

CEO Message 2013, Issue 3

Welcome to the latest issue of Freight Connections, and our final one for 2013.

In this edition, we focus on Scandinavia, a key area for DHL Freight's European operations.

Denmark, with its booming and developed economy and proximity to Continental Europe, is a strategic logistics hub for DHL Freight. We have recently opened a special transport competence center, which can deal with any type of delivery outside of DHL Freight's standard cargo transportation. In another sign of rapid growth in the country, DHL Freight Denmark is currently building a new 6000 square meter hub in Taulov, which is located in the eastern part of the **Jutland** peninsula.

Staying with Denmark, we celebrate 13 years of successful partnership with LOGSTOR – a close business relationship which stemmed from our ability to deliver a “one-stop shipping solution”.

Across the Øresund, or The Strait, from Denmark lies Sweden where a pilot service called ‘MyWays’ was recently launched. Offered through a mobile app, this flexible service empowers individuals to deliver products which have been ordered online, directly to other customers using the DHL Product Service Point. It's yet another service innovation designed to simplify the lives of our customers.

This issue also touches on DHL's corporate social responsibility and the collaboration between DHL Freight Sweden's job opportunity program and Swedish soccer club Djurgården. Each year, 40 socially disadvantaged youths – who also take part in evening soccer sessions through Djurgården – are given a three-month internship at DHL Freight Sweden. In this issue, we give you an update on the progress of the program.

Other articles of interest include DHL Freight's increasing expertise in the energy sector. With data showing that global energy demand is set to rise rapidly in the next few years, we

have a team of dedicated energy specialists (Oil & Gas Upstream & Downstream, Energy Mining and Power & Utilities & Renewables) who understand your needs and concerns, and are able to design and propose smarter solutions for supply chain optimization.

Another specialized team which has developed winning tailor-made solutions is our Fast Growing Enterprises (FGE) division. FGE has successfully addressed business and supply chain pain points for a number of high potential customers. You can read about some of their solutions in this issue.

I hope you have enjoyed Freight Connections this year, and welcome your feedback on the publication, and DHL Freight in general. Please feel free to email your feedback directly to me or to our Country Manager in your country. Therefore we launched our Straight to the Top program across Europe at www.dhl.com. It's another service channel designed for our customers.

With this, I wish you all a magical and safe festive season, and a prosperous 2014.

Thanks for your business!

God jul och gott nytt år!

Amadou Diallo

CEO, DHL Freight

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DHL FREIGHT LAUNCHES MYWAYS

New Service Empowers the Customer

The recent launch of a pilot service by DHL Freight to enable last-mile deliveries – with its customers’ assistance – has already proved a success in Sweden. Individuals now have the opportunity to deliver products, such as beauty products, books, and sports equipment, ordered online directly to other end customers, all at the click of a convenient mobile app.

The new MyWays service – which is being facilitated through DHL Service Points in Stockholm – connects individuals who require flexible deliveries with those offering to transport parcels along their daily routes for a small fee.

The good news is that this flexible platform, which was developed by DHL’s Solutions & Innovation unit, is very straightforward to use. “MyWays is not only a service for those requesting flexible deliveries; it is also a service for those who could consider delivering a package and earning a little extra money”, explains Peter Hesslin, CEO DHL Freight Sweden. “This is what makes the platform so unique. As soon as the package arrives at one of DHL’s collection locations, the recipient and the deliverer confirm the fee and delivery details, all within the mobile app.”

He adds, “We believe the service will suit people who need more time or would like to earn extra money and who are curious about testing new solutions to improve everyday life. MyWays is perfect if you, as a customer, are unable to or don’t want to drop in at a DHL Service Point agency before closing time. Or, perhaps you have some time to spare and could consider delivering a package close to your neighborhood or your travel/commute destination.”

Sweden was chosen as the test market as data has shown that the country’s population demonstrates greater interest in testing new services and products and is also one of the world’s most frequent smartphone users.

The fees are based on marketing policies, which means essentially that the prices are dictated by supply and demand. There is a recommended price, currently not lower than 30 Swedish crowns (US\$5) which DHL Freight believes will make it attractive enough to be reserved by a ‘MyWayer’.

“DHL Freight Sweden has developed this platform as another way to show our commitment to our customers”, says Peter,

continuing, “We need to look at the demand for new ways to deliver and to become the trend setter within the transport business. Of course you can only use MyWays if you use the product, DHL Service Point.”

In terms of whether this service will be rolled out to other countries in DHL Freight’s vast network, the results of the pilot will first be analyzed before deciding on whether the project can be expanded.

A WINNING PIPELINE

DHL Freight and LOGSTOR Celebrate 13 Years of Synergy

In-depth product knowledge, customer familiarity, an ability to meet customer service demands, and the conducting of internal and external workshops are just some of the significant reasons contributing to the long-term partnership between DHL Freight and LOGSTOR. In early 2001, LOGSTOR decided to make a radical change in their transport set-up and implemented a comprehensive three-year supply chain management agreement with DHL Freight (Danzas at that time). The arrangement covered both in- and outbound deliveries, and to demonstrate commitment to LOGSTOR, DHL Freight established “in-house” offices in both Denmark and Poland. To date, DHL Freight remains the most significant transport partner in the LOGSTOR group and DHL Freight employees are still sitting “in-house” in Poland.

More than 50 years ago, LOGSTOR, which is headquartered in Løgstør, Denmark, and has 3,500 customers in more than 50 countries worldwide, invented the pre-insulated pipe system technology. Today, it is the global leader of pipe systems for energy-efficient transportation of liquids and gases for district heating and cooling, marine and industrial purposes as well as oil and gas.

To date, LOGSTOR, which values itself on generating value for its customers, partners, employees and owners, has delivered more than 170,000 km of pre-insulated pipes, a yearly production volume of 10,000 km of pre-insulated pipes and more than 1 million joints and fittings. It also provides environmentally friendly solutions, thereby contributing to reductions in CO₂ emissions and improved energy efficiency.

Aside from being the global player in its industry, LOGSTOR prides itself on setting the standard in its line of business, and therefore understands that in today’s business world, short lead times and less inventory are required to optimize one’s supply chain

Therefore, constant focus is on the performance of its supply chain operations, and challenges include ensuring that the right quality, service and speed are ever present and balanced with customer cost requirements. In Europe, LOGSTOR’s products are produced in nine factories spread out over five countries (Denmark, Sweden, Finland, Poland and Romania). Hence there is the need for an efficient, reliable and timely shuttle system to transport both raw materials and finished products between the

factories.

Another concern lies in the nature of its goods, as pre-insulated pipe systems are primarily voluminous. “Deliveries often take place at construction sites, where unloading needs to be planned upfront by its customers. So, an effective and cost optimized distribution network is essential for LOGSTOR as a defence against high costs, which could eat into the company’s profitability”, explains Lars Aaen Jensen (VP, Customer Supply Chain) at LOGSTOR. He adds, “Meeting the services required, visibility and accurate information flow in our distribution is important to the company, and something we are continuously working on improving.”

For the Danish market, the majority of all goods are loaded by cranes onto open trucks. LOGSTOR is not only responsible for the goods transportation but it also has to unload the pipes and pallets at destinations, which includes pipes up to 18 meters in length. Therefore, there is a need for non-industry standard extendable trailers, which many freight forwarders cannot supply.

DHL Freight has been able to meet all LOGSTOR’s requirements since their important and strategic partnership started almost 13 years ago. A current project has seen DHL Freight commence delivery of a 39 km long pipeline between Køge and Greve in Denmark. The pipes are 17.8 meters long, and approximately 140 trucks are needed for this project. To be unloaded by crane in both depots and along the trench, the pipes’ lengths and diameters put the driver’s crane handling skills to the test. Another project has seen DHL Freight involved in transporting 16 meter loads in Kosovo, Serbia, which are classified as ‘abnormal’ transport. Pilot trucks and curtain trailers had to be shipped in to be used as an alternative means of transport, and DHL Freight was able to offer a cost-effective solution for LOGSTOR.

KICKSTARTING YOUTHS' LIFE OPPORTUNITIES

An Excellent Report Card for DHL Freight Sweden's Program to Help Disadvantaged Youths

In 2012, DHL Freight Sweden signed an agreement with the Swedish soccer club Djurgården Fotboll to further social responsibility and support the club's youth activities. This 'Drive-in-Football' (DIF) program saw 400 socially disadvantaged kids taking part in evening soccer sessions at five locations. At the beginning of this year, DHL Freight Sweden added a new dimension to the project through its 'job opportunities' program, which has provided 20 unemployed youngsters the opportunity to get a taste of regular work and, hopefully, also encourage some of them to return to education.

The project, managed by DHL Freight Sweden and Djurgårdsandan, the collective term for the football club's social activities, is partially publicly funded and internships are co-sponsored by ICA, Sweden's largest supermarket chain.

After the end of the first intake of youths, a total of 60% of participants were either given the promise of work, found employment in other organizations or started studying. The new target for this year is to increase that to 70%.

The internships were carried out at DHL Freight terminals in Västberga and Rosersberg, where the main tasks have been the loading and handling of goods. As a result, the youths fulfilling this work have been able to add new experiences to their resumes, and these internships have served as a gateway for additional summer jobs at the terminals.

DHL Freight has also educated the adopted youths with the goal of opening the door to the world of employment, and to facilitate the process of becoming a part of it. Training elements has touched upon the recruitment, creation of curriculum vitae, motivation, service and leadership.

Patrik Asplund is a mentor and DIF Coordinator for Jobbchansen at Djurgårdsandan and he has been a strong advocate of the program. "It was more than I expected because it was our very first class. It has been an amazing journey for us and the young people. We started a new class in September so we can get more young people in the workplace."

After such a successful start to the program, the aim now is to have three classes of 20 students each per year. The criteria for selection include youths who are out of work and have no work experience. In addition, they must be registered at their local

job center. They are chosen to join the program after proving in interviews with DIF that they really are motivated and have the desire to work.

Adjustments to this next intake mean that Djurgårdsandan will make more use of Jobbchansen as a tool that can be used to motivate these youths and leaders at the Drive-In-Football program. Another tweak is that the theory programs will be shorter while the practical elements will be longer. DHL Freight Sweden is hoping that the youths will be able to build on this and use the training they receive from the Drive-In program as a stepping-stone into Jobbchansen and employment. In addition, there has also been time for joint physical training between the youths, DHL Freight Sweden employees and Djurgården Fotboll. This has included boxing, cross training and football, while hockey will be added in 2014.

DENMARK – A GEM IN SPECIAL TRANSPORTS

DHL Freight Propels to New Heights with Continuous Development and Investment

As a logistics gateway between Scandinavia and Continental Europe, Denmark has grown over the years into one of DHL Freight's key markets. The country has a thriving modern and developed mixed market economy with high levels of international trade. As one of the most competitive economies in the world, Denmark has considerable sources of oil and natural gas, ranking number 32 on the world's list of crude oil net exporters. It is also a world leading country when it comes to renewable energy in terms of wind power.

Recognizing the country's enormous progression and importance as a logistics hub, DHL Freight Denmark has established a slew of services for its customers. It currently runs domestic and international road and rail transportation services, in addition to storage and special transport services.

Recently established is a dedicated special transport competence center that takes care of everything that doesn't 'fit' into the DHL Freight standard cargo transportation. It combines standard cargo with oversized or heavy cargo for sectors such as Energy and Engineering & Manufacturing. In alignment with the focus on wind power in Denmark's Energy Strategy 2050, DHL Freight has built up its expertise to support specific requirements of this industry.

DHL Freight Denmark is well aware that every special transport or project is unique, so its dedicated experts thoroughly study all stages of each project. It is also equipped to handle any unexpected situation and strives to ensure that all shipments are delivered on time all over Europe, no matter how remote or inaccessible the destination. The DHL Freight experts ensure that lifting, stowing, lashing and off-loading comply with specific project requirements.

Special Transport arrangements can take many forms and can include:

- Cargo insurance and permits from the relevant authorities
- Police escort
- Overwide, -high, -long cargo
- Heavy lift cargo
- Wide range of trailer types, ranging from pull-trailers, to dump trucks
- Project shipping
- Loading, unloading and stevedoring services
- Special safety procedures
- TÜV loading instruction and certification

- Risk Assessment
- Facilitating specific logistics setups in all European countries

In addition to special transport services, DHL Freight Denmark has re-opened a warehouse facility in the Danish capital, Copenhagen, for customers who need fast and easy access to DHL Freight's state-of-the-art transportation network. DHL Freight Denmark is also building a new hub in Taulov which will modernize its network, and at the same time service western Denmark. When completed, the terminal will be 6000m² with an optional extension of 2000m². Ramps for loading and unloading will reach a number of more than 40 gates for fast and safe cross-dock operation.

"With our new terminal in Taulov, just an hour's drive to the border of Germany, we are now able to expand our service to offer daily departures to more than 15 countries in Europe for the benefit of our customers," said Torben Soerensen, Director, Marketing and Sales, DHL Freight Denmark.

Denmark is well known for:

- Being home of the Vikings
- The little Mermaid
- Tivoli Gardens
- The Skagerrak (where the North and Baltic Seas meet)
- Logistics gateway between Scandinavia and Continental Europe
- Hereditary monarchy (Queen Margrethe II of Denmark)
- Use of Danish Krone rather than Euro

EMPOWERING THE ENERGY SECTOR

DHL Freight is a Power Station with its Energy Industry Competencies and Specialists

With global demand for energy, in particular oil and natural gas, estimated to rise by one-third between 2010 and 2035, finding new energy sources is of paramount importance. Yet it's not just about oil and gas. In addition to innovative technologies such as batteries for electric vehicles, renewable energy such as solar and wind power is becoming more mainstream.

In order to locate new and alternate sources of energy, the sector tends to operate in harsh and challenging conditions, often in remote locations without adequate infrastructure which require more complex, and costly extraction. To meet these challenges, energy companies must invest in new technologies and geographies while constantly looking for ways to balance risks, costs and global regulatory compliance.

As these regulations become increasingly stringent globally, and supply chain logistics become equally challenging, customers are looking to redefine their business models with a view to outsource more of their non-core activities. In particular, they are looking to partner with logistics suppliers specialized in the sector to gain access to technology and talent. These partnerships would allow them to improve cost efficiencies and sharpen their focus on their core business.

DHL, across its business units – DHL Express, DHL Global Forwarding, DHL Freight and DHL Supply Chain, has embraced these new technological advancements and built a global team of energy sector specialists who understand the industry's needs and concerns, and can offer smarter, simplified solutions. Firstly, DHL divided the Energy industry into four main subsectors: Oil & Gas Upstream, Oil & Gas Downstream, Energy Mining, Power & Utilities and Renewables. All DHL industry experts are brought around one table to draw up a coordinated strategy for the industry.

Needless to say, DHL applies the same exacting HSSE (Health, Safety, Security & Environmental) and compliance standards as the energy industry itself. DHL's safety strategy is anchored by an HSSE vision of Target Zero – the relentless pursuit of no harm to people and no significant incidents – and an OHSAS-compliant HSSE management system. Its approach is to nurture a self-sustaining HSSE culture via personal interventions, personal responsibility, and individual consequences. Moreover, DHL is investing in a variety of global compliance training programs for their employees which cover conduct, corruption, competition and bribery, while all of its energy sector team members undergo rigorous mandatory annual compliance training.

In September 2012, DHL made another key move, reinforcing its commitment to this sector. The DHL Energy Center, part of DHL's Innovation Center structure, was opened in Houston, Texas, USA. The DHL Energy Center provides visitors a close-up view of best practices and expertise along its value chain in the energy sector. The center also demonstrates the challenges and trends of the industry, and showcases DHL's global capabilities as well as the group's cross-divisional commitment to provide end-to-end supply chain solutions tailored to the needs of energy companies across the industry's subsectors. Another highlight featured is what innovation means for DHL and how it uses new technologies to provide new energy solutions.

A specific example of DHL Freight's expertise was developed within the Renewables subsector industry. It has built up a knowledge and competence center for wind power in Denmark to meet its customers' needs, in particular special transportation out of standards and to remote areas. "Within DHL Freight we are continuously expanding our expertise to develop special transport solutions for our Energy customers", says Markus Köpsel, Global Head of Energy sector. "Our energy specialists work closely with customers to optimize their complex supply chains and manage logistics costs better, so they can focus on their core activities."

BRINGING THE WORLD CLOSER TO CUSTOMERS

DHL Fast Growing Enterprises (FGE) Gives Globalizing Customers a Boost with Innovative Solutions

Prior to 2012, the International Monetary Fund (IMF) forecasted that the total GDP of emerging markets could overtake that of developed economies by 2014. While the slowdown in 2012 adversely affected growth rates in both advanced and emerging economies, the latter's growth rates have been forecasted to reach 5.3 percent in 2013 and 5.7 percent in 2014 in comparison to 1.2 percent and 2.2 percent respectively for advanced economies. With the growth and development of the world's emerging markets, supply chains are set to become more global and multi-faceted as their local and regional players strive to globalise.

Recognizing and wanting to help realize the potential of these local and regional customers, DHL Fast Growing Enterprises (FGE) was established in 2010. This specialized team has developed a winning combination by uniting its expertise with all aspects of DHL's supply chain network, to develop tailor-made solutions addressing the pain points of high-potential customers, thus giving them a boost in their globalization efforts.

These include:

- Strategic supply chain design and optimization
- Tactical advisory on trade, logistics and customs solutions
- End to end supply chain execution and improvement

A recently inked partnership with a leading consumer notebook vendor is good testament of FGE's approach. In the past, the customer worked with a handful of local logistics suppliers for its direct shipment of tablets and notebooks from its ODMs in Asia to its European retail channels. To better respond to market needs for its different products, and improve its competitive edge, the customer saw a case for change. DHL convinced the customer that its global network and vast experience with technology customers presented a strong business fit between the two companies; and through a strategic partnership, a lean and robust supply chain could be built.

The FGE team then spent several months with the customer to analyze its logistics data and sales requirements before proposing an end-to-end solution to address its challenges of managing multiple ODM sites, low ocean container utilization, and high inventory levels. At the end of July, DHL was finally awarded the opportunity to demonstrate the value of the solutions proposed through a trial run that will be carried out over a period of four months. The trial run included both air and ocean modes as the first leg transportation from Asia to key cross-dock hubs in Europe, and thereafter the final mile distribution using

DHL Freight's trucking network.

The key elements of the solution comprise, at origin, a Purchase Order (PO) management system to consolidate ocean shipments from multiple vendor sites in order to improve container utilization; at destination, carefully selected cross-dock hubs to make slot bookings and deliveries with end consignees for shipments imported both via air and ocean freight. A Control Tower acts as the single contact window for the customer, coordinating between DHL origin and destination operational teams. In future, the Control Tower has its vision to take on more tactical functionalities, including supporting the customer in its product segmentation and supply chain approach.

Specifically for Europe, the following key lanes in scope for the trial run leverage existing solutions implemented for other similar DHL customers, while catering specifically to the customer's needs:

Great Britain (GB)

Due to fiscal considerations, shipments to Western European countries are first imported into the Netherlands before delivering to final consignees. Great Britain is a key market where consignees often have very stringent delivery requirements. These shipments are serviced out of DHL Freight's Eindhoven terminal, where both air shipments from Amsterdam and ocean shipments from Rotterdam are transferred to, before being trucked to GB consignees. The Eindhoven terminal also manages the delivery slot bookings, as well as handles reselling and re-palletization as required.

Eastern Europe (10 countries)

The Eastern Europe solution uses Vienna as the hub to centrally service the customer's consignees in all 10 countries. Airfreight shipments will be flown direct into Vienna while ocean freight shipments will be brought into the hub from Hamburg. Additionally, DHL acts as the fiscal representative in Vienna for selected consignees.

The solution, when fully implemented, will reduce the customer's logistics spend and improve its supply chain in terms of speed, reliability, and flexibility.

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“This project is truly multi-faceted, involving many different business functions across different countries and regions in DHL working together to tailor and deliver a non-cookie-cutter solution to suit unique customer needs. The trial run is only possible with the close collaboration of our project team, and also very importantly, the conviction of both our internal and the customer’s teams in the value that DHL can bring” – Lim Su Fang, Director Business Consulting, FGE.

DHL Freight News

DHL GLOBAL FORWARDING, FREIGHT EXPANDS ITS GREEN SERVICE PORTFOLIO

DHL Global Forwarding, Freight, the air and ocean freight specialist within Deutsche Post DHL and one of the leading providers of road freight services in Europe, is the industry's first company to include an automatic carbon footprint reporting feature as part of its track and trace system.

The customer system complies with norms and latest industry standards. From October 1 onward, customers are able to see the carbon footprint of their shipments within DHL's web based services 'DHLi Public Tracking' and 'Active Tracing'. The reporting service automatically appears in the system. The new feature is available for customers worldwide.

"More and more customers demand a precise calculation of their individual carbon emissions when shipping goods. The European Standard and the new regulation by the French government on the calculation of greenhouse gas emissions for transport services further add to this trend. By implementing the report feature in our already existing tracking tools, we get ahead of competition and offer our customers individual reports that are easy to access", said Roger Crook, CEO DHL Global Forwarding, Freight.

To receive individual carbon footprint statements of their shipments via 'Track & Trace' or via 'Active Tracing', customers just have to enter their shipment ID and click on the CO2 footprint button. The system will then provide the user with an individual carbon emissions notification. The data is compliant with the European Standard EN 16258, which was developed by the European Committee for Standardization (CEN), as well as the new French Decree 2011-1336, which came into effect on 01 October 2013.

France has its own reporting scheme, as the French government significantly increased environmental protection regulations following the environmental summit Grenelle de l'environnement in Paris in 2011. The French decree provides a mandatory carbon reporting scheme for transports from, to and within France.

DHL Global Forwarding, Freight offer a wide range of green services, including Carbon Reports, the Carbon Dashboard (a supply chain efficiency visualization and simulation tool) as well as customer specific optimization projects.

The carbon footprint tracing feature offers customers transparency on the environmental impact of their transports. In addition and to achieve more detailed information for their transport management, they can receive a consolidated carbon report upon request.

DHL ACTIVETRACING enables customers to:

- View the history of their shipments up to six-months. By downloading an 'app' to their iPhone, BlackBerry or Android-based smartphone; customers have immediate access to their most recent shipment information.
- Search for their consignments based on their own reference, DHL consignment number, or package ID, without registering an account.
- Customers with a registered "myACT" login are able to view all their shipments easily.
- Access any POD (Proof Of Delivery scans/sign-on-glass) available for their delivered shipments.
- Have visibility of agreed Appointment Dates, which have been arranged by DHL based on the consignee's request.
- Track and report the carbon footprint of their shipments.

To find out more about DHL's green logistics, visit: http://www.dhl.com/en/about_us/green_solutions.html

DHL's tracing websites as follow -

<http://activetracing.dhl.com>

<https://dhli.dhl.com/dhli-client/publicTracking>

For more information on DHL ACTIVETRACING, please contact William Pitt at william.pitt@dhl.com

DELIVERING EXCELLENCE: OLE MØRK, MANAGING DIRECTOR, DHL FREIGHT DENMARK

Ole Mørk, Managing Director of DHL Freight in Denmark, has been in the logistics industry for 20 years.

Having started out as a trainee after graduating from Aarhus Business School in Denmark, the 41 year-old has been a dispatcher, a logistics consultant with a 4PL, and has held various commercial roles and a number of management positions.

Freight Connections (FC) speaks with Ole Mørk (OM)

FC: In your view, what is the biggest challenge Denmark (in general) faces?

OM: The population is increasing in Denmark, but production is moving to other countries with lower cost of labor. If we, as a country, do not take concrete measures to become more attractive for companies to operate in Denmark, we will face a big challenge with unemployment in the years ahead.

Being in the logistic industry, I also have to add that this means the trade balance will shift and we will have to manage higher imbalances between exports and imports.

FC: Why should customers work with DHL Freight? What competitive advantage does DHL Freight Denmark have over its competitors?

OM: Being a mid-size forwarder in Denmark we are able to offer flexible and customized solutions. At the same time, we are able to offer a wide range of services across countries, regions, transport modes etc. because we are part of a truly global network. I think this combination is unique in the market.

FC: Heading up DHL Freight Denmark, what do you hope to achieve this year?

OM: If I, on New Year's Eve, can look back at 2013 and see that we have managed to make our customers' life easier and at the same time grown our customer portfolio, I will have an extra glass of champagne.

FC: What was the most challenging task/decision you ever experienced in your working life?

OM: One of my strong personal values is respect for other people. In every decision that influences people's personal lives I carefully consider pros/cons before taking a final decision. I try to balance the positives and negatives by being very open and honest in my communication with, and approach towards, other people.

FC: If you could give only one piece of advice to your team, what would it be?

OM: Stand up for your opinions.

FC: What is the best piece of advice you have received?

OM: Only fight the battles you can win – though this is sometimes difficult to live when you, at the same time, stand up for your opinions.

FC: What is the most important object on your desk?

OM: The most important object on my desk is definitely the plans for our new modern terminal that is being built in Jutland. This will bring some great opportunities to offer simplified, state-of-the-art services to our customers.

FC: When you are out of the office, what is the best form of relaxation for you?

OM: Spending time with my wife and our two kids who are 8 and 11 years old. Both our kids are gymnasts at an elite level, which takes up a lot of my time beyond the office. When I do have some time to myself, I like to go running.

DHL SCOOPS EYEFORTRANSPORT EUROPEAN 3PL AWARDS 2013 IN THREE CATEGORIES

DHL, the world's leading logistics company, won the eyefortransport European 3PL Awards 2013 in three out of ten different categories. Each year the eyefortransport 3PL Awards aim to recognize 3PLs that continuously deliver excellence in logistics operations and superior service to their customers. The nominees are shortlisted by a panel of industry experts, and the winners are then voted on and decided by European 3PL customers – the manufacturers and retailers who depend upon and work with logistics service providers every day.

European third-party logistics customers voted DHL as the best logistics service provider for the industry sectors Automotive, Hi-Tech & Electronics, and Pharma/ Life Sciences/ Healthcare. The awards were presented at a reception ceremony during the 11th European 3PL Summit hosted in Amsterdam.

“The eyefortransport 3PL Awards represents a very special honor as it is decided by logistics customers in various industries across Europe. Moreover, winning this renowned logistics award is tremendously encouraging for us, reaffirming our strategic decision to invest in service quality, infrastructure and information technology to further optimize the supply chain of our customers”, said Amadou Diallo, CEO DHL Freight.

JOHNSON CONTROLS HONORS DHL WITH SUPPLIER LEADERSHIP AWARDS

Johnson Controls, a global diversified multi-industrial company with established core businesses in the automotive and building industries, honored 15 suppliers at its fourth annual Supplier Excellence Recognition Awards Ceremony on 08 November 2013.

The award for “Customer Satisfaction” in Johnson Control’s “Supplier Leadership Awards” was presented to DHL Freight by Alex Molinaroli, Chief Executive Officer of Johnson Controls at their headquarter in Milwaukee, USA. The award was given for a supply chain transformation project in Europe that was managed by the DHL Freight team in Hanover.

“Our continued success with our customers is supported by the partnership we have with our many suppliers around the world and their commitment to our values”, said Alex Molinaroli. “We are pleased to recognize this year’s recipients of the Johnson Controls Excellence in Execution Award and the Johnson Controls Leadership Award and thank them for their contributions to our long-term growth.”

Rainer Schmid, Senior Vice President, Head of Sales & Marketing, DHL Freight on receiving the award, “On behalf of our board, we thank Johnson Controls for this recognition. DGFF feels extremely honored to be the only logistics supplier earning this status. Special thanks to the teams of Dr. Matthias Runge, JC Power Solutions and our Rainer Jurkat, DHL Hannover, who have made this mutual success possible. Let’s now celebrate and strive for new heights in 2014 and beyond.”

TOP BUSINESS AND GOVERNMENT LEADERS EXCHANGED INSIGHTS OF NORDIC’S FUTURE 2014 AT FUTURE GLOBAL 100 (FG100) NORDICS MEETING

Leaders’ Sentiments Remain Positive of Vast Opportunities within the Nordics and Identified Future Growth in Key Sectors like Retail, Energy

and R&D

On 09 October 2013, both Nordic and global business and government stakeholders shared exclusive perspectives and key insights on the future of Nordics economy and business in 2014, at the flagship Future Global 100 (FG100) Nordic Meeting in Stockholm.

In strategic partnership with DHL Freight since 2011, Platinum Circle hosts the FG100 Initiative, which is supported by more than 700 leaders representing 55 markets, from over 400 organizations, 80 governmental and intergovernmental organizations. The FG100 Initiative has established the world’s first authoritative agenda and documented reference on the future of economies, business and industries since 2011.

The FG100 Nordics Meeting helps Nordic companies connect with a global community of organizations and has today brought business and government leaders representing 22 countries together, to discuss the opportunities that lie within and beyond the region.

Key Nordic issues that were addressed by top decision-makers from Nordic enterprises, government bodies, global multinationals operating in Nordics, and foreign corporations and governments include:

- Nordics as the Next Super Model: Against the backdrop of an unstable Eurozone situation, should the world be looking at the Nordic region as the next supermodel of economic success? And should they adopt it?
- Riding on the Northern Lights of Opportunity: What are the challenges faced and key strategies that foreign companies should implement to succeed in the Nordic market?
- Nordics Eye on Emerging Markets: Which are the key markets and sectors of growth that the Nordics are looking at or should look at to increase their presence in 2014? And how can the various stakeholders turn new opportunities into future growth and progress in the Nordic region?
- Going Global, the Nordic Way: What capabilities do Nordic companies need to increase their competitiveness and presence globally in the face of strong players like BRICS countries and other fast-emerging markets?

“We cannot ignore the Nordics region if we want to achieve a sustainable global footprint. It offers in-market and trade opportunities that can benefit our corporations and governments,” said Mr. Lionel Lee, Chairman of Platinum Circle.

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Co-Chairs who shared their insights at the FG100 Nordics Meeting include:

- Honourable Faiszer Musthapha, Deputy Minister of Investment Promotion, President's Counsel of the Government of Sri Lanka
- Mr. Håkan Agnevall, President of Volvo Bus Corporation
- Mr. Jonas Nordquist, CEO, Confectionery & Snacks Sweden of Orkla ASA
- Mr. Peter Hesslin, Managing Director, Sweden of DHL Freight
- Ms. Liselotte Engstam, Vice President and Head of Nordics of HCL Technologies
- Mr. Eric Yu, President, Carrier Resale Business Enterprise BG of Huawei Technologies
- Mr. Eric Mboma, CEO of Standard Bank DRC
- Mrs. Gunilla Carlsson, Former Minister for International Development Cooperation, Ministry of Foreign Affairs, Sweden.

Speaking on Nordic's Future in 2014, the Co-Chairs expressed positive sentiments about the region's stability and its path towards sound growth.

"The Nordic countries are highly integrated in the global economy and the region is most likely expected to continue to outperform the euro area as a whole the next coming year," commented Mr. Håkan Agnevall, President of Volvo Bus Corporation. "There is a positive climate for research and development in the Nordic region, especially in the area of environmental and sustainable transport solutions, where we are present as a company; and I think this development will continue."

Mr. Jonas Nordquist, CEO of Orkla Confectionery & Snacks Sweden similarly commented that growth forecasts for the Nordic economies have been more positive than in the past few years. "Although they vary between the Scandinavian countries, the consensus view seems to be between 1-3 % for the region as a whole. Consumer goods is a sector that will experience further growth potential but it needs to be enabled by further innovation, stay relevant and adjusted for local needs," said Mr. Nordquist.

Co-Chairs have also identified untapped opportunities within emerging markets and shared strategies for Nordic companies to stay competitive and enjoy sustainable growth.

"In recent years our customers have seen strong growth in the BRICS countries especially Brazil, China and Russia," shared Mr. Peter Hesslin, Managing Director of DHL Freight Sweden. "In order for Nordic companies to stay competitive in the global marketplace, they need to drive costs down, move towards

non-price competitiveness and explore new ways of become sustainable – such as eco-industries."

Mr. Amadou Diallo, CEO of DHL Freight and the Chairman of the FG100 Initiative, said, "FG100 Initiative is an ideal platform for the Nordic companies and governments to engage what will become the world's largest customer community of global multinationals, large national companies, governments and intergovernmental organizations. We firmly believe that 'Future Global' companies will form the next generation of market leaders and it is imperative to develop more of such companies from this region. As these 'Future Global' companies take their products and services beyond domestic markets and onto the global economic stage, DHL is able to empower these companies to overcome such challenges, providing dedicated support specific to the needs of enterprises going international and enabling their smooth transition and quick penetration into new markets."

Following the FG100 Nordics Meeting, collective views of the leaders will be compiled into a "Future of Nordics Report", which will serve as an important forward-looking reference for foreign business and government leaders regarding Nordics economic outlook and operating environment.

Other upcoming meeting locations planned in the FG100 Initiative for 2014 include Russia, Turkey, Africa and Sri Lanka.

Mr. Diallo shared his insights on current hotspots in the world, "I think there are fast-growing markets in every region – Indonesia in Asia, with over 240 million consumers; in Africa, many European investors are looking at Ethiopia; Saudi Arabia in the Middle East; and let's not forget Latin America." He adds, "Even in mature markets – just compare the state of roads and airports to those of countries like China – there are actually a lot of infrastructure opportunities."

For more information, visit www.platcircle.com/fg100.

Road Freight Market News

UPDATE: RUSSIAN TIR CARNET

The European Commission informs that the Russian Federal Customs Service (FCS) has confirmed the termination of its agreement with the national guaranteeing association for TIR operations in the Russian Federation as of 1 December 2013.

The TIR Convention cannot be applied in a territory which is not covered by a national guaranteeing association. That means that it will no longer be possible to use TIR carnets for goods to be directly transported to or from Russia. For transit operations in the EU territory, only the EU transit procedure can be used.

For goods crossing Russia, the TIR carnet can be used in other contracting parties to the TIR Convention concerned by such movements. However, the application of TIR procedure will be suspended according to Article 26 of the TIR Convention while the goods move in Russia.

The EU operators are therefore advised to take into account the need for different transit procedures in the EU and in Russia for transports of goods to and from Russia. For customs transit procedure in the EU, further information is available from the dedicated web page of the **European Commission** or via the information centres of the **EU Member States**.

NEW UK HGV ROAD USER LEVY FROM 1 APRIL 2014

A new time-based user charge for HGVs at or above 12 tonnes using the UK road network will take effect on 1 April 2014.

The payment system will enable foreign operators or drivers to purchase the levy in advance of entering the UK through a number of sales channels including online, telephone and at point of sale terminals. It will also create a database to enable authorities to identify hauliers who have not paid.

“Getting the foreign operator payment system right will be crucial to the success of the levy. The system will be easy for foreign carriers and their drivers to access and straight forward to use,” said Transport Minister, Stephen Hammond, said in a statement.

“Its design also sends an important message to those foreign operators who think about avoiding paying. If you don’t pay, or underpay, you will be caught and face a £300 fine,” he added.

For UK vehicles, the levy will be paid alongside VED – which will be reduced to ensure that the majority of UK operators experience no rise in the total amount they pay. It will also be collected through existing agency channels so there will be no additional administration cost, the statement added.

“The foreign operator payment system will provide a simple and effective means of ensuring that foreign hauliers who use the UK road network contribute to the cost of its upkeep,” explained Northgate’s Chief Executive, David Meaden.

“By re-purposing existing technology, the programme can be delivered in a shorter timescale and with lower costs and risk than would otherwise be possible.”

ANNEX 1 – Outline of key aspects of the HGV Road User Levy Bill (Published Nov 2012)

- HGVs of 12 tonnes and over will be charged for the use of the UK road network. Charges will apply to both UK and foreign-registered HGVs.
- Charges will apply to all categories of road, although the legislation will include scope for roads or areas to be excluded from the charge at a future date, such as roads crossing back and forth across the land boundary with Ireland.
- The charge is a time-based user charge, of up to £1,000 a year or £10 a day for the heaviest vehicles. Charges will vary according to vehicle type, weight and number of axles. In this way, the charging scale is linked to the amount of damage an HGV caused to the road. The charges are normally around half the current VED rates, which are intended to reflect road damage.
- For UK vehicles, the charge band (A-G) is the same as the current VED band. For example, a vehicle currently paying VED in band D will also pay charge band D. For foreign vehicles, information on which vehicles are in which band (replicating the VED bands) is in Schedule 1 of the Bill published alongside this document.
- Keepers of UK-registered HGVs will pay an annual (or six monthly) user charge at the same time and for the same period as they pay Vehicle Excise Duty (VED). This means, for the majority of UK hauliers, no additional compliance or administration costs.

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- Foreign-registered HGV operators can choose to pay daily, weekly, monthly or annual user charges. The maximum daily charge is set at £10. This is subject to EU rules about maximum charges and may need to be changed at a later point, depending on changes to EU legislation and the exchange rate. (The maximum daily charge in the Directive is €11, but this will be updated due to inflation and rounded up to €12 before charging starts.)
- The user charge will be initially be applied to UK-registered HGVs in a rolling manner, as their VED is renewed on or after the start date for charging for UK vehicles on 1 April 2014.

For more information, please visit

<https://www.gov.uk/government/news/charging-foreign-hauliers-in-the-uk-moves-a-step-closer>

TIMOCOM TRANSPORTBAROMETER – MONTHLY VIEW

After a peak in September (58%), the Freight share continues at a high level in October (57%) above 2012 level. The demand of capacity is higher than the supply, indicating a capacity shortage.

Source: TimoCom www.portatio.com

DIESEL PRICE

During September the Diesel price increased 2 cents versus previous month. The EU average diesel price per liter is now stable at ca. 1.47 €.

Source: EU Commission, Eurastats, Weekly Oil Bulletin, EU 27 Diesel Price (weighted average) incl. VAT & TAXES

Disclaimer: EU Commission slightly changed the historical values of the Diesel prices with taxes & VAT for period Jan-10 to Dec-11 on report released on 9/Feb/12. Also there were slight changes in latest report (02/Sep/13) vs. previous report reg.values for Jul-13. For our index, values for that period were kept as originally reported.

NEW HEAVY TRUCK REGISTRATIONS

After 17 months of decline, in July the EU new heavy truck registrations increased 6.5% versus last year.

From January to August a total of 131,714 new vehicles were registered. Comparing the same period to last year, there was a decline of 8%.

After the increased in July, in August the registrations continued to rise (+0.6%). The total new heavy trucks registered during August amounted to 13,986.

The markets being below the EU average for the cumulated 8 months 2013 are Belgium (-21.2%), Spain (-15.2%), and Italy (13.2%).

Source: ACEA

ECO TAX IN FRANCE SUSPENDED

French Finance Minister Pierre Moscovici has announced plans to renegotiate the contract concluded with Italian-led consortium Ecomouv, charged with implementing the country's controversial heavy goods vehicle (HGV) eco tax, to minimize the cost of the levy for taxpayers in France.

Finance Minister Moscovici emphasized that although the HGV tax has indeed been suspended in the wake of ongoing violent demonstrations in Brittany, the intention is still that the levy will be introduced. The tax has merely been suspended until the Government reaches a consensus that enables the levy to be implemented, Moscovici said. The eco tax was due to enter into force in France on January 1, 2014.

Extracted from: http://www.tax-news.com/news/France_To_Renegotiate_HGV_Eco_Tax_Contract____62606.html

PRESS CLIPPINGS

Call for a European Commissioner for Logistics.

At the first Logistics Conference of the European Commission on 7th and 8th November in Brussels, logistics service providers and shippers presented the challenges they faced to operate more efficient and sustainable supply chain. Liberalising transport markets, reducing complexity of the European rules and fostering trade facilitation including customs clearance were the key recommended actions. Frank Appel, CEO of Deutsche Post DHL, called for a European Commissioner for Logistics to ensure a better integration of the different EU policies impacting the logistics sector. Accounting for 10% of Europe's GDP, the logistics sector is a key driver for the European economy and should get an adequate regulatory framework. Those discussions will feed the upcoming logistics strategy to be developed in 2014 by the European Commission.

[Link to the conference and recording](#)

Six EU rail freight corridors now operational.

Within these corridors, rail infrastructure managers cooperate across borders in order to improve service quality and reliability in international rail freight. Freight trains will benefit from train paths of good quality with attractive journey times and common punctuality targets. Railway undertakings and shippers, freight forwarders and combined transport operators can request pre-arranged cross-border train paths at a single contact point, instead of having to submit individual requests to the various national infrastructure managers. The six corridors are the Rhine–Alp Corridor, the Benelux–France Corridor, the Atlantic Corridor, the Mediterranean Corridor, the Orient Corridor and the Eastern Corridor. Three further corridors are set to become operational by 10 November 2015.

For the corridor routes, see page 9 of the [competitive freight handbook](#)

Promoting the use of European Modular System across the EU

While the European Parliament is examining the new rules for the maximum weights and dimensions of road vehicles, a group of trade associations and companies, so-called the 'EMS Forum', has published a leaflet to raise the benefits of using an EMS for supply chain operations. Instead of calling for imposing EMS all across the EU, they recall that each EU Member State should have

the right of allowing EMS on its territory and for cross-border operations. The new rules should be adopted by Q1 2014.

[See the EMS leaflet and website](#)