

FEHMARN BELT BUSINESS CONFERENCE 2010



COPENHAGEN CAPACITY

- The Danish Capital Region's official inward investment agency
- Assists foreign companies free of charge and in complete confidentiality
- Marketing of the region within the following areas:
 - Life Science
 - Head office, logistics and distribution
 - Expand & Retain
 - Film and creative sectors
 - Cleantech
- Performance contract entered into with Region Zealand in 2008, one of the focus areas is logistics and distribution

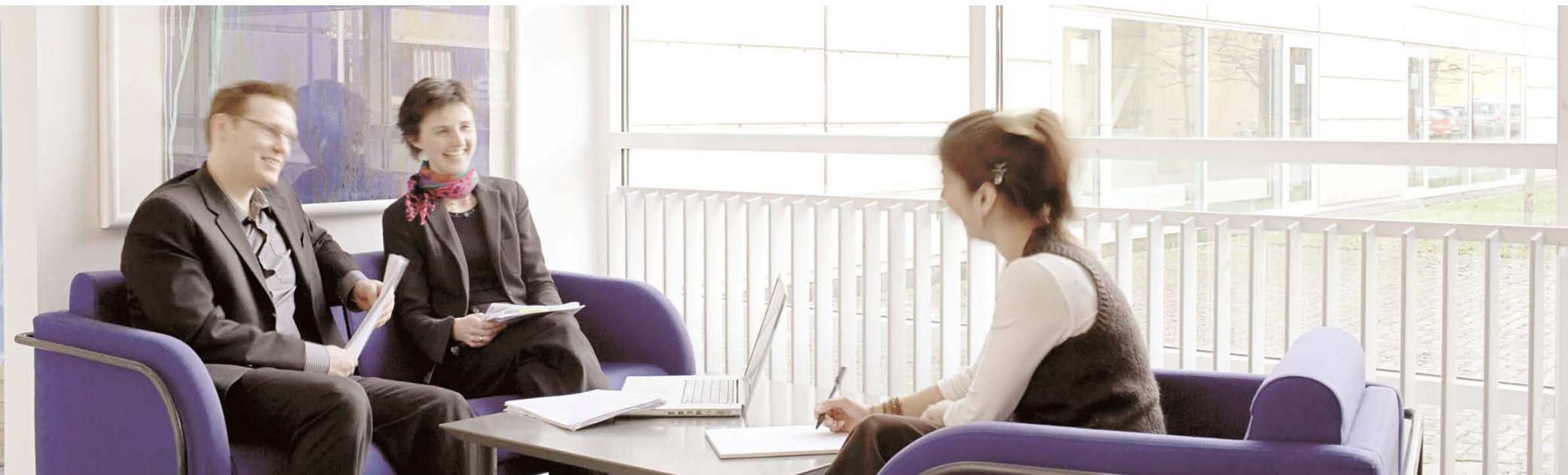
QUESTIONS TO BE DISCUSSED

- What can be done to attract a larger number of investments to the Øresund-Lubeck-Hamburg region, and make the region a hub for distribution to Scandinavia, Baltic Sea area and Northern Europe?
- What are the opportunities and barriers?



AGENDA

- What do we know about investments in logistics?
- What are the opportunities?
- What are the barriers?
- Conclusion



WHAT DO WE KNOW ABOUT INVESTMENTS IN LOGISTICS?

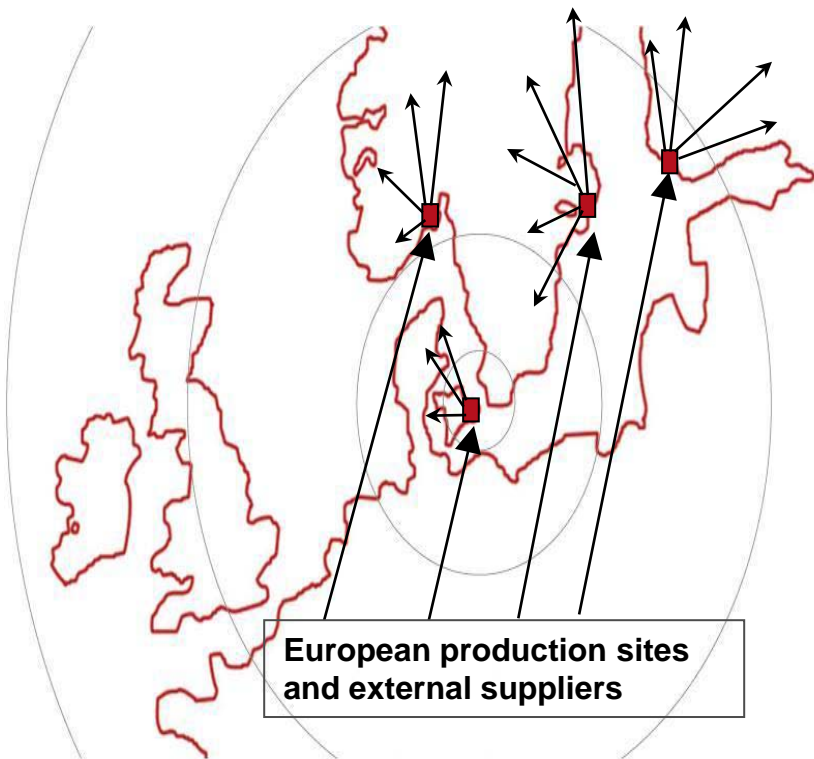
HOW DOES COPENHAGEN CAPACITY DEFINE AN INVESTMENT IN LOGISTICS?

- A company retaining or expanding their logistics operations in Denmark
- A company starting up logistics operations Denmark
- Please remember that this is Copenhagen Capacity's definition!

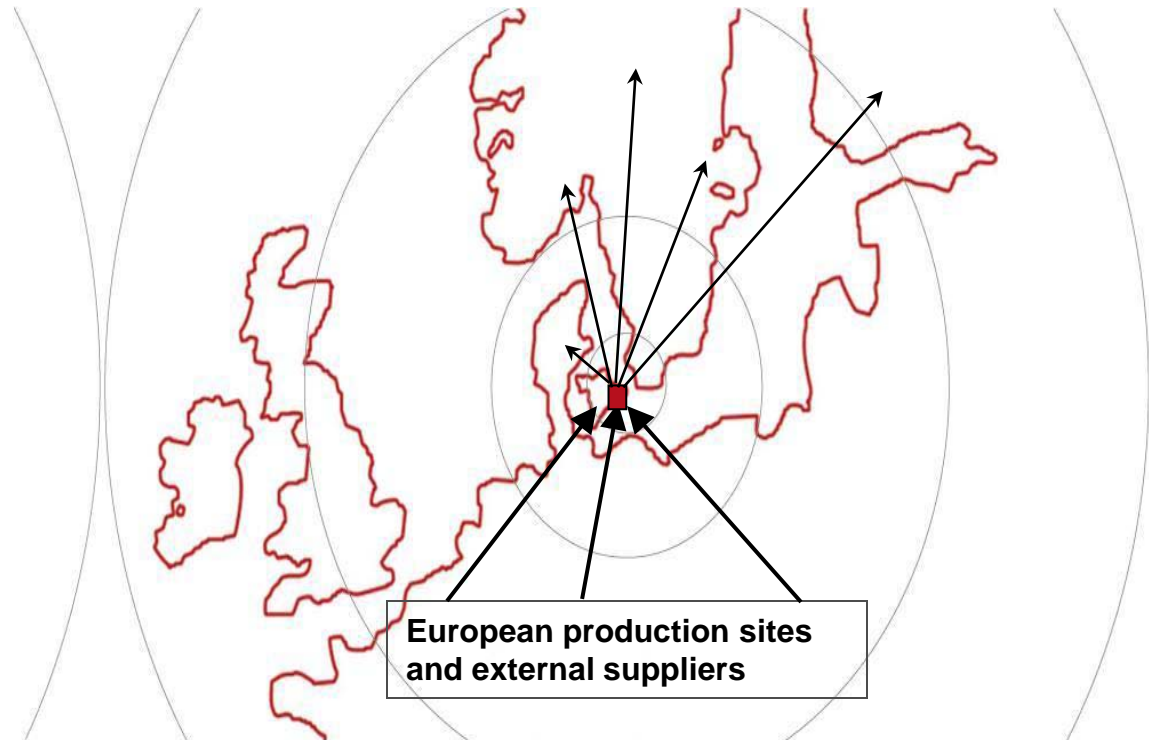


AN EXAMPLE OF EXPANSION AND RETAINMENT

Present logistics operations today



Logistics operations tomorrow



AN EXAMPLE OF A COMPANY STARTING UP LOGISTICS OPERATIONS

- H. Essers from Belgium was a non-present company starting up logistics operations in Denmark
- 12,500m² warehouse
- Dangerous goods storage
- Temperature controlled
- Bonded warehouse



COPENHAGEN CAPACITY'S RESULTS UNTIL TODAY ON ZEALAND-DENMARK

| # of companies that invested in logistics | Actual size of investment in € | # of jobs created |
|--|-----------------------------------|----------------------|
| 5 | 30-36 million € | 126 |

COPENHAGEN CAPACITY TOP 4 PIPELINE - OUTLOOK FOR ZEALAND-DENMARK (2-3 YEARS TIME FRAME)

| # of companies expected to make a large investment in logistics | Expected size of investment in € | # of jobs expected |
|---|----------------------------------|--------------------|
| 2 - 4 | 10-120 million € | 50-350 |

KEY LEARNINGS ABOUT THE COMPANIES INVESTING IN LOGISTICS



- The companies are often already present in the Nordics
- The companies are a mix of 3PL* and manufacturers
- Most of the investments in logistics are related to the food and medical industries
- The prospect of a Fehmarn Belt bridge have had an influence on most companies' decision making process

* Third Party Logistics Provider



OPPORTUNITIES

FEHMARN BELT BRIDGE 2018 AND INVESTMENTS IN LOGISTICS



THE ØRESUND REGION - AN AREA OF CONSUMPTION

- 3.5 million inhabitants but urbanisation will increase this figure
- 8th richest region in Europe and expected to grow
- Both parameters above will increase the demand for commodities and thus the demand for logistics services



PREDICTIONS ABOUT COMPANIES INVESTING IN LOGISTICS 2018

- The companies are often present in the Nordics, but not necessarily
- The companies are a mix of 3PL* and manufacturers
- The most investments in logistics are often related to food, medical, electronics, and green industries (biomass, biofuel and biogas)

* Third Party Logistics Provider



FEHMARN BELT BRIDGE 2018 AND THE OPPORTUNITIES?

- The increase in demand of logistic services will increase the activities in the harbours and logistics parks
- Today the logistics parks are located close to Malmø and Copenhagen
- The Fehmarn Belt bridge will reduce the transport time from global seaports like Hamburg
- So, logistics parks closer to the bridge, serving the Øresund region could be an opportunity



AN ADVANCED LOGISTICS PARK IN 2018

- Logistics parks in 2018 need to be more advanced than today
- The parks need to serve industries like medical and green industries (e.g. biomass)
- Synergies in having e.g. food production close to 3PL
- Demands to the parks
 - Co-modality* a must!
 - District planning flexible!
 - Self supply in green energy



Dalian International Logistics Park, China



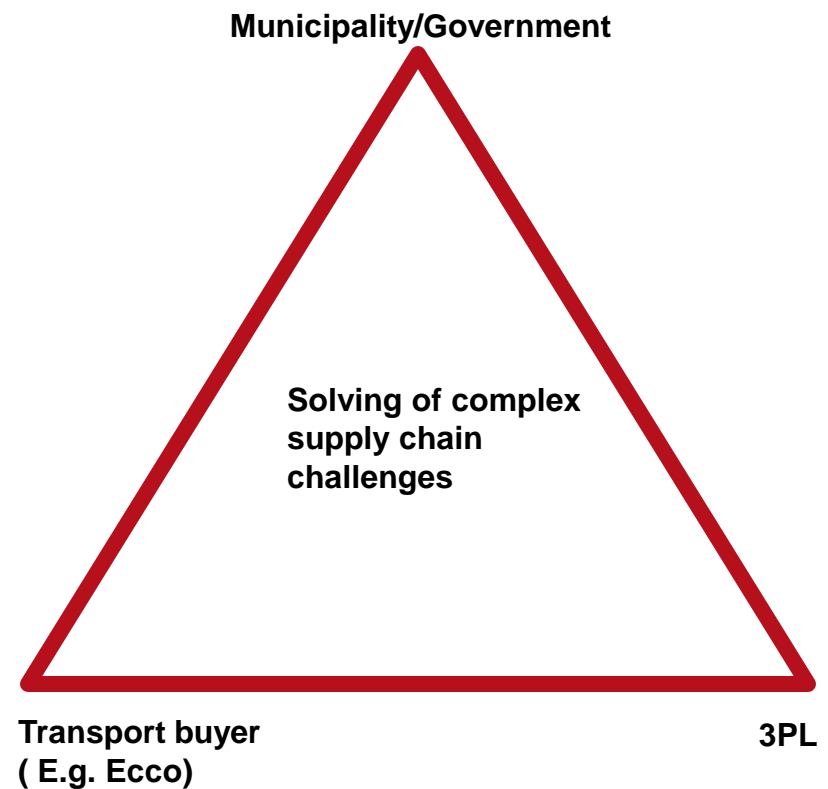
BARRIERS

ECCO'S COMPLEX SUPPLY CHAIN



ECCO AND THE MAIN STAKEHOLDERS

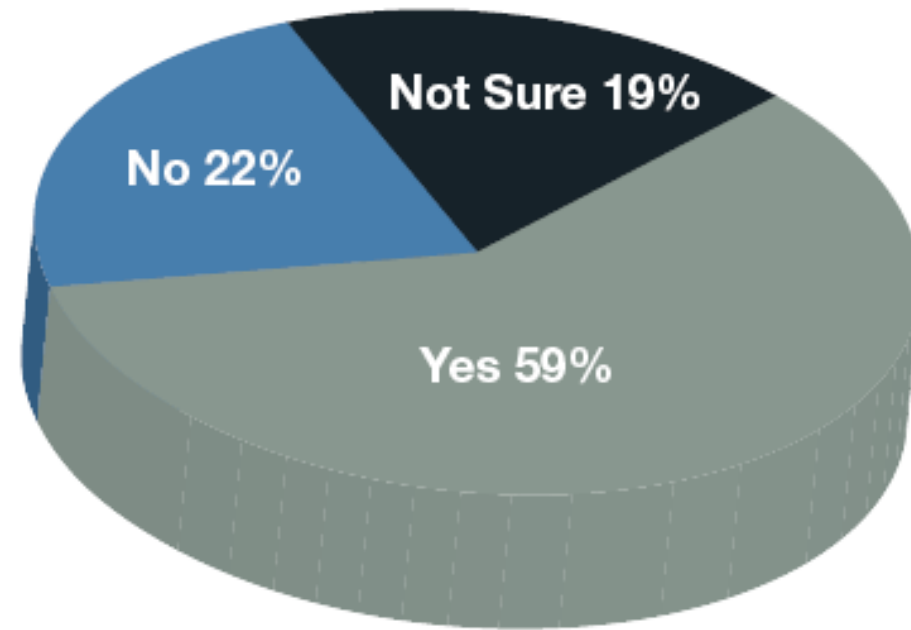
- Scenario 2018
- Ecco demands carbon free warehousing and distribution of all shoes delivered within the Øresund Region
- 3PL need to develop an innovative solution
- Municipalities/government to provide areas ready for advanced 2018 logistics parks



INNOVATION AND CLOSER RELATIONS ARE NECESSARY

- According to one of the world's largest surveys on the 3PL market:
- 82 % of the 3 PL's believe that they deliver new and innovative solutions to improve the effectiveness of logistics
- Only 50 % of the transport buyers agree!
- 59 % of the transport buyers also say that it is time to reevaluate their 3PL relation and perhaps strengthen the relationship!

Source: The State of Logistics Outsourcing, 2009 Third – Party Logistics & Supply Chain Magasinet.



Fact box on the survey: The survey is carried out every 14. year. 772 respondents from all over the world distributed on transport buyers and 3PL managers. North America 32 % - Europe 33 % - Asia 20 % - South America 13 %



CONCLUSION

WHAT CAN BE DONE?

- What can be done to attract more investments to the Øresund-Lubeck-Hamburg region, and make the region a hub for distribution to Scandinavia, the Baltic Sea area and Northern Europe?
- Investments and development of advanced logistics parks is an opportunity
- The innovation level of logistics services need to be improved between transport buyers and 3PL
- Municipalities and government are important stakeholders, and need to take an active roll in the design of advanced logistics parks



THANK YOU FOR YOUR TIME

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