

GREECE AS A LOGISTICS / TRANSSHIPMENT HUB IN THE BALKANS

APOSTOLOS TZIMOURTAS – GENERAL MANAGER ORPHEE BEINOGLLOU GROUP OF COMPANIES



Orphee Beinoglou is one of the leading Greek companies in Contract Logistics, having established a strong Freight Forwarding presence, which establishes the company as a powerful player in the Balkan and the SE Mediterranean territory

95.000 m2 of covered wh space in total, of which :

37.000 in Elefsina

20.000 in Inifyta

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ORBIT group of companies in:

Patra

fyROM

Romania

Bulgaria

Cyprus

The Lebanon





ORBIT COURIERS S.A.

Address:

31st km Vari-Koropi Ave.
#141GR-19400 Koropi

Greece

Tel. +30 210 6686.600

Fax +30 210 6620.999



Industry feedback

What will make the difference

Strengths in Becoming a regional hub

The weaknesses

Suggestions



IN THE FIRST HALF OF 2009, THE WORLD ECONOMIC CRISIS HAD A DISPROPORTIONAL DECLINE IN TRANSPORT VOLUMES, MODES AND INVENTORY TURNOVER. THE ADDED REDUCTION IN TRANSPORT AND LOGISTICS CAPACITY THAT IT INDUCED, RESULTED IN DRAMATIC SHIFTS IN THE PRICE STRUCTURE OF THE INDUSTRY. FURTHERMORE, THE DOWNWARD ECONOMIC TREND AND THE CREDIT CRUNCH LED TO A GROWING NUMBER OF INSOLVENCIES. AS A RESULTS COMPANIES TRIED TO STAY ALIVE THROUGH SHORT-TIME WORKING AND STAFF CUTS.

HAULIERS, SHIPPING OPERATORS, AND AIRLINES FELT THE IMPACT OF THE WORLD ECONOMIC CRISIS MORE SEVERELY THAN WAS EXPECTED. PARTICULARLY IN THE FIRST THREE QUARTERS OF 2009 THE FALL IN PRICES WAS DRAMATIC AND THERE WAS NO SIGN OF RECOVERY UNTIL THERE WERE SOME RAYS OF LIGHT TOWARD THE END OF THE YEAR; THIS WAS MAINLY INDUCED BY COMMERCIAL COMPANIES TRYING TO CUT COSTS AND SEEK ALTERNATIVES IN THE 3PL AND FREIGHT SECTOR.

THE HIGH LEVEL OF CONSOLIDATION BY CORPORATE TAKEOVERS AND MERGERS, WHICH IS CHARACTERISTIC OF THE LOGISTICS INDUSTRY, ALSO WAS SUBSTANTIALLY REDUCED AS A RESULT OF THE ECONOMIC SITUATION THE CREDIT ISUUE AND THE TURBULENCE THE COMPANIES WERE GOING THROUGH





EXCLUSIVE INFRASTRUCTURE

- Transportation infrastructure in overland (ie Truck and Rail)
- Fast connections to the in-land
- More than one Ports with good infrastructure
- Ease of access

CENTRAL LOCATION

- Centralized distribution (it should be able to work as a logistics / cross transportation terminal)

EXCELLENT SEA- AND AIRPORT FACILITIES

WELL-DEVELOPED LOCAL LOGISTICS INDUSTRY

FINANCIAL AND POLITICAL STABILITY





- 🌐 Experienced gained immeasurable
- 🌐 Proactive and structured approach with clear targets vs the norm of improvisation.
- 🌐 Logistics and combined transportation parks still wishful thinking
- 🌐 Large capacity in truck fleet (issue now due to the crisis)
- 🌐 There are a lot of Logistics Chiefs but few Indians
- 🌐 Young logisticians the event has generated are now the mid and upper management in companies
- 🌐 Huge experience in event management (is it exploited?)
- 🌐 A lot of knowledge were also gained in reverse logistics
- 🌐 Distribution to Athens still an issue (we had the change to set the rules but we lost it)
- 🌐 Logistics and security can go hand in hand
- 🌐 Greek management does not believe in contingency plans






- ✓ Greece has a geopolitical position that can facilitate the export of EU products to the greater region and the imports of Asian countries to the EU.
- ✓ Greece now has a good transportation infrastructure.
- ✓ Greece has a significant heritage in experienced logistics managers.
- ✓ Greece has a very good telecommunications infrastructure
- ✓ Greeks have always had a strong tradition in commerce and transport.
- ✓ The accession of Bulgaria and Romania to the EU is a great opportunity that will allow many companies to use it as a hub to supply these two countries the way we serve our territory. At borders bureaucratic formalities tend to disappear.
- ✓ The Asian penetration of products in general is also a positive challenge especially if we use “smart” hubs
- ✓ Agro-logistics is also a challenge. Greece can operate as a powerful market place





- ✓ Warehouse facilities are sparse and scattered (very few logistics centers, non existent logistics parks)
- ✓ As a consequence there is low competition for the creation of hubs (but high potential)
- ✓ Lack of centralized planning (Skopje manifestation, subsidies, free trade zones)
- ✓ Bureaucracy even in the smallest deals coordination in the joint venture between the private and the public sector (OSE experience)
- ✓ Lack of combined transportation mentality (Israel)
- ✓ Non proportional inbound vs. outbound (most trains and containers return empty)
- ✓ We didn't make a strong case to lure the foreign companies to use Greece as hub
- ✓ Scattered market: A lot of small players with fear of alliances (Route OSE)



 The seriousness of the issue is realized and there is a plan for six logistics (combined transportation) centers. However, with the economy at crisis moving forward will be an issue since we are stuck with cash flows rather than evolution.

 There is a lack of central coordination sea transport road transport and logistics are in different ministries

 Greece is the centre of an area with a population of 140 million people having a heritage of political stability and being part of the euro-zone and as a consequence a solid currency. It also has a solid basis of executives and a good transportation infrastructure.

 We need to make sure that we shall implement a solid coordination plan that will liaise the different actors in the chain. Its goal would be to improve the speed of restructuring and the further improvement of the infrastructure. We shall thus become a regional commercial supply chain hub

