



world

MAGAZINE NO. 1/13

People at Kuehne + Nagel

The key to success

Seafreight

Container Consolidation Service – a quality product

KUEHNE+NAGEL



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Dear Readers,

The Board of Directors appointed Dr. Detlef Trefzger as new CEO on August 15, 2013. Dr. Trefzger has taken up his new function with immediate effect and will continue to hold responsibility for the business unit Contract Logistics until further notice. He joined Kuehne + Nagel as a member of the Management Board on March 1, 2013, and has made significant contributions to the successful implementation of our strategy over the past months.

Dr. Detlef Trefzger has comprehensive knowledge of the business and many years' experience in the logistics industry. Thanks to his expertise in general management, his team-oriented and constructive leadership style and his 'entrepreneurial spirit', he will maintain the continuity of leadership and direction of our Company, while at the same time injecting new ideas to ensure its future, successful development.

On the following pages we shall introduce both Detlef Trefzger and the new head of the business unit Road & Rail Logistics, Stefan Paul.

We are active in a very demanding and dynamic business environment in which we must prove ourselves on a daily basis – everywhere in the world. The demands are growing constantly as our customers – many of them major global corporations – are exposed to fierce competition themselves. Our foremost task is to give them professional, efficient and flexible support to operate successfully in their own markets. Our first priority is always to provide top-class services and to develop the best and most advanced logistics solutions. Innovative technolo-

gies and products, clearly defined processes, a focus on the needs of the customer and the early identification of market trends ensure that we succeed in doing so. This is documented by some examples in this magazine.

But even the most sophisticated concepts and state-of-the-art technology can only develop their full benefits if the people behind them know how to apply them. These people are our employees who professionally and far-sightedly advise our customers on-site. They are Kuehne + Nagel and ensure that our Company is recognised and esteemed all over the world as a reliable and capable logistics partner. We therefore not only invest consistently and sustainably in training and further education but also encourage teamwork. Furthermore, we inspire each other across the boundaries of nations and business units.

Kuehne + Nagel attaches great importance to the development of its human resources. We enable each individual employee to contribute his or her strengths and ideas and to make full use of their personal skills.

The 2012 annual report already contained pictures that were taken as entries for an internal photo contest and illustrate the relationship of our employees with their working environment. In the current issue of this magazine we have followed up this idea and illustrate the conversation with Lothar Harings, Chief Human Resources Officer, with quotations from employees and pictures from the photo contest.

I wish you an interesting read.

*Best regards
Karl Gernhardt*

Karl Gernhardt, Chairman of the Board of Directors

We introduce:



Detlef Trefzger, new CEO

"Complex international project operations have an extraordinary fascination for me. That may explain my affinity for the logistics industry, for in both segments success or failure depend on a diversity of factors. It is necessary to combine a large number of component fields. To achieve a successful result, people from many different countries or cultures must be able to cooperate closely. I therefore see an important part of my work in motivating people and in generating enthusiasm for a task and the achievement of a common objective." With these words Detlef Trefzger outlines his relationship with the international logistics business. 'International' and 'global' are frequently used words in his vocabulary and it comes as no surprise that Detlef Trefzger, who is German, feels at home in many regions of the world, including Asia, which is among the places where he has lived and worked for a time.

Why Kuehne + Nagel? "Kuehne + Nagel has a strong 'entrepreneurial spirit'. In this firm, a person with clear aims and ideas can get things moving. I like that. There is a kind of 'hands on' mentality that is ideal for people who want to roll up their sleeves and get on with the job." He is proud to lead and further develop the company as CEO. "I am honoured and pleased about the trust placed in me. Our Company is characterised by innovation, state-of-the-art worldwide services and highly qualified customer-oriented employees. Based on this foundation we shall reach our mutual goals and ensure a continuous successful future for Kuehne + Nagel," emphasises Detlef Trefzger. He knows that he can count not only on the support of the entire Group, but also on that of his wife and three sons. Jogging rounds at five in the morning keep his energy reserves topped up.

Detlef Trefzger started his career at Siemens AG. In 1994 he moved to the logistics industry, initially as Principal at Roland Berger & Partner. From 1999 he held various management positions

Realignment of the regional structure

With effect from July 1, 2013, Kuehne + Nagel has further developed its regional structure so as to shorten decision-making processes and the distance to growth markets in Asia as well as to enhance efficiency.

The everyday challenges that face the international logistics business include changes in markets, alterations in customer requirements, high cost pressure and new potentials for growth. The structural organisation must accordingly be regularly reviewed and adapted if necessary. The aim is to guarantee customers the highest standard of service at all times and to be able to respond quickly to new trends and

ensure cost-effective processes. "We must also adapt the communication structure," says Karl Gernhardt, Chairman of the Board of Directors of Kuehne + Nagel International AG. "Management decisions must be communicated quickly to the operational units, since that increases our effectiveness."

In Europe, the regional organisation units "Central Europe", "North West

Europe" and "South West Europe" have been amalgamated into a single unit, the region "Western Europe" with its headquarters in Hamburg. The lean management approach enables higher speed and the use of synergies in internal and customer relevant processes. In view of the growing trades between Africa and the Middle East, the regional units "Middle East/Central Asia" and "Africa" have been consolidated. The management of the new region "Middle East/Africa" is headquartered in Dubai. In order to maximise business opportunities in the Asia-Pacific region, Asia has been placed under the management of two regional teams. The national companies China, Hong Kong, Taiwan and

with Schenker, and from 2004 to October 2012 he was a member of the Executive Board of Schenker AG, Essen, with responsibility for the business unit Contract Logistics and Supply Chain Management, and most recently he was additionally in charge of Global Airfreight and Global Oceanfreight. On March 1, 2013, he joined Kuehne + Nagel as a member of the Management Board responsible for Contract Logistics. He will continue to be in charge of this business unit until further notice.

**Stefan Paul,
Head of the business unit
Road & Rail Logistics**

Stefan Paul likes movement. Both in the winter, when he glides down the Alpine slopes on skis. Or in the summer on extended walks and mountain bike tours together with his wife, his son and the family dog. At some point, he even worked part-time as a skiing instructor.

It goes without saying that in his job he also dislikes immobility and wants to get things moving. That is one reason why he returned to Kuehne + Nagel after 15 years with DHL (formerly Danzas). His career began here in 1990, and until 1997 he successfully served the company in a variety of positions. During the years with his last employer he also had responsibility for a number of different fields. Among other positions, he worked as Head of Global Marketing, was responsible for Marketing & Sales of the Road Freight business unit and finally CEO of the division Freight in Germany.

Since February 2013 he has been a member of the Kuehne + Nagel Management Board with responsibility for the segment Road & Rail Logistics. "I have closely followed developments at Kuehne + Nagel over the past years, and have now returned to the company whose customer- and results-focused culture is perfectly suited to me." Kuehne + Nagel's road operations have not always run smoothly in recent times, he says, but he is firmly convinced that he can



make this business unit into a success story. "Together with my teams at headquarters and locally, we are focusing on full and part load transport and on four industrial segments for which we are offering customised solutions. Specifically, these are Pharma/Healthcare, Automotive, Hightech/High Value and Industrial Goods. In the international groupage sector, we offer daily services from almost every point in Europe. We shall also make the transport network less complex, simplify its management and adopt processes geared to direct customer benefit in all fields."

Macao now belongs to the region "North Asia", with headquarters in Shanghai. The region "South Asia" comprises the South Asian countries, South Korea and Japan and is headquartered in Singapore.

The structures in the regions "Eastern Europe", "North" and "South America" remain unchanged.

"In some parts of the world we have invested to be closer to the markets, while in others we have trimmed our structures. Our company and its customers will benefit in equal measure from the resultant increases in efficiency," Karl Gernandt says.





Our people are key to success

KN WORLD IN CONVERSATION WITH
LOTHAR HARINGS
CHIEF HUMAN RESOURCES OFFICER



What do you think of when you hear the phrase "People at Kuehne + Nagel"?

Lothar Harings: They make Kuehne + Nagel the special organisation that it is. A diversity of characters and self-confident, highly committed people who always endeavour to achieve the best possible solution for the customer, are the key to our business success.

How do you motivate employees to excellence?

Lothar Harings: Kuehne + Nagel's corporate culture is based on entrepreneurship. This 'entrepreneurial spirit' rules

uniformly throughout the global Group at all levels of the hierarchy. Our aim is to create a working environment with scope for decision-making and creativity. This enables our staff to make the best use of their abilities – to the advantage of the customer and the company, and for the realisation of their own professional ambitions.

Does this entrepreneurial approach not tend to encourage lone wolves?

Lothar Harings: Quite to the contrary. By our further training schemes we instil into our employees the principle that greater added value can be achieved

only by cooperation across frontiers and between functions.

Do you offer further training opportunities at different levels?

Lothar Harings: Yes, on local, regional and global level. The programmes are specially designed for the appropriate target groups. They provide a platform which enables employees at all levels to improve their qualifications and keep pace with the constantly changing demands of the global logistics business.

The programmes are oriented in line with the corporate strategy and philosophy, one element of which is diversity in all fields. We attach great importance to this. As a global service provider we draw upon a wide range of knowledge from all cultures, the innovation of the young and the experience of our older staff. These, combined together, give a large, global pool of know-how.

So an exchange of knowledge takes place?

Lothar Harings: Definitely. In addition to the extensive training courses, some of which are web-based, this exchange of knowledge also takes place on self-developed platforms (Wikis). Interestingly, these have been created and pragmatically developed by staff members on their own initiative. The company aims to strengthen this commitment on the part of staff members by means of an improved IT infrastructure and networking.

How do you prepare staff for changes and new situations?

Lothar Harings: We always emphasise that changes are the only constant in the logistics industry. This applies to markets, customer requirements, technologies and issues such as sustainability and compliance. It is important to convey to our employees that changes are not a threat but an opportunity. This philosophy is incorporated into our training and qualification activities.





At Kuehne + Nagel I like the international working environment and the will to constantly improve that can be felt everywhere. The people have a truly professional attitude and a real passion for their work – always with the customer's benefit in view.

From the very beginning I was impressed by the fact that my colleagues are very proud of their company. I am also motivated to go to work every morning because Kuehne + Nagel is a strong company with outstanding products which also offers its employees excellent opportunities.

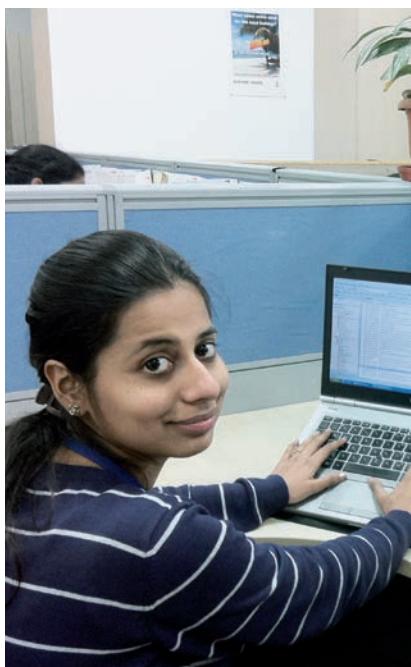


JEANOT LOREK
Luxembourg, Warehouse Operations,
with Kuehne + Nagel since 1993

During the last 42 years, I was fortunate to meet many colleagues who have learnt the business from the bottom up and assumed higher management functions. They all had to work hard and therefore earned the respect of their working peers. I have met many people in the Group who have achieved steep careers but nevertheless never forgot where they came from. In my opinion, this is one of the secrets of success of Kuehne + Nagel.

NADIA RIBEIRO
Brazil, Managing Director,
with Kuehne + Nagel since 2013

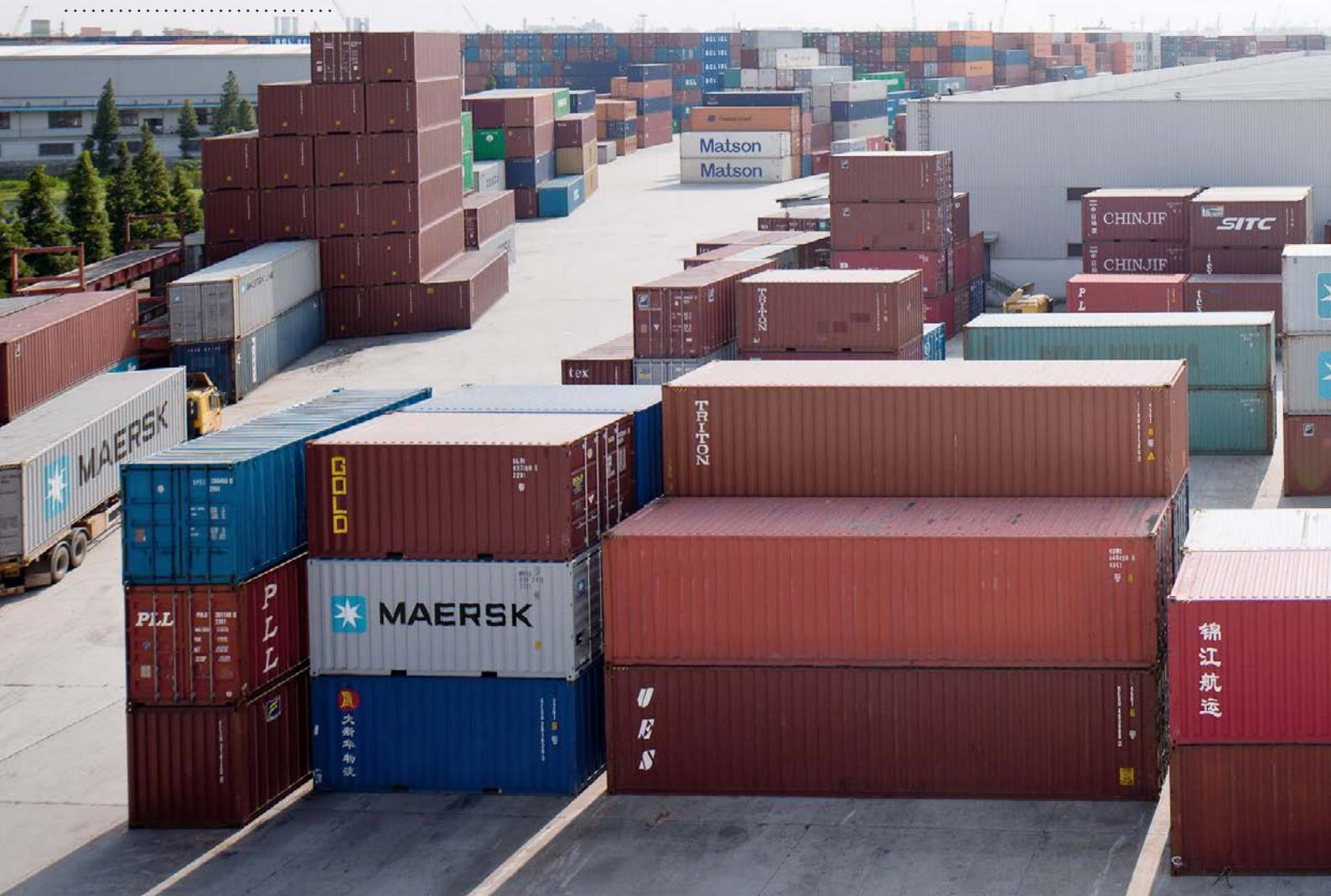
Kuehne + Nagel has given me the possibility to work in three different countries and cultural areas: Mexico, France and now Dubai. I am proud to belong to a company that has confidence in its employees and gives them the opportunity for constant further development.



WERNER BÖSCHE
Bremen, Traffic Manager Seafreight,
with Kuehne + Nagel since 1971



LAURA ZAMBRANO
Dubai, Head of Learning and
Development Middle East and Africa,
with Kuehne + Nagel since 2006



Container Consolidation Service – a quality product

Less than container load (LCL) services are an important segment of the seafreight activities. These services have been a firm part of the portfolio since 1967, and have undergone a continuous process of optimisation in order to meet the changing customer requirements.

Numbers and volumes loom large in the international seafreight business. Reports on the commissioning of new giant containerships and new capacity records follow each other in rapid succession. Even in times of reduced growth rates the numbers of containers transported each year are impressive: In 2012 the market leader Kuehne + Nagel alone moved roughly 3.5 million TEU (TEU = 20' unit). Against this background, the 50,000 containers accounted for by the LCL segment appear relatively small at first sight. That, however, is far from the truth. Underlying this figure are 1.6 million cubic metres of cargo, more than 2,000 routes operated by the company itself (including 42 new lines inaugurated in 2012) and more than 7,200 weekly departures. "Thanks to the global Kuehne + Nagel network, we can reach every major business location in the world for our



LCL customers," says Paul-Ulrich Strozny, Head of Global Seafreight LCL with Kuehne + Nagel. "Furthermore, we also cover countries with smaller trade volumes or niche markets by cooperating with partners with whom we have worked together for many years. This gives us a maximum of flexibility to adapt to changes in customers' requirements."

Diverse requirements and end-to-end monitoring

The LCL business is demanding and calls not only for a great deal of specialised knowledge but also a high degree of flexibility. It involves much more than booking, loading and shipping a container. Instead, it means to consolidate a number of consignments from different customers. In other words, the collection from many different addresses, different types of cargo

including dangerous goods, as well as precise loading lists and reliable distribution to the places of destination. It is also necessary to manage a number of interfaces and to communicate with the many parties involved in the transport chain. In this connection individual customers vary very widely in their demands and needs.

From the booking process to the delivery of the goods, several steps are needed which are all set down in clearly defined procedures and ensure a maximum of reliability, speed and safety. During the whole transport process, from the moment of booking to the delivery of the goods at their destination, the consignment is monitored without interruption by Kuehne + Nagel. This is in line with the philosophy according to which the shipments are moved

under the company's own management and that it retains control of the flows of goods, transit times, costs and accuracy of information. The customer – who has a single contact person – can determine the status of his products round the clock through the online platform KN Login or by using an app on the mobile phone.

Multinational Gateways

Kuehne + Nagel's strategy rests on a number of pillars. "Our fundamental aim is to operate direct services whenever possible, or in other words, to transport the consolidated container directly from A to B like an FCL, without the need to tranship the goods once more," Paul-Ulrich Strozny says. The company has reserved slots on the ships, and can therefore guarantee a planned dispatch schedule.

Direct connections are not always feasible. That is why the Kuehne + Nagel network has eight strategically positioned gateways where LCL shipments can be regrouped and consolidated. The gateway system was first established in 1990, since then it has undergone a steady process of further development. Kuehne + Nagel now operates multi-national gateways in New York, Dubai, Panama, Santos, Singapore, Shanghai, Colombo and Miami. "The gateways are the backbone of our network," Paul-Ulrich Strozny stresses. "They make it possible to concentrate the flow of goods and increase departure frequencies." From New York Kuehne + Nagel serves more than 70 destinations in the USA, and from Dubai more than 25 countries in the Middle East. More than 15 stations in Central America are served via Panama, and various import and export services operate through Santos. Miami is the hub for ten locations in Latin America, while Colombo is the starting point for ten export services. In the Far East Singapore is the hub for roughly 70 incoming and 60 outgoing services, while more than 20 export lines pass through Shanghai.

For customers with shipments from different locations and for different consignees, Kuehne + Nagel offers "buyer's consolidation" or "shipper's consolidation" services. Here, Kuehne + Nagel consolidates a number of shipments belonging to the same customer, even if they originate from or are destined for a number of different countries. In this case, too, the gateways are excellently suited as transhipment locations.

Environmentally friendly solutions for LCL shipments/Green Logistics
Quality, Safety, Health & Environment (QSHE) is, as in all business segments,

a firm element of all seafreight activities. A special focus has been put on environmental aspects and in this connection on the reduction of CO₂ and other emissions. "We are driving the development of innovative, sustainable and environmental-friendly logistics solutions forward. For the environment and for our customers," explains Paul-Ulrich Strozny.

Among others, the following measures and processes have been introduced to ensure a sustainable, as carbon-neutral as possible handling of LCL shipments:

- Reduction of CO₂ emissions – recycling of the stowage material used in the Container Freight Station, minimising of the mileage by making use of inland terminals and cooperating with environmentally compliant operating partners and shipping lines.
- LCL-CO₂ emission calculator – Full transparency of the CO₂ emissions on shipment level, web-based and internally as well as externally accessible.
- Ongoing reviews and assessments of environment-related measures taken by business partners and shipping lines as well as regular efficiency evaluations and progresses achieved.

Higher liability ceiling thanks to "LCL Plus"

The liability for damages occurred during the transport is basically limited to a maximum amount according to the provisions of the Bill of Lading. However, with the new Kuehne + Nagel product "LCL Plus", the freight payer benefits from a higher liability ceiling. Provided that Kuehne + Nagel is responsible for the damage occurred, the liability amounts to USD 10,000 for "LCL Plus" shipments. Furthermore, a claim can be filed by simply handing in a document by e-mail.





LCL: The efficient alternative

A European producer of car parts supplies components to the production line of its customer in Latin America. As low production costs are an essential factor, the transportation prize plays a significant role. This is why the individual consignments should not be shipped by airfreight. But the volume of the cargo is too small for a full container load. For reasons of time, and also because of the need to avoid high inventory costs, they also cannot be held back until their volume is sufficient. The Kuehne + Nagel account manager accordingly suggested the use of the LCL service. After the booking has been received from the customer, the goods are brought to the Container Freight Station (CFS) where they are checked by Kuehne + Nagel with regard to their integrity and completeness. A number of consignments are then consolidated to a FCL in accordance with the stowage plan that has been drawn up in advance. The Kuehne + Nagel containers are delivered to the shipping company and loaded onto the vessel. When the ship reaches its destination, the consignments are unloaded or deconsolidated by Kuehne + Nagel, placed on pallets, customs cleared and made ready for on-carriage or delivery.



No room for errors!

The transport by air of temperature-sensitive pharmaceutical products must meet high requirements. When lives depend on the safe arrival of a cargo, there is no room for errors. Kuehne + Nagel applied this principle in the development of KN PharmaChain, and has established itself in an excellent position in this market segment.

The pharmaceutical industry exhibits impressive growth rates. There are various reasons for this, including the availability of modern medical care to larger groups of the population in countries such as Brazil, India and China, and the demographic trend towards greater life expectancy. Furthermore, intensive research has brought major advances in such fields as diagnostics, cancer treatment or



transplantation and personalised medicine. The growing pharmaceutical and health care market is creating a greater demand for efficient global logistics solutions in this field. Demand for transport and logistics services is also growing rapidly in the area of temperature-sensitive goods. These products are vulnerable to damage, generally have a high value and accordingly call for the utmost reliability.

Specific requirements call for special products

In the development of its KN Pharma Chain product, Kuehne + Nagel was guided by the special requirements of the industry. Steven Atcheson, Senior Vice President Global Customer Developments Pharma & Healthcare with Kuehne + Nagel, explains what matters most for the customers: "First of all they expect their products to be delivered punctually, intact and within the specified temperature range. These are the basic requirements." But for a true partnership it is necessary to meet a much wider range of demands, as in-depth conversations with customers have shown. "A preferred logistics partner must have a global network of Best Practice (GxP) compliant temperature-controlled stations, employ specifically trained personnel, possess a state-of-the-art IT infrastructure and observe high security and quality standards." The Kuehne + Nagel specialists have studied these requirements in detail and made every effort to meet them. The airfreight network conforming to GxP standards now comprises roughly 60 stations all over the world, and, as a result of special training programmes, excellently qualified staff are guaranteed. The online tracking and tracing system KN Login offers customers full transparency and enables them to access the status and temperature measurements of their shipments round the clock on seven days per week.

Modern pharmaceutical products consist of many substances which may include bio-technically produced components, primary or test products with living cells or organisms, sophisticated vaccines and the like. Production plants and markets are frequently located all over the globe, so that these products often have to be transported over long distances within a clearly defined temperature range. This in turn calls for

unbroken cold chains from door to door and continuous monitoring over a number of transport modes and interfaces.

Tailor-made refrigeration chain

The product KN PharmaChain, which was launched last year in the airfreight sector, meets these requirements and is offered in four service standards, which differ according to the requirement level. "Level 1" is designed for consignments with no special temperature and handling requirements, while "Level 4" conforms to the highest specifications. The product was developed in line with the requirements of the pharmaceutical industry. "The motto was: 'No room for errors!', " says Marcel Fujike, Vice President Products and Services Global Airfreight. For if high-quality pharmaceuticals are not correctly handled their efficacy may be impaired, or there may be delays in delivery to the consignee who counts on their punctual arrival. For that reason the consignments are monitored round the clock by the KN Pharma Chain Care Team. An electronic warning system also alerts the team if temperatures deviate outside the specified range.

Maximum security through active wireless sensors

As the world's first logistics company, Kuehne + Nagel has developed a system by which the temperature can be actively recorded during flight by means of a wireless sensor. The use of active sensors during airfreight transport is a pioneering achievement which sets new standards in the monitoring and evaluation of door-to-door cool chains. Whereas mobile technologies could not formerly be activated during flight for safety reasons, Kuehne + Nagel has achieved a breakthrough after extensive tests with airline partners. Furthermore, the logistics and warehousing facilities for temperature-sensitive goods have been equipped with special technology to



Strict regulations of the health authorities

A comprehensive service must naturally include the hundred per cent observance of the regulations of the global health authorities, which are becoming progressively stricter as the products grow more complex. This year the EU will bring into force the revised Good Distribution Practice (GDP) guidelines for medicinal products (2013/C 68/01). These take into account the advances that have been made in the products and their transport and storage. The rules laid down in Good Manufacturing Practice (GMP) will accordingly be applied throughout the supply chain from the producer to the consumer.

give customers full transparency as to the temperature data over the whole transport route including all interfaces through the KN Login online tracking system. "With the sensors and the IT system with which they communicate, we enable customers to monitor our performance. This creates a high level of confidence," says Jean Jabsen, Vice President Pharma Health Care and Key Account Manager. "The sensors are small and economically priced. We can also adapt to the latest technological developments without incurring large extra costs."

A practical example

The majority of the temperature-con-

trolled consignments go to pharmaceutical companies or wholesalers who supply directly to their customers – hospitals, doctors, pharmacies etc. However, KN PharmaChain is also suitable for products urgently needed in emergencies, as illustrated by the following case: An antibiotic in liquid form needs to be transported at a temperature between 15 and 25 °C from the USA to Asia, where it is urgently needed for the treatment of an infectious disease. It travels from Chicago via Amsterdam to Singapore. Both Chicago and Singapore are a part of the KN PharmaChain network and therefore in conformity with GxP standards. The infrastructure of the



European Road Logistics

offers KN PharmaChain

KN PharmaChain, the service tailored to the specific needs of the pharmaceutical industry, has been introduced in the European road logistics network including Russia and Kazakhstan. The innovative and trendsetting product has been developed jointly by the business units Air Logistics and Road & Rail Logistics. Kuehne + Nagel offers KN PharmaChain both in the Full Load (FTL) and Part Load (LTL) segments and connects numerous European pharmaceutical production sites with the own temperature-controlled distribution centres operated in Luxembourg, Basel and Mainz. These Best Practice (GxP) certified facilities include cool zones for products which must be stored and transported at temperatures between 2 and 8 °C or between 15 and 25 °C. The cross-dock facilities are used as consolidation hubs for temperature-controlled goods and thus play an important role when it comes to optimising the LTL cargo flows. The establishment of additional such hubs is planned, e.g. in Bratislava and Prague. Products handled in the European road network consist mainly of prescription drugs, vaccines, medical devices, OTC medication, pharmaceutical consumer goods as well as raw material and semi-finished products.

facilities and the qualification of the staff meet the standards prescribed by the World Health Organisation (WHO). The transport route and partners are chosen in accordance with risk analyses carried out by Kuehne + Nagel.

The valuable product is transported in a refrigerated truck to Chicago O'Hare Airport, where it is kept in the temperature-controlled warehouse until it is loaded onto the aircraft and leaves Chicago in perfect condition. The active wireless sensors are switched on, as is the alert system which calls for corrective action along the whole route if temperature fluctuations occur. Such

an incident actually takes place, namely at Amsterdam airport. The Care Team asks the airline to make the necessary adjustments, and shortly afterwards the temperature is stabilised at 18.5 °C. The antibiotic now continues its journey from Amsterdam Schiphol to Singapore, where the consignment arrives punctually and is immediately cleared by customs and handed over to the consignee. The record that has been kept during transport from pick-up via Chicago and Amsterdam to Singapore provides certainty that the vital consignment can be handed over in good condition.



Kuehne Foundation: Humanitarian logistics education centre in Singapore

The public-benefit Kuehne Foundation and The Logistics Institute – Asia Pacific (TLI – Asia Pacific) of the National University of Singapore (NUS) have established a Southeast Asia Education Centre for Humanitarian Logistics.

The H.E.L.P. initiative of the Kuehne Foundation for the development of logistics competences in the humanitarian sector has been active in the Southeast Asia region since 2012. Jointly with the Logistics Institute of the National University of Singapore (NUS) and other partners, H.E.L.P. conducts training courses, provides consultancy services and organises research projects for aid organisations, local governments and universities. At the end of 2012, together with NUS, the Kuehne Foundation established the Kuehne Foundation – NUS Centre for Humanitarian Logistics Asia Pacific in Singapore, whose opening ceremony was attended by many guests

as well as Karl Gernhardt and Dr. Thomas Staehelin, members of the foundation's Board of Trustees. The centre is the first of its kind in the Asia-Pacific region, and in accordance with the motto "by Asia for Asia" it is a unique platform for raising awareness and fostering collaboration between academics, government agencies, non-profit organisations, universities, students and the commercial sector in the region.

"The field of humanitarian logistics is so far an untouched subject in the region and the demand for education, training and applied science is astonishing," said Karl Gernhardt, Chairman of the

Signing and official opening of the Kuehne Foundation – National University of Singapore (NUS) Education Centre for Humanitarian Logistics Asia Pacific

Board of Directors of Kuehne + Nagel International AG and member of the Board of Trustees of the Kuehne Foundation.

"We cannot underestimate the importance of efficient logistics management in the humanitarian context," stressed Sean Rafter, Regional Logistics Coordinator, Save the Children International. He said that increasing numbers of people were affected by disasters in Asia every year and that it was therefore essential for aid organisations and their partners to acquire logistics know-how.

The Centre offers standardised and advanced supply chain management courses and carries out research into practical applications in the humanitarian context. Its activities are addressed primarily to representatives of local governments, local and international aid organisations and students and professors in the region. Singapore serves as a regional platform from where the projects are directed and conducted. Selected university partners in Indonesia, Vietnam, the Philippines and Thailand serve as research and training satellites in order to extend its reach to where support is most needed.

Professor Tan Eng Chye, Chairman of TLI – Asia Pacific at NUS and Deputy President (Academic Affairs and Provost, NUS), expressed his pride in being a part of this initiative and commented that as a transport hub and centre of commerce and industry, Singapore was an ideal location for the Centre.

During the opening ceremony, the Foundation presented a book on the challenges of humanitarian logistics in Southeast Asia. This book, one of the series of publications of the Kuehne Foundation, contains contributions by practitioners of aid organisations and academics.

For further information see:
<http://www.tliap.nus.edu.sg/humlog/>





New pharma logistics centre in Leipzig

Together with customers, business partners and representatives of the city of Leipzig, Klaus-Michael Kuehne, Honorary Chairman of Kuehne + Nagel International AG, and Hartmut Fiedler, State Secretary of the Ministry for Economic Affairs, Labour and Transport of the State of Saxony, officially opened the new logistics centre in the Leipzig Freight Traffic Centre (GVZ).

"With the completion of our logistics centre, which has been officially opened today, and our ongoing activities in a second facility in Grosslehn, Leipzig has become a main focus of Kuehne + Nagel's investment in Germany," Klaus-Michael Kuehne said at the opening ceremony. "Also in the long term planning, the Leipzig region occupies an important position within Kuehne + Nagel's country-wide network." Kuehne + Nagel has been established in the region since 1990. Since then, in eastern Germany the company has pursued an expansion strategy in which the Leipzig location occupies a very important position. With the new facility that has now been inaugurated, the company has given a further clear signal.

In GVZ Leipzig, Kuehne + Nagel has at its disposal a total surface of around

90,000 sqm. The first construction phase has seen the creation of a state-of-the-art facility with an area of 10,000 sqm specially designed for the

logistics of pharmaceutical products and meeting all Good Manufacturing Practice (GMP) standards of the pharma industry. The two temperature-controlled areas have space for 18,000 pallet slots. In addition to a refrigerated warehouse for a temperature range between 2 and 8 °C (capacity: 500 pallet slots) and a zone for the storage and management of narcotics, they include authorised zones for production and sampling. Temperatures are recorded and monitored to ensure the observance of the required climatic conditions.





Kuehne + Nagel strengthens its foothold in Oman, Russia and Asia

With a majority holding in Universal Freight Services in the Sultanate of Oman, the opening of an office in Vladivostok and its entry into the market in Myanmar, Kuehne + Nagel has further expanded its global network.

In the **Sultanate of Oman**, Kuehne + Nagel has acquired 70 per cent of the shares in Universal Freight Services Co. LLC from the Khimji Ramdas Group. This strategic transaction enables the company to make its foray into the Sultanate as the majority partner in a joint venture.

Kuehne + Nagel has been represented in Oman since 1999 by the Khimji Ramdas Group, a family firm with a long tradition, as its sales agent. The new joint venture company is part of the global Kuehne + Nagel network and operates under the name Kuehne + Nagel LLC, headquartered in Muscat. It offers its international customers a comprehensive range of integrated logistics services. In line with the global strategy, the newly formed company will focus on industry-specific logistics solutions.

New branch in Vladivostok

In response to the growing demand for logistics services in the Far Eastern region of Russia, Kuehne + Nagel has opened a new branch in Vladivostok. Vladivostok is the biggest seaport in the Russian Far East, and is therefore of great strategic importance for both incoming cargo and transit goods. With a well-developed infrastructure for the handling of sea, air and land cargo, the city is excellently suited as a regional distribution hub.

The branch is managed by the organisation in Yushno-Sakhalinsk where Kuehne + Nagel has been active since

2002, catering primarily for customers in the oil and gas industry. In addition to Yushno-Sakhalinsk, the company has two more branches on Sakhalin, one in Nogliki in the northern part of the island and a bonded/non-bonded warehouse in Korsakov. Kuehne + Nagel is now present in 17 locations in Russia, where it employs roughly 800 people.

Kuehne + Nagel establishes presence in Myanmar

With the opening of an office in Yangon (formerly Rangoon), Kuehne + Nagel has begun operations in Myanmar and strengthened its presence in the Asia-

Pacific region. The company's new branch is offering comprehensive air and sea forwarding services, warehousing, overland transportation and customs brokerage. It is located in the immediate vicinity of the country's major sea and air transport hubs. As a result of the government's policy of opening up the country, Myanmar is developing into an expanding market with trade relations with Europe, the USA and many Asian states. With a population of around 60 million, the country has a substantial growth potential. Its main exports are agricultural and forest products, textiles, precious stones and raw materials (oil and natural gas).





Cargopack with new headquarters in Markgröningen, Germany

The packing specialist Cargopack, a member of the Kuehne + Nagel Group, has moved into its new headquarters at Markgröningen in the German state of Baden-Württemberg. The new facility has a hall area of around 11,000 square metres.

Cargopack, a company that was founded in 1966 as a 100 per cent owned subsidiary of Kuehne + Nagel, supplies professional packing solutions for industrial goods. Its spectrum of packaging services covers everything from a simple machine bolt to industrial plants or even exceptional projects such as a complete airship. "Today, purpose-specific

packing solutions are a fundamental part of modern supply chains," says Jörg Neumeister, General Manager of Cargopack Verpackungsgesellschaft für Industriegüter mbH. "In our new location we are also able to meet the complex security requirements for air transport and customs clearance." For this purpose Cargopack has equipped

approximately 2,800 square metres, or roughly a quarter of the total area, as a special airfreight zone. This is accessible only to certified personnel. "Cargopack has been approved as a 'Regulated Agent' by the Federal Aviation Office. That enables us to offer our customers a closed airfreight security chain," Neumeister says. "For the customer this means fewer checks at the airport and a faster overall supply chain."

The Cargopack facility has nine ground-level entry gates and five dock levellers with a load-bearing capacity of up to five tonnes. In addition, seven special cranes allow particularly heavy items to be moved within the hall. The gantry cranes run on crane tracks, enabling them to reach a large part of the floor. They have a load capacity of up to 30 tonnes and a lifting height of up to nine metres.

Trainees help to fight floods

During a basic training course at the beginning of June in Lauenburg on the Elbe, the venue of the course was threatened by flood waters. To help protect the youth hostel, the 15 trainees of Kuehne + Nagel Germany rolled up their sleeves and went to work with a will.



This summer Germany was hit by a flood disaster in which many rivers overflowed their banks and caused damage amounting to many millions of euros. One of the places affected was the town of Lauenburg on the River Elbe to the southeast of Hamburg in the state of Schleswig-Holstein. 15 trainees of Kuehne + Nagel Germany were attending a basic training course in a youth hostel in the town when the river rose to a threatening level.

Since the entrance to the youth hostel is at a level of around 9.30 metres and the weather forecast indicated that the river would soon rise to more than ten metres, the entrance had to be walled up and protected with sandbags. The trainees spontaneously volunteered to assist in fending off the floods. They filled sandbags with several tons of sand and transported and stacked them in accordance with the instructions of civil protection workers.

The youth hostel ultimately remained dry, due in no small part to the helping hand lent by the trainees. Their team spirit was greatly strengthened by their joint efforts and they will long remember this shared experience. Kuehne + Nagel is pleased that it can count on the service of motivated young people who set such a fine example.



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