



Rewiring European Logistics for Success HUPAC Annual Event

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Lugano, May 2025

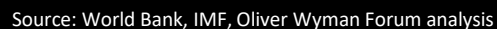
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Global trade as share of world GDP (key measure of globalization)
%, 1980–2029 (projection by IMF)



Slow down of global trade

Dependency on supplier markets, e.g., up to **150x** increase in China
dependency when looking beyond Tier 1 suppliers

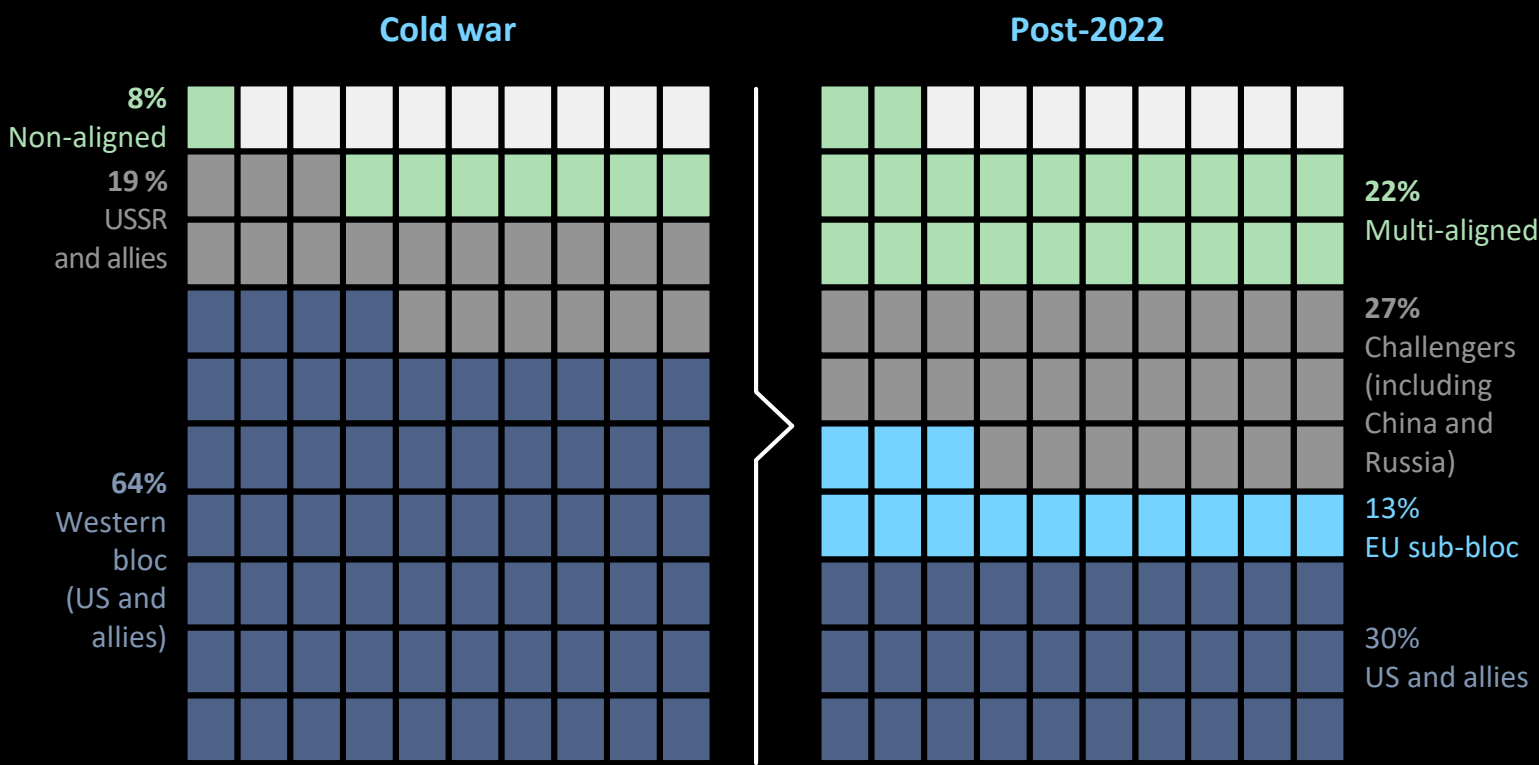
Offsetting volatility

due to interconnectivity
of economies

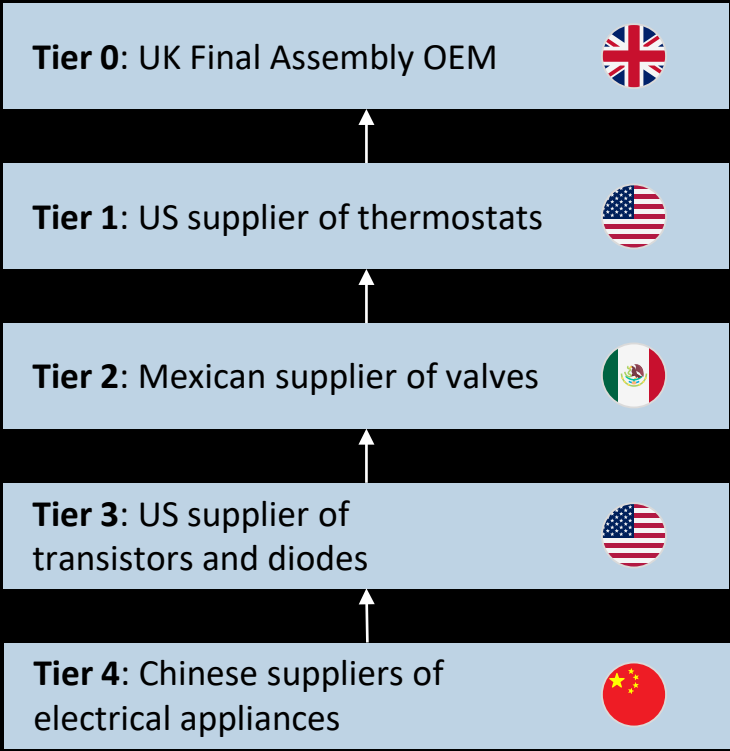
“Weaponization of Economy”:
Reduction of trade deficits through **tariffs**

THE WORLD HAS BECOME INCREASINGLY MULTIPOLAR, CHARACTERIZED BY LONGER AND MORE COMPLEX SUPPLY CHAINS THAT SPAN ACROSS VARIOUS REGIONS

Polarization into blocs
as % of real GDP



Supply chains are longer
Example: UK automotive Multistage cooling system assembly

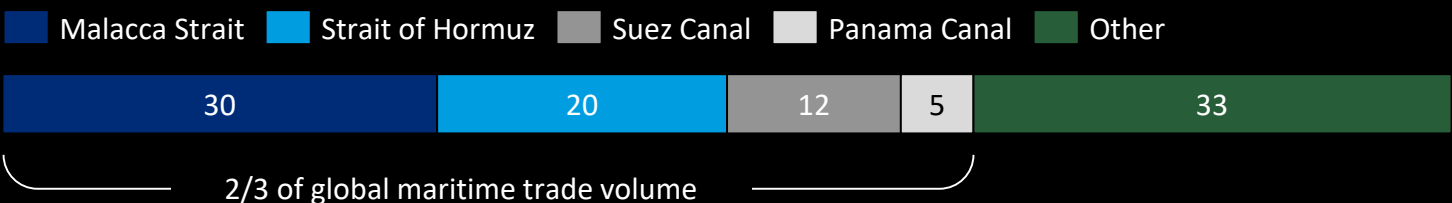


THIS INTERCONNECTEDNESS HAS CREATED SIGNIFICANT VULNERABILITIES, PARTICULARLY AS GLOBAL INTERDEPENDENCIES HAVE DEEPENED IN CERTAIN SUPPLY CHAINS

Shanghai Containerized Freight Index
April 2010 – April 2024



Key maritime chokepoints
% of global maritime trade volume



Risks of interconnected supply chains



Natural disasters and climate events disrupt routes and damage infrastructure at **\$320bn/year**



Geopolitical instability¹ impacts the global economy by **\$14.5tn over the next 5 years**



Persistent inflation and high interest rates drove manufacturing firms' net income margins **down 63% over the last 10 years**

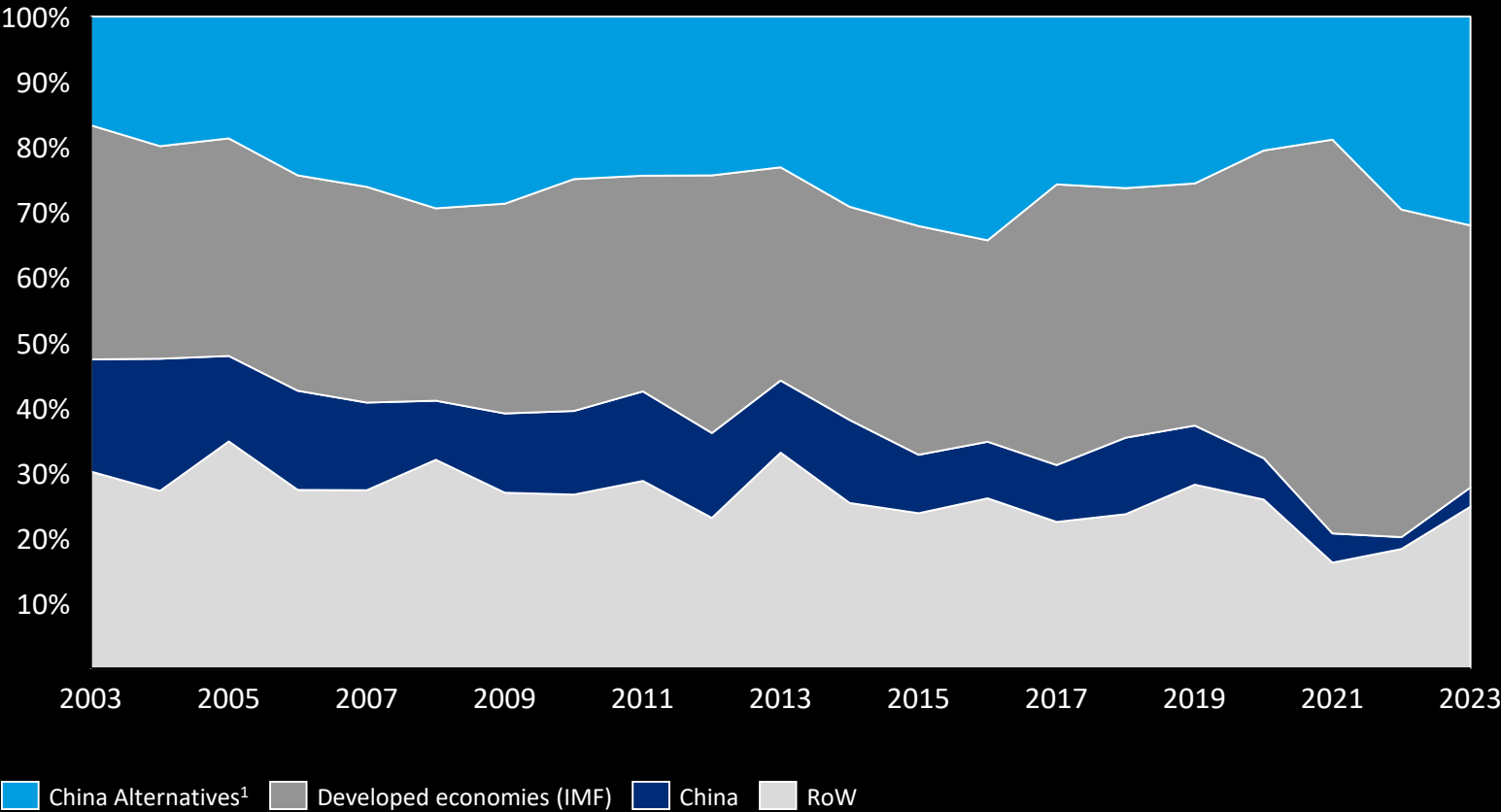


Shortages of key components, materials and commodities

1. Estimated global economic impact over five years of a future major geopolitical conflict scenario with invaded territory
Source: UNCTAD, IMF Portwatch, Lloyd's, Oliver Wyman Forum analysis

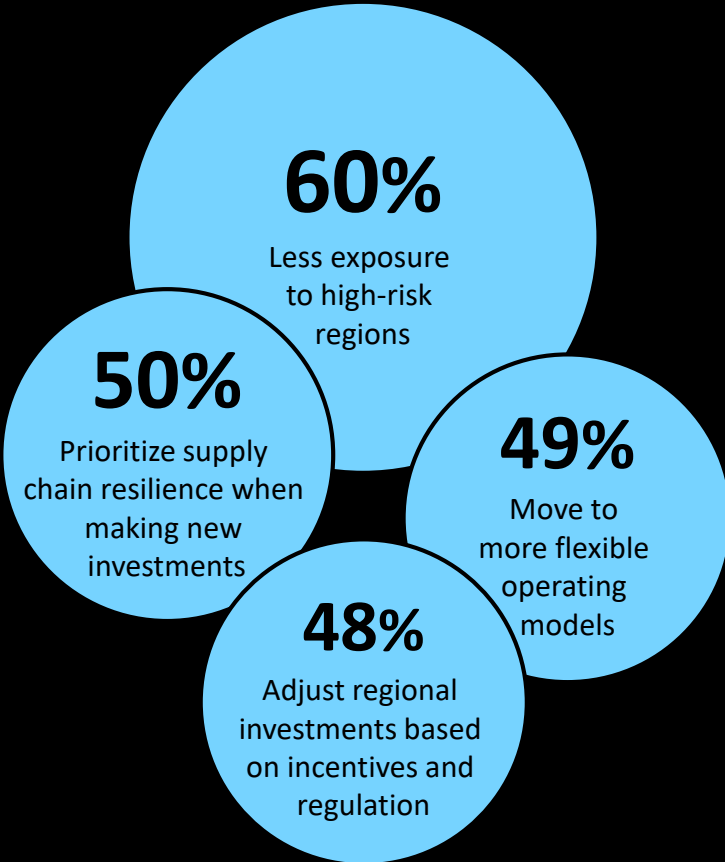
COMPANIES ARE RESPONDING BY REDESIGNING THEIR SUPPLY CHAINS TO BE MORE RESILIENT AND FLEXIBLE

Inbound greenfield FDI CAPEX by country group
in \$ MN CAPEX, 2003-2023 each year



1. Brazil, Egypt, India, Indonesia, Malaysia, Mexico, Morocco, Saudi Arabia, Thailand, Turkey, United Arab Emirates, Vietnam
Source: FDI Markets, Oliver Wyman Forum analysis

Actions of CEOs to address geopolitical instability, protectionism and trade barriers
% of CEOs selected



THIS PRESENTS NEW OPPORTUNITIES FOR LOGISTICS PROVIDERS TO EXPAND THEIR SERVICES AND ENHANCE THEIR MARKET POSITION



Management of more complex supply and transport chains



Handling of customs and regulatory situations



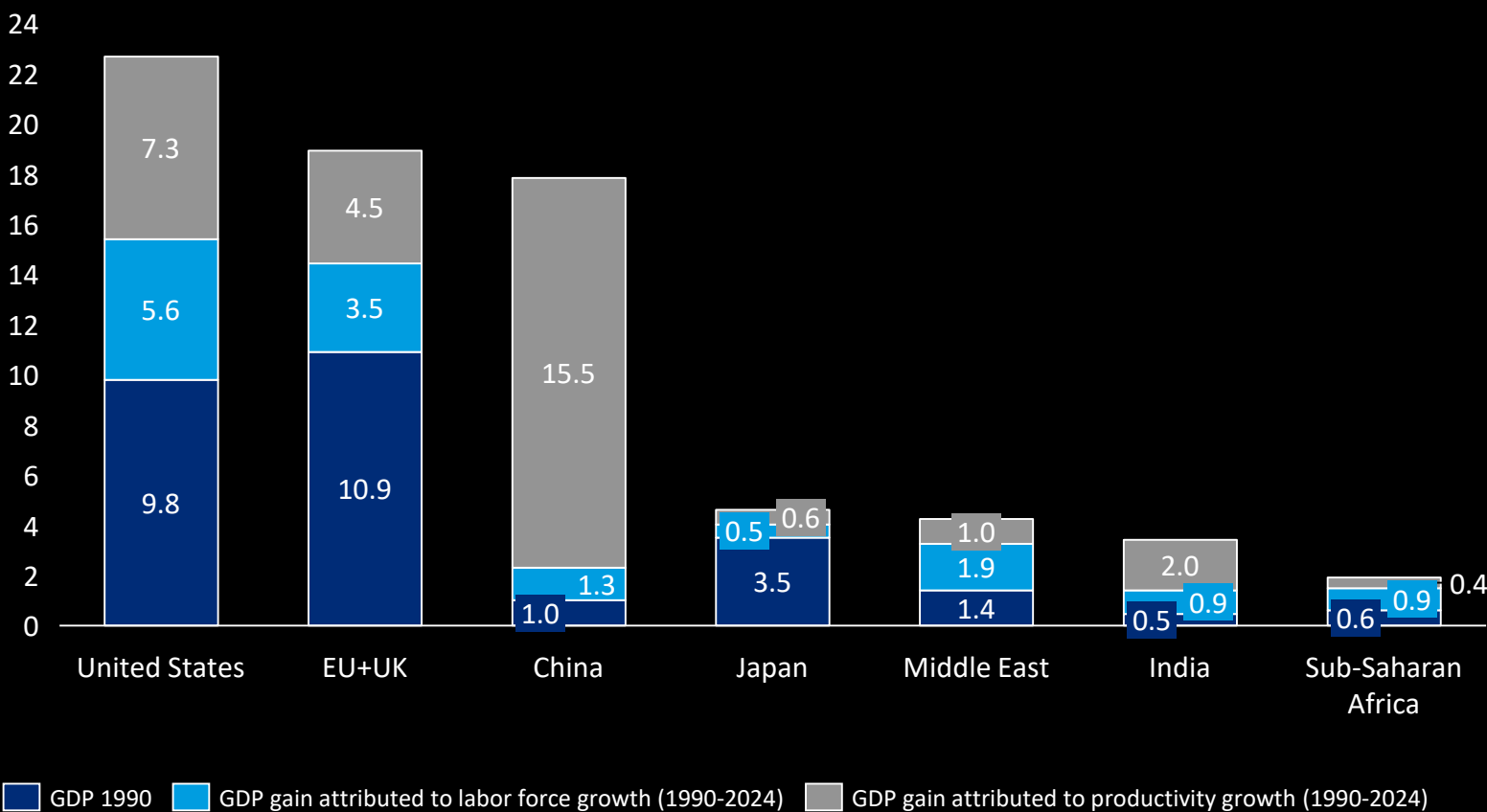
De-risking supply chains



Expansion into new supplier markets and geographical regions

THE SITUATION IN EUROPE: MAJOR CHALLENGES FOR THE DECADES TO COME IN ORDER TO CONTINUE THRIVING AS A LEADER IN A MULTIPOLAR WORLD

Total 2024 GDP by country and region
in \$ TN, 1990 and 2024



Major European challenges on the horizon

50%

of electricity lines are >40 years old in need of multi-billion € investments

17%

drop in working-age population until 2050

20%

decline in car production volumes since the peak in 2018, with Automotive influencing 20% of GDP

371%

More regulations adopted in the EU vs. US (13,000 vs. 3,500) in the last five years

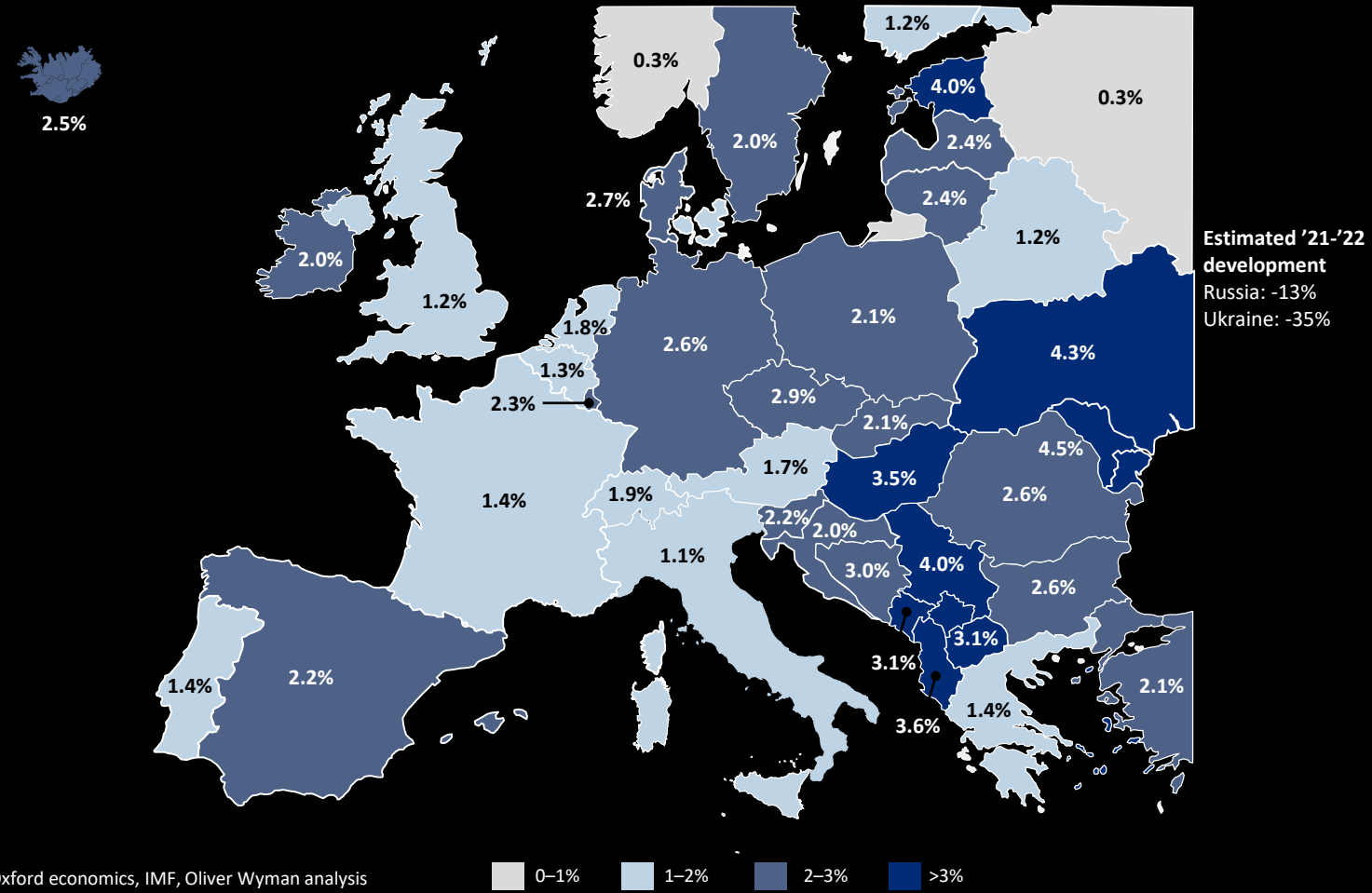
500%

less growth in productivity than China

Source: United Nations, Our World in Data, Reuters, Business Europe, World Bank Oliver Wyman Forum analysis

DESPITE CHALLENGES, EUROPE'S LOGISTICS SECTOR HAS SIGNIFICANT OPPORTUNITIES, ESPECIALLY IN EMERGING AREAS AND INTEREUROPEAN LOGISTICS

Europe GDP growth by country/ region excl. services
in % real annual growth rate, 2025–2030



Opportunities for the European logistics sector
Non-exhaustive



Near-shoring
of manufacturing capacity
to Eastern Europe

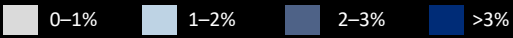


Re-industrialization of
strategic sectors, in clusters,
e.g., defence sector






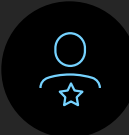



**Growth in new trade
lanes** in a more complex,
multi-polar world

Source: Oxford economics, IMF, Oliver Wyman analysis



THE EUROPEAN LOGISTICS INDUSTRY WILL PLAY A VITAL ROLE IN CAPTURING THESE OPPORTUNITIES, WITH AVAILABILITY, EFFICIENCY, AND CONVENIENCE AS KEY PRIORITIES

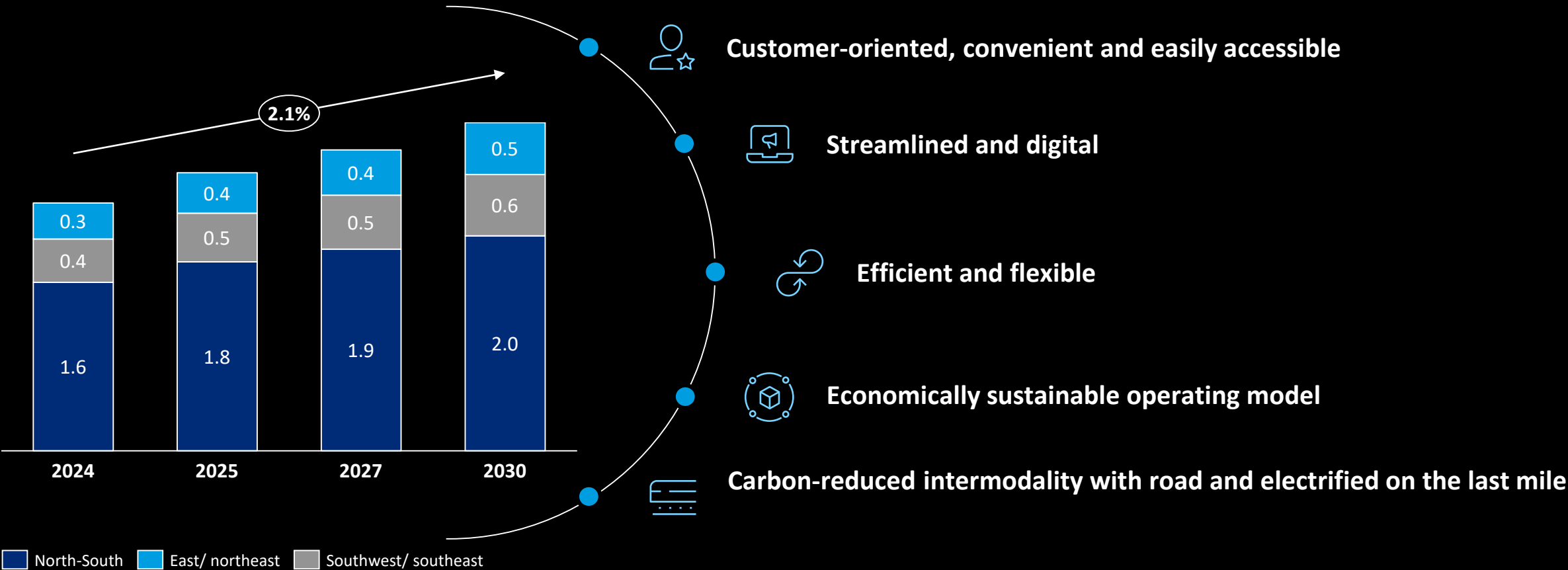
		Customer requirements				
Levers:		<div> Availability</div>	×	<div> Efficiency</div>	×	<div> Convenience</div>
<div> Infrastructure</div>		<ul style="list-style-type: none">• Secured capacity• Flexibility		<ul style="list-style-type: none">• Price• Reliability• Performance		<ul style="list-style-type: none">• Easy to access and use• Transparency
<div> Collaboration</div>						
<div> Talent</div>						
<div> Digitalization</div>						

Source: Oliver Wyman survey with 45 participants and 18 interviews

VISION FOR EUROPE: A COMPREHENSIVE, INTERMODAL, HIGHLY INTEGRATED, AND DIGITALIZED TRANSPORT BACKBONE TO SUPPORT EUROPE'S ECONOMIC RECOVERY

Forecast continental intermodal volume on focus corridors¹ and success factors
in MN freight carrying units

+xx% CAGR



1. Growth assumptions: Total transport volume growth on focus corridors is based on the projected development of goods exports/imports/GDP for country relations along these corridors (based on Oxford Economics, February 2024); 2023–2025 volumes are adjusted based on actual expected 2023 volumes; between 2025–2030, modal share growth assumes an annual shift of 0.5% of road freight suitable for combined transport
Source: Eurostat, Oxford Economics, UIRR, Oliver Wyman analysis

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