

JOURNAL



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Editorial



Dear Readers of the UnitCargo Journal,

The past three months have, as always, been busy. New legislative proposals, plans for a new office and a visit to our Swedish customers were just some of the things added to the normal routine of running our business.

Much information has been gathered to help us be better prepared for the future and I am happy to share much of it with you here. I hope you will find it informative and, as always, if you have any comments or require further information, we are always happy to hear from you.

Mag. Davor Sertic

SUCCESSFUL TEAM BUILDING AT SCHLOSS HERNSTEIN

The last weekend of May saw the UC team together at Schloss Hernstein a seminar hotel in the picturesque countryside of lower Austria.

Our aim was to bring together our colleagues from Romania, Slovakia and Austria and in a pleasant and fun environment, develop together a deeper understanding of the history and scope of our business. Through workshops and dynamic discussions we explored the nature of communication and how best to achieve it. Concluding with a feedback forum all agreed that the time spent was good investment for performance enhancement.



NEWS

Fixed contract but fluctuating prices

Dealing with the fluctuating prices of fuel within fixed price contracts can be a difficult issue with four factors to be considered: the local price of fuel and currency fluctuation within the EU are perhaps the more easily handled since the mechanisms within the Union substantially reduce these risks but fluctuations in the value of the US\$ and the global demand for petroleum products are disruptive.

Without some mechanism to contain these fluctuations the truck operator is always at a disadvantage since the customer will always want prices to fall with lower fuel costs but will resist as long as possible an increase. The need to agree a formula is clear.

At UnitCargo we work with a number of models with data sources taken variously from the EU commission monthly review and Shell among others. A clear statement covering the origins of the index, review period and rate in which the transport surcharge is linked fuel price is a matter of negotiation between UnitCargo and the customer, which we believe is how it should be in a free market.

Gotthard, a greener route between North and South!

On 1st June 2016 and after 17 years of construction the Gotthard Base Tunnel officially opened. The tunnel, with a capacity of 250 freight trains per day is a major achievement by the construction industry and a significant step towards the EU target of 30% of existing road transport moving to rail.

Of course the situation in the UnitCargo Corridor is very different. For routes South of Vienna, truck transport is the only viable solution since railway infrastructure is substantially deficient on all but commuter routes. On a recent passenger train journey between Vienna and Bucharest, the average speed of the train was 55 kph. Freight trains are normally slower! Our focus on trucks in the corridor Baltic, Balkans and Beyond has worked well for our customers and we intend to further re-enforce our position in this corridor by opening a new traffic office in Serbia which is both a key section of our corridor and increasingly a destination for cargos from the North.



Visit to Sweden

There is always a need to review logistics costs and pricing and my recent visit to our Swedish customers really focused my attention that and the corporate restructuring of logistics departments being undertaken there. The pressure is on to find ways to significantly reduce the communications chain between customer and supplier so that intermediate contacts and the costs they add can be eliminated. Like most things, it is simple when spoken quickly. The reality might be somewhat different but it clearly brings opportunities to niche players who have the necessary support infrastructure to satisfy the ethical demands of major customers. I am proud that at UnitCargo we have such systems in place and that we can continue to deliver the right service at the right price.



THE PARIS ACCORD & THE LOGISTICS INDUSTRY FUEL ECONOMY STANDARDS FOR TRUCK?

At UnitCargo our commitment to a sustainable economy acts on every level, and goes hand in glove with a reduction in vehicle emissions.

Thus, within our offices we strive to reduce our environmental footprint by such initiatives as EMAS certification which we were the first freight company in Austria to gain, and as a proponent of truck transport we strongly promote the use of trucks with the highest environmental standards. Yet many within the industry are demanding that much more effort should be applied.

"In December 2015 195 countries adopted the first-ever universal, legally binding global climate deal. As part of the Paris Agreement the European Union has committed to reduce carbon dioxide emissions by 40% by 2030."

Huge potential savings in truck transport

Major European companies including IKEA, Nestlé, Philips, DB Schenker, Deutsche Post DHL and T&E, have called on EU Commission President Juncker to introduce fuel efficiency standards for heavy-goods vehicles in Europe. It is claimed that there is the potential of a 35% improvement by increasing engine efficiency, improving tyres and aerodynamics, and hybridisation and that such improvements could bring savings running into billions for businesses, lead to cheaper goods, protect the environment and boost energy independence.

An important role for Speditors

There can be little doubt that this call for an initiative gives an important role to the truck spedition sector since we are in direct and intimate communication with the over 100,000 small and medium size truck operators with the Union.

As such we are often their portal to the regulations and developments which affect them. Euro 6 is an example. By encouraging its adoption and prioritising operators with such equipment the environmentally active speditor can have an immediate and direct impact on the adoption of ambitious standards. Further, substantial cost and environment benefit can immediately be gained by the reduction in the empty kilometres run by trucks traveling from discharge to the next loading point. At UnitCargo we take the reduction of empty kilometres as one of the key drivers towards a profitable and sustainable business.

Of course one indisputable fact is that the big gains in fuel use per km for cars has not been matched by fuel economy gains in the truck sector. Though initiatives such as AdBlue might reduce the NOx, far more significant improvement would of course arise if fuel use were to be substantially diminished. 10% less fuel use is 10% less pollution. The potential 35% reduction in fuel use claimed in this letter would not only improve the environment but also reduce running costs which would immediately impact logistics prices.

Hybrid Trucks for City Logistics

An interesting development in terms reducing fuel consumption and pollution in cities is a new hybrid solution from Wrightspeed USA which promises an up to 67% reduction in fuel consumption and a 63% reduction in emissions. Though currently aimed at heavy trucks in urban areas and with little application within the long distance truck sector it illustrates what the latest technology has to offer in terms of the environmental impact of the supply chain within cities. This is of particular interest to me as I serve as the representative of businesses on the Vienna City Government transport body.



Davor Sertic addresses the Austrian Parliament on the issue of urban logistics and city pollution measures.



THE FORUM

Founded by UnitCargo CEO Davor Sertic in 2011, the Forum Transport Intelligence (FTI) aims to aid the communications flow between all those concerned with logistics in Austria. The initial impetus came from concerns about the impact of the EU requirement that 30% of all road freight traffic over 300 Kms should move to rail by 2030.

Based on the social media platform Xing, it soon added a physical form with forums arranged to introduce and discuss the implications of this and ways it may be implemented.

As the movement to decarbonise the logistic chain has grown so has the significance of the FTI. Recognising this, and in order to affirm its independence the founder and team have decided to pass organisation and control to The Institute of Production and Logistics at BOKU, the University of Natural Resources and Life Sciences Vienna under its head, Prof Manfred Gronalt with content and organisation in the hands of Martin Posset. Here is his view of the challenges facing the supply chain:

"Key trends

Four key trends are acting together to add further impetus to the work of the Forum; the decarbonisation of the transport sector (minimising the carbon footprint), the long term trend of urbanisation with the consequent distancing of populations from local food sources, the movement toward organic and ethical production and the exponential growth of on-line-shopping with its demand for efficient and pollution free last mile deliveries.

Green logistics – supplying the future.

Though there are noisy groups demanding a more sustainable economy in fact it is the major retailers who have focused on these trends such that pressure to create Green Supply Chains is now felt across the logistics industry.

This is particularly important in the area of food where health and freshness add further complexities. For example, the amount of sunshine has an immediate impact on the carbon footprint of fruits and vegetables with more or less heating/cooling being required so clearly climate change itself will have to be added to the equation in any formula of long term sustainability.

We are living in an unprecedented time of change with technical innovation often producing more questions than answers. And so the next forum, to be held at the Erste Bank Campus, Am Belvedere 1, 1100 Wien on Wednesday the 7. September 2016, at 17:30."

A diverse group of speakers promises a lively evening the aim of which is, if not provide answers, at least formulate the agenda in such a way that a serious debate may take place. Full information about the forum can be found at www.forumlogistics.at





DIVERSITY BALL

The Diversity Ball is an important event in the social calendar. It is a celebration of all aspects of the diverse nature of humans. Co-sponsored by the Austrian Business Organisation WKÖ it is a great place to party the night away whilst making the most of networking opportunities. Davor Sertic an Ambassador for the Ball and a keen proponent of the benefits which diversity can bring to the workplace was there together a group from UnitCargo. No set date yet for the 2017 event but pencil it in to your diary if you are looking for a fun filled night in the Austrian Capital.

NEWS IN THE HR DEPARTMENT

Haris Pasovic



Haris was born in Sarajevo but was educated at the International High School in Switzerland where he specialized in languages. Logistics and transport are an obvious choice for him since he is able to fully use his language skills. Currently he is the traffic manager on the corridor section Balkans, Turkey and Middle East. A passionate believer in education, Harris offers the following statement: "Many study something for the title that they will get but very few learn for the knowledge that they receive". Not unnaturally, Harris hopes to continue his studies, this time at FH bfi Vienna, in Logistics and Transport Management.

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Sebastian Wojcik



Formerly working in finance in Poland, Sebastian came to UnitCargo in Vienna in 2015 with both a degree in Economics and a Masters in Marketing and Management. Traffic management was a big change for him but one he enjoys since he can use his language skills, maths ability and marketing education. As Sebastian says, "Every day is different, dynamic, exciting and diverse. It is always a challenge. And this month I passed my Traffic Manager exam with excellence. I am quite proud of that."

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Growing in Romania

Ionut Gheorghe joined UnitCargo in March 2014 as our Bucharest based traffic manager. Growth has been rapid, with Sergiu Dobrin joining him one year ago and Eduard Bolea joining recently. Romania is an important part of the UnitCargo Corridor and further vacancies are set to be filled before the end of the year.

SK RAPID BUSINESS PARTNER 2016/17

Sport – connecting our values

For UnitCargo Sport is not only a metaphor for business competition but a key value in our philosophy. The opening of the new Vienna Rapid Stadium gave the perfect opportunity for the company to assert this connection by becoming a business partner of the club. Losing out to Red Bull Salzburg in the 2015/6 championship, we naturally hope that the added support of UnitCargo will be enough to propel SK Rapid to the number one spot in the coming season. Of such are dreams made!

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