Holland: Your logistics gateway to the European market... and beyond

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Karin Rancuret
Contents

• Why is logistics important for your company’s success in Europe?

• Some key points for setting up your European supply chain

• Advantages of the Netherlands as your logistics hub for the European market

• Introduction HIDC

THE NETHERLANDS, YOUR GATEWAY TO EUROPE
What is logistics?

- Managing and controlling the flow of goods and related information from the source of production to the marketplace

- Or: to offer the right products at the right time in the right place
European market

**China**
- Population: 1,330 million
- Population density: 138
- GDP per capita: $5,300

**Unites States**
- Population: 303 million
- Population density: 31
- GDP per capita: $46,000

**European Union**
- Population: 491 million
- Population density: 112
- GDP per capita: $32,900

Source: CIA World Factbook
June, 2008
Challenges of the EU market

• Complex market
• Competitive market
• Costly operations
Different ways to European market (1)

Indirect approach

• Sales terms: EX Works, FOB, CIF

• Customer takes care of customs clearance and transportation

• Advantages

• Disadvantages
**Direct approach**

- Sales terms: DDU, DDP
- Thai company takes care of customs clearance, local stock and distribution

- Advantages
- Challenges
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European supply chain structures

Traditional EDC

BDC + Satellites

RDC’s

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Self-managed vs. outsourced?

Benefits

• No capital investments needed - fewer risks
• Flexibility in space and manpower
• Economies of scale
• Concentration on core business

Challenges

• Trust
• Communication
• Sharing necessary information
• Clear requirements and expectations
• Perfect fit with partner (capabilities/ ‘chemistry’)

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Activities that can be outsourced

- Ocean freight forwarding (FCL & LCL)
- Air freight forwarding
- Customs brokerage
- Warehousing
- Value adding logistics activities (e.g. labeling, packaging, assembly, etc.)
- Value adding services (fiscal representation, stock management, order management, etc.)
- Transport throughout Europe (FTL & LTL, Parcel, temperature controlled, tank, etc.)
- And more....
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Dutch history in trade

- Long history in trade
- First European distribution centers
- Pioneer spirit, business attitude and expertise in shipping
Current role of the Netherlands

- Point of entry into the EU market
- Location for EDC, BDC or RDC operations
- Orchestrator of European supply chains
Netherlands market leader throughpout European seaports (2007)

Total throughput Hamburg – Le Havre range:
1.090.277 million tons

Source: Port of Rotterdam

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Amsterdam third largest European cargo airport (2007)

Freight volume handled per Airport X 1000 ton

- Frankfurt: 2071
- Paris CDG: 2000
- Amsterdam: 1611
- London LHR: 1314
- Luxemburg: 860
- Brussel: 762
- Keulen/Bonn: 719
- Luik: 490
- Milsan MPX: 470
- Zurich: 376

Source: Amsterdam Schiphol Airport

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Lead-times throughout Europe

Express   Road

- 24 Hours   48 Hours
- 24 Hours   72 Hours
- 24 Hours   96 Hours
- 24 Hours   120 Hours
- 24 Hours   144 Hours

Source: TMI Integrated Logistics
Excellent European Infrastructure

Main Industrial Areas

Rail

Short Sea / Feeder

Barge

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Excellent and well developed logistics industry

- Large number of international logistics services providers
- Full range of related services
- Mature market
• Internationally oriented business community

• Flexible, productive and highly educated labor force

• Favorable tax environment
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Holland International Distribution Council:

- Private non profit organization representing 450 members
- Founded by the Dutch logistics industry in 1987
- With full backing from the government

Mission:

- Improve the competitive position of the logistics industry in The Netherlands
HIDC: Your guide to European logistics solutions

- Feedback and advice on European supply chain design
- (Logistics) partner selection / match-making services
- ‘Fact Finding Trip’ in the Netherlands to meet potential partners
- Assistance in every step – now and in the future

Free of charge and completely confidential!
Holland International Distribution Council (NDL/HIDC)
Karin Rancuret, Regional Director Asia

Suite 5702, 57/F Cheung Kong Centre
2, Queen's Road, Central
Hong Kong
T: + 852 229 73 544
F: + 852 229 73 344

E: k.rancuret@hidc-asia.com
I: www.hidc-asia.com