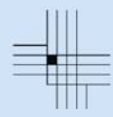


# Structure and development potential of the logistics sector in Leipzig and Central Germany

Leipzig 05/ 2005



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# Structure and development potential of the logistics sector in Leipzig and Central Germany

## Region Central Germany

Central Germany is defined as the region within a 100 km radius, measured from the Schkeuditzer Kreuz Autobahn junction (Airport Leipzig/Halle).

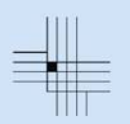
The extension of the European Union to the east has propelled the region into the center of the European economic area. Situated within the region are the most important industrial and commercial areas of the Federal States of Saxony, Saxony-Anhalt and Thuringia.



Central Germany in Europe



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# Structure and development potential of the logistics sector in Leipzig and Central Germany

## Economic Power in Central Germany

### Saxony:

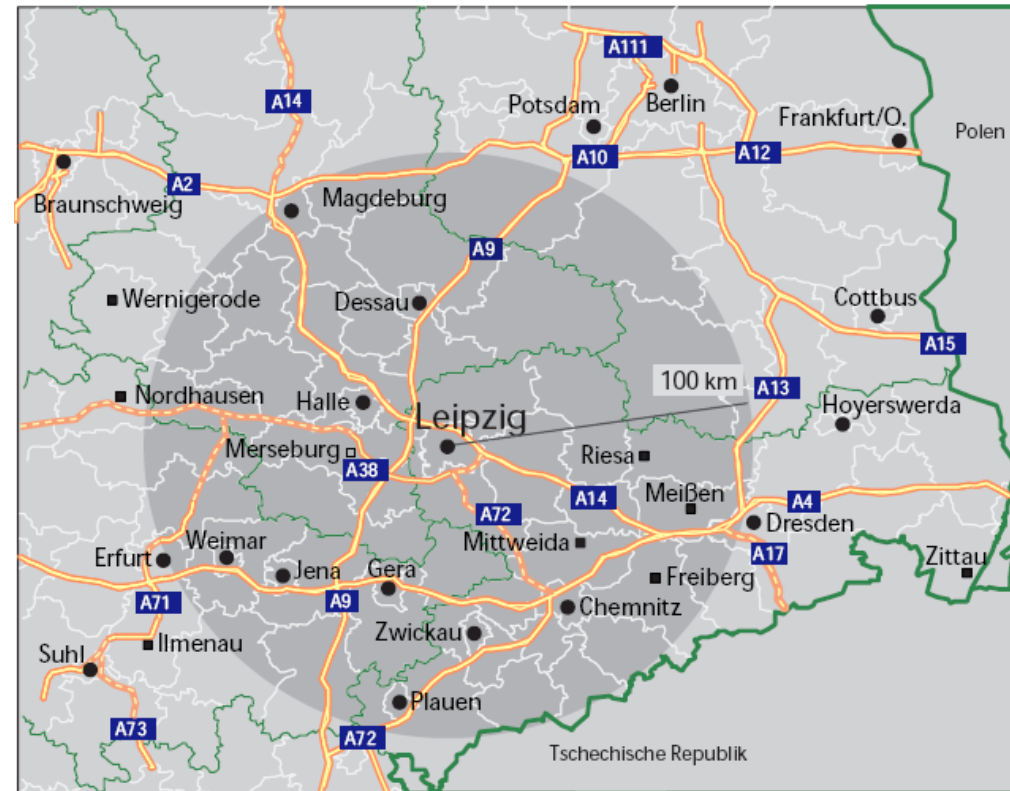
|              |           |
|--------------|-----------|
| Inhabitants: | 2,936,052 |
| Labor force: | 1,278,000 |
| GDP / Inh.:  | 17,067 €  |

### Saxony-Anhalt:

|               |           |
|---------------|-----------|
| Inhabitants : | 1,845,888 |
| Labor force : | 765,200   |
| GDP / Inh.:   | 16,421 €  |

### Thuringia:

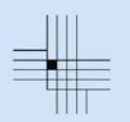
|               |           |
|---------------|-----------|
| Inhabitants : | 1,252,674 |
| Labor force : | 576,300   |
| GDP / Inh.:   | 17,496 €  |



Region Central Germany



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# Structure and development potential of the logistics sector in Leipzig and Central Germany

## Economic Power: The new EU member states

### Central Germany:

Inhabitants : 6,034,614  
 Labor force : 2,619,500  
 GDP / Inh.: 16,995 €

### Czech Republic:

Inhabitants : 10,206,400  
 Labor force : 4,763,000  
 GDP / Inh.: 7,700 €

### Germany:

Inhabitants : 82,440,000  
 Labor force : 36,536,000  
 GDP / Inh.: 25,600 €

### Austria:

Inhabitants : 8,039,000  
 Labor force : 3,532,900  
 GDP / Inh.: 27,100 €

### Poland:

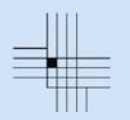
Inhabitants : 38,237,000  
 Labor force : 15,280,000  
 GDP / Inh.: 5,300 €

### Slovakia:

Inhabitants : 5,379,000  
 Labor force : 2,111,000  
 GDP / Inh.: 4,800 €



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# Structure and development potential of the logistics sector in Leipzig and Central Germany

## Transportation infrastructure

The road network is at the crossroads of the flow of goods between Scandinavia and Southern Europe and from the Benelux countries to Eastern Europe.

The road infrastructure, which has been extended and maintained to a very high standard, offers high capacities and is also devoid of any meaningful congestion.

Due to the projected closing of network gaps, a redundant network for a large variety of transportation relations can be employed in the event of local disruptions.

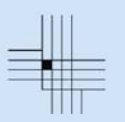
Central Germany has shifted to the centre of the European economic zone.



Lorry travel times



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# Structure and development potential of the logistics sector in Leipzig and Central Germany

## Railway Network

Another advantage of the region lies in the excellent railway network with the main junction in Leipzig.

Travel times have been reduced significantly as a result of the continuous extension of the railway lines. There is still demand to close the network gap between Central Germany and the Rhein-Main-Region.

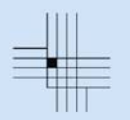
Several private railway companies in Central Germany are offering a broad range of services to their customers.



Transportation Infrastructure: Railway



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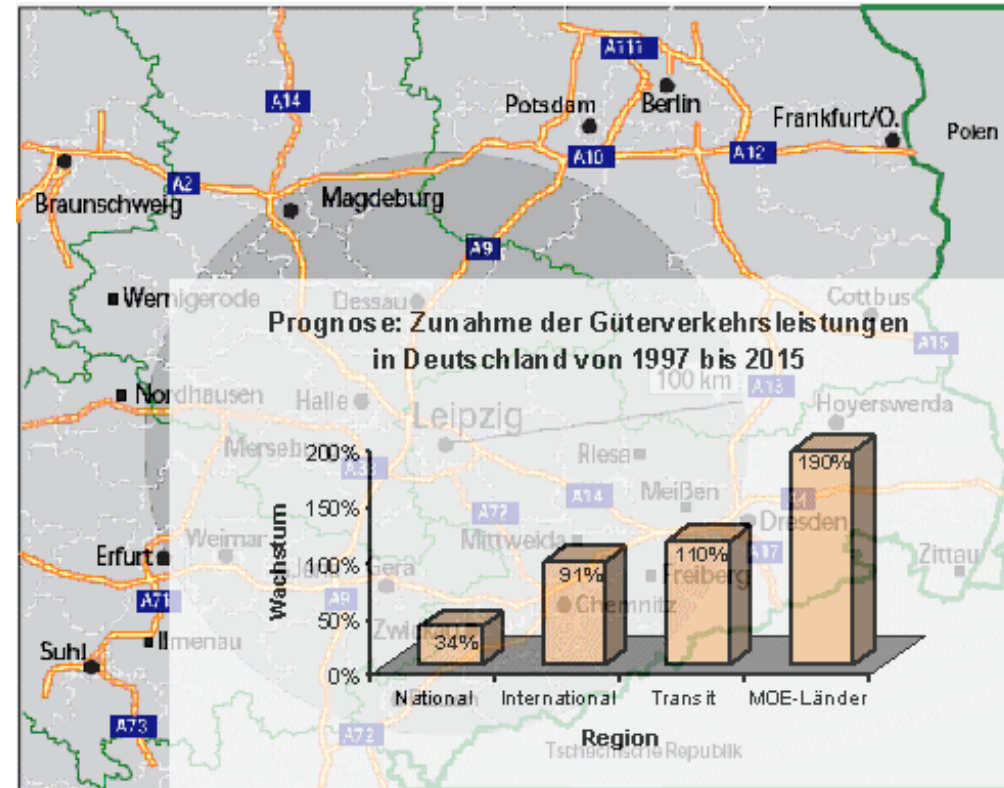
# Structure and development potential of the logistics sector in Leipzig and Central Germany

## Volume of goods traffic

Transport of goods in Germany is predicted to increase significantly until 2015.

**Most notably, the predicted increase is higher than the average growth of transit traffic flow and transport to Central European countries.**

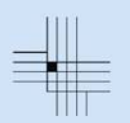
Central Germany will be able to benefit from this growth because of its central location and might develop into a Central European transport hub, simultaneously supplying the German and Western European markets.



Volume of goods traffic in Germany (1997-2015)



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# Structure and development potential of the logistics sector in Leipzig and Central Germany

## Logistical development core

**The logistical development core of Central Germany comprises the Schkeuditzer Kreuz Autobahn junction.**

This junction represents a trimodal hub at the interchange of the Autobahn A 9 and the A 14. Located immediately adjacent to it are Leipzig/Halle Airport and the Leipzig Cargo Transport Center. A 24-hour operation permit, ample spare capacity and the extension of the airport for parallel operation of its runways are vital factors for the settlement of the express service DHL at this site.

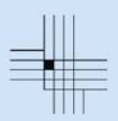
The Leipzig Cargo Transport Center is the largest terminal for combined traffic in Eastern Germany



Schkeuditzer Kreuz



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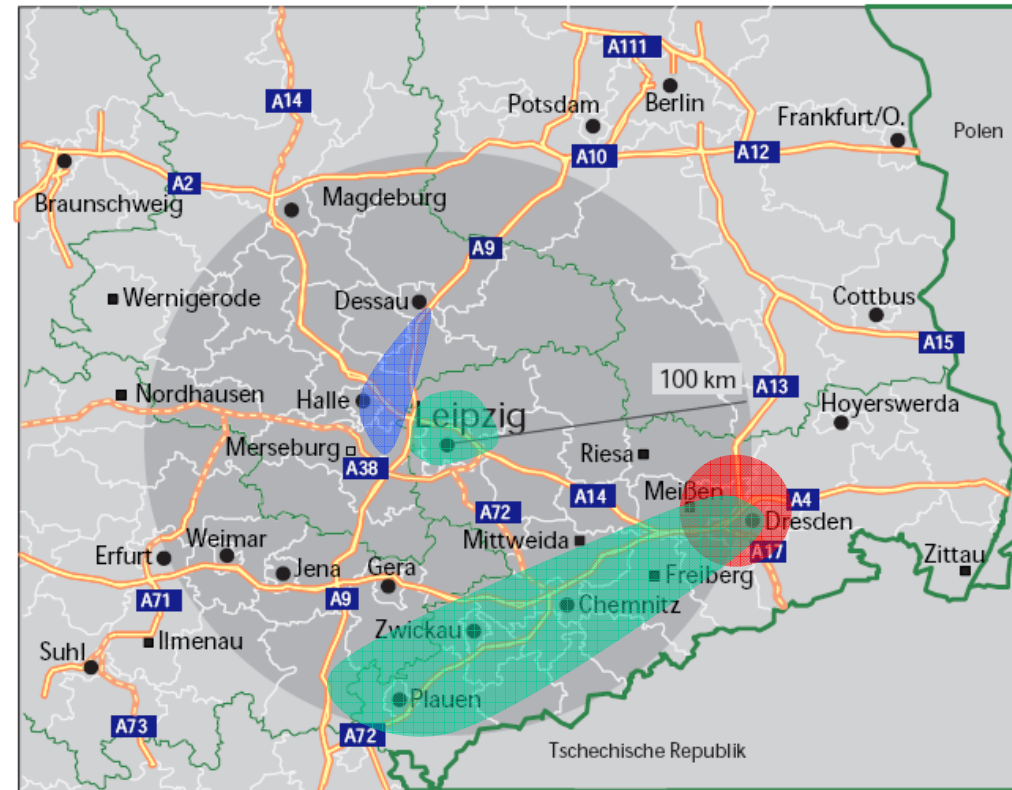
# Structure and development potential of the logistics sector in Leipzig and Central Germany

## Regional economic clusters

**Automobile and related industries:**  
60,000 regional employees in 450 enterprises

**Chemical industry:**  
25,000 regional employees in Saxony, Saxony-Anhalt and Thuringia

**Semi-conductor industries:**  
22,000 employees in Saxony



Automobile and related industries  
Chemical Industry  
Semi-conductor industries

Regional economic clusters



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# Structure and development potential of the logistics sector in Leipzig and Central Germany

## BMW Factory Leipzig

### Employees:

- About 5,500 employees in 2007

### Investment:

- 1.3 billion €
- New plant built for BMW's 3 Series
- 650 cars to be built daily (full capacity)
- Production launched in March 2005



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# Structure and development potential of the logistics sector in Leipzig and Central Germany

## DHL Hub Leipzig

### Employees:

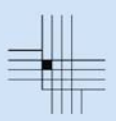
- About 2000 directly employed (2007)
- About 4,000 indirectly employed (2007)

### Investment:

- About 300 million €
- DHL's international aviation hub
- Capacity: 600,000 t/ Year
- About 3,500 jobs to be created at DHL by 2012
- Another 7,000 jobs expected in related areas



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# Structure and development potential of the logistics sector in Leipzig and Central Germany

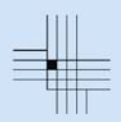
## Quelle Distribution Center Leipzig

### Employee:

- About 2,500 employees
- Quelle AG operates Europe's most advanced mail-order center
- Leipzig is Quelle's logistical backbone
- 180,000 parcels sent daily
- Expansion to Eastern Europe  
Polish customers to be supplied  
as of July 2005



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# Structure and development potential of the logistics sector in Leipzig and Central Germany

## Logistics and IT

**The information technology sector shows potential for optimization.**

3 % of all businesses in Central Germany are members of the IT branch, and there is little evidence of any specialization in the field of logistics service among these companies.

The screenshot shows the GateDig software interface with the following sections:

- Readable transponders:** A large yellow rectangular area with a blue outline of a gate.
- Ident:** A section titled "Gate-Antenne" with a table for counts:

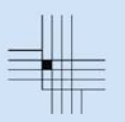
|       | Bottom | Middle | Top |
|-------|--------|--------|-----|
| Count | 8      | 4      | 5   |
- Sensors:** A row of five green circular indicators labeled "Reader", "IO\_00", "IO\_01", "IO\_02", and "DB" with corresponding numerical values below them:

| Reader | IO_00 | IO_01 | IO_02 | DB |
|--------|-------|-------|-------|----|
| 17     | 39    | 39    | 39    | 17 |
- Shipment data:** Fields for "Pallet number" (2), "Date of shipping" (13.10.2003), "Shipping route" (Warehouse), "Shipping code" (160023), and "Pallet weight" (28.1).
- Summary:** A table comparing "Box count" and "Pallet weight" for AIBP, HMG, and Difference:

|               | AIBP | HMG  | Difference |
|---------------|------|------|------------|
| Box count     | 17   | 17   | 0          |
| Pallet weight | 26.3 | 28.1 | 1.8        |
- Application:** Two large buttons labeled "Start" and "Exit".



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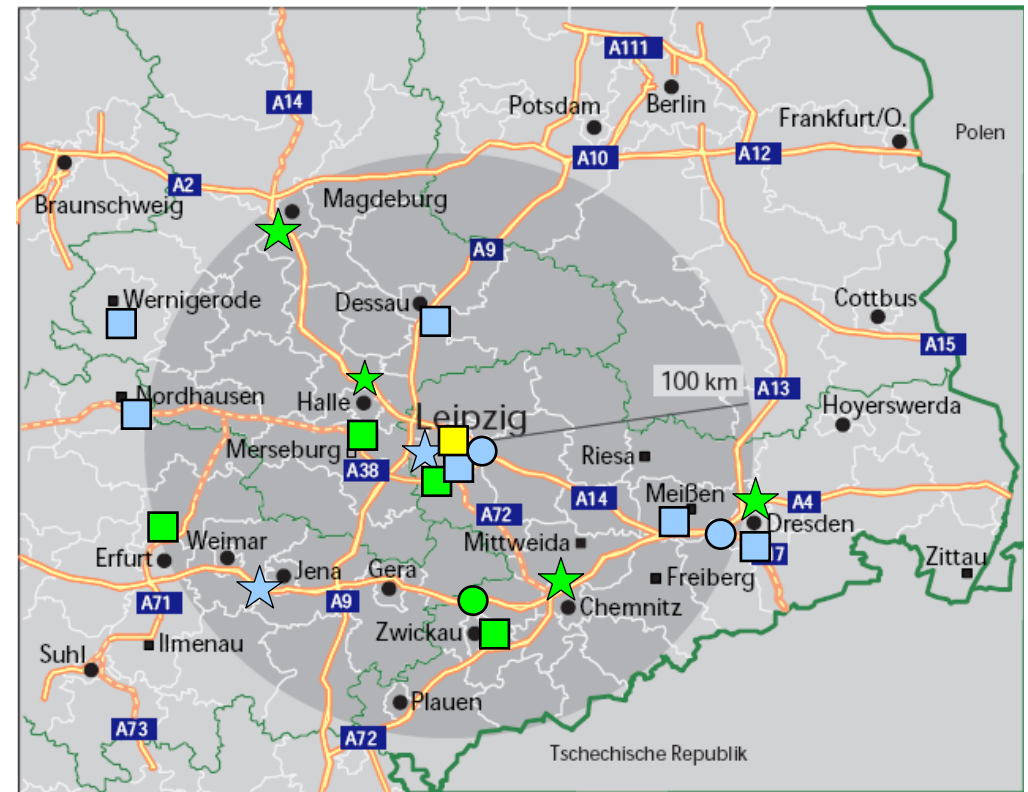
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# Structure and development potential of the logistics sector in Leipzig and Central Germany

## Universities in Central Germany

The curriculum of the regional colleges and universities is also rather limited. Only Dresden and Magdeburg offer comprehensive computer science and logistics programs; more generally, restricted or partial programs are offered at universities of applied science and other miscellaneous colleges.



Logistik & Informatik

Logistik

Informatik

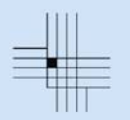
University: ★

Applied science: ■

Regional colleges: ●



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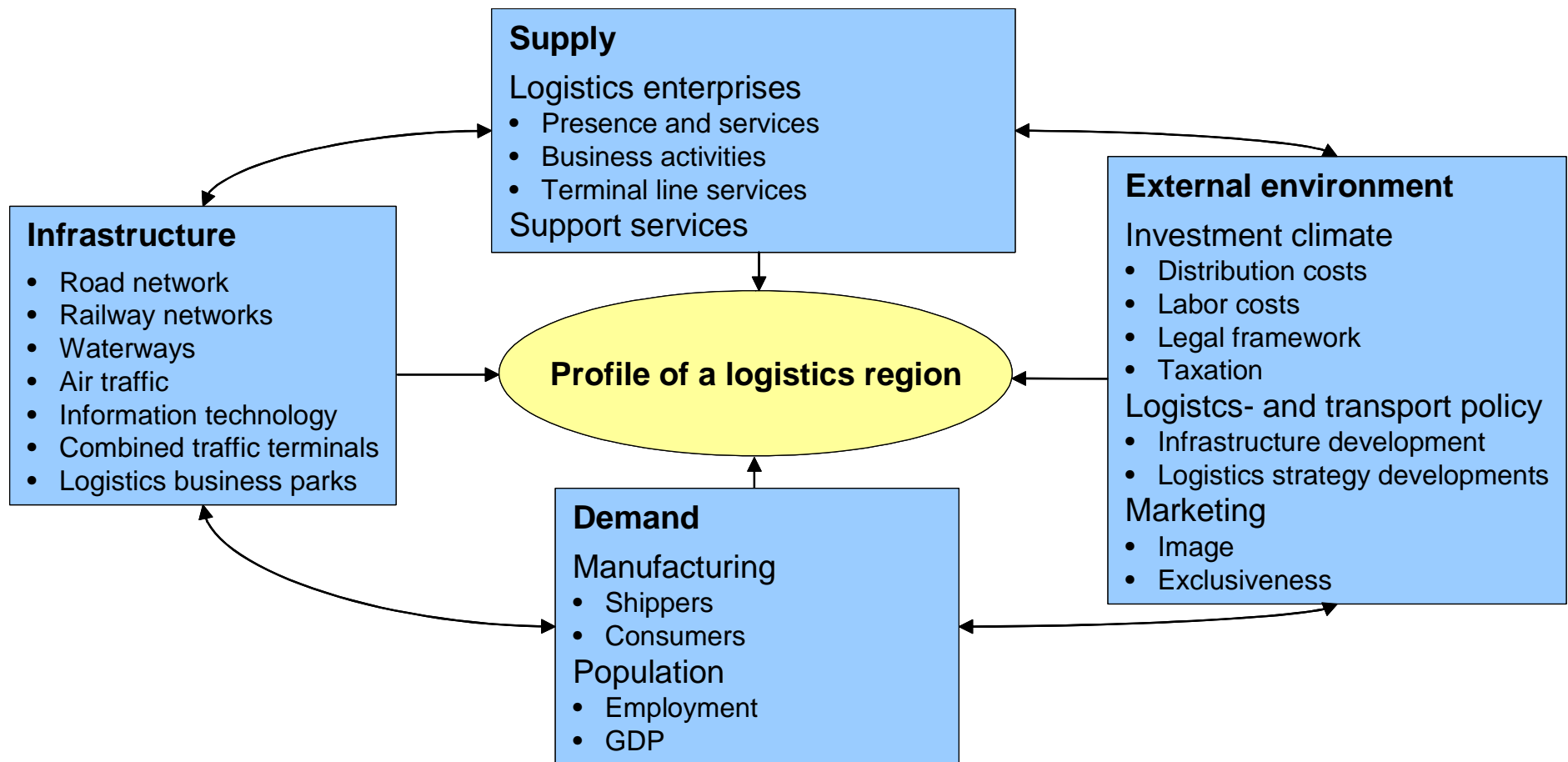


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# Structure and development potential of the logistics sector in Leipzig and Central Germany

## Success factors of a logistics region



# Structure and development potential of the logistics sector in Leipzig and Central Germany

## Development potential

The essential conclusion of this study is that the development potential of Central Germany as a logistics region can be regarded as very good.

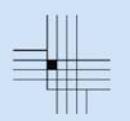
The development of Central Germany, which encompasses major parts of three federal states, has to be initiated and promoted from the development core, comprising Schkeuditzer Kreuz, Leipzig/ Halle Airport and Cargo Transport Center Leipzig, towards the peripheral parts of the region. In order to guarantee a stable economic development in the long term, fair competition between all sites must be initiated.



**The development of Central Germany into a logistics region will generate up to 100,000 additional jobs in the period up to 2015 (10 % of the regional workforce)**



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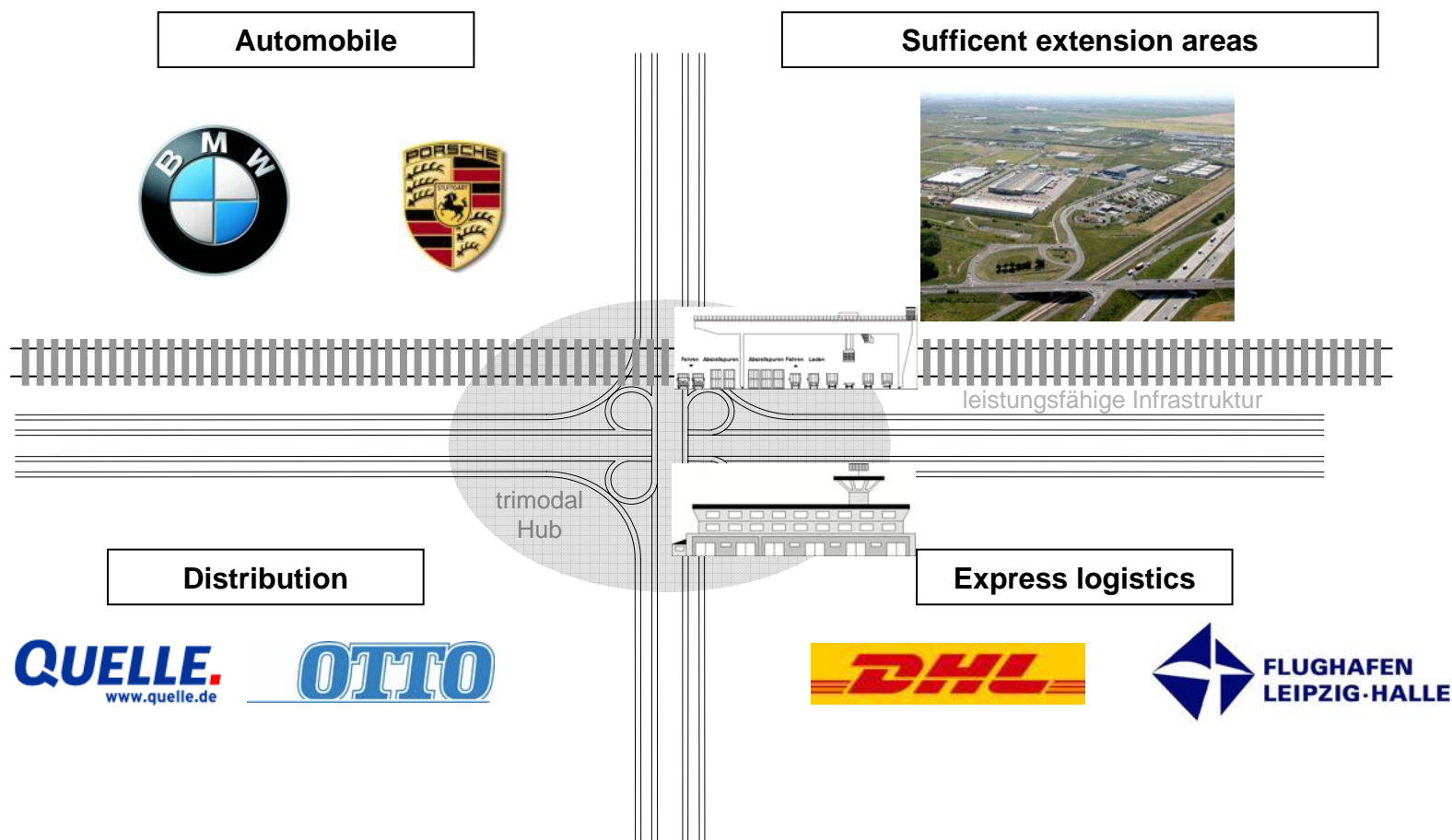


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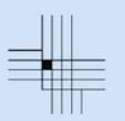
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# Structure and development potential of the logistics sector in Leipzig and Central Germany

## Success factors: Logistics region Leipzig / Central Germany



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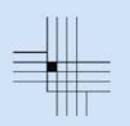
# Structure and development potential of the logistics sector in Leipzig and Central Germany

## Important measures in the short term

- Initiate systematic development and marketing of Central Germany as a logistics region
- Improvement of the regional image and profile brought by the large commercial and industrial settlements
- Extension and promotion of the regional IT knowledge base and of the professional and academic qualification in the area of logistics
- Formation of a regional knowledge base, e.g., in the form of a “Logistics- and IT Club of Central Germany
- Closing of network gaps and the removal of capacity constraints on the road and rail network
- Initiate a specialized congress with an integrated focus fair



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