

# Logistics Industry

## Accelerate Your Business in Europe's Logistics Hub

Located at Europe's center, Germany is the continent's largest economy and most important logistics hub, offering world-class infrastructure and cutting-edge logistics services.

The location provides companies with opportunities for convenient Europe-wide distribution and easy access to the EU's 500 million consumers. Find out how Germany can accelerate your business and connect you with European markets - both West and East.

### Logistics in Germany Rises to Covid-19

**The slowdown of the global economy and the disruption of supply chains is causing economic challenges unthinkable a short time ago. Germany's logistics sector shows its flexibility.**

### Airfreight capacities are being expanded

Especially hard hit by the corona crisis is the airline industry. In a move similar to that of other European airlines, the Lufthansa Group has cut its capacity by more than 90 percent and parked around 700 of its 760 plus fleet. Yet despite the current almost non-existent demand for air travel, the airline's cargo division is flourishing and further expanding its airfreight capacity between Europe and Asia by adding over 50 flights to and from China.

On the ground, the situation is not so drastic. Nonetheless, according to the German Federal Ministry of Transport, freight traffic on German rail and road has fallen by almost 20 percent since the order to restrict social contact and close non-essential business operations in Germany came into effect on March 16.

### Corona driving up parcel volumes

The majority of online retailers are also suffering from the effects of Covid-19. E-commerce sales were almost 20 percent below the previous year's level in March according to the Federal Association of E-Commerce and Mail Order Business (BEVH). Most notably, March saw a drastic slump in online retail sales of books, electronic & telecommunication goods and clothing - down 14 percent, 21 percent and 35 percent respectively. In contrast, online demand in March for medicines boomed (88 percent increase); as did food orders (55 percent plus increase) and drugstore goods (almost 30 percent increase).

According to Deutsche Post, an average of 5.2 million parcels are normally delivered daily. Deutsche Post currently transports more than eight million parcels and packages per day - a volume similar to the pre-Christmas period. Because of the current high volume, Deutsche Post has proposed a temporary introduction of operations on Sundays.

### Increased demand for storage space

Considering this surge, it's not surprising that the corona crisis is also causing an increased demand for storage space in Germany. "For very high-demand products such as food or sanitary items, there is currently a very strong demand for additional space in the vicinity of production facilities or distribution centers with short term rentals of up to one year," according to Frank Weber, Head of Industrial Agency JLL Germany. With the market favoring flexibility from all sides, owners do not want to remodel or modify existing rentals for the short term. "What matters most at the moment is speed," states Weber. A current DVZ survey in the logistics real estate sector confirms this assessment, noting that food retailers and the medical sector in particular are desperately looking for storage space in the corona crisis for three to six months.

### Optimizing healthcare logistics

The corona crisis is driving demand for flexibility and speed. This is most apparent in Germany's healthcare and emergency logistics sector where great quantities of goods are currently required. Supply chains to hospitals reported growth rates of up to 400 percent in supplies of protective masks, suits, disinfectants, and other medical equipment. German company [Fiege](#), one of the market leaders in healthcare logistics, operates a dedicated emergency logistics concept in close contact with the Federal Ministry of Health. The goal is to keep critical goods in stock at various locations in order to always be able to deliver. Fiege has just launched a digital platform (Flexfillment) in order to optimize supply chains during the corona crisis. The platform aims to bring together companies with an urgent need for warehouse critical goods with logistics providers who can provide free space at short notice.

### Start-ups with innovative solutions

However, Fiege is not alone on the digital field. Germany's logistics landscape is seeing a number of digital platforms optimizing supply chains during the Corona pandemic. Start-ups could in fact emerge from the crisis having benefited. The Berlin logistics start-up Warehousing1, for example, has reported strong growth. It offers a central channel for identifying storage space and logistics services at numerous locations and manages them digitally with optimized efficiency.

Other examples show how Germany's digital hubs are coming together during the crisis. With Covid-19, last-mile logistics are reaching their limits. The company [Frischepost](#) gained help from the [Digital Hub Logistics Hamburg](#) – one of many digital hubs in Germany – to find additional drivers and delivery vehicles needed to cover the growing consumer demand. Another company, [ANGEL Last Mile](#), is also developing new delivery processes and is currently cooperating with local pharmacies and supplying the necessary medication, particularly for older, at-risk households.

### Video: Germany to Invest Record 86 Billion Euros in Rail Modernization

Germany's rail system will be looking very different in future. The German government and rail company Deutsche Bahn have committed to invest €86 billion in tracks, trains, switching stations, etc ... over the next ten years. Big chance for companies, as Germany is more open than many other countries to foreign involvement in its rail network.



### Video: Logistics in Germany

With its outstanding infrastructure Germany is a world leader in logistics. The World Bank has ranked Germany the #1 in logistics three times in a row. Germany is the geographic center of the EU, has Europe's largest logistics market by far and its most advanced transportation infrastructure offering easy access to the more than 500 million consumers in Europe.



## The World Bank Logistics Performance Index 2018

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**Germany is the Global Logistics Leader!**

**Ranked #1 three times in a row in World Bank's Logistics Performance Index (LPI of 2014, 2016, 2018) of 160 countries. Check out!**

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### Our Industry in Numbers

- Germany ranked #1 three times in a row by World Bank's bi-annual Logistics Performance Index (LPI) rating of 160 countries.
- With almost EUR 280bn revenue in 2018, Germany is Europe's #1 logistics giant, its revenue greater than Europe's 2<sup>nd</sup> & 3<sup>rd</sup> largest logistics markets, France & UK combined.
- Europe's No.1 economy & 4th largest worldwide, annually generating EUR 3.0 trillion worth of goods and services.
- Germany is the world's 3rd largest exporting nation and 3rd biggest importer of goods.
- Germany is a global leader in logistics innovation, technology and services with over 3 million industry employees in ca. 60,000 companies.
- Germany is the #1 Intralogistics exporter with EUR 15.8bn, followed by China & the USA with EUR 13.4bn and EUR 6.8bn respectively.

## LOGISTICS INDUSTRY

- Home to global logistics leaders, such as Deutsche Post World Net (N° 1), DHL, DB Schenker and Dachser.

### Market | Personnel | R&D

Germany's central position in the EU makes it an ideal location for logistics hubs and distribution centers in Europe. Serving over 82 million Germans, 150 million consumers in its 9 neighboring countries, and nearly 500 million EU residents, Germany is your direct link to western and eastern European markets.

Germany is a global leader in logistics higher education: our universities produce highly skilled graduates who are ready to work for you.

Over 100 universities and universities of applied science foster advanced logistics knowledge and make us the world's leader in developing new and innovative technologies and bringing them to the market.



**"Thanks to superb accessibility, infrastructure, and services, Germany is the benchmark for European-wide distribution."**

*Marc Rohr | Director Digital & Service Industries*

### Incentives | Physical Infrastructure | Stable Investment Environment

Our government provides companies with generous support for employment and R&D in addition to industry-specific incentive programs.

We offer an extensive and comprehensive logistics infrastructure that integrates state-of-the-art transportation networks with the most modern telematics, IT, and telecommunications systems.

Social, economic, and political stability provide a solid base for your corporate projects. Our judiciary and civil services are highly professional. Contractual agreements are secure, and intellectual property is strictly protected in Germany.

### Related Links


- [LAG - Logistics Alliance Germany](#) 
- [ADV - German Airports Association \(in German only\)](#) 
- [AMÖ - Federation of European Movers Associations \(in German only\)](#)
- [BDB - Federal Association of German Inland Navigation \(in German only\)](#)

## LOGISTICS INDUSTRY

- [BDF - German Airline Association](#)
- [BGL - German Federal Association for Road Haulage, Logistics and Disposal \(in German only\)](#)
- [BIEK - German Express Association \(in German only\)](#)
- [BME - German Association of Materials Management, Purchasing and Logistic](#)
- [BvDP - Federal Association of German Postal Service Providers \(in German only\)](#)
- [BVL - German Logistics Association](#)
- [BMVI - German Federal Ministry of Transport, Building and Urban Affairs !\[\]\(849840539e55921a3851a4ff96d7400d\_img.jpg\)](#)
- [BWVL - Federal Association of Transport and Logistics in Industry and Trade \(in German only\)](#)
- [BÖB - Federation of German Inland Ports \(in German only\)](#)
- [German Association for Freight Forwarding and Logistics \(in German, with English search function\) !\[\]\(c176e0b06f6c5dd85a4598b214d1ebba\_img.jpg\)](#)
- [German Transport Forum !\[\]\(66a18e26647fc145bd9198dd182dd107\_img.jpg\)](#)
- [IBS - Community of Interest of Railway Forwarding Agents !\[\]\(572bcf30fdd4de64673b94584b7c6eca\_img.jpg\)](#)
- [UTV - Association for Commercial Tank Storage \(in German only\) !\[\]\(ba6dc7fecffbf82e7fd414c1c97a1ece\_img.jpg\)](#)
- [VDB - German Railway Industry Association !\[\]\(7b0c59a8d567ae8f4c94e1b0dfc0504e\_img.jpg\)](#)
- [VDKL - German Cold Storage and Logistics Association \(in German only\)](#)
- [VDR - Central Association of German Shipowners \(in German only\)](#)
- [VDV - Association of German Transport Undertakings](#)
- [ZDS - Federal Association of German Seaport Operators \(in German only\)](#)

### Contact Us

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 [Submit your question](#)

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