



Logistics: KN Best Practice Input

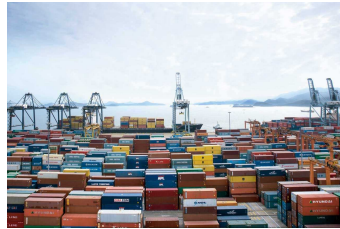
2. Deutsch - Afrikanisches Wirtschaftsforum NRW

Dortmund 5.3. 2012

Jan-Dirk Schuisdziara / Ham ZS-G



Market Position: 900 offices, 61.500 FTEs, > CHF 20 B T/O



- **Global No. 1 in Seafreight**
 - Value creating service portfolio
 - Leading the industry with IT-based solutions
 - Strong partnerships with preferred carriers



- **Global Top 3 in Airfreight**
 - Well positioned in the top league
 - Cargo 2000 Phase II certified (first mover!)
 - Strong partnerships with preferred airlines



- **Global Top 3 in Contract Logistics**
 - Global infrastructure for global contract logistics coverage
 - Dedicated and shared warehousing & distribution management
 - Transportation management solutions
-



Comprehensive Global Logistics Solutions

- **Sea & Air Logistics**

- Seafreight
- Airfreight

- **Road & Rail Logistics**

- Road
- Rail

- **Contract Logistics**

- Warehousing
- Distribution
- Value-added services

- **Lead Logistics**

- End-to-End Execution
- Managed Integrated Solutions

- **Special Services**

- Aviation Logistics
- Drinks Logistics
- Emergency & Relief Logistics
- Fairs & Exhibition Logistics
- Forest Logistics
- Hotel Logistics
- Marine Logistics
- Oil & Gas Logistics
- Perishables Logistics
- Project Logistics

- **Insurance Brokerage**



Africa - its true size

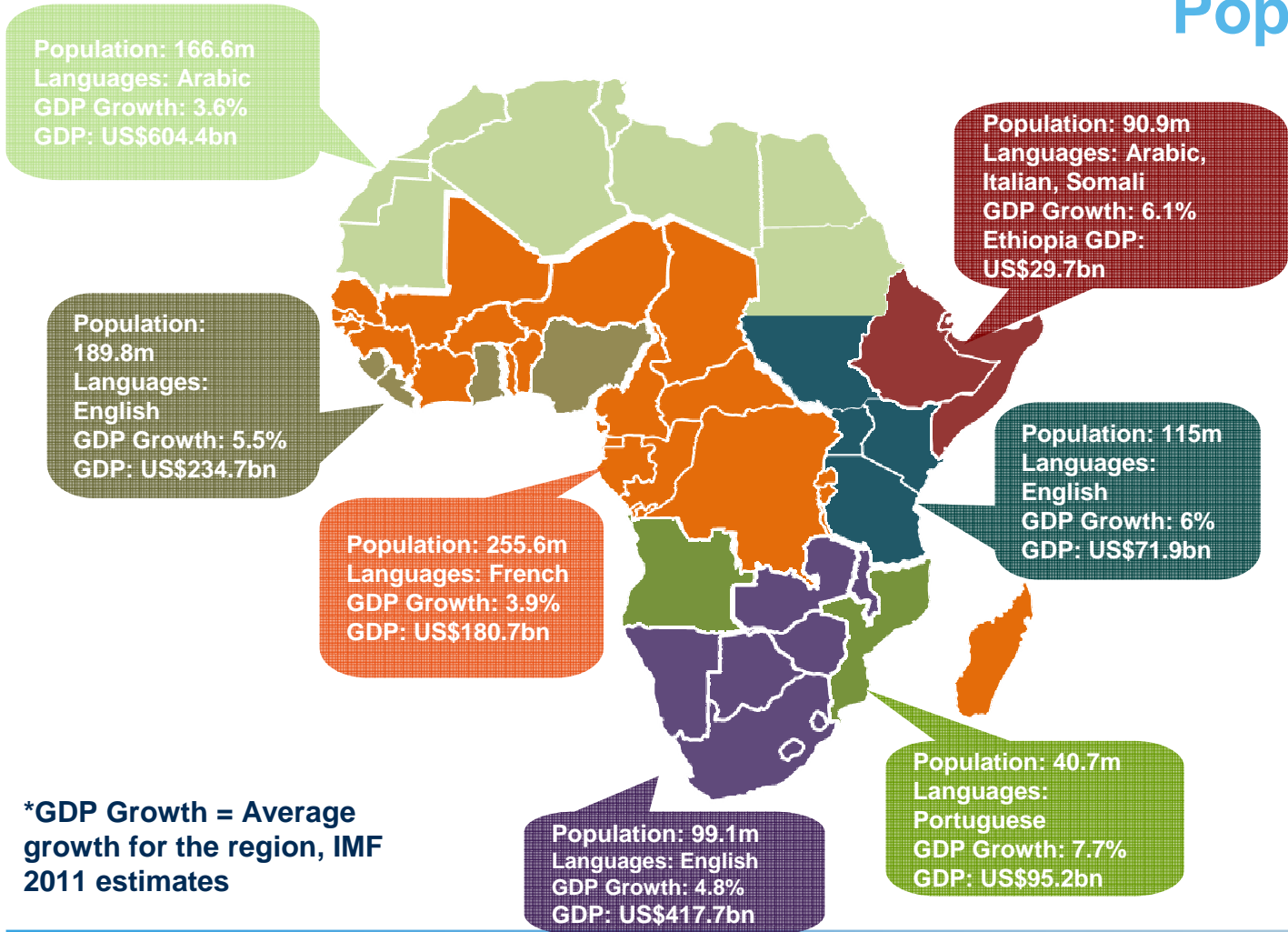
COUNTRY	AREA x 1000 km ²
China	9.597
USA	9.629
India	3.287
Mexico	1.964
Peru	1.285
France	633
Spain	506
Papua New Guinea	462
Sweden	441
Japan	378
Germany	357
Norway	324
Italy	301
New Zealand	270
United Kingdom	243
Nepal	147
Bangladesh	144
Greece	132
TOTAL	30.102
AFRICA	30.221





Africa's Fragmented Regional Economies

Population 1Bn



*GDP Growth = Average growth for the region, IMF 2011 estimates

(Source: Frontier Advisory 2011)

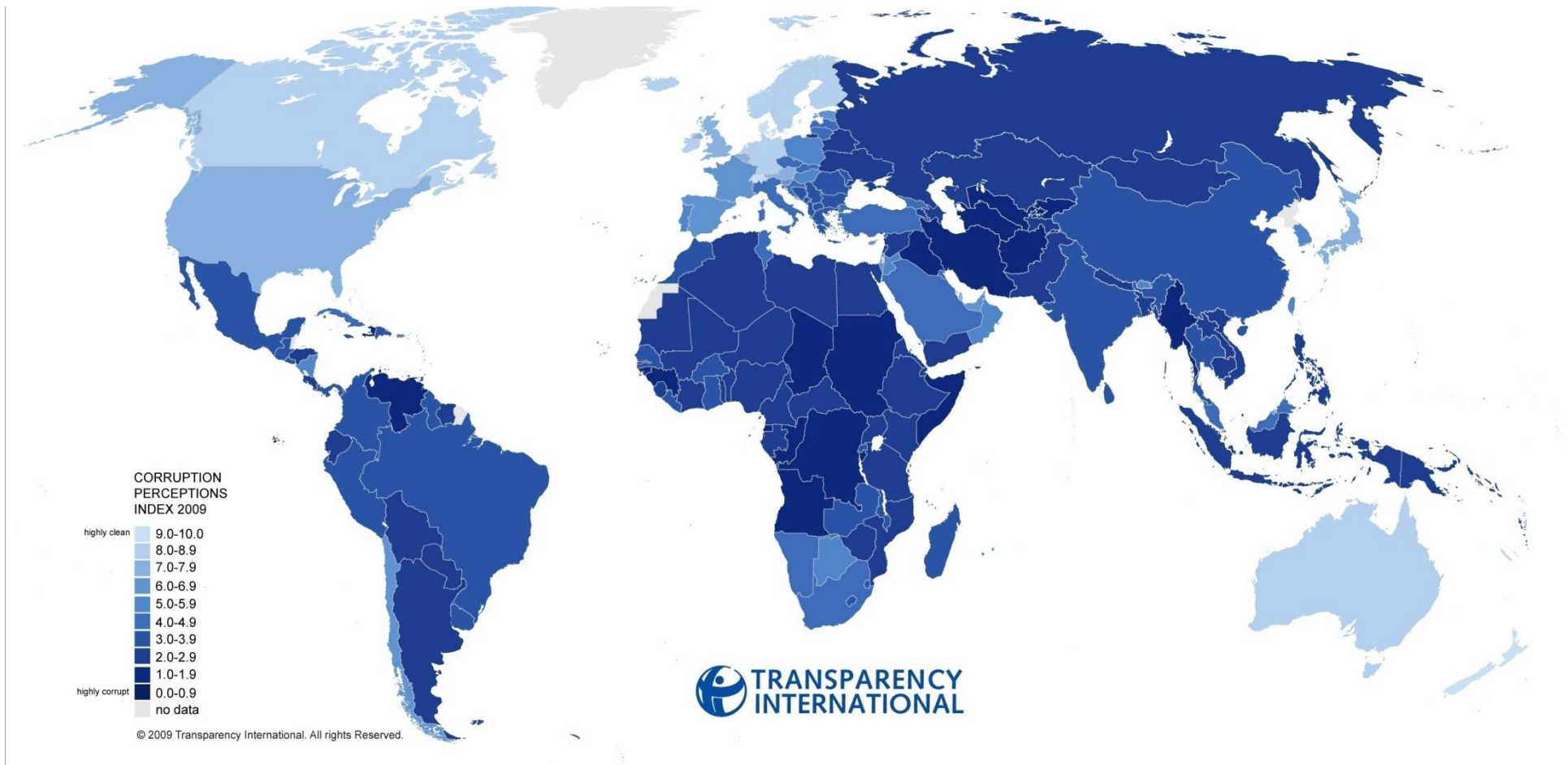


Africa can be a risky place



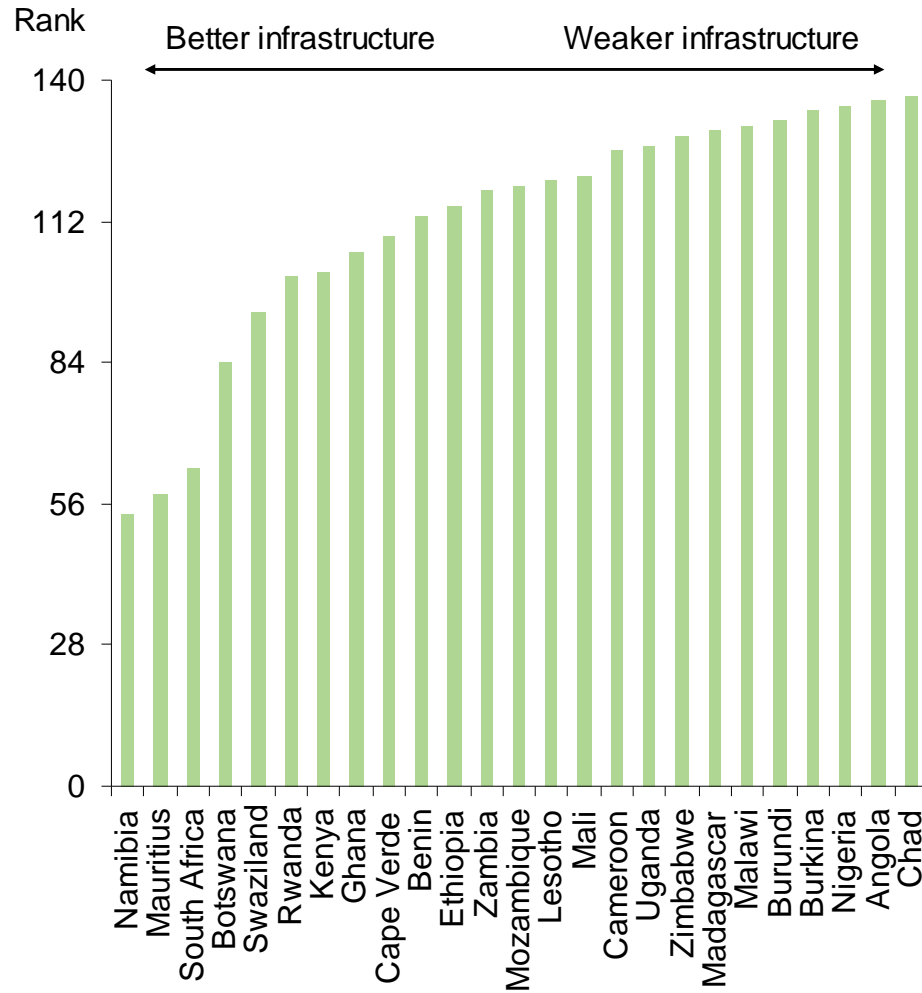


Risk - Corruption and compliance a challenge





African Infrastructure deficit



- 30 SSA countries experience blackouts
- Needs in SSA = US\$40bn annually or 6.4% of SSA GDP



- Regional corridors = 10,000 km
- 60,000 -1 000,000 km of roads required



- Poorly equipped and inefficiently operated
- High charges



- Transit time, reliability, security and service frequency problems

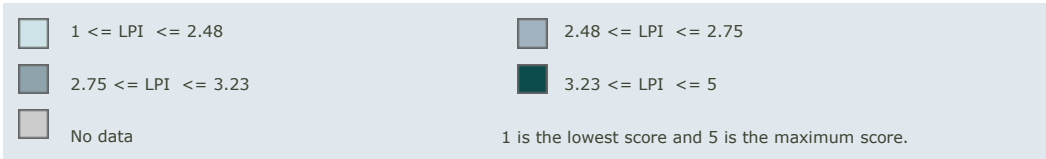
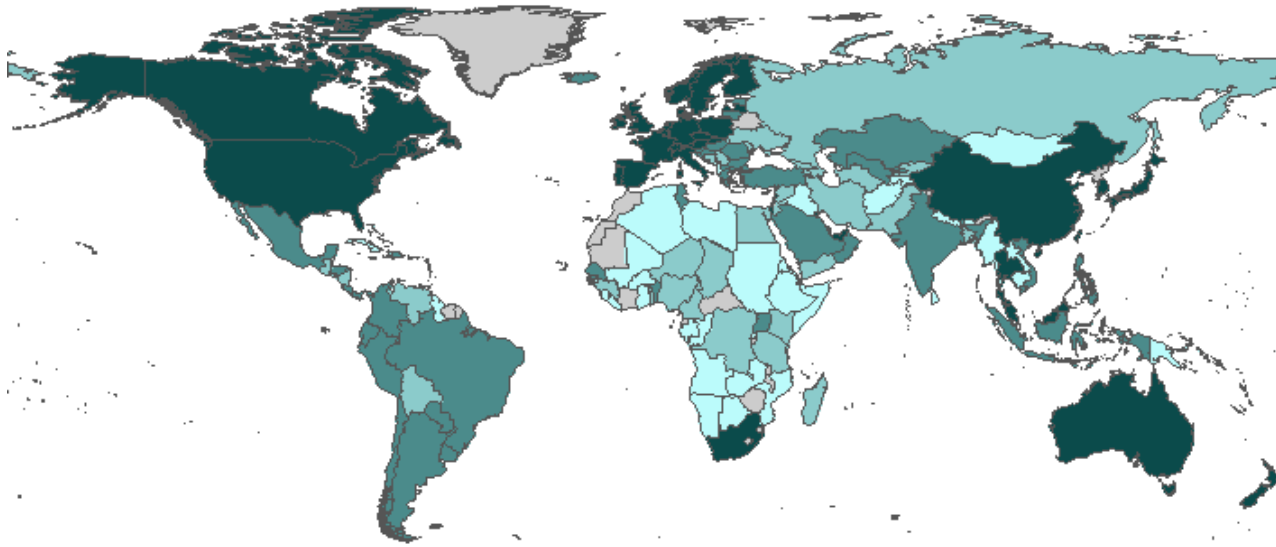


- Lack of competition (costs high)
- Safety record worrisome

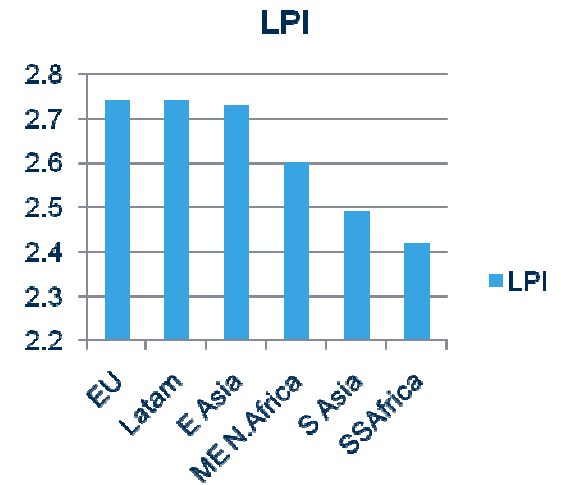
(Source: World Economic Forum, RMB FICC Research)



Worlds Logistics Performance Index (LPI)



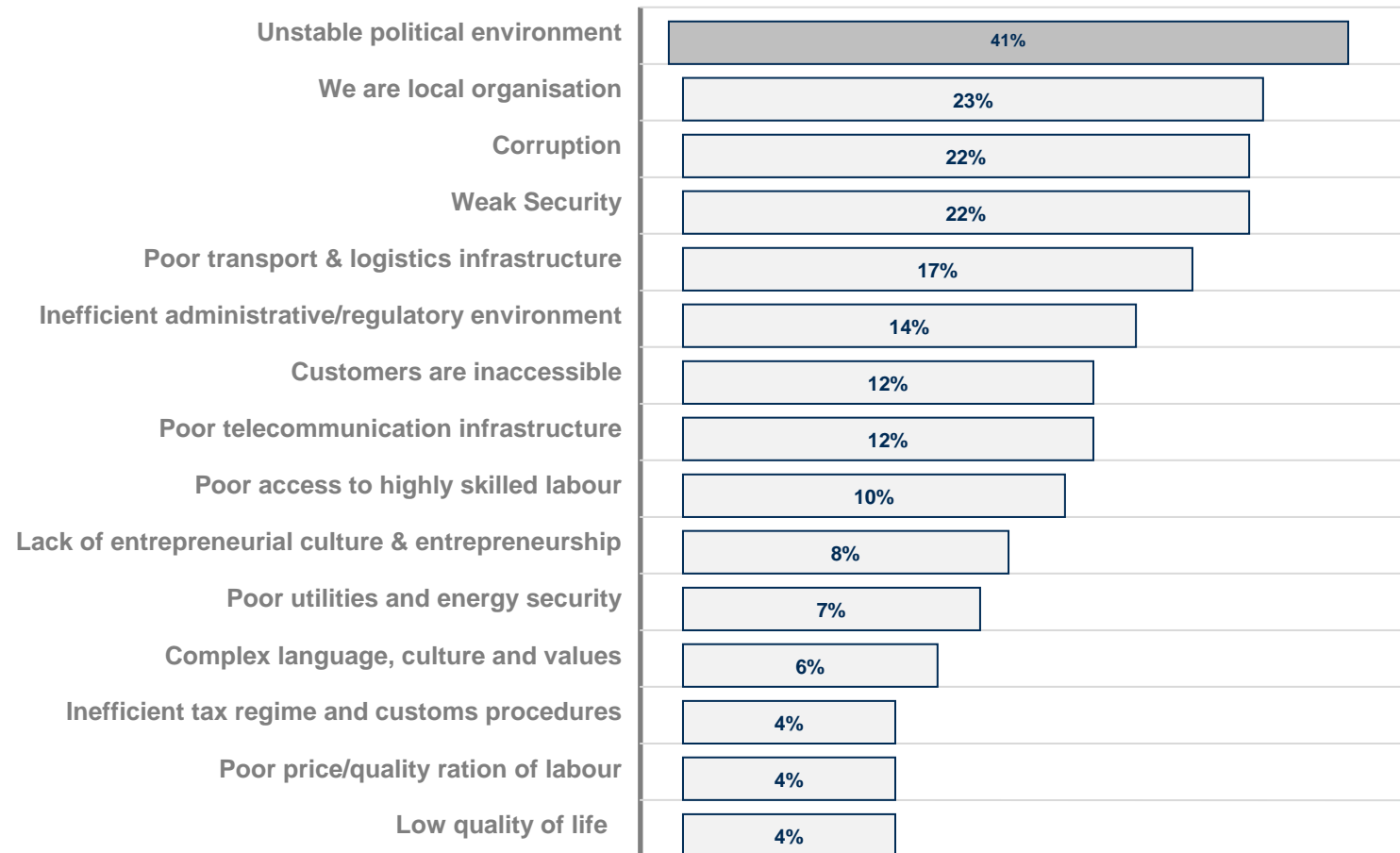
Rank	Country	LPI
1	Germany	4.11
2	Singapore	4.09
3	Sweden	4.08
4	Netherlands	4.07
5	Luxembourg	3.98
15	US	3.86
27	China	3.49
28	South Africa	3.46
41	Brazil	3.20
47	India	3.12



(Source: World bank, 2010)



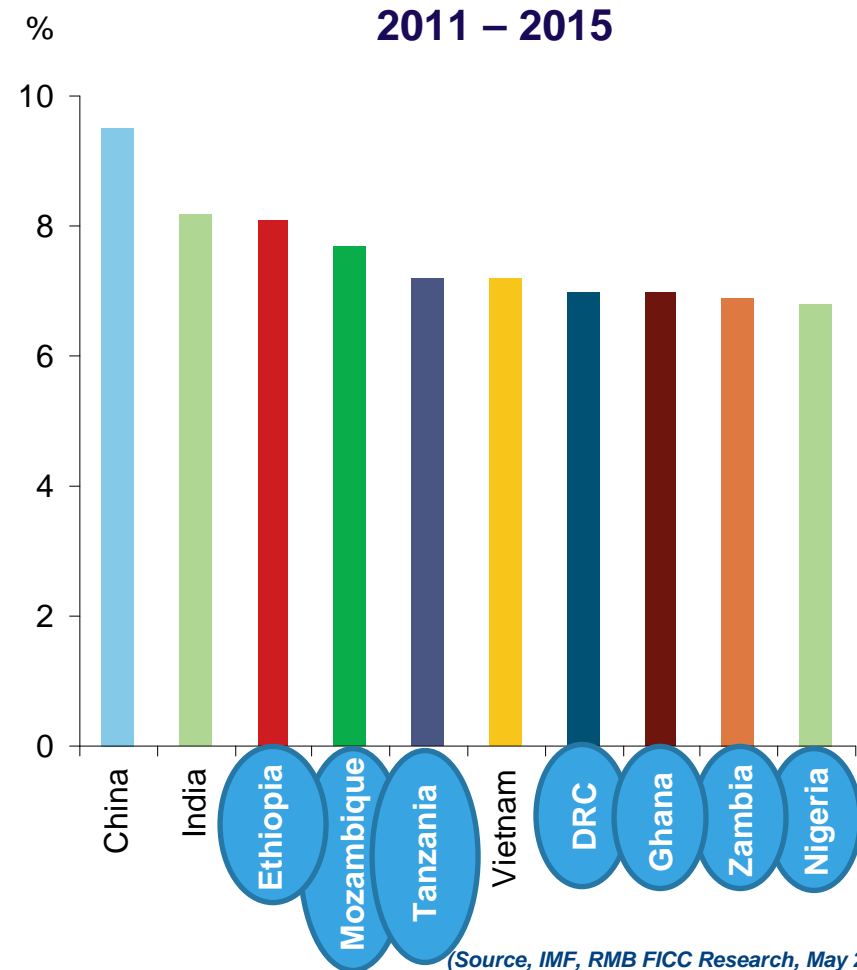
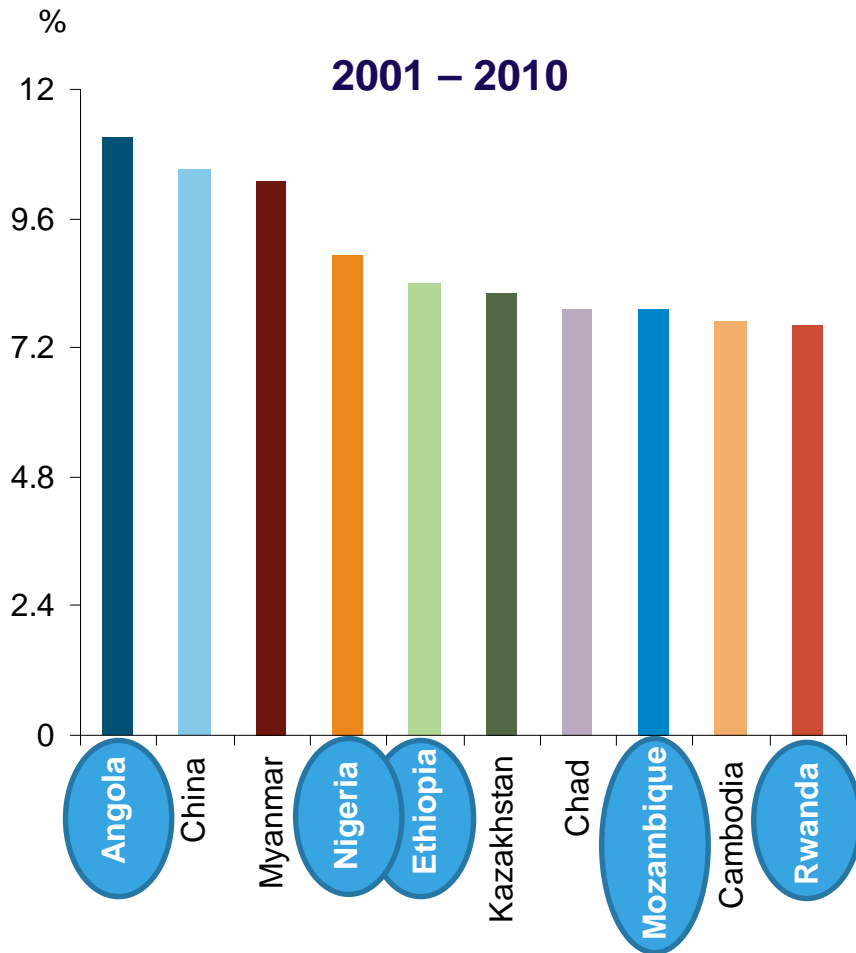
Barriers to investing in Africa



(Source: Ernst & Young 2011 Africa attractiveness survey)



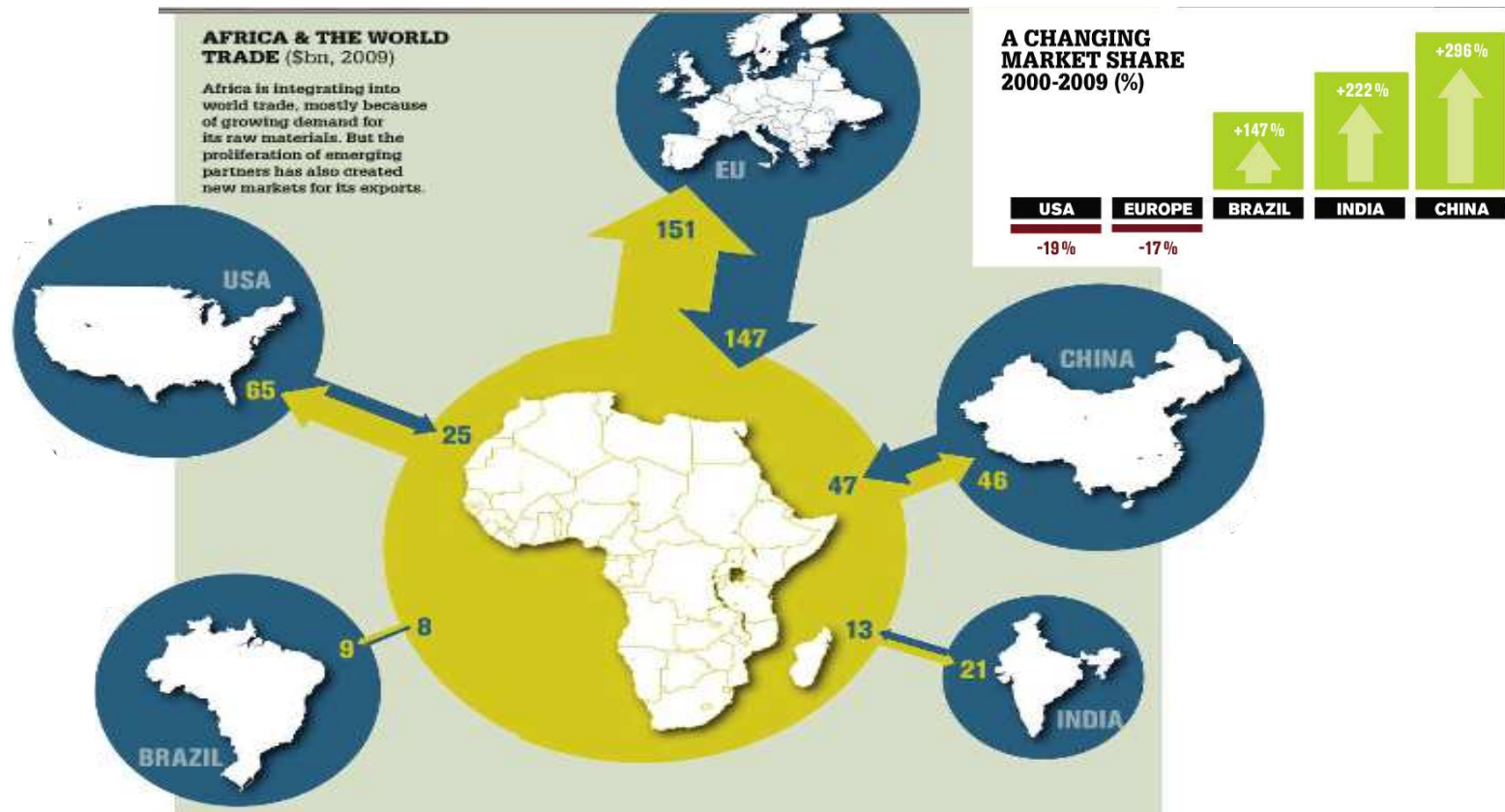
Top growth nations (annual average GDP growth %)



(Source, IMF, RMB FICC Research, May 2011)



Africa and The World Trade (\$bn), 2009

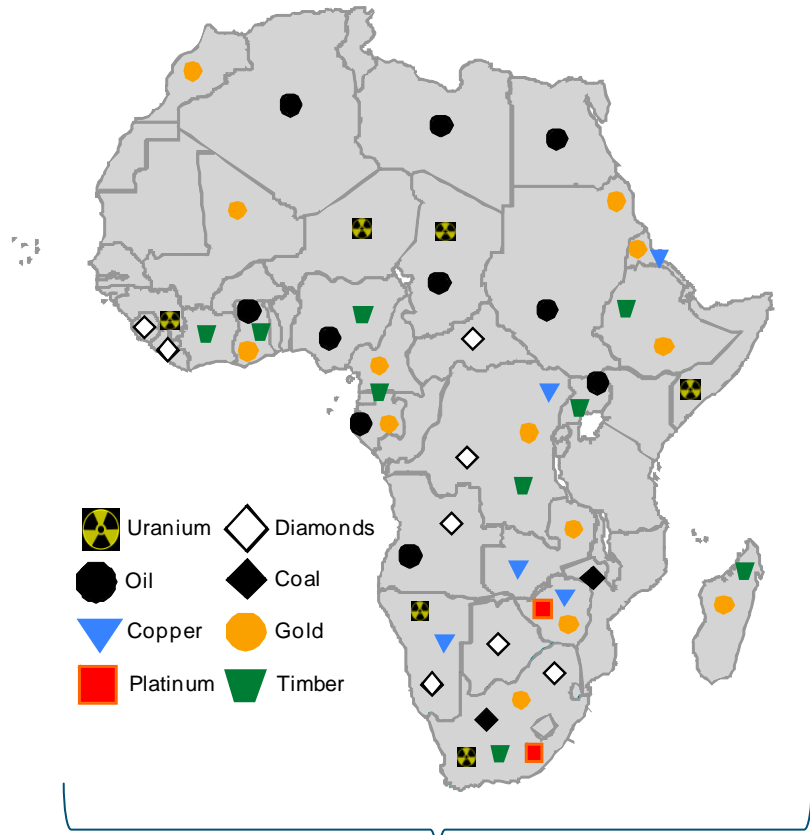


(Source: The Africa Report, June 2011)



Commodities endowment

Abundant natural resources

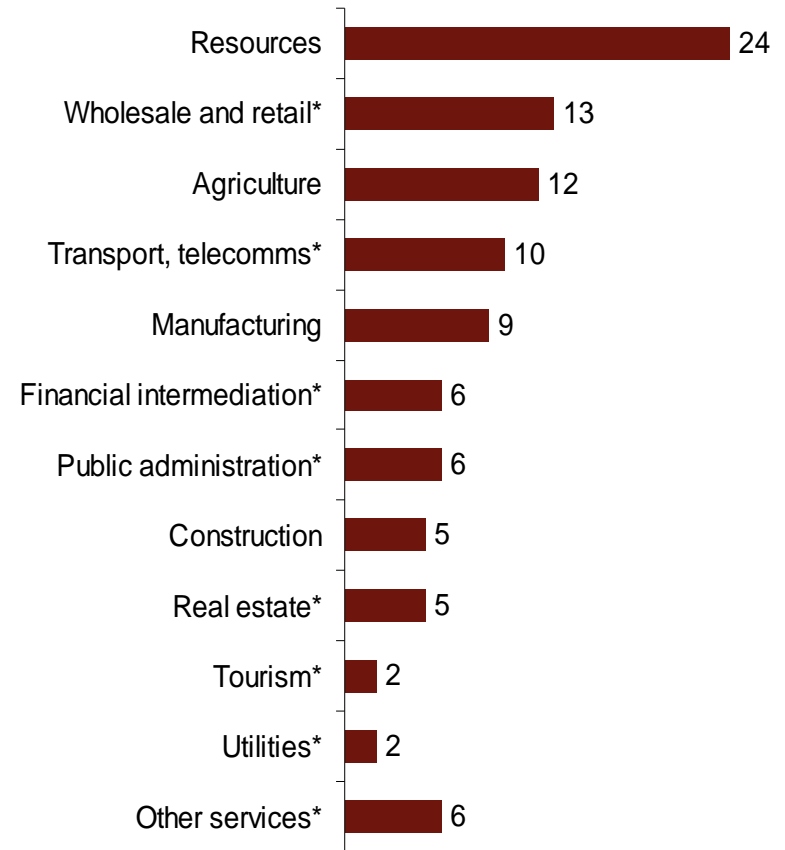


60%

Africa's share of the world's total uncultivated, arable land



Major drivers of growth



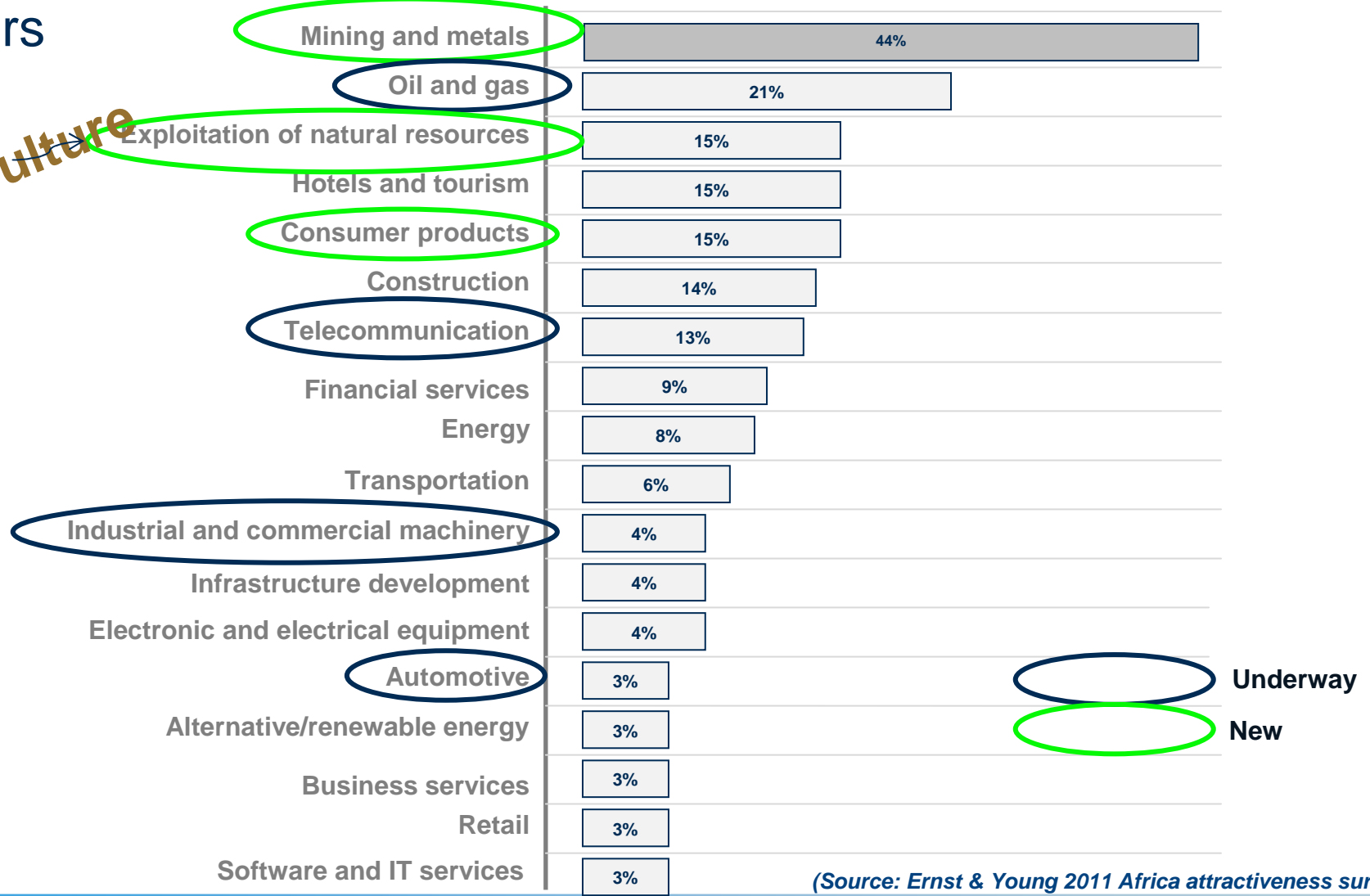
Note: Sector share of change in real GDP, 2002 – 2007

(Source: International Energy Agency, GFMS BP, The Economist, WGC, US Geological Survey, McKinsey Global Institute)



Top sectors that will offer the greatest potential in the next two years

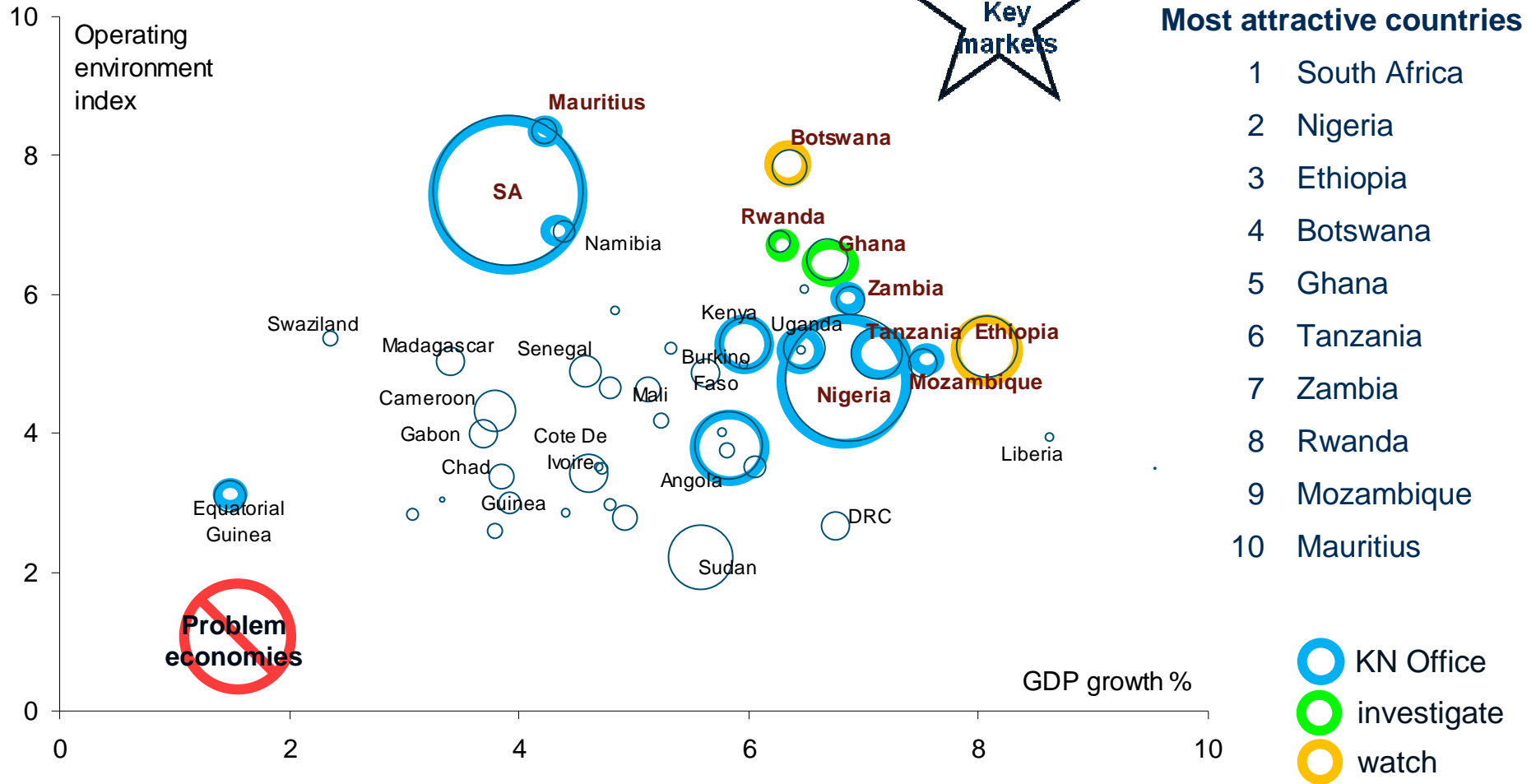
agriculture



(Source: Ernst & Young 2011 Africa attractiveness survey)



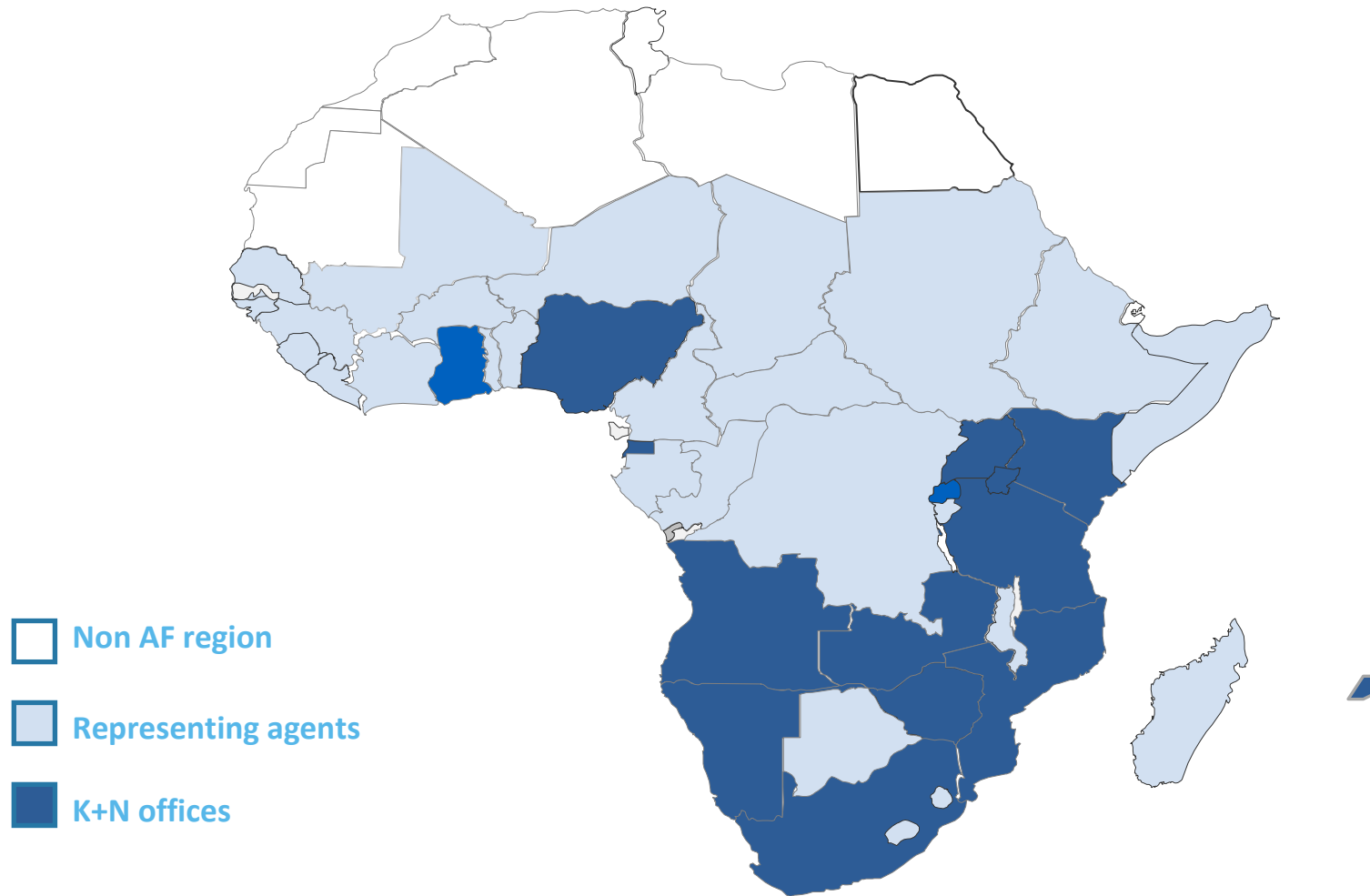
In which countries to invest in Africa



(Source: IMF, RMB Research, Doing Business 2011, World Competitiveness report, Heritage Transparency International)



African office presence





Our foundation in Africa is in 3 key industries





Logistics challenges of doing business in Africa

Lack of Infrastructure

- Ports, road ,rail
- Communications

Productivity and efficiency

- Time is money
- Cause of loss of competitive advantage

Higher cost of moving goods

- 3x cost per TEU vs world average

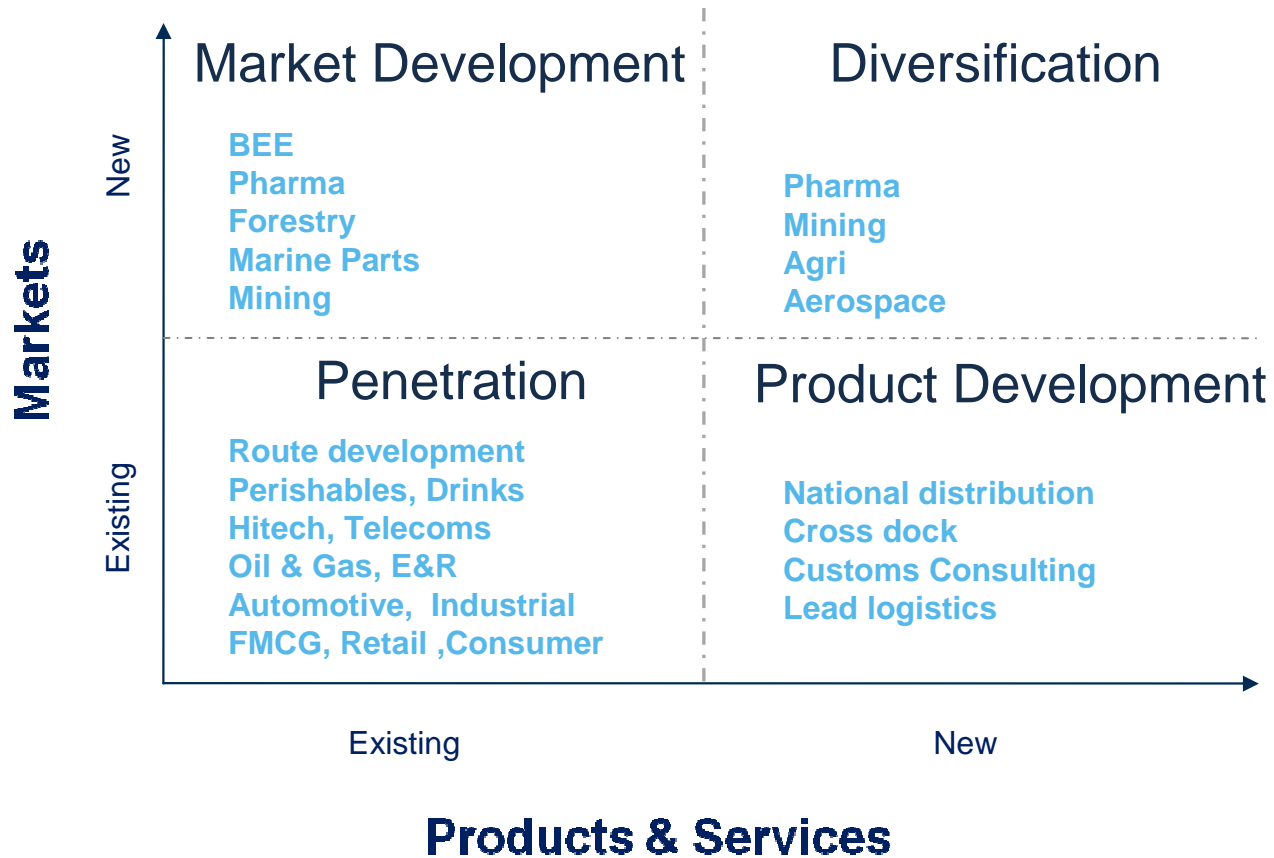
Compliance

- Hidden costs
- Unfair playing field



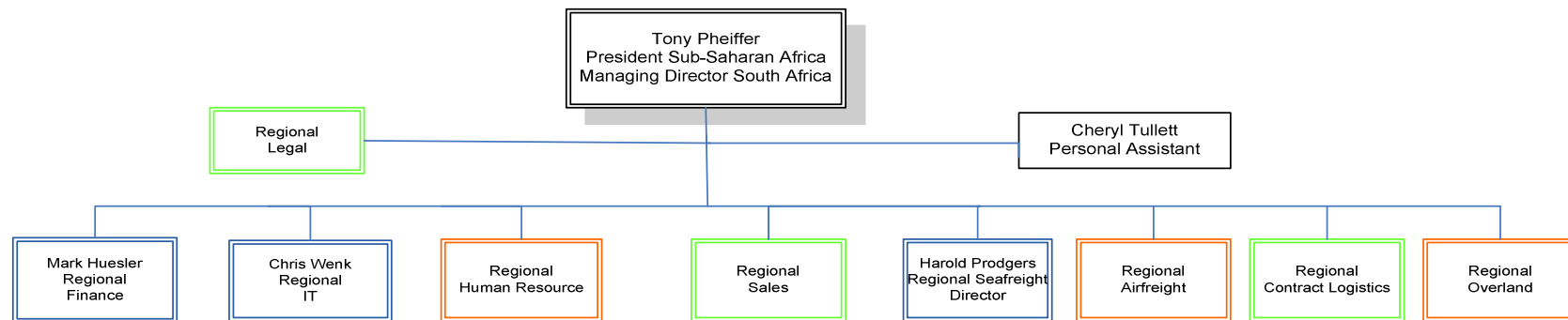


Our African growth strategy





A solid management structure in each country mimics the global corporate Management structure – experience, integrity & innovative





Market and strategy summary

- Africa – huge size + population = new markets + opportunities
- Investment + drivers come from **outside** – BRICS, The West
- Consider the degree of risk, infrastructure shortfalls, and governance
- Significant potential growth some requiring investment

