LOGISTICS HUB LUXEMBOURG
A TAILOR MADE SOLUTION FOR YOUR EUROPEAN DISTRIBUTION

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LOGISTICS HUB LUXEMBOURG

LOGISTICS: A KEY SECTOR OF THE ECONOMIC DEVELOPMENT POLICY

LOGISTICS ACTION PLAN

OVERALL OBJECTIVE

« POSITION AND STRENGTHEN LUXEMBOURG AS AN INTERCONTINENTAL AND MULTIMODAL HUB IN EUROPE FOR ADDED VALUE LOGISTICS ACTIVITIES »

MULTI-PRODUCT SPECIALIZATION STRATEGY

A SECTOR FULLY SUPPORTED BY ALL STAKEHOLDERS (PUBLIC & PRIVATE)
« WHEN PLANNING OR DEVELOPING YOUR ACTIVITIES INTO THE EUROPEAN MARKET, YOU MIGHT CONSIDER AT A CERTAIN MOMENT TO SET UP A DISTRIBUTION CENTRE SOMEWHERE IN EUROPE »

CHOOSING THE RIGHT LOCATION WILL BE KEY TO YOUR SUCCESS

NEED TO FIND THE RIGHT BALANCE BETWEEN KEY DECISION FACTORS

- TIME or PROXIMITY TO MARKETS
- TOTAL COSTS
- QUALITY OF SERVICES

WHAT DOES LUXEMBOURG HAVE TO OFFER?
FIND THE RIGHT BALANCE BETWEEN THE KEY DECISIONS FACTORS

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A HIGHLY STRATEGIC POSITION IN EUROPE

60% OF EU GDP WITHIN 700 KM OF LUXEMBOURG

A GATEWAY TO THE 500 MILLION EU CONSUMER MARKET
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A LEADING EUROPEAN FREIGHT AIRPORT CONNECTED TO ALL CONTINENTS

PRESENCE OF LEADING AIR CARRIERS

FAST, SECURE and EFFICIENT GROUND HANDLING

- HANDLING CAPACITY OF 1 MIO TONNES/YEAR
- QUICK TURNAROUND TIME
- SUPPORTED BY AN EFFICIENT ROAD FEEDER SERVICE

EXPERTISE IN SPECIAL CARGO

DIRECT CARGO FLIGHTS FROM & TO ALL CONTINENTS
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AN EXTENDED GATEWAY TO MAJOR EUROPEAN SEAPORTS

SCHEDULED ROAD, RAIL and BARGE CONNECTIONS

SUPPORTED BY MULTIMODAL PLATFORMS

NEW INTERMODAL (RAIL/ROAD) TERMINAL

INLAND RIVER PORT

CAPACITY: - 300,000 CONTAINERS/YEAR
- 300,000 SEMI-TRAILERS/YEAR

COMBINED (RAIL/ROAD) NETWORK

RORO TRANSPORT
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IN THE HEART OF AN EFFICIENT ROAD FEEDER NETWORK

- AT THE JUNCTION OF MAJOR EUROPEAN ROAD CORRIDORS
  - E25(N-S): ROTTERDAM-...-LUXEMBOURG-...-BASEL-...-GENOVA
  - E411/15(N-S): ANTWERP-...-LUXEMBOURG-...-LYON-...-BARCELONA
  - E44 (E-W): LE HAVRE-...-LUXEMBOURG-...-GIESSEN

- SCHEDULED ROAD CONNECTIONS

- SHORT LEAD TIMES TO MARKETS

- TRACK & TRACE SOLUTION
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EASY AND FAST IMPORT/TRANSIT/EXPORT PROCEDURES

- A COOPERATIVE and EFFICIENT CUSTOMS ADMINISTRATION

- A PAPERLESS CUSTOM ENVIRONMENT
  (E.G. e-CUSTOMS and IATA e-FREIGHT LOCATION)

- AUTHORIZED ECONOMIC OPERATOR / FISCAL REPRESENTATION

- A RECOGNIZED CERTIFICATION and HOMOLOGATION AGENCY (SNCH)
  (FOR AUTOMOTIVE AND ELECTRONICS COMPONENTS)
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FIND THE RIGHT BALANCE BETWEEN THE KEY DECISIONS FACTORS

COSTS

TIME

QUALITY

COSTS
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WAREHOUSE FACILITIES TAILORED TO YOUR NEEDS

IF SELF-MANAGED

- POSSIBILITY TO BUILD YOUR OWN WAREHOUSE FACILITY IN ONE OF LUXEMBOURG’s LOGISTICS PARKS

or

- RENT A WAREHOUSE FACILITY

IF OUTSOURCED TO A LOGISTIC SERVICE PROVIDER

- CAPITALIZE ON THE EXPERIENCE OF A CONTRACT LOGISTICS PLAYER
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EUROHUB CENTRE – LOGISTICS PARK

A1 TO GERMANY

A1 TO FRANCE

LUXAIRCARGO’s PHARMA & HEALTHCARE CENTRE

TO BELGIUM

LOGISTICS PARK – EUROHUB CENTRE

Land available
NEW INTERMODAL (RAIL/ROAD) TERMINAL

CAPACITY:
- 300,000 CONTAINERS/YEAR
- 300,000 SEMI-TRAILERS/YEAR
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OPTIMIZING LABOUR COSTS VERSUS PRODUCTIVITY

◆ LOW LABOUR TAX and SOCIAL CHARGES
  → FOR EMPLOYERS & EMPLOYEES
  → MAKING TOTAL LABOUR COSTS COMPETITIVE COMPARED TO NEIGHBOURING COUNTRIES

◆ HIGHEST LABOUR PRODUCTIVITY IN THE EU

Labour productivity per person employed 2016, EU 28 = base 100

Source: Eurostat

◆ STRONG NATIONAL COHESION
  → CONTINUOUS DISCUSSION BETWEEN SOCIAL PARTNERS
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KEY TAX CONSIDERATIONS WHEN IMPORTING GOODS INTO THE EU

IMPORTING GOODS GENERATES FROM THIRD COUNTRIES

→ THE PAYMENT OF CUSTOMS DUTIES

→ THE PREFINANCING OF VALUE ADDED TAX (INDIRECT TAX)

→ THIS HAS A NEGATIVE IMPACT ON TREASURY/CASHFLOW

LUXEMBOURG OFFERS SOLUTIONS TO AVOID THIS DRAWBACK

→ THE POSSIBILITY TO STORE THE GOODS IN A BONDED WAREHOUSE UNTIL A SELLING ORDER (WHICH ALLOWS TO POSTPONE THE PAYMENT OF IMPORT DUTIES)

→ AN AUTOMATIC AND UNCONDITIONED VAT DEFERMENT MECHANISM FOR B2B SHIPMENTS (MEANING NO VAT PREFINANCING)
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B2B - VAT DEFERMENT MECHANISM (NO VAT PREFINANCING)

NO VAT IMPACT ON A COMPANY’s TREASURY
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B2B - VAT DEFERMENT SUPPLY CHAIN SOLUTIONS

OPTION 1: IMPORT BY AIR

OPTION 2: IMPORT BY SEA + RAIL/ROAD

IN LUXEMBOURG YOU DO NOT NEED TO PREFINANCE VAT

IT’S AUTOMATIC AND UNCONDITIONED

POSTPONE VAT OBLIGATIONS BY USING A TRANSIT REGIME (T1)

NO VAT PREFINANCING

DELIVERY TO AN EU CLIENT IS VAT-EXEMPT: INVOICE WITHOUT VAT

NO VAT PREFINANCING
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FIND THE RIGHT BALANCE BETWEEN THE KEY DECISIONS FACTORS

QUALITY

COSTS

TIME

QUALITY
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A STABLE SOCIO-POLITICAL ENVIRONMENT

- SOUND MACROECONOMIC FUNDAMENTALS (AAA RATED)
- ACCESSIBLE AND BUSINESS MINDED GOVERNMENT

A FAVOURABLE LEGAL AND REGULATORY FRAMEWORK

- HIGH RESPONSIVENESS TO RELEVANT EU LEGISLATION
- PRO-BUSINESS LEGAL AND REGULATORY FRAMEWORK

A PROACTIVE ACTIVE GOVERNMENT INITIATIVES TO STRENGTHEN THE SECTOR

- CONTINUOUS STRATEGIC MONITORING
- ADAPTATION OF THE REGULATORY AND ADMINISTRATIVE FRAMEWORK
- DEVELOPMENT OF RELATED INFRASTRUCTURES
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NEW BUSINESS AND MARKET OPPORTUNITIES (1/2)

A FULLY GDP-CERTIFIED PHARMA GATEWAY

- **MOST MODERN AIRCRAFT TECHNOLOGY: B 747-8F**
  - Able to maintain different temperature ranges at the same time
    - +2°C to +8°C
    - +15°C to +25°C
  - Prequalified tracking sensors are allowed on board

- **A DEDICATED PHARMA CENTRE AT THE AIRPORT**
  - 3,000 m² with two distinct storage zones:
    - 1,600 m² ambient (+15°C to +25°C)
    - 818 m² cold (+2°C to +8°C)
  - Temperature controlled build-up areas (+2°C to +25°C)
  - 6 dedicated and temperature controlled truck docks
  - Hotspot system for temperature monitoring
  - 35 cool cells

- **DEDICATED LSPs OFFERING SECURED E2E SC SOLUTIONS**
  - Track & tracing solutions
  - Efficient and adapted road feeder services

- **GDP CERTIFIED PLAYERS IN LUXEMBOURG**

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NO WAITING TIME ON TARMAC
MAX 350 m TO THE AIRCRAFT
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NEW BUSINESS AND MARKET OPPORTUNITIES (2/2)
DEDICATED SOLUTION FOR CROSS-BORDER E-COMMERCE

KEY FACTS
- CROSS-BORDER E-COMMERCE IS GROWING AROUND THE WORLD BUT IS NOT YET AT ITS FULL POTENTIAL
- GOODS DOMINATE CROSS-BORDER E-COMMERCE

MOST POPULAR OVERSEAS ONLINE SHOPPING DESTINATION

VARIABLE CROSS-BORDER E-COMMERCE MODELS (EU-FULFILMENT CENTER OR DIRECT SHIPMENT)
KEY ELEMENT TO TAKE INTO ACCOUNT WHEN CHOOSING ONE OR THE OTHER:
- COMPLIANCE WITH NATIONAL LEGISLATION
- LEAD TIME TO CUSTOMERS
- VAT / IMPORT CUSTOMS IMPLICATIONS
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AN ADVANCED ICT ENVIRONMENT FOR SUPPLY CHAIN MANAGEMENT

EXCELLENT INTERNATIONAL AND NATIONAL CONNECTIVITY

- FIBER OPTIC NETWORKS TO ALL MAJOR EUROPEAN POPs
- SATELLITE CONNECTIVITY
- INTERNET EXCHANGE POINTS (E.G. LIX, LU-CIX)

STATE OF THE ART INFRASTRUCTURES WITH HIGH SECURITY STANDARDS

- 23 DATA CENTERS, 8 WITH TIER IV CERTIFICATION
- SECURE IT SOLUTIONS (E.G. LUXTRUST SECURED CERTIFICATES)
- PRESENCE OF A HIGH PERFORMANCE COMPUTER BY 2018

TOWARDS A FULLY PAPERLESS ENVIRONMENT

- SINGLE WINDOW FOR LOGISTICS (ONGOING PROJECT)
- E-CMR (PILOT PROJECT FOR ELECTRONIC CONSIGNMENT NOTE)
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SKILLED AND MULTILINGUAL WORKFORCE

DEDICATED TRAINING PROGRAMS AT ALL LEVEL
FROM HIGH SCHOOL AND VOCATIONAL TRAINING TO MASTER DEGREE AND EXECUTIVE EDUCATION

2017 - LAUNCHING YEAR OF MASTER DEGREE

COMPANIES MANAGING SUPPLY CHAIN ACTIVITIES
(TO NAME BUT A FEW)

SUPPLY CHAIN FUNCTIONS:
(TO NAME BUT A FEW)

PROCUREMENT ACTIVITIES:
(TO NAME BUT A FEW)
QUALITY SERVICES OFFERED BY KEY LOGISTICS SERVICE PROVIDERS...

(TO NAME BUT A FEW)
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... AS WELL AS INTERNATIONALLY RECOGNISED PLAYERS FOR RELATED SERVICES
(TO NAME BUT A FEW)

TYVEK AIR CARGO COVERS
- FOR LIMITING THE EXPOSURE OF TEMPERATURE SENSITIVE PRODUCTS DURING THEIR SHIPMENT

AUTOMATED HEAVY-LOAD SYSTEM SOLUTIONS
- FOR AIRCRAFT MANUFACTURING AND MAINTENANCE TO AIR CARGO HANDLING PASSING THROUGH HIGH-BAY WAREHOUSING SYSTEMS

INTEGRATED IT SOLUTIONS FOR CONNECTING THE AIR CARGO COMMUNITY
- FOR AIRLINES, FORWARDERS, GROUND HANDLING AGENTS AND GROUND SERVICES ADMINISTRATIONS

TRUSTED CONFIRMATION OF THE DIGITAL IDENTITY OF THE STAKEHOLDERS WITHIN A LOGISTICS CHAIN
- ASSURANCE OF DATA INTEGRITY, DATA SOURCE, AND DATA-ENCRYPTION DIRECTLY LINKED TO THE SOURCE AND THE RECIPIENT.
- LEGALLY BINDING ELECTRONIC SIGNATURE OF LOGISTICS ORDERS

CUSTOM MADE PACKAGING FOR AIR, SEA, RAIL AND LAND SHIPMENT
- INDUSTRIAL PACKAGING, INDUSTRIAL TRANSFER, CONTAINERIZATION, HANDLING OF HEAVY, FRAGILE, BULKY OR HAZARDOUS PRODUCT

AS WELL AS INTERNATIONALLY RECOGNISED PLAYERS FOR RELATED SERVICES (TO NAME BUT A FEW)
SMART AND INNOVATIVE LOGISTICS: LOOKING TOWARDS THE FUTURE

NEW TECHNOLOGIES:
- ROBOTICS, AUTOMATION & AI
- BIG DATA & ANALYTICS
- INTERNET OF THINGS
- 3D PRINTING
- BLOCKCHAIN

WILL RESHAPE PROCESSES
ALONG THE ENTIRE LOGISTICS VALUE CHAIN

TO KEEP PACE WITH TECHNOLOGICAL CHANGES,
LOGISTICS SERVICE PROVIDERS WILL NEED TO INVEST IN
"INNOVATION OR STARTUPS "

LUXEMBOURG SUPPORTS THE DEVELOPMENT OF INNOVATIVE SOLUTIONS BY
- RESEARCH, DEVELOPMENT AND INNOVATION FINANCIAL SUPPORTING SCHEMES
- COLLABORATION OPPORTUNITIES WITH RESEARCH INSTITUTES
- JOINT PHD INDUSTRIAL RESEARCH PROJECTS WITH THE LUXEMBOURG CENTER FOR LOGISTICS AND SUPPLY CHAIN
- A START-UP ECOSYSTEM IN ORDER TO EASE THE DEVELOPMENT FROM EARLY TO LATE STAGE

EXAMPLES OF STARTUPS ACTIVE IN THE FIELD OF LOGISTICS IN LUXEMBOURG:

![Nektria](image1.png)  ![Daanuu](image2.png)
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LUXEMBOURG RANKS N°2 WORLDWIDE

SOURCE: WORLD BANK LOGISTICS PERFORMANCE INDEX (2016)
WHAT MAKES LUXEMBOURG STAND APART IS THE FACT THAT IT MANAGES TO COMBINE A UNIQUE SERIES OF ASSETS