cumulative National
Value Added (GDP)

Important:
this is „inhouse (make)
AND „outsourced (buy)



Our forecasts of logistics market developments e.g. in Germany in September 2008...



... and the news of today

Auto Industry Collapse

► Car sales in the USA

	BMW	VW	Daimler	Ford	GM	Porsche
Oct. 2007	26857	25059	22842	194617	307408	2862
2008	25512	23478	17257	132248	168719	1427
	-5%	-6%	-25%	-32%	-45%	-50%

Source: Automotive News

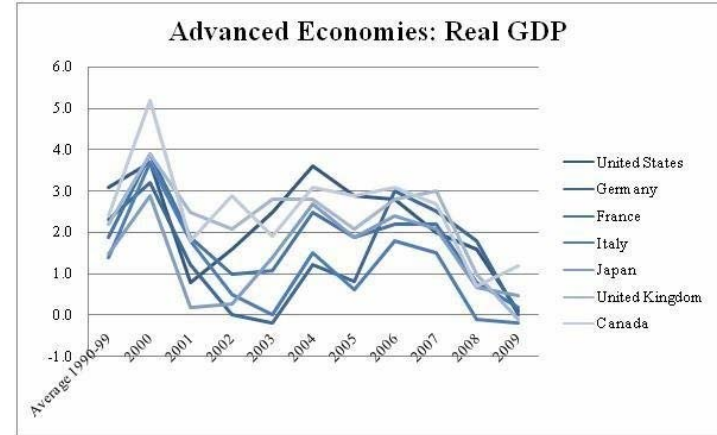
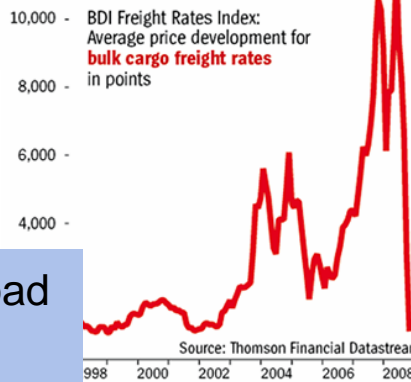
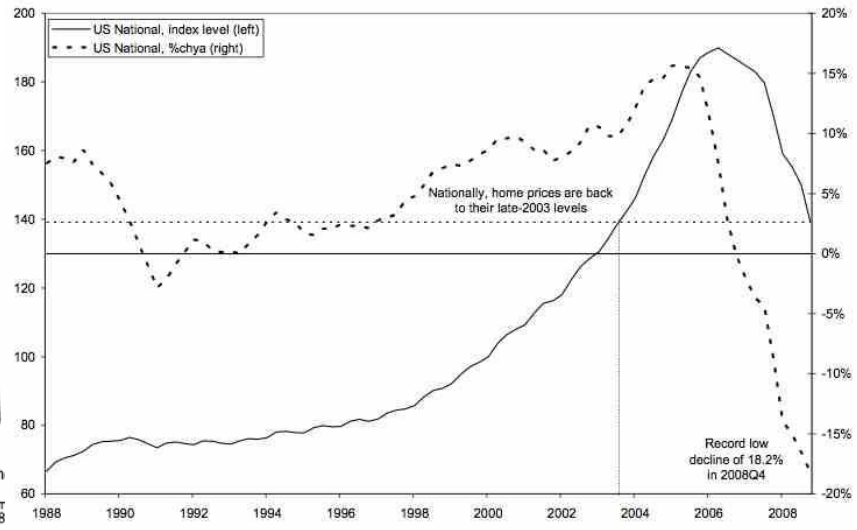
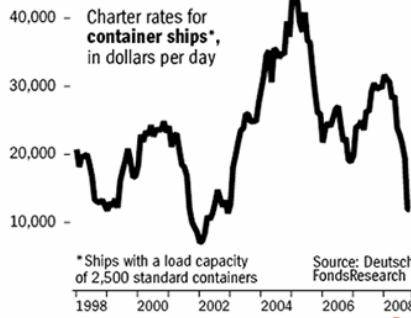
Change in October 2008 as compared with same month in 2007

► Car sales in Europe

	BMW	VW	Daimler	Ford	GM/Opel	Porsche
Oct. 2007	73899	270513	74017	127066	126308	3600
2008	66242	249948	61754	111971	94479	2600
	-10%	-8%	-17%	-12%	-15%	-28%

Source: ACEA, company figures

Sinking Shipping Business



- What's the impact on road transportation?



What to expect now? Our best approach to drawing a realistic new picture of road transportation in 2009

§ Past forecasts should be revised by considering the outlook for major „customer“ and shipper industries, i.e.

§ Defining scenarios based on

§ differentiated assumptions for expected production/sales levels by major industry,

§ weighing the relative impact of each major industry upon to total national transport and logistics expenditures

§ applying expected factor cost changes for 2009

§ On this basis, building new growth forecasts for road transporting

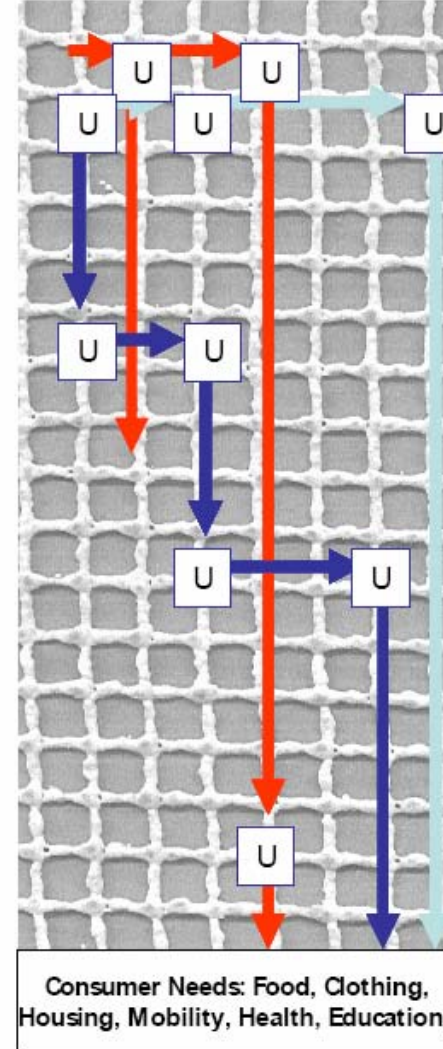
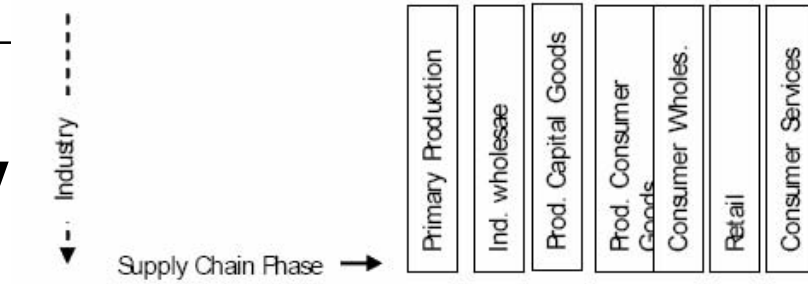


The change in road transport expenditures by industry supply chain

mainly affected
~20%

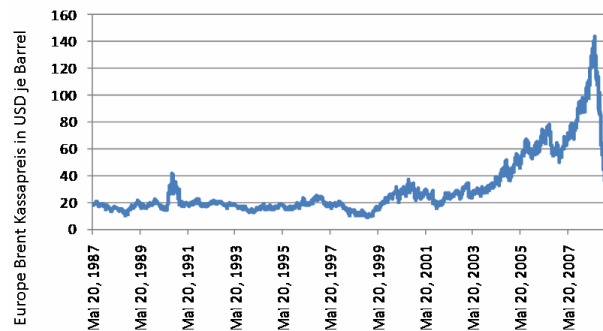
partly or less affected
0 to 20%

mostly not affected
~0%



The Logistics System as a Network of Outputs and Inputs

The road transport expenditures effected by factor costs and competitive price level changes



- § Rising costs expected for
 - § Tolls: significant increase
 - § personnel: +2-4%
 - § Fuel: extremely uncertain relative to 2008 levels, but expected to be lower

§ Also, finding financing instruments for the logistics companies with traditionally small capital resources is getting harder

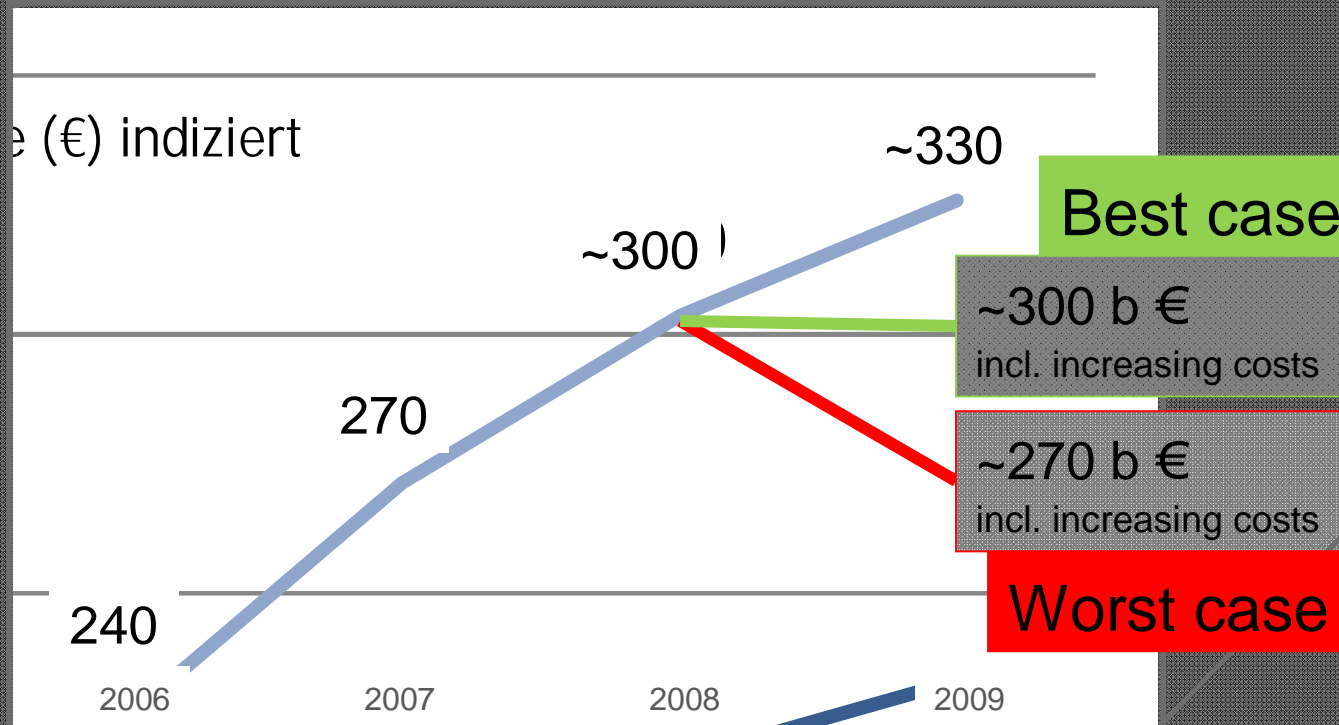
§ Competitive pressures due to lowered overall demand tends to compress prices

§ Hi case: +5% upward drift for logistics cost levels

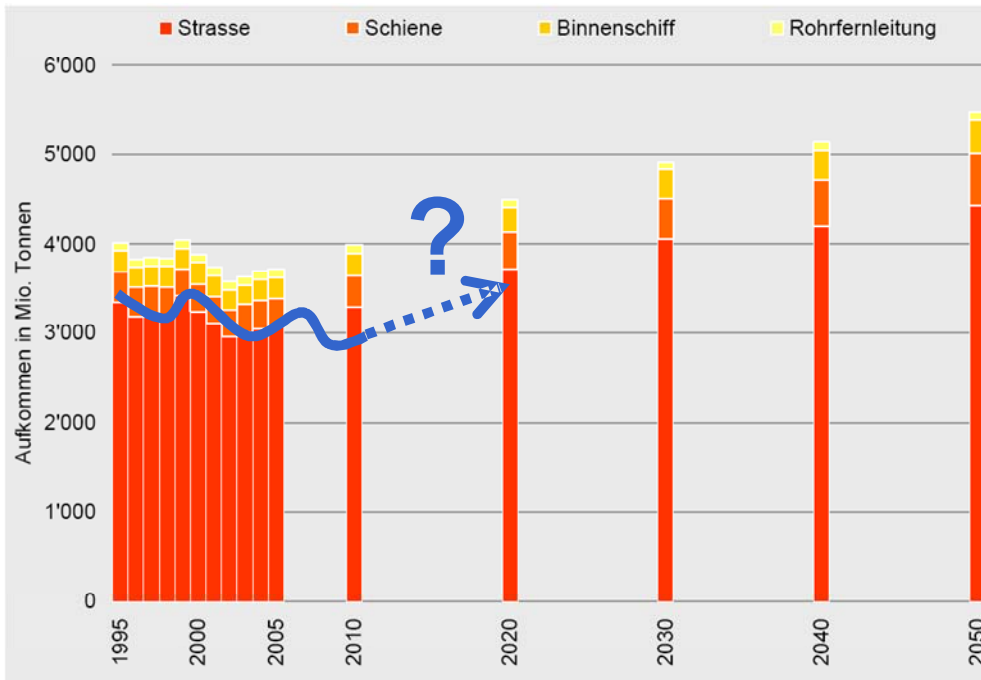
§ Lo case: +2 to 3% upward drift for logistics cost levels



Resulting in our revised forecast for road transportation in Europe (29)



Now the effects on the road transportation market



Prognosis for freight transportation e.g. in Germany to 2050 (analogue prognosis for Europe expected)

Source: Prograns 2007

- § After the enormous growth rates and the consequential booming investments in trucks and trailers, the overheated road transportation market cooled down and will level to a “normal” rate
- § More rapid consolidation especially in network logistics industries where competition is very volume sensitive like
 - § express and parcel
 - § less than truckload
 - § also: air and ocean freight
- § Heavy price competition on the road-based cross-border-traffic
- § Companies with low equity (and there are many in the road transportation sector) are facing tough times
- § According industries, mostly road transportation companies handling consumer goods are less affected than others



Thank You.

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