



TRADE WINDS

THE LATEST TRENDS IN THE WORLD OF TRADE

Use of 3PLs Key to Success

GLOBAL MARKET IS INCREASING

The 16th Annual Third-Party Logistics (3PL) Study reveals that 64 percent of shippers worldwide are increasing their use of 3PL services. At the same time, the report indicates an average of 42 percent of total logistics expenditures being spent on outsourcing, the same as last year's study. However, 24 percent of shipper respondents reported some return to insourcing 3PL services, and 58 percent report they are reducing or consolidating the number of 3PLs they use.

The report shows relationships between shippers and 3PLs continue to flourish, with 94 percent of 3PLs and 88 percent of shippers stating communication, flexibility, and openness are key contributors to their successful relationships. However, just 68 percent of shippers judge their 3PLs as sufficiently agile and flexible, down from 72 percent last year, suggesting this is an area where 3PLs can make significant further contributions to supply chain success.

A substantial 80 percent of shippers in the survey conduct business with or within an emerging market, with the majority (52 percent) doing so from a mature market.

The 3PL capabilities shippers most value when entering emerging markets are expertise, especially in regards to the latest global trade regulations, as well as the management and optimization of shipment routing based on free trade agreement (FTA) knowledge. The majority of shippers in mature (65

percent) and emerging markets (73 percent) recognize 3PLs' knowledge of FTAs as very important.

Marine Spare Parts Logistics

TAPPING FAST-GROWING \$1 BILLION SECTOR

DHL Global Forwarding has widened its business focus to include the marine spare parts logistics industry. The move included the launch of its first global marine spare parts logistics control tower in Singapore.

With the new control tower tapping into DHL's global network of over 220 countries, territories, and niche shipping logistics specialists, DHL is well-positioned to capitalize on the spare parts logistics industry, which handles over three million shipments each year.

To that end, the company has also announced plans to invest \$15 million over the

next five years to continuously enhance its services to meet future customer requirements in this segment.

Operating around the clock, seven days a week, DHL's global marine spare parts logistics control tower will offer the entire maritime industry differentiated solutions that encompass differential pricing and multi-modal transport solutions, ranging from pickup at the spare parts supplier warehouse to on-board delivery, including reverse logistics for parts return.

Export Financing Sets Record High

FINANCING EXCEEDS \$32 BILLION FOR THE FIRST TIME

In preliminary Fiscal Year 2011 figures, Ex-Im Bank reported that it had, for the third straight year, set export finance records in a number of key areas, including overall financing that, for the first

time, exceeded \$32 billion and supported about \$40.6 billion in exports at more than 3,600 U.S. companies.

Infrastructure-related financing reached \$21 billion, up over 130 percent compared to FY 2008, representing, in part, the effect of the Bank's emphasis on nine developing countries with rapidly growing infrastructure needs.

In particular, the transportation sector FY 2011 volume was \$12.4 billion, up from \$5.3 billion in FY 2008.

Small business financing rose over 70 percent from \$3.3 billion in FY 2008 to \$6 billion in FY 2011 and is up \$1 billion from last year.

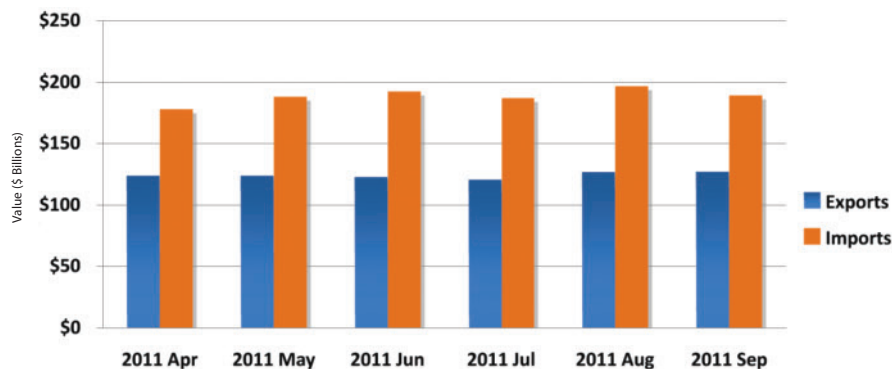
Long Road Ahead for Trucking

OUTLOOK IS POSITIVE

In his annual State of the Industry Address, American Trucking Associations presi-

By the Numbers

U.S. Imports and Exports by Value



Source: Zepol Corporation

dent and CEO Bill Graves said that, despite the prevailing political and economic uncertainty in the country, the U.S. and the trucking industry are poised to see good days ahead.

Despite frustration with Washington's inability to come together on seemingly simple tasks like the need to fix roads and bridges and pass a highway bill, Graves says he is still optimistic about the economy and trucking's future.

Even with many consumers and businesses "on the sidelines" due to economic uncertainty, Graves says there "is an inviting, long road ahead for trucking."

"During this time of economic uncertainty, it's easy to misjudge the opportunity that's on the trucking industry's horizon," Graves says. "The economy will recover. And when it does, the trucking industry is going to be one of the 'first in line' beneficiaries."

Container Shipping Market

SECURITY AND TRACKING REVENUES INCREASE TO \$690 MILLION BY 2016

Container security and tracking revenues will grow at a compound annual growth rate (CAGR) of 27 percent from \$212 million in 2011 to \$690 million in 2016, according to ABI Research.

Telematics and navigation group director Dominique Bonte says, "With a lot of regulations and legislation being introduced in the aftermath of 9/11, expectations that this industry would finally take off were high, prompting many vendors to enter this market with advanced solutions. While RFID-based point solutions at port yards are becoming more established—at least in North America and Western Europe—uptake of more advanced GPS-based solutions

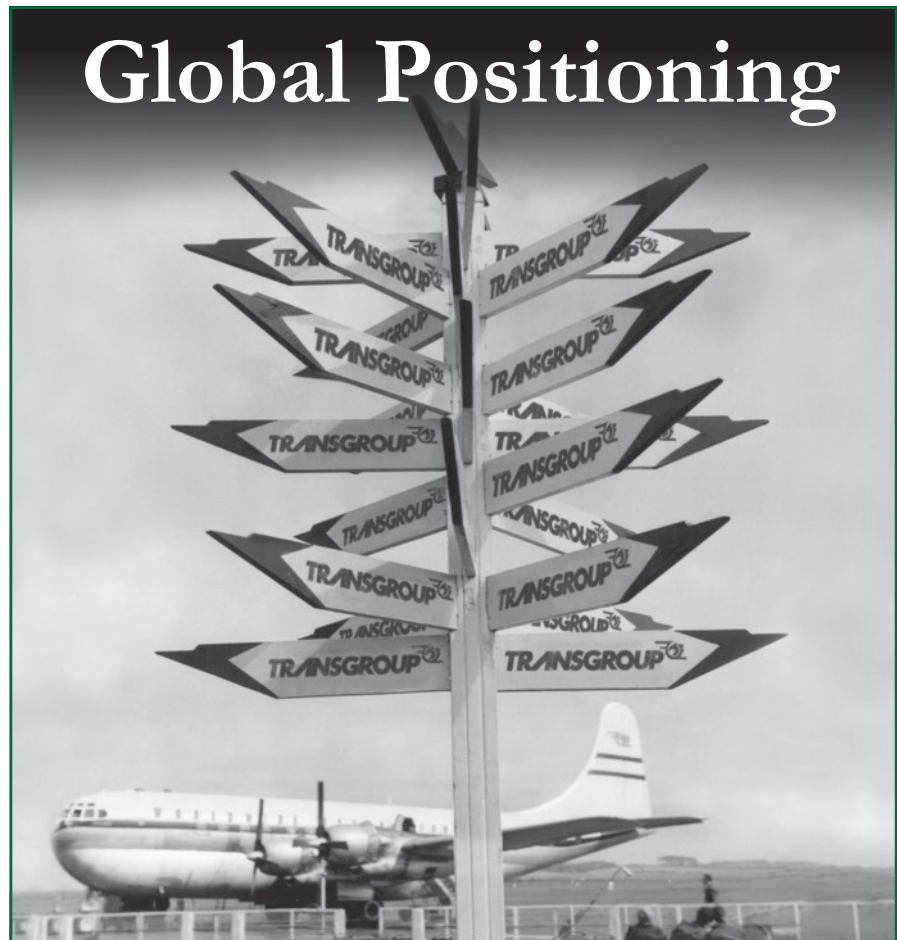
has been disappointing."

At the same time, end-to-end visibility, monitoring, and tracking are becoming more important in an increasingly competitive and security-challenged container transportation industry where cheaper and safer container trans-

port is urgently needed. While this will represent another strong driver for the uptake of GPS-based tracking in the future—though some players still claim tracking of containers during maritime transport on ocean liners is not a major requirement—the coexistence

of different technologies, such as OCR, RFID, RTLS, and GPS, will remain the default situation, with slow migration from legacy systems, such as OCR, to RFID/RTLS, later followed by a more aggressive uptake of GPS/cellular-based solutions. **WT**

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