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FRAUNHOFER CENTER FOR APPLIED RESEARCH ON SUPPLY CHAIN SERVICES
AT THE FRAUNHOFER INSTITUTE FOR INTEGRATED CIRCUITS IIS

PRESS RELEASE

“TOP 100 in European Transport and Logistics Services 2021–2022”

The Fraunhofer Center for Applied Research on Supply Chain Services at the Fraunhofer Institute for Integrated Circuits IIS presents the new edition of the “TOP 100 of Logistics” study series on the European logistics market. As the study shows, the logistics industry in Europe has suffered from the effects of the coronavirus pandemic, but not as severely as other sectors of the economy. Digitalization continues to be an important and stable investment factor. In addition, the crisis has once again highlighted the importance of the logistics industry as a supplier to businesses and to people.

A drop of about 3.5 percent in 2020: Covid-19 was bad news for logistics
As recently as 2019, the development of the logistics industry seemed fundamentally sound, although the fact that economic indicators were already turning a little gloomy suggested that 2019 would not end quite as well as previous years. Looking back, it is now clear that logistics still managed to grow by around 3.1 percent in 2019 (in relation to market prices) to a level of 1155 billion euros in sales. The subsequent slump of about 3.5 percent in 2020 due to the effects of the coronavirus pandemic brought logistics industry sales down to some 1115 billion euros – lower than in 2018, when sales stood at 1120 billion euros.

Better than GDP: The logistics industry has outperformed many other sectors of the economy
Nevertheless, upon closer inspection, this development is not as negative as it first seems. A key comparison with the gross domestic product of the 30 countries in the study (EU27 plus Norway, Switzerland and the UK) shows that in 2020, GDP in relation to market prices fell by some 6 percent in nominal terms – a much bigger slide than in the logistics industry.

There are multiple reasons for this. For one, the restrictions imposed by the lockdown on, say, the consumption of services, such as those in the catering and hotel sectors and tourism in general, have driven demand for consumer goods. This in turn has increased demand for logistics services. In addition, lockdown measures significantly curtailed brick-and-mortar retailing, leading to renewed dynamic growth in e-commerce.

All in all, freight transport and supplementary logistics services have not slumped as much as GDP. Moreover, a lack of freight capacity, especially in air and sea freight, sent freight rates significantly higher in those areas, meaning that more money was paid for

Press and public relations work
Diana Staack | Fraunhofer Center for Applied Research on Supply Chain Services at Fraunhofer IIS | Phone +49 911 58061-9533 | Nordostpark 93 | 90411 Nuremberg | www.scs.fraunhofer.de | diana.staack@iis.fraunhofer.de

the same service. These effects cushioned the decline in the logistics industry, so that at around 2 percent, it was hit less hard than the economy in general.

Investments in digitalization holding steady
Logistics providers are also continuing to invest in digitalizing their organizations: in terms of their annual sales, just over 2 percent of investments are currently flowing into this field. This KPI appears to have remained stable compared with previous years, even during the crisis. Such stability could be due to the fact that investments in digitalization and technology are usually the subject of longer-term planning. At the same time, the crisis also seems to be contributing to the realization that digitalization and automation promote stable, resilient supply chains. In the event of a disruption, more transparency about supply chains is particularly helpful in planning – and digitalization can augment this.

A look ahead to after the crisis
The forecast for the further development of European logistics over the course of 2021 points to a recovery of around 3 percent: this would push logistics industry sales to a level of around 1150 billion euros. Higher growth rates also appear achievable again from 2022 onward. However, these are largely dependent on how the pandemic progresses and the associated cascading effects.

The “TOP 100 in European Transport and Logistics Services 2021–2022”
The latest edition of the study has been published by the Fraunhofer Center for Applied Research on Supply Chain Services SCS at Fraunhofer IIS, together with the Deutsche Verkehrs-Zeitung (DVZ) and BVL (Bundesvereinigung Logistik) e.V. The “TOP 100 in European Transport and Logistics Services 2021–2022” receives support from the following partners: **Aves One, GLP, Nuveen Real Estate and Transporeon.**

The current 2021-2022 study is available from DVV Media Group.

Success and added value thanks to data: The Fraunhofer Center for Applied Research on Supply Chain Services at Fraunhofer IIS applies data to optimize organizations as well as their processes, business models and strategies. To do so, the Center combines economic methods and technological solutions with mathematical procedures and models. Specifically, at its locations in Nuremberg and Bamberg, it designs data spaces for connected systems as well as quickly deployable IoT prototypes, and refines cutting-edge data analytics and management methods in an application-oriented manner – all to ensure that the digital transformation is a success. As a working group of the Fraunhofer Institute for Integrated Circuits IIS, the largest institute in the Fraunhofer-Gesellschaft, the employees can draw on more than their own economic skills and analytics expertise; they also have access to the institute’s full technological know-how in the field of cognitive sensor technology, including its research into sensor technology, data transmission technology, data analysis methods and data utilization.

Head of Corporate Communications: Thoralf Dietz | Fraunhofer Institute for Integrated Circuits IIS | Am Wolfsmantel 33 | 91058 Erlangen | www.iis.fraunhofer.de | thoralf.dietz@iis.fraunhofer.de