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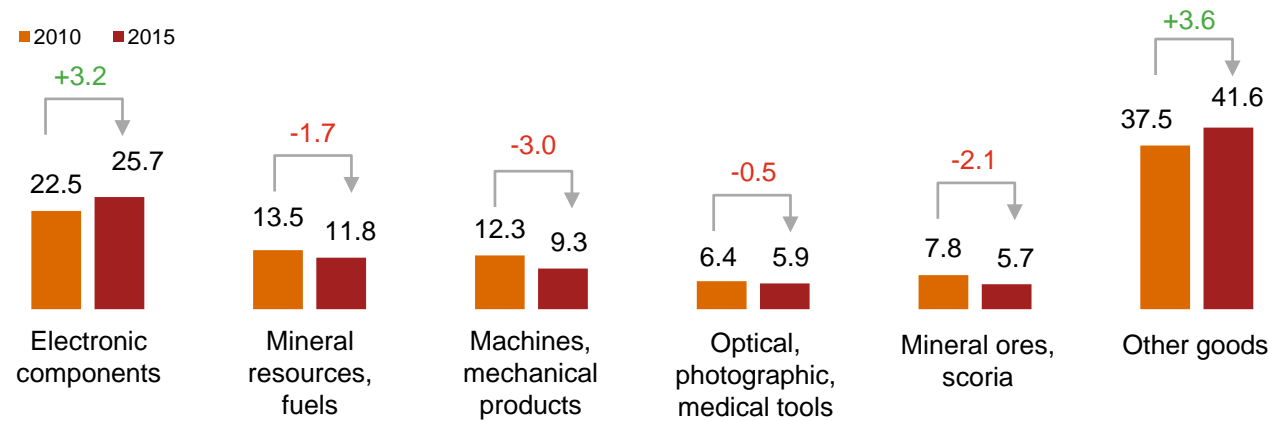
German Companies in China Logistics Processes in Transition

June 2018

China: An important trade partner for Germany

Selected imported products

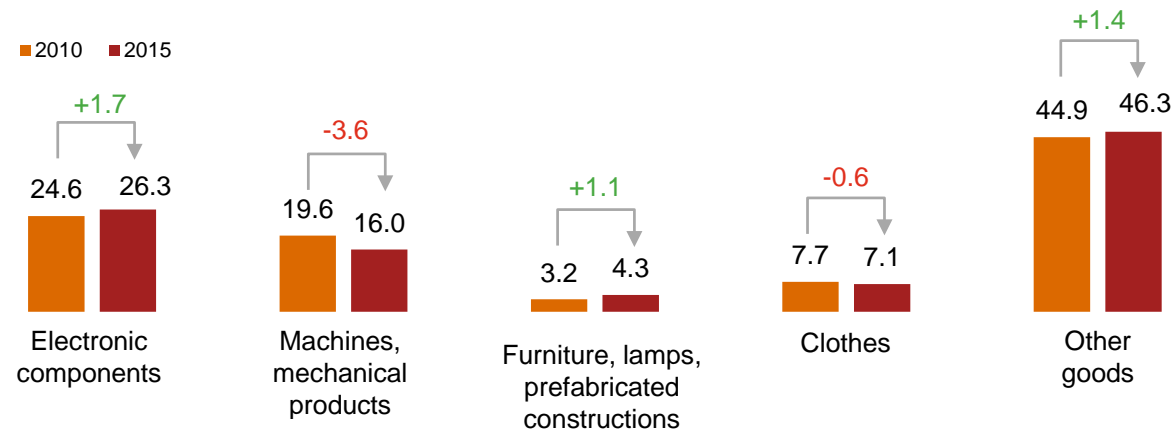
Share of imports (in %)



In the year 2017, China and Germany traded imports and exports with each other for €186.6 billion in total.

Selected exported products

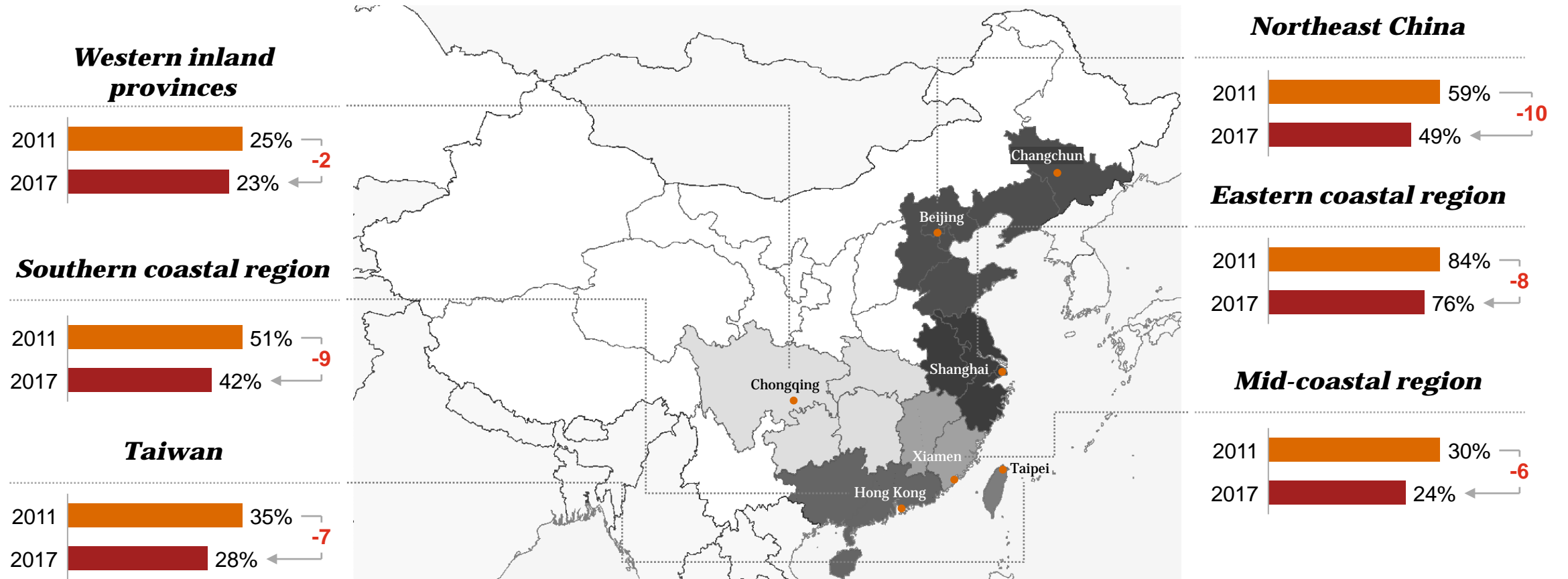
Share of imports (in %)



In the year 2016, China imported agricultural products for €1.8 billion from Germany. The USA imported agricultural products for the same volume from Germany.

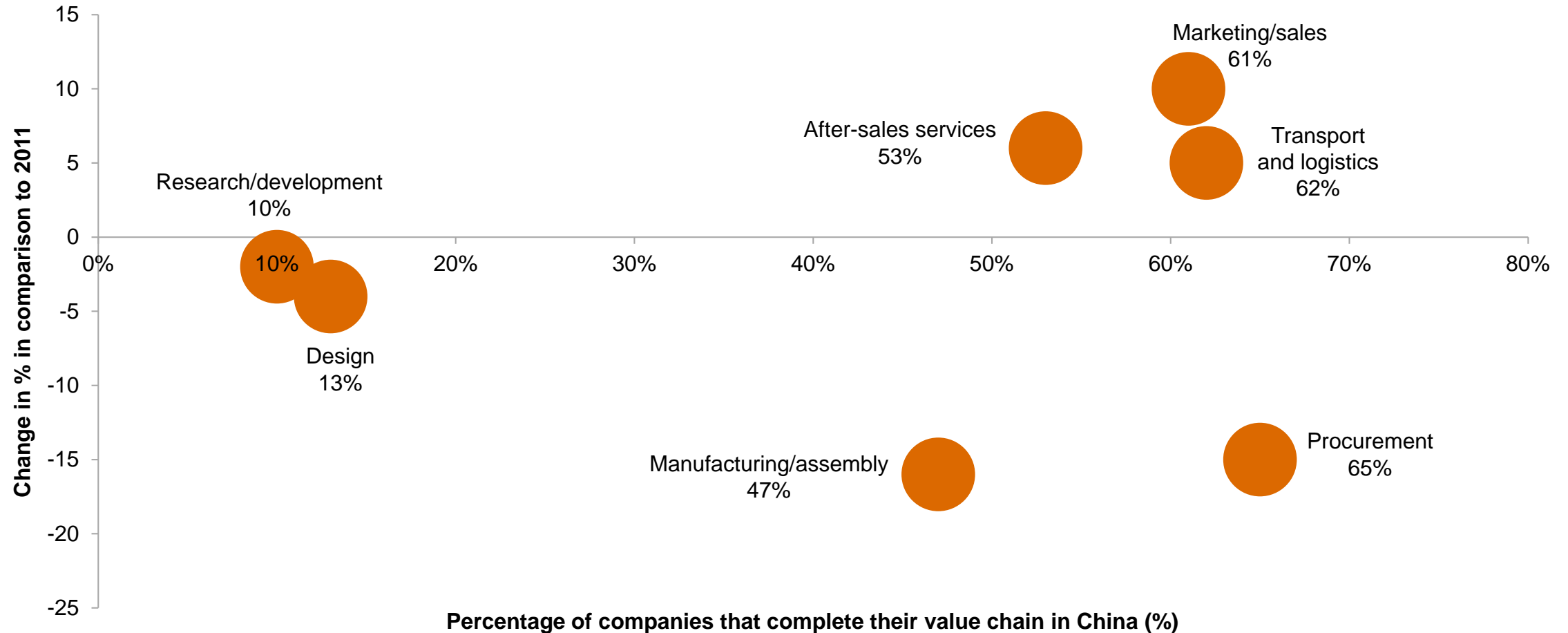
Source: Destatis, Grafik PwC)

Active areas



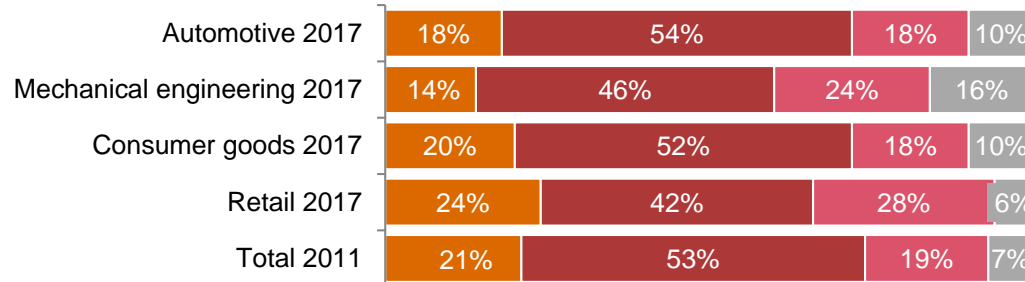
Source: <http://upload.wikimedia.org/wikipedia/commons/6/69/China-equirect.png>

German companies in China bring their supply chain into line



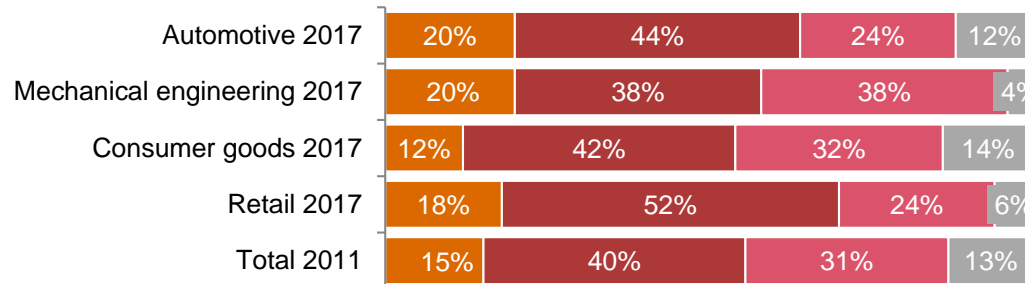
Validation of the performance of logistics providers in China (2/2)

Quality management



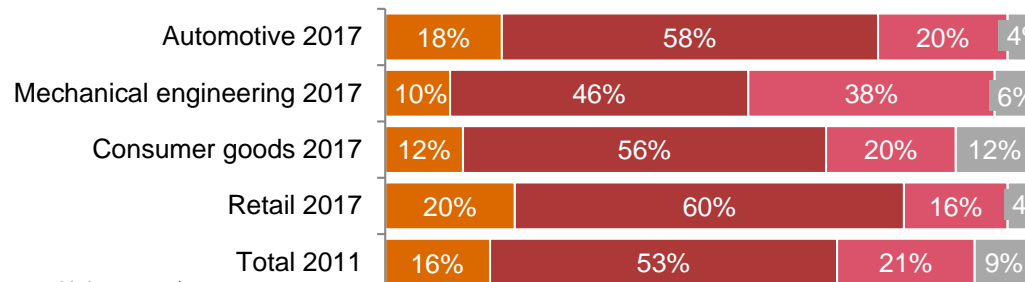
Almost every fourth company in the retail and consumer industry gives good grades in quality management. In contrast, mechanical engineering are much more critical.

Just-in-time delivery



Just-in-time delivery is top-rated by companies in the automotive and mechanical engineering industry.

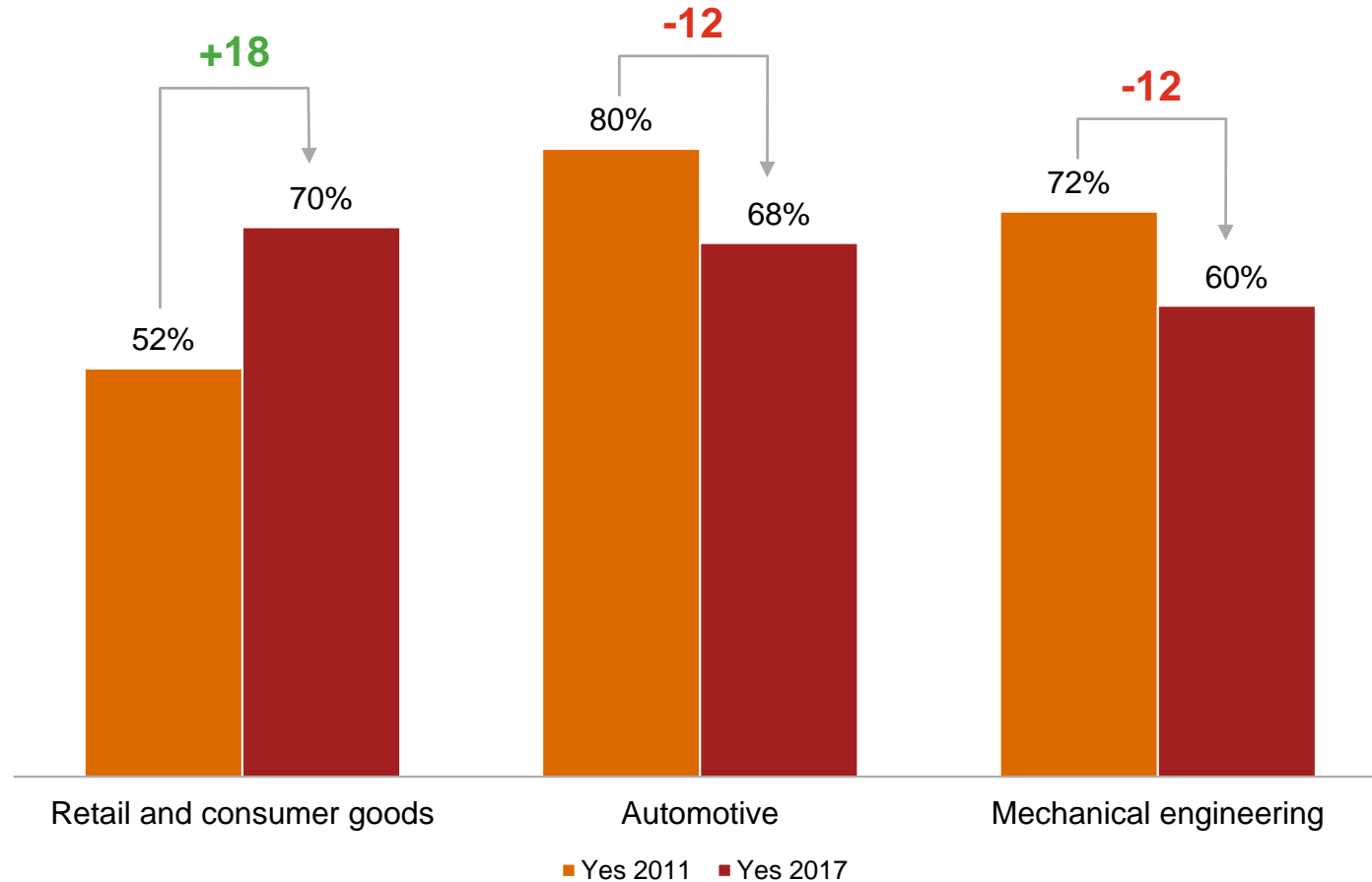
Staff qualifications



More than one-third of companies in the mechanical engineering industry experience low competence in staff qualifications. On the contrary: companies in the automotive and retail industry are of the opinion that staff qualifications changed positively.

■ High ■ Average ■ Low ■ Unknown, n/a

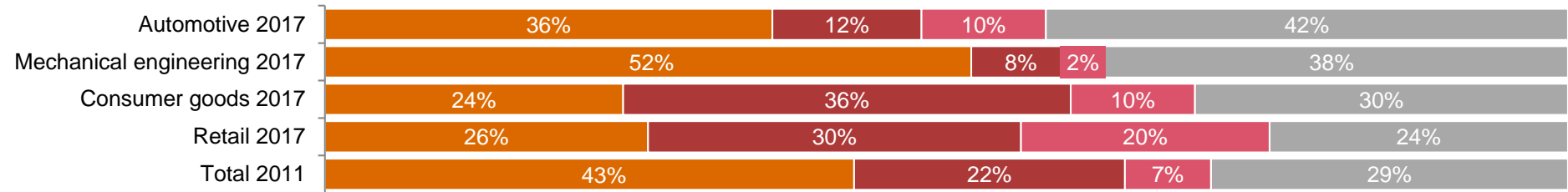
Automotive and mechanical engineering companies struggle more in finding a qualified workforce



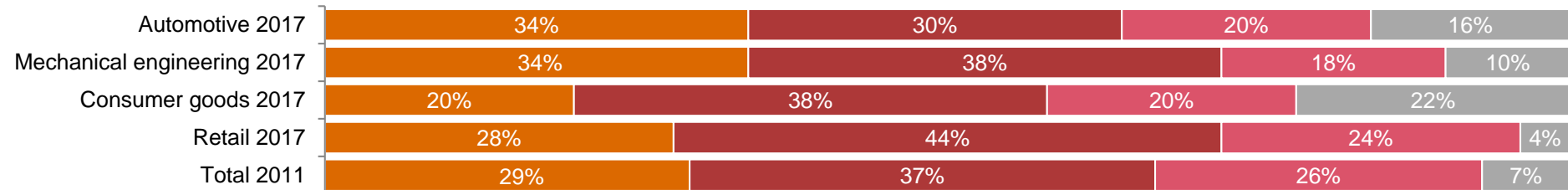
External, non-Chinese logistics companies lose orders; own car pool becomes more attractive

Organisation of logistics processes in respective companies

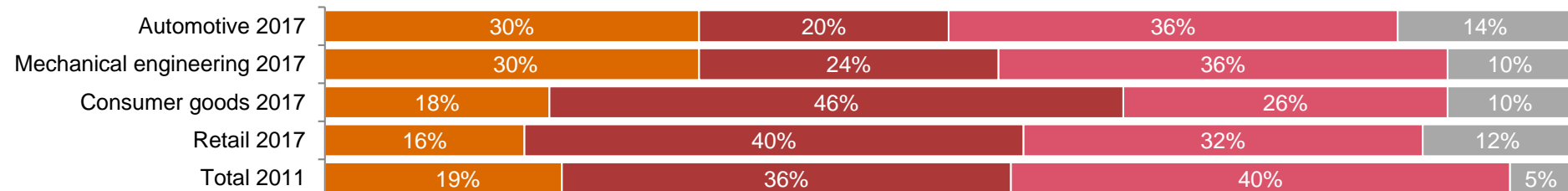
Warehousing services



Customs clearance



Transport services

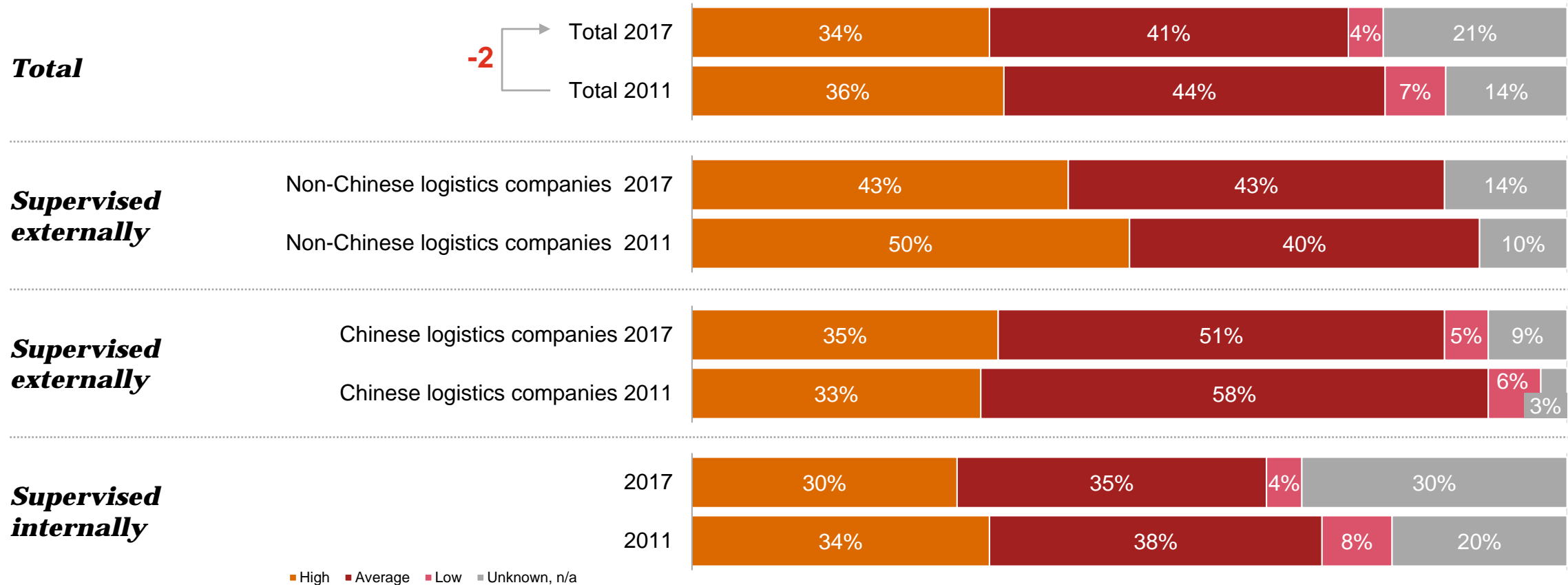


■ Internal
 ■ External, non-Chinese logistics companies
 ■ External, Chinese logistics companies
 ■ Unknown, n/a, does not apply to our company

Warehouse logistics

Only Chinese logistics providers manage to enhance customer satisfaction

Satisfaction with warehousing services

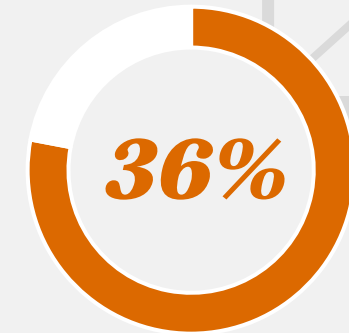
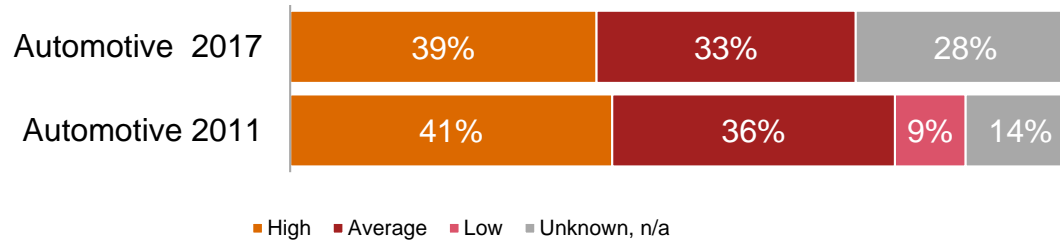


Warehouse logistics in the automotive branch

Internal handling: customer satisfaction declines

Satisfaction with warehousing services

Supervised internally



of companies in the automotive industry supervise warehousing services internally.

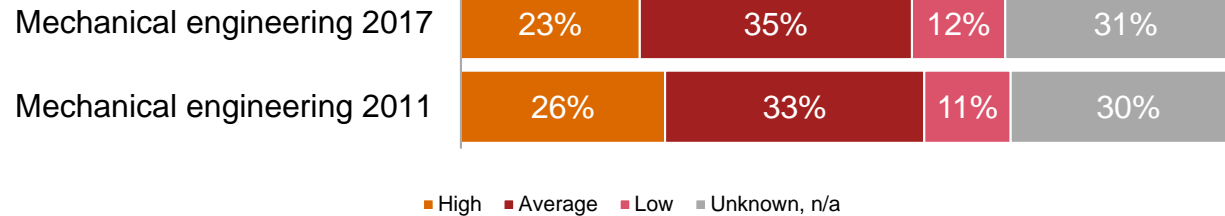


Warehouse logistics in the mechanical engineering branch

Customer satisfaction declines

Satisfaction with warehousing services

Supervised internally



52%

of companies in the mechanical engineering industry organise warehousing services internally.

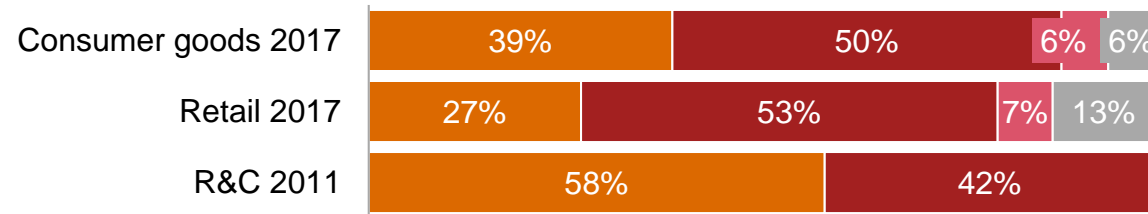


Warehouse logistics in retail and consumer goods branch

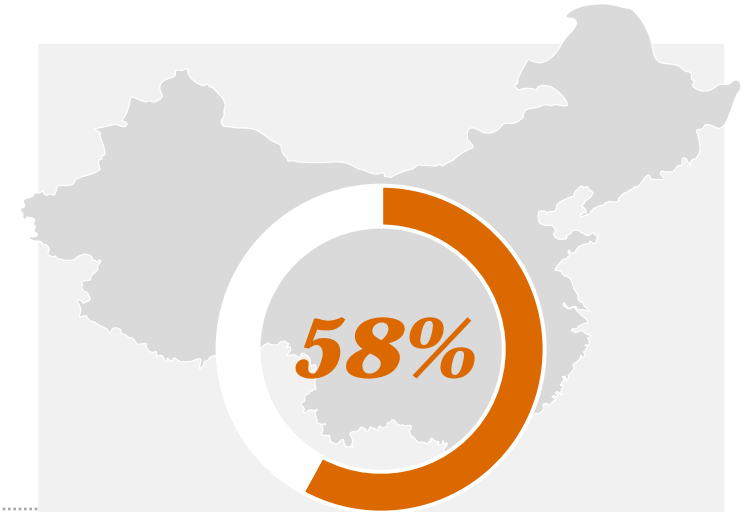
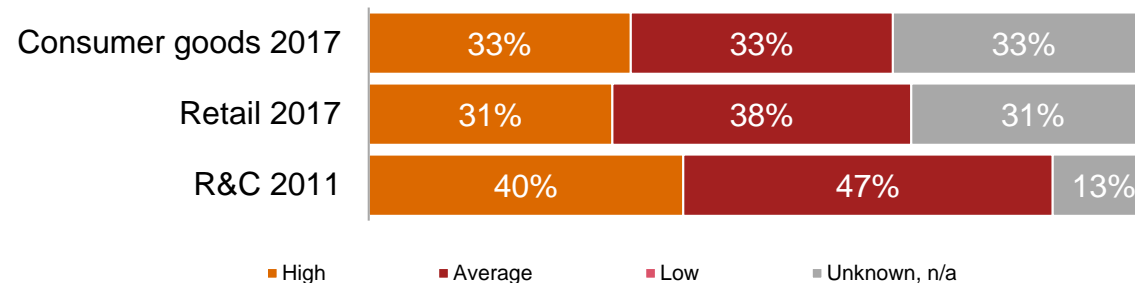
Customer satisfaction declines

Satisfaction with warehousing services

Supervised externally by Chinese logistics companies



Supervised internally

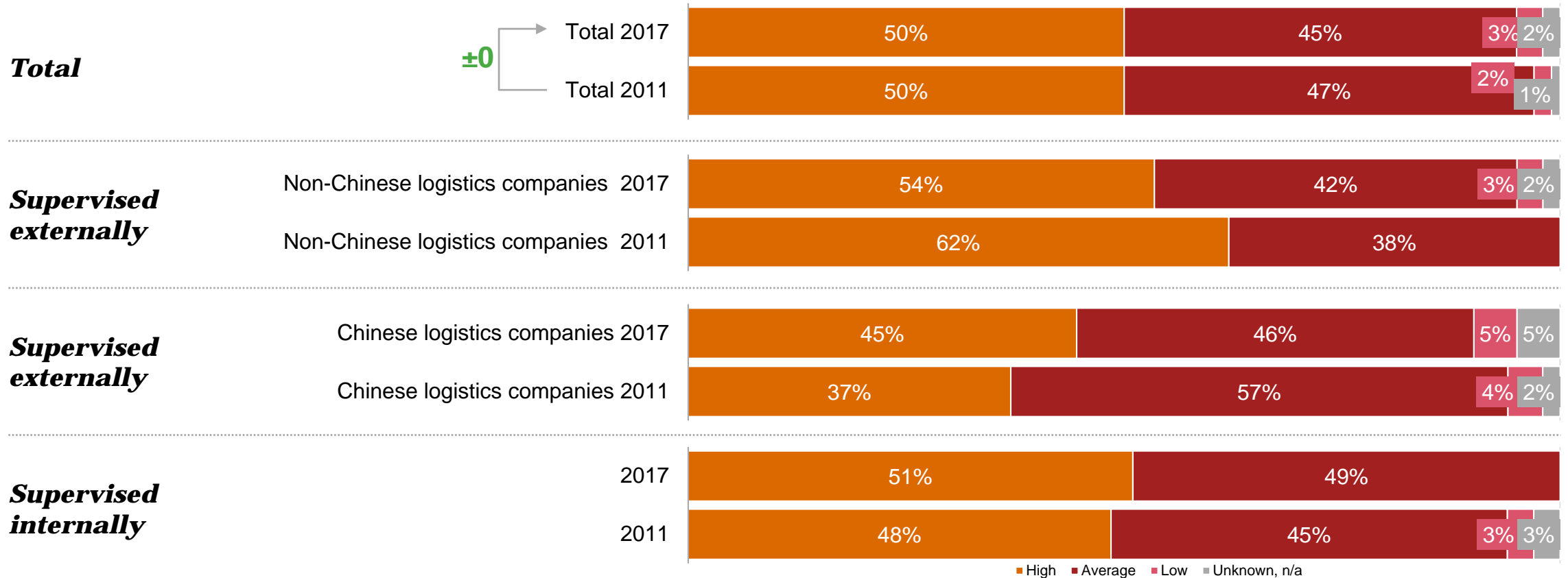


of companies in the retail and consumer goods industry organise warehousing services internally or externally with Chinese logistics companies.

Transportation services

Customer satisfaction in total unchanged

Satisfaction with transport services

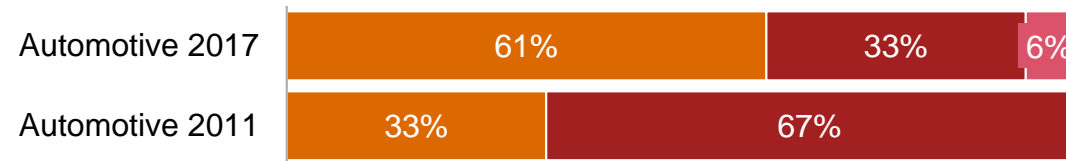


Transportation services in the automotive branch

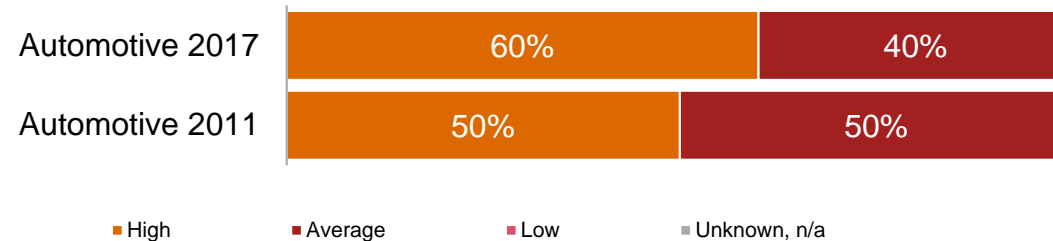
Customer satisfaction increases

Satisfaction with transportation services

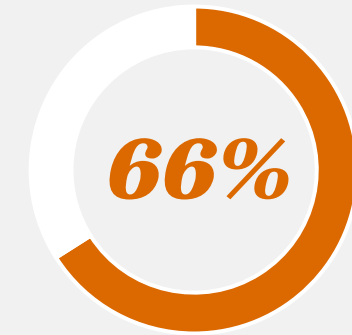
Supervised externally by Non-Chinese logistics companies



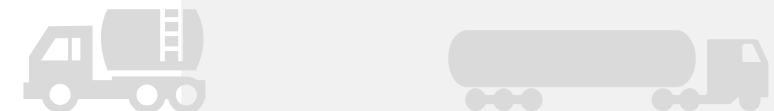
Supervised internally



■ High ■ Average ■ Low ■ Unknown, n/a



of companies in the automotive industry organise their transports internally or externally with non-Chinese logistics companies.

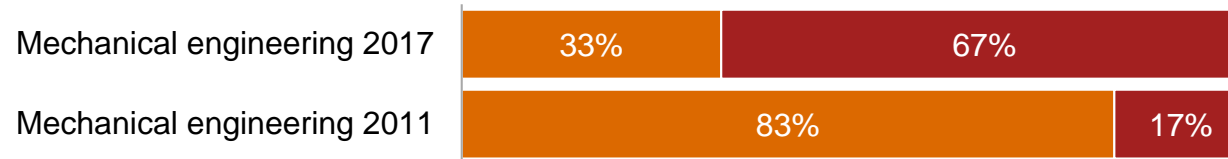


Transportation services in the mechanical engineering branch

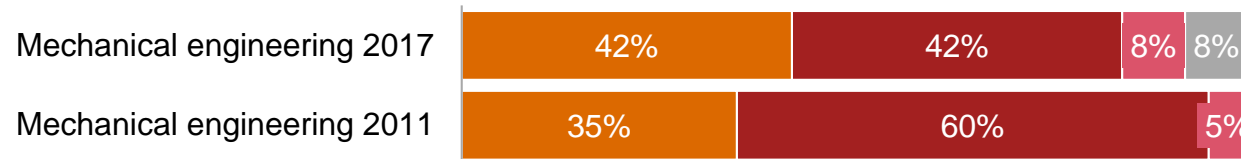
Customer satisfaction with Non-Chinese logistics companies drops dramatically

Satisfaction with transportation services

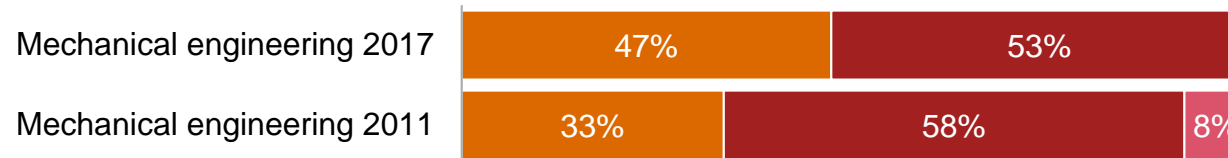
Supervised externally by Non-Chinese logistics companies



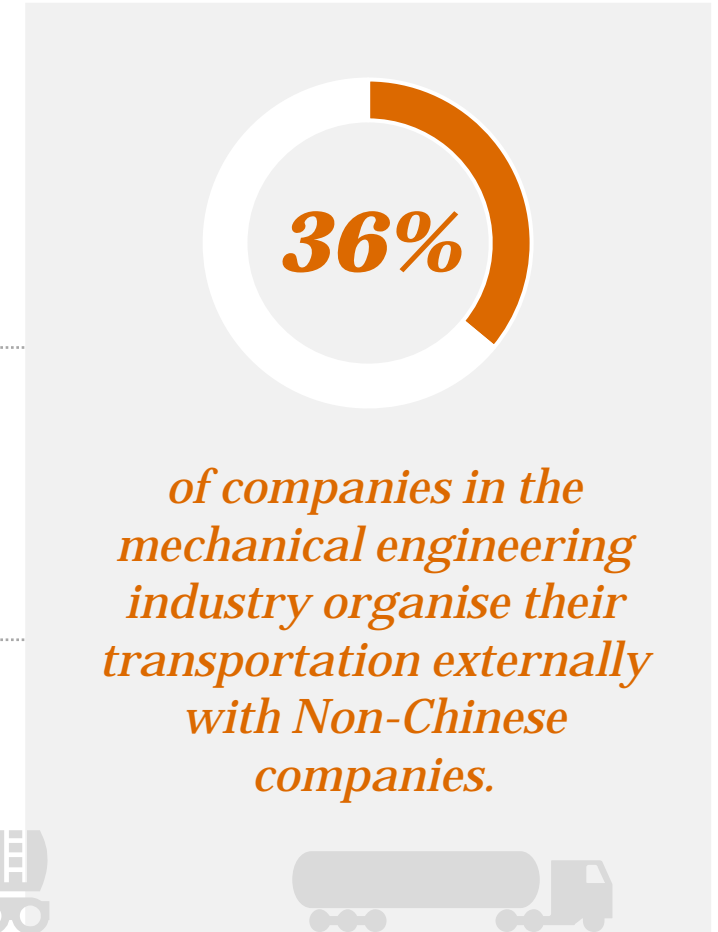
Supervised externally by Chinese logistics companies



Supervised internally



■ High ■ Average ■ Low ■ Unknown, n/a

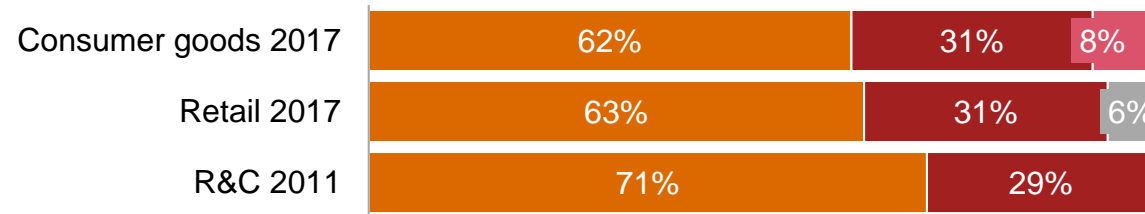


Transportation services in the retail and consumer goods branch

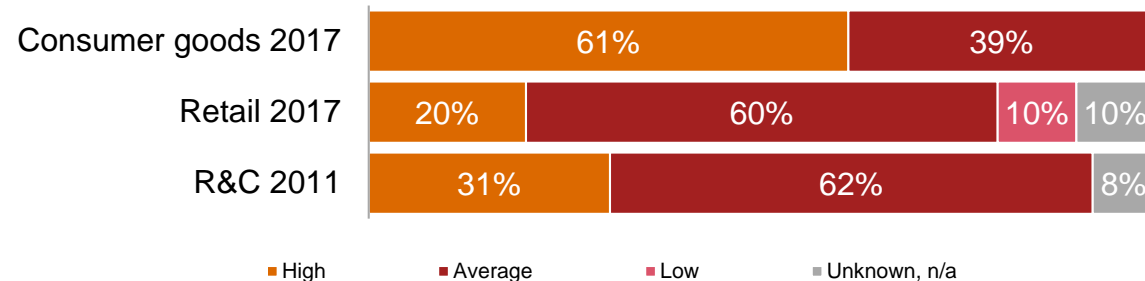
Customer satisfaction with Chinese logistics companies rises

Satisfaction with transportation services

Supervised externally by Non-Chinese logistics companies



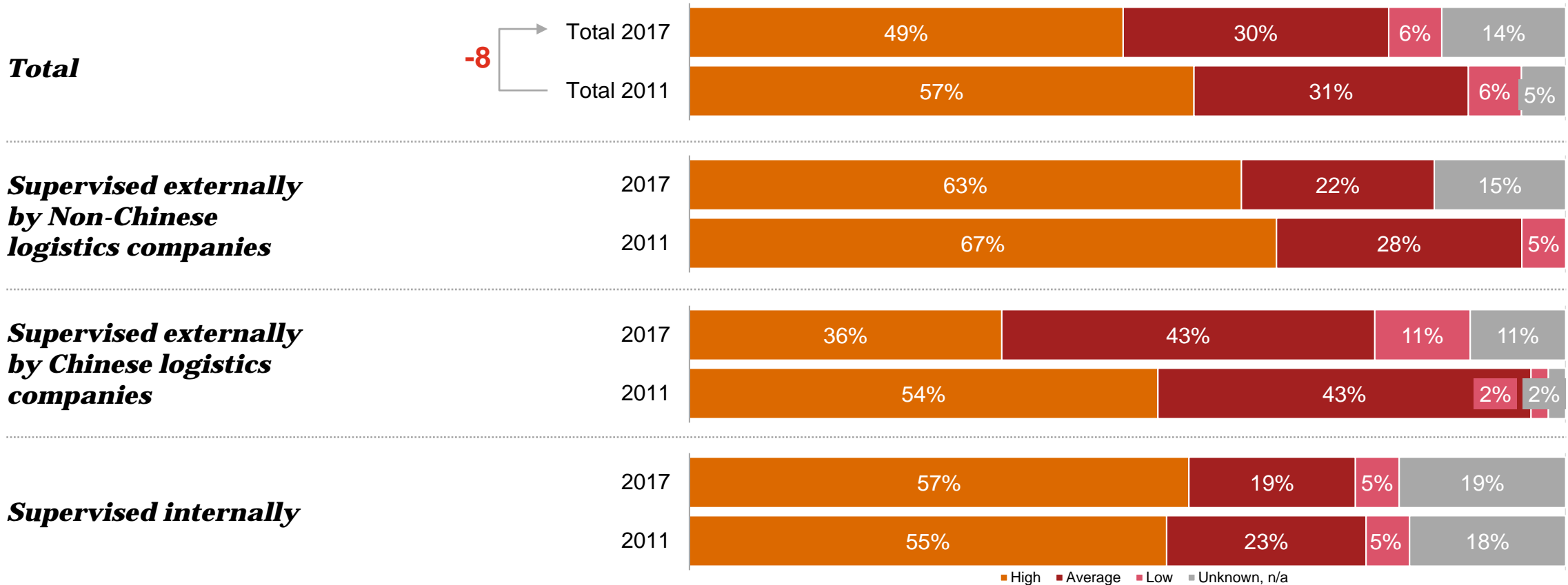
Supervised externally by Chinese logistics companies



Customs clearance

Customer satisfaction with Chinese logistics companies sinks significantly

Satisfaction with customs clearance

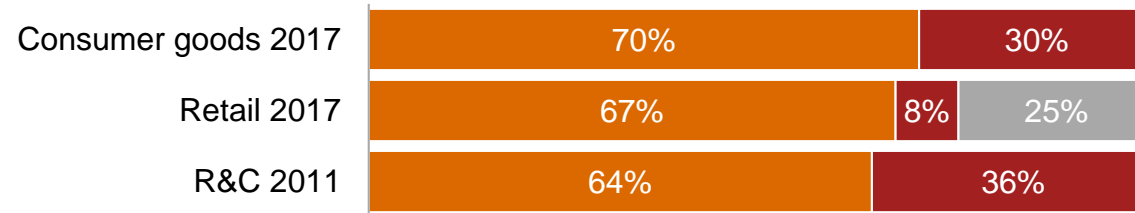


Customs clearance retail and consumer goods branch

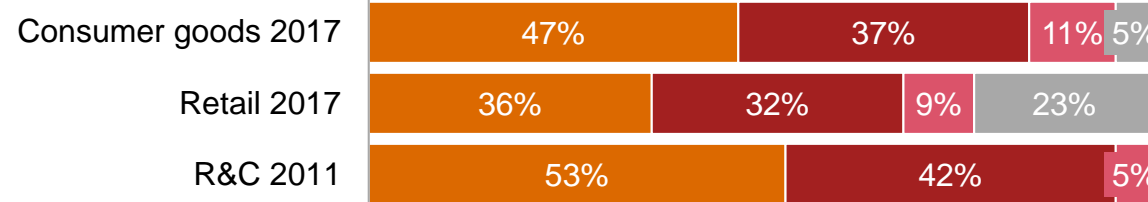
Customer satisfaction with Chinese logistics companies decreases

Satisfaction with customs clearance

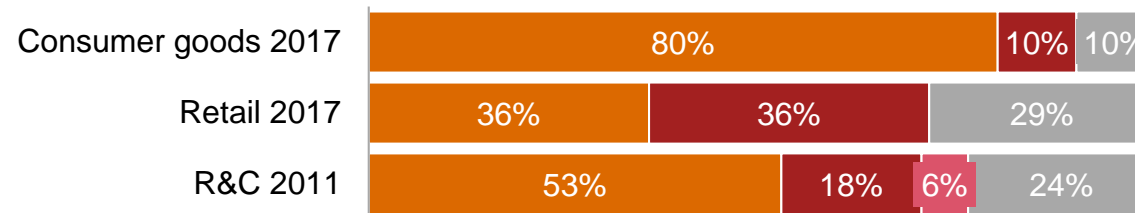
Supervised externally by Non-Chinese logistics companies



Supervised externally by Chinese logistics companies



Supervised internally



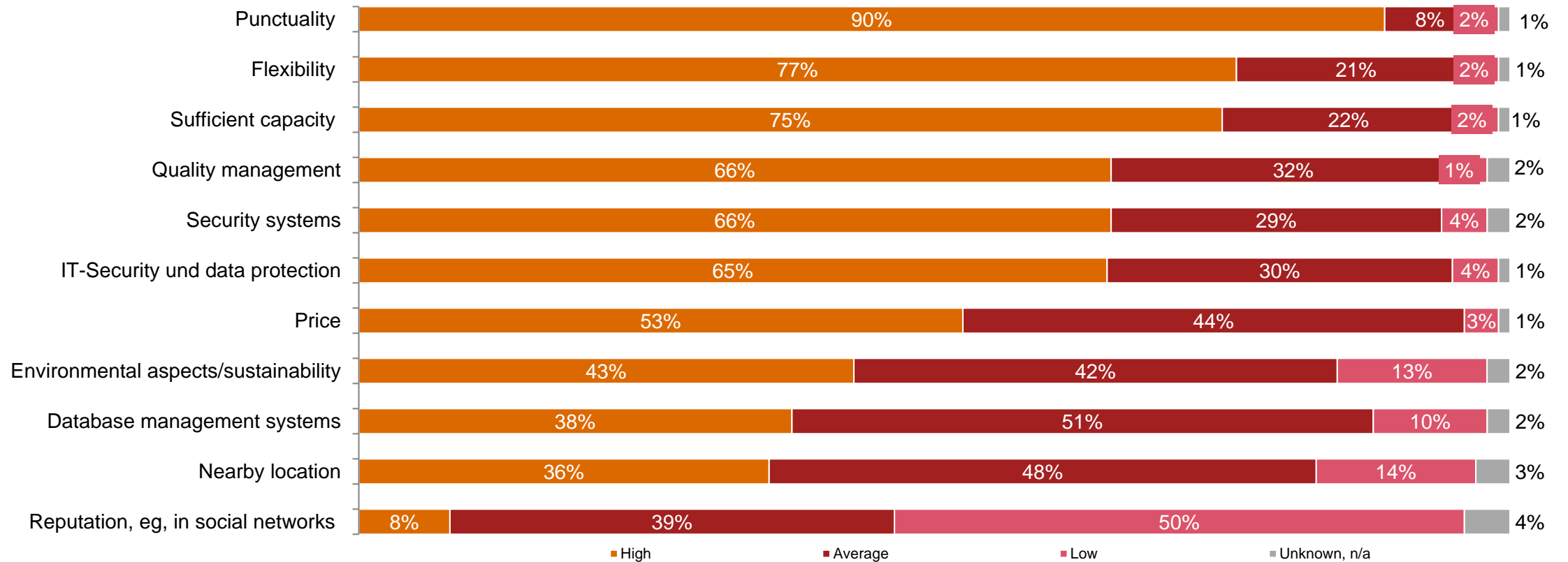
■ High ■ Average ■ Low ■ Unknown, n/a

41%

of companies in the retail and consumer goods industry organise their transports externally with Chinese logistics companies.

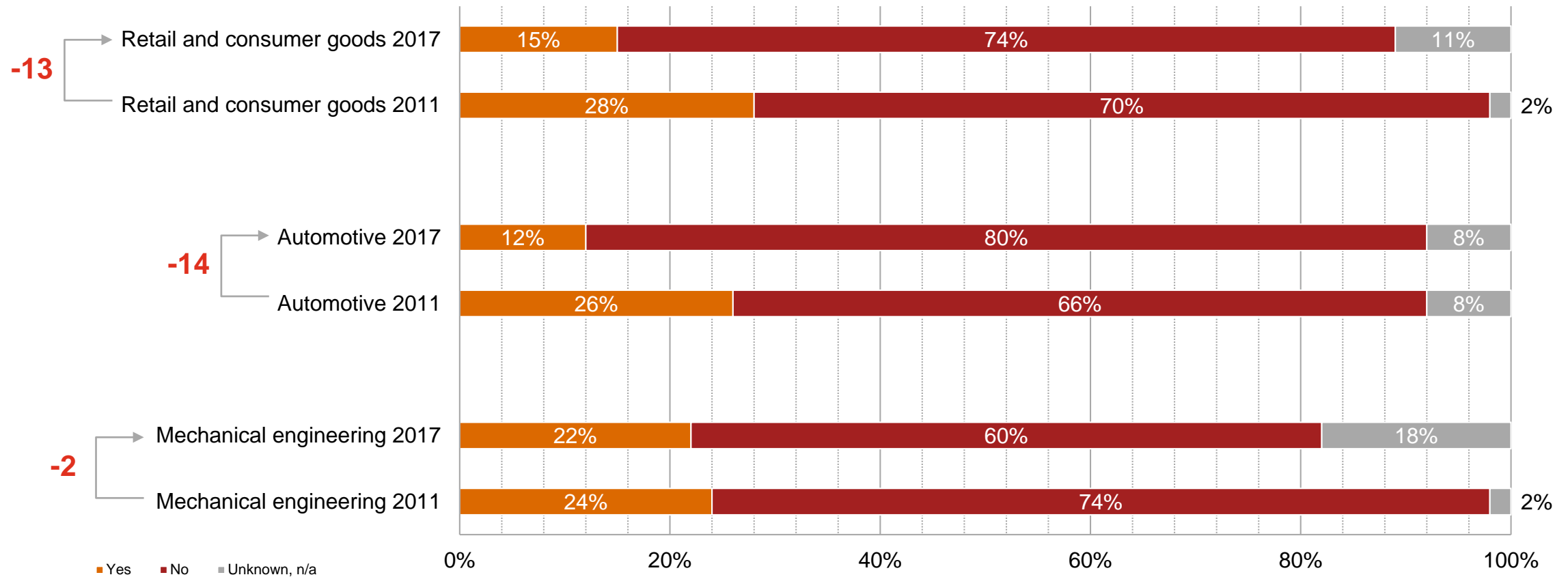
Punctuality and flexibility are important criteria for choosing a logistics provider

Criteria for selecting a logistics provider



Contract logistics providers lose orders at German companies

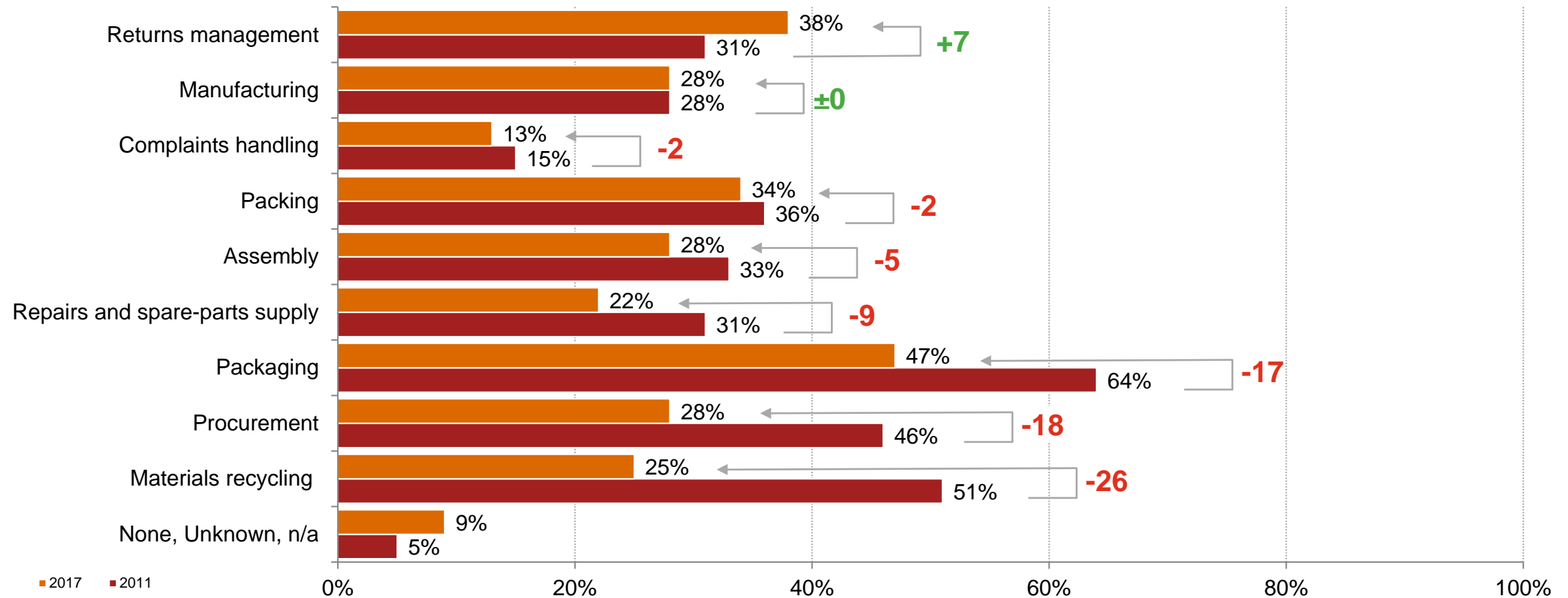
Awarding of contracts to contract logistics providers



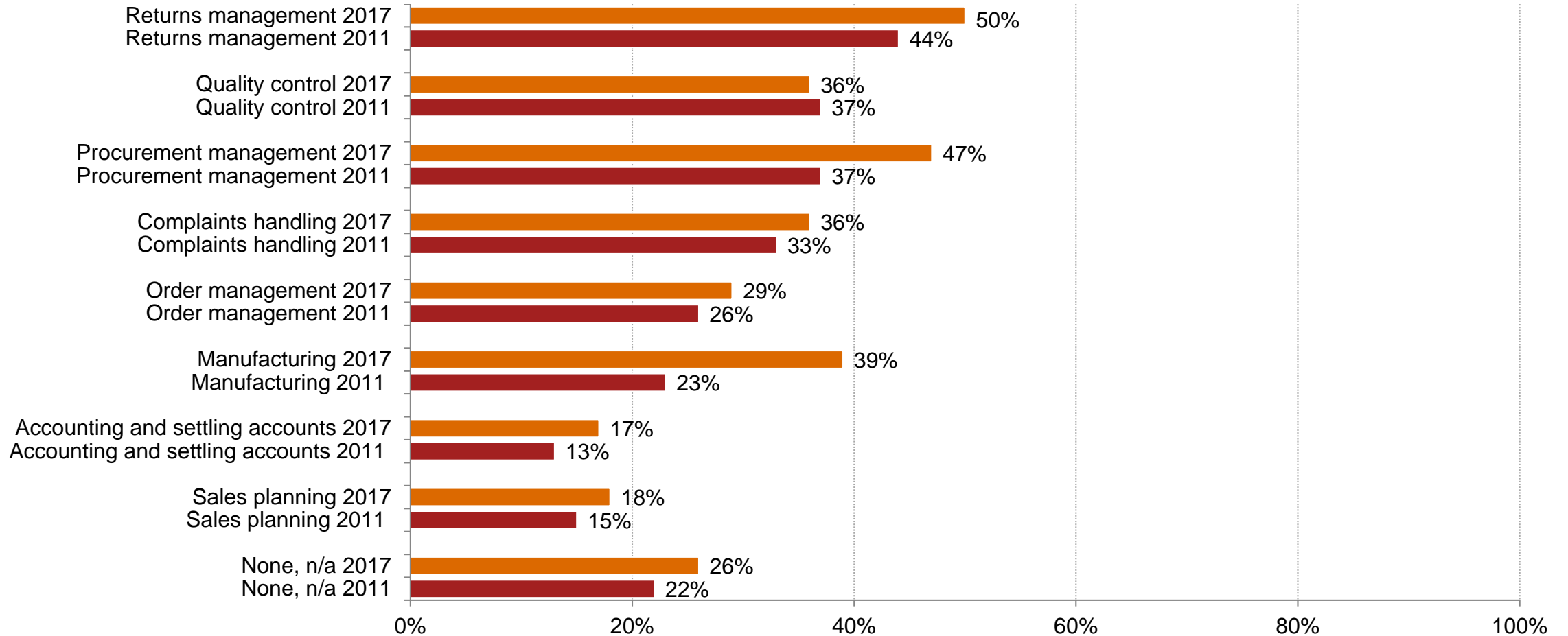
Contract logistics

Returns management expands

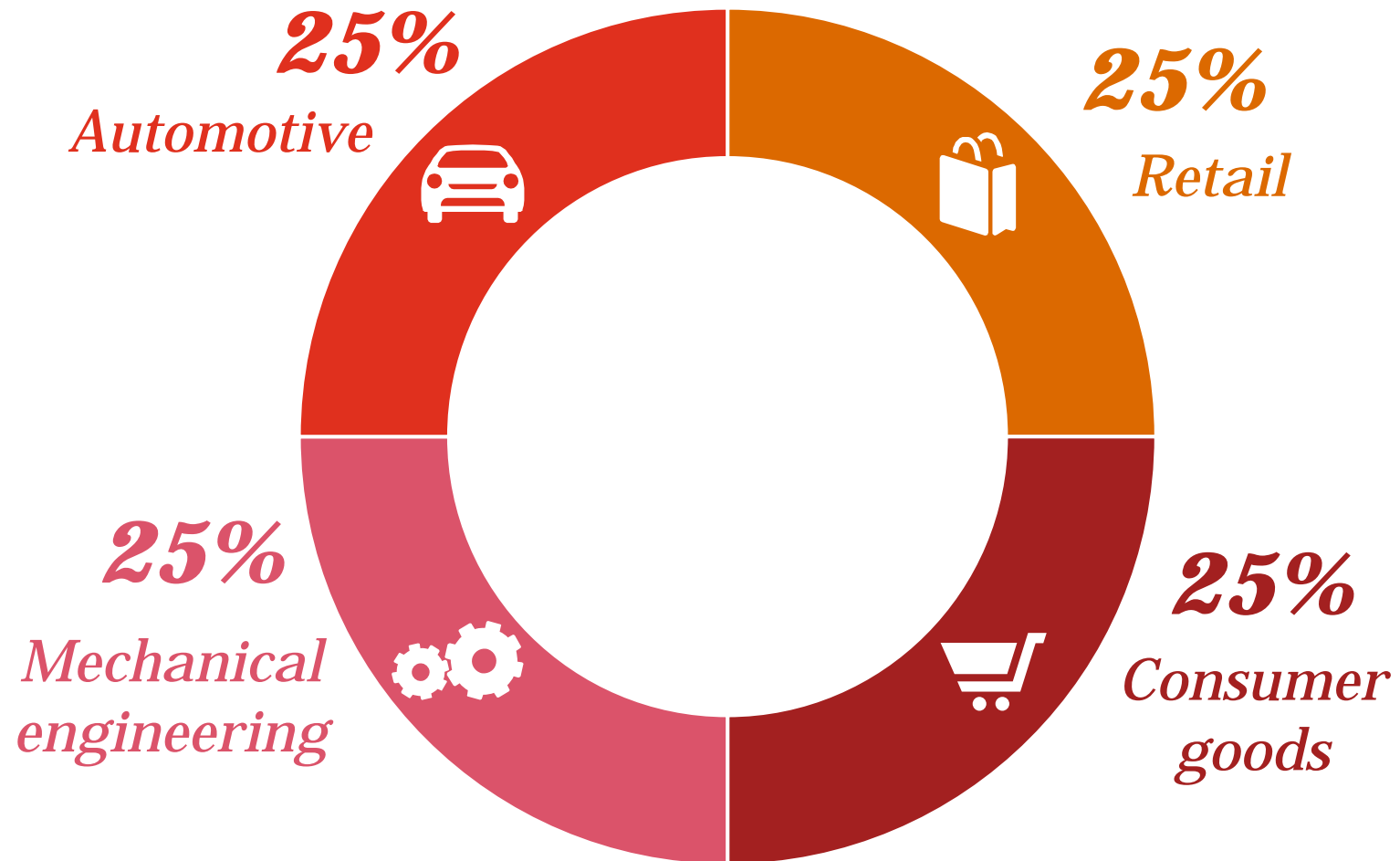
Potential for contract logistics providers (multiple answers possible)



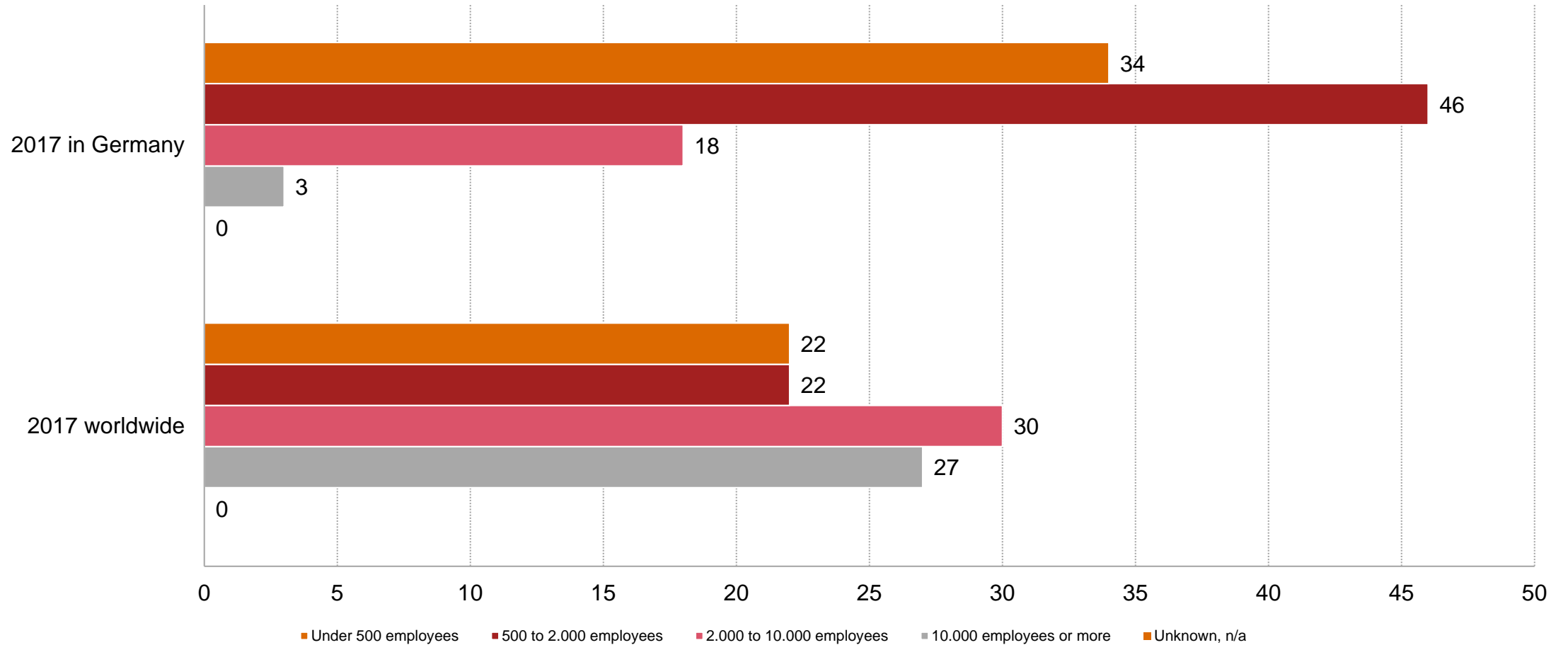
Potential for contract logistics providers exists



Industries surveyed



Number of employees



Companies' line of business

75%

*Manu-
facturing*

25%

Retail



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Thank you.