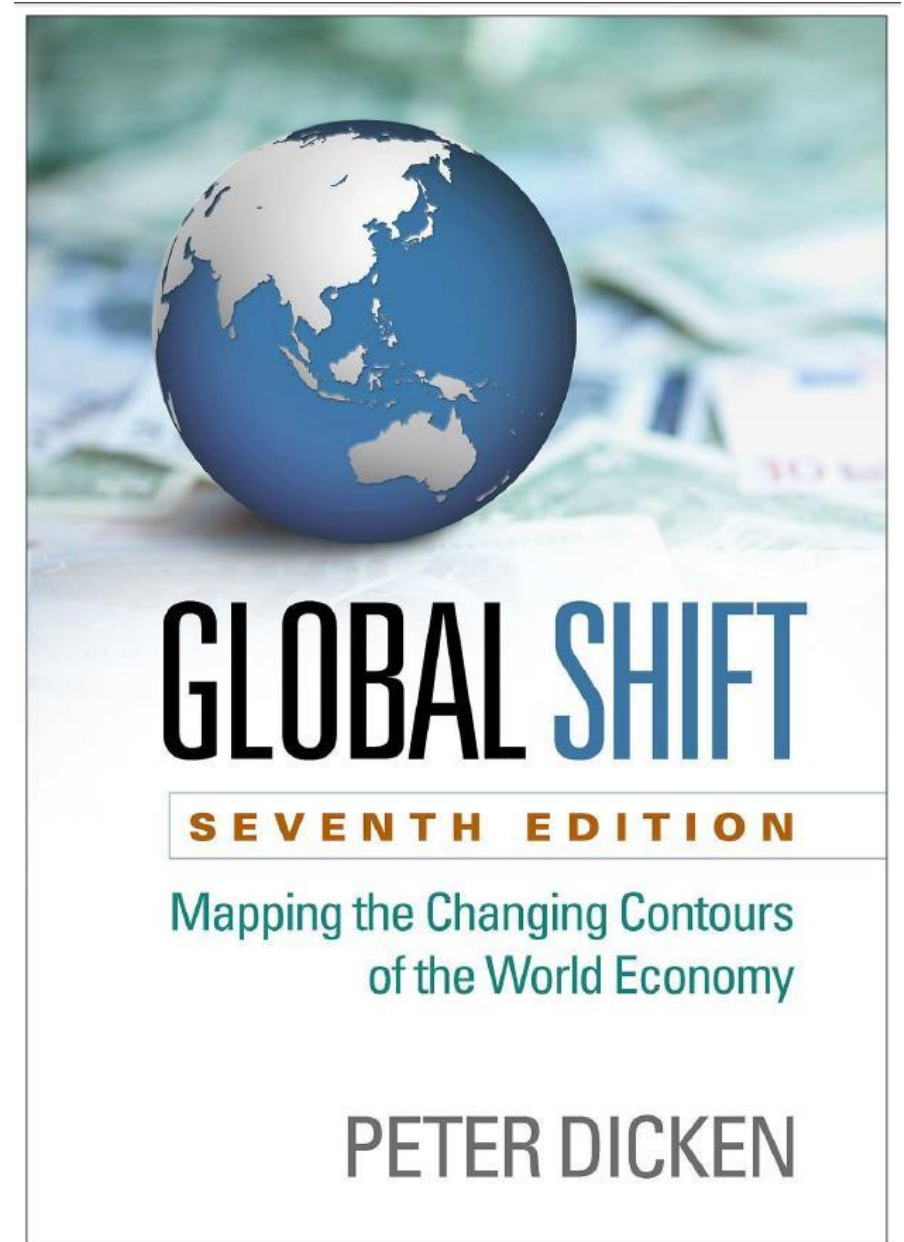


Chapter Seventeen





Making the connections, moving the goods: Logistics and distribution services



Logistics Industry revenue's about US\$ 4 tril.

Logistics costs 10-15% of the final cost of a product



Technological Innovation and Logistics and Distribution Services

EDI – Electronic Data Interchange:

transmission of large quantities of data, like product specification, purchase orders etc., without paper.

Bar Code System and Radio Frequency Identification Technology:

Allows a unique identity to each item

Sends instantaneous information from the point of sale to the warehouse

Allows tracking goods



Technological Innovation and Logistics and Distribution Services

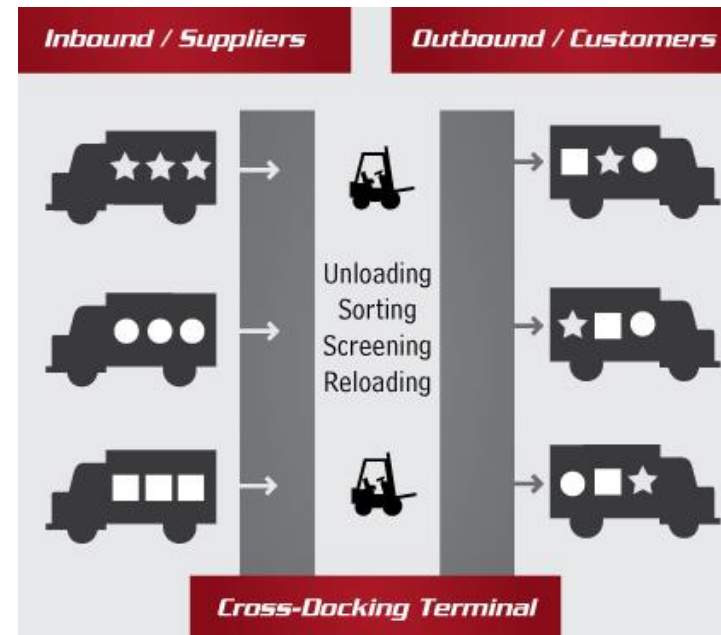
Distribution Centers:

Bar codes and associated software systems

High-speed conveyers with advanced routing and switching controls

Reliability and accuracy of laser scanning of incoming containers

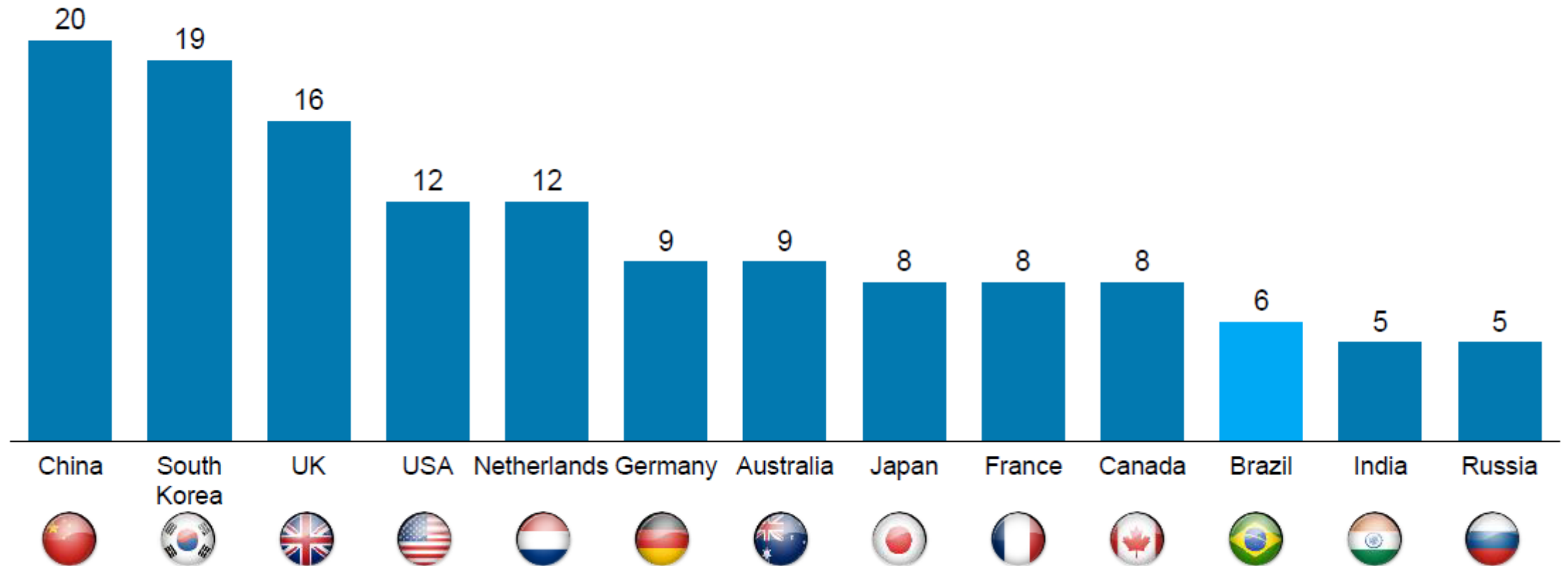
Increased computing capacities



E-commerce: a logistics revolution

e-Commerce penetration

%¹



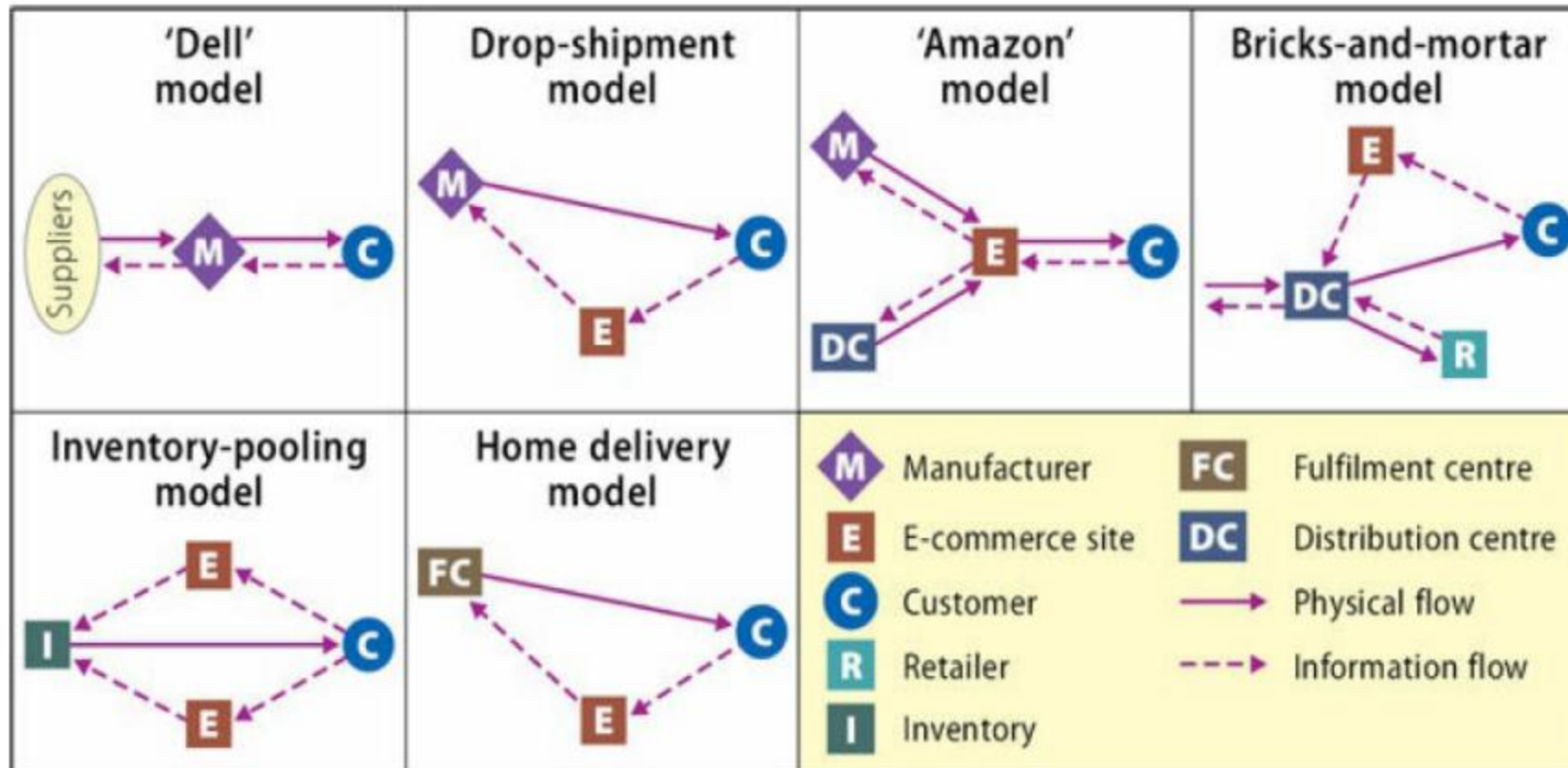
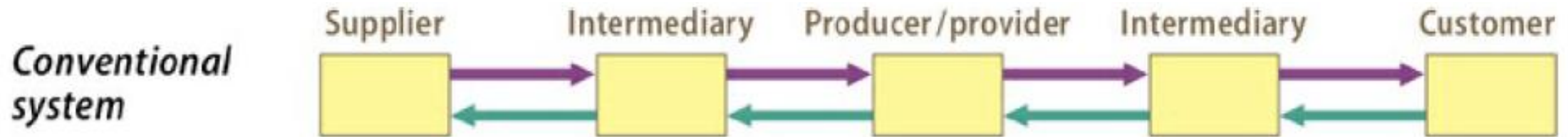
¹ e-Commerce sales over total retail sales

Source: Euromonitor (2017)

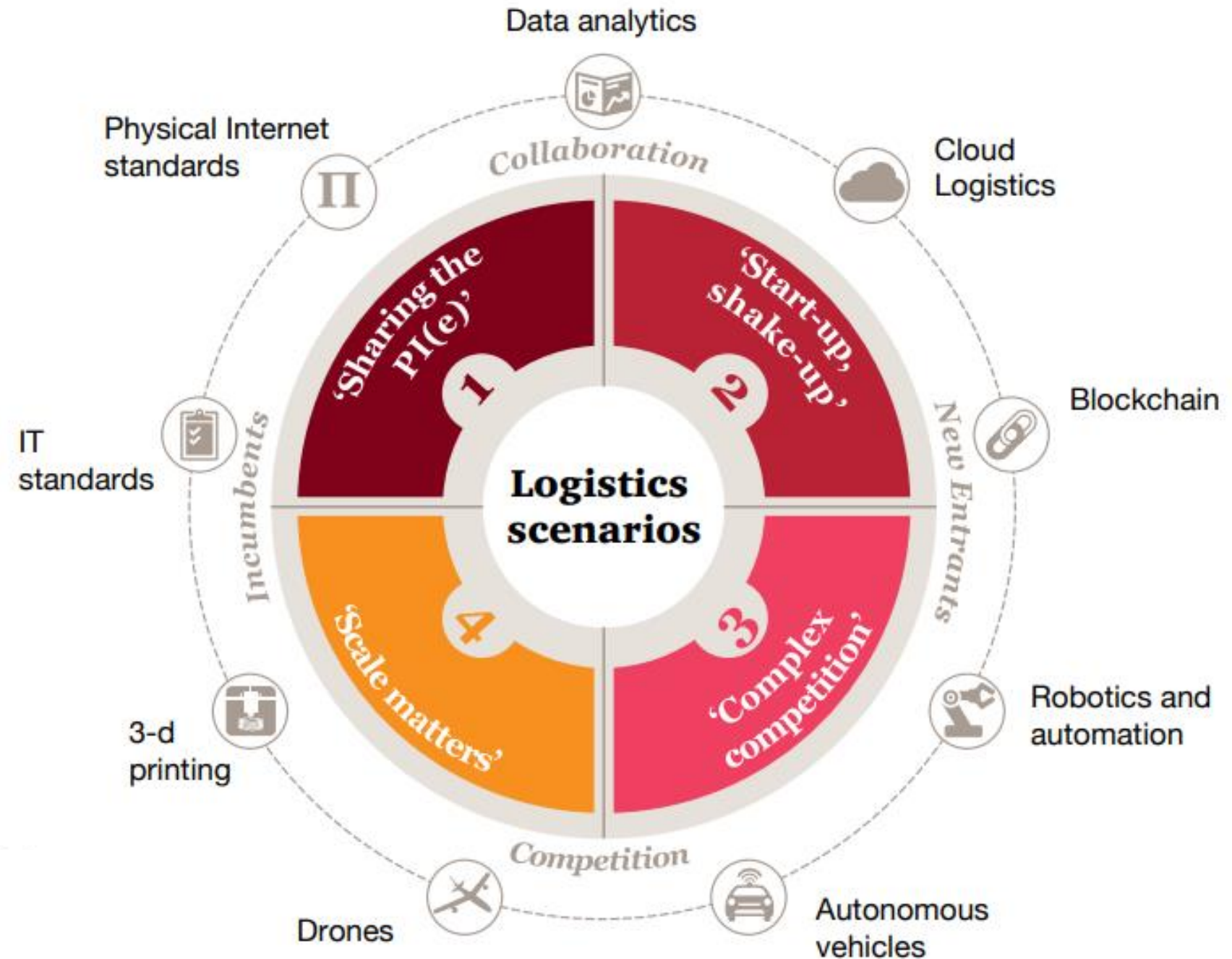
McKinsey & Company

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E-commerce: a logistics revolution



What's next?



The role of Estate: regulation and deregulation of logistics and distribution services

Until the earliest 1980s telecom and air transportation was very regulated and monopolized

For instance, in the 1970s, USA and UK had restricted landings between them

After globalization, things started to change



The role of Estate: regulation and deregulation of logistics and distribution services

Late 1970s – US-UK bilateral agreement

1984 – end of AT&T monopoly (US)

Deregulation in telecom in Europe

1984 - NAFTA

1993 – Single European market

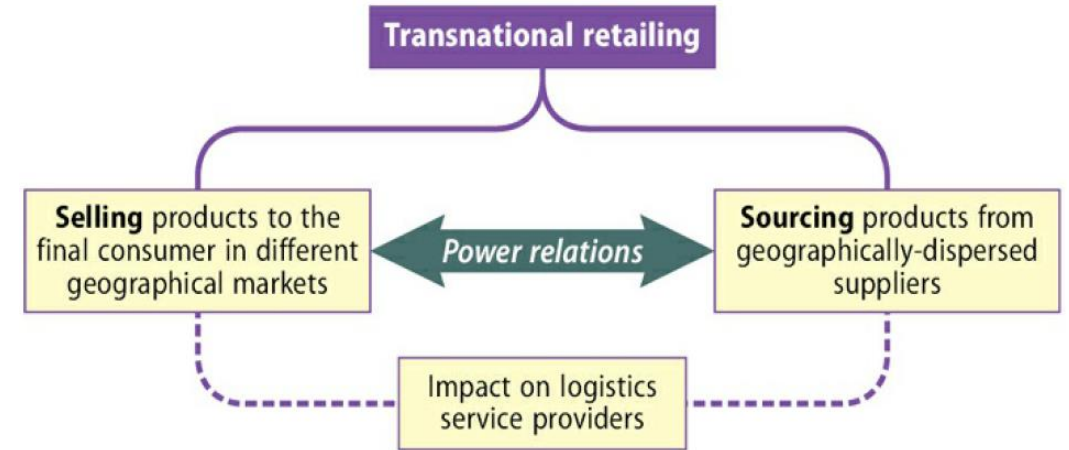
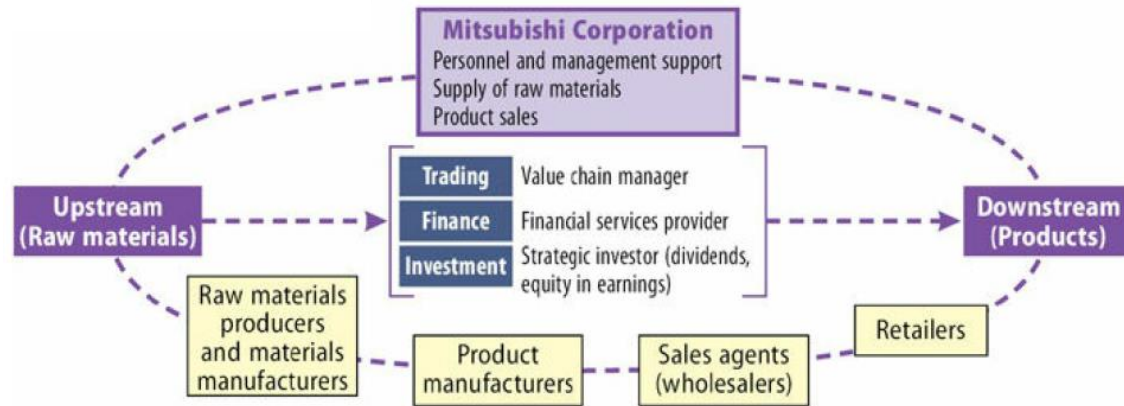


Global **logistics** companies, Global trading companies, Global retailers

Physical services ↑	Asset-based logistics providers	Skill-based logistics providers
	Major functions <ul style="list-style-type: none">• Warehousing• Transportation• Inventory management• Postponed manufacturing	Major functions <ul style="list-style-type: none">• Management consultancy• Information services• Financial services• Supply chain management• Solutions
	Traditional transportation and forwarding companies	Network-based logistics providers
	Major functions <ul style="list-style-type: none">• Transportation• Warehousing• Export documentation• Customs clearance	Major functions <ul style="list-style-type: none">• Express shipments• Track and trace• Electronic proof-of-delivery• JIT deliveries
Management services →		



Global logistics companies, Global **trading** companies, Global **retailers**



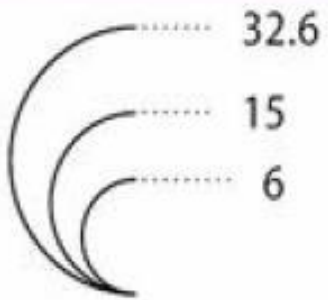
TOP 50 WORLD CONTAINER PORTS

Rank	Port	Volume 2016 (Million TEU)
1	Shanghai, China	37.13
2	Singapore	30.90
3	Shenzhen, China	23.97
4	Ningbo-Zhoushan, China	21.60
5	Busan, South Korea	19.85
6	Hong Kong, S.A.R., China	19.81
7	Guangzhou Harbor, China	18.85
8	Qingdao, China	18.01
9	Jebel Ali, Dubai, United Arab Emirates	15.73
10	Tianjin, China	14.49
12	Rotterdam, Netherlands	12.38
44	Santos, Brazil	3.60

source: world shipping council



Top 20 container ports, 2012
(million TEUs)



1 Rank

1 TEU = 1 20-foot container

Singapore

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source: world shipping council





Beijing Daxing
(under construction)
will be the world
biggest airport (2019)
It's a result of
US\$ 12 bi investment





Arthur Vieira de Moraes

Professor de Finanças, Consultor e
Apresentador do programa Fundo...



Thank you!