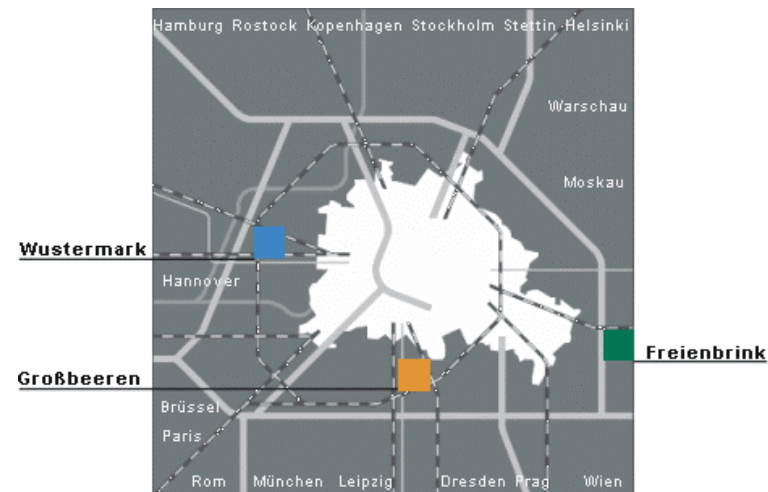


The German logistic experience with freight villages - is it appropriate for Ukraine?



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Ukraine”**

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The LogisticsNet Berlin Brandenburg is a PPP „Public Private Partnership“ to promote the German Capital region as a region for logistics

Foundation in January 2006 on the initiative of the German Federal States of Berlin and Brandenburg

27 members: agiplan, BEHALA, Gazeley, Investor Center Ostbrandenburg, HVLE, IPG Infrastruktur- und Projektentwicklungsgesellschaft, ReiCo Spedition, Rieck Logistic, Struktur- und Wirtschaftsförderungsgesellschaft des Landkreises Teltow-Fläming, TFH Wildau, Ullrich Transport, Verband Verkehr und Logistik, Wagener & Herbst, WWZ Immobilien, ZAB Zukunfts-Agentur Brandenburg, Flughafen Berlin Schönefeld and other

Speaker of the Logistics Initiative and Chairman of LogistikNetz Berlin-Brandenburg e.V.:
Prof. Dr. Ludger W. Wilken

Coordinator: Wagener & Herbst Management Consultants GmbH



Agenda

E Definition: Freight Villages

- The development of freight villages in Germany

Z Freight Villages in Berlin

- Is the FV concept appropriate for Ukraine?
- Current projects

Definition: Freight Villages

à Spatial concentration of independent logistics (e.g. transport, distribution, warehousing) and commercial trade companies in an industrial estate.



à Intersection of two or more different transport modes; particularly road/rail by an intermodal terminal.

Definition: Freight Villages

à Interface between local traffic and long-distance traffic.



à The cooperation between companies improves the commercial and ecological efficiency. The cooperation is coordinated by an independent development and management company.

Advantages of freight villages

Benefits through cooperation

- n high-level road/motorway access (short reaction and delivery times)
- n intermodality increases commercial flexibility and investment security (present bonus or future option)
- n low conflict potential (round the clock operation)
- n co-operative activities (cost savings for telecom, energy etc.)
- n wide service spectrum (truck service, customs clearance, etc.)
- n sufficient land size for logistics-intensive purposes with excellent transport access



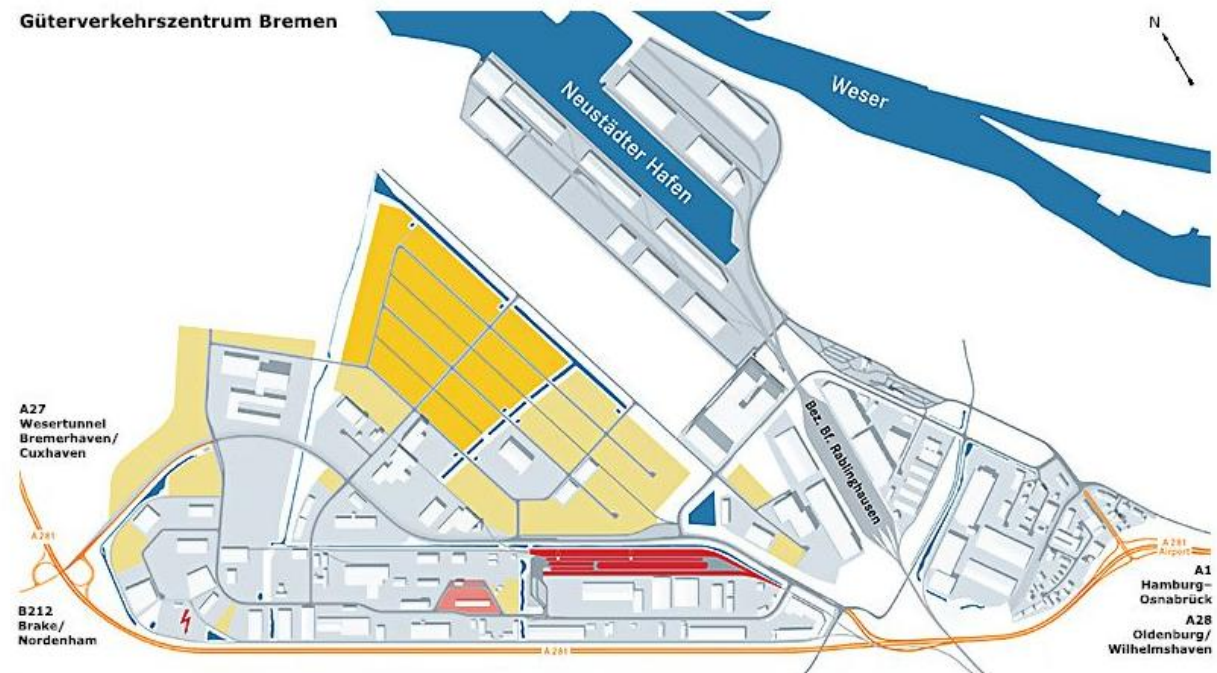
The development of freight villages

- 1965 The first sea container was landed in the port of Bremen
- 1970's First visions of scientists and transport managers to shift forwarders from narrow and expensive town centres to outside estates and to shift transport from road to rail
- 1972 Establishment of a terminal for combined transport road/rail (piggyback, swapbody, container) Bremen
- 1974-84 Project team led by the Bremen regional administration investigated and planned the development of a freight village in the former agricultural area Niedervieland (Bremen)
- 1985/86 Bremen administration developed industrial estate with public financing (40 mio Euro)
Establishment of the first German freight village Bremen

Foundation of the GVZe managing company by the first 6 enterprises settled in the freight village and by the Bremen industrial promotion agency

The development of freight villages (2)

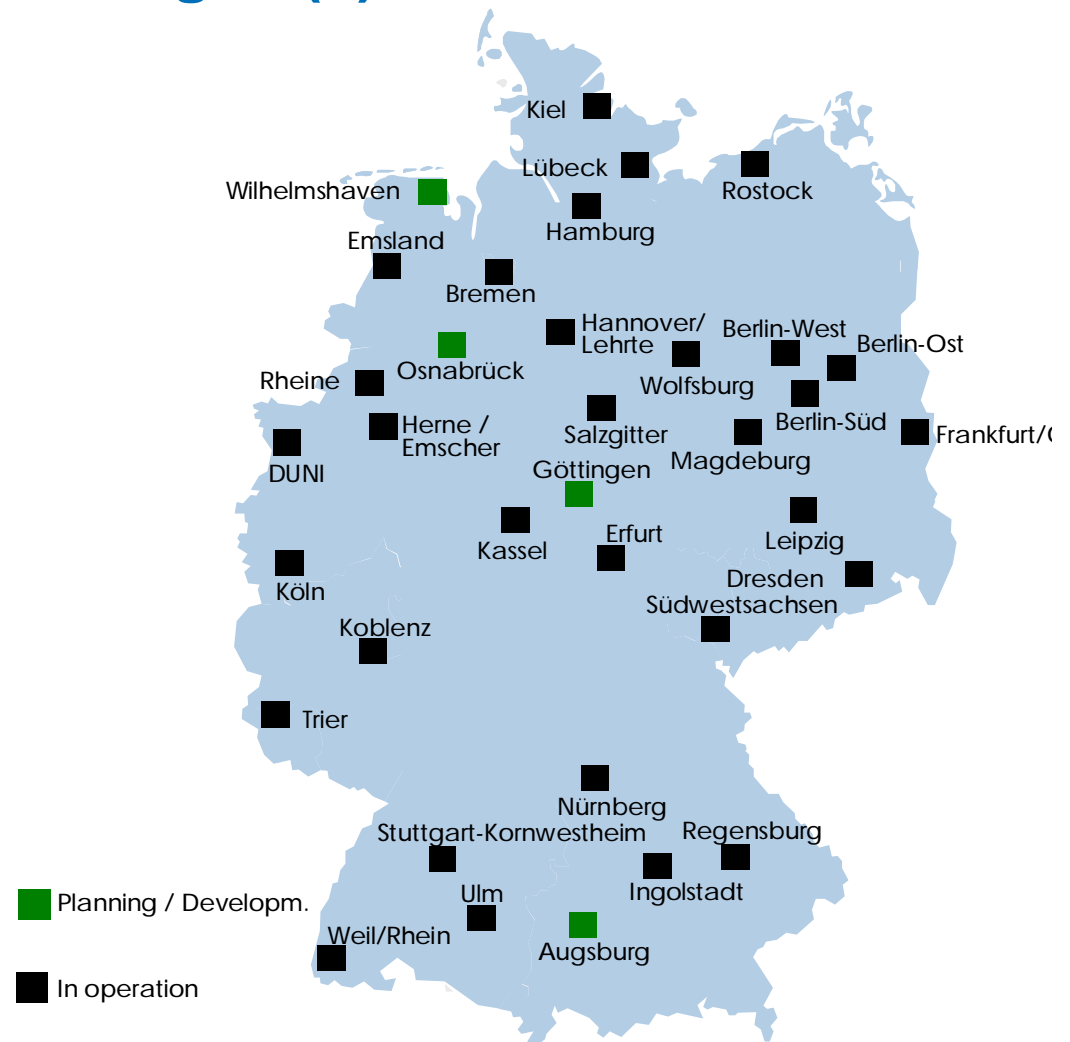
2005 After 20 years the freight village in Bremen consists of 360 ha (165 ha free), since 1985 260 Mio Euro public investments, 200 Mio Euro private investments, 150 enterprises with 5000 employee



The development of freight villages (3)

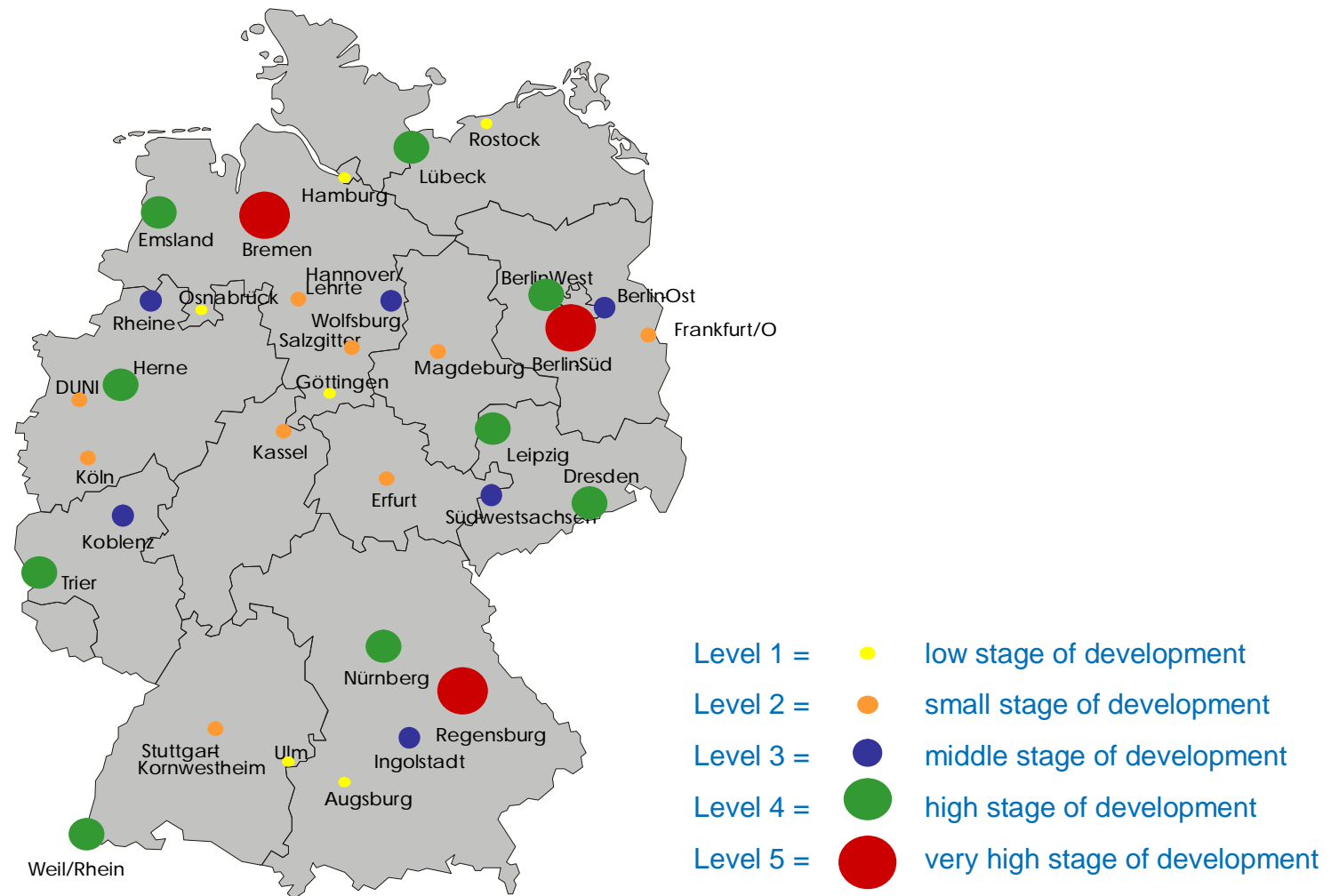
Germany in total (2008)

- § 31 freight villages in operation
- § 4 freight villages in planning
- § 1,300 enterprises in freight villages
- § With 45,000 employees
- § Average total area 150 ha
- § Average utilization 50%
- § Average land costs 50 €/sqm (between 10 € and 200 €/sqm)
- § German FV Society with 22 FV





Stages of development: Freight villages in Germany





Development of Freight Villages – Pro and Contra

Pro

For Administration

- § Less congestion, better city logistics
- § Better access of the region through intermodal connections
- § Focus of infrastructure investments
- § Spatial planning
- § Higher corporate and income taxes
- § Environmental protection

For enterprises

- § Faster and easier realization of logistic location (buy or rent)
- § Access to rail and intermodal terminal
- § Auxilliary services
- § State support

Contra

For Administration

- § Initial efforts and investments needed
- § Risk of long planning
- § Risk of utilization

For enterprise

- § Cost per sqm may be higher
- § Must wait until FV is ready
- § Sometimes fear of competition

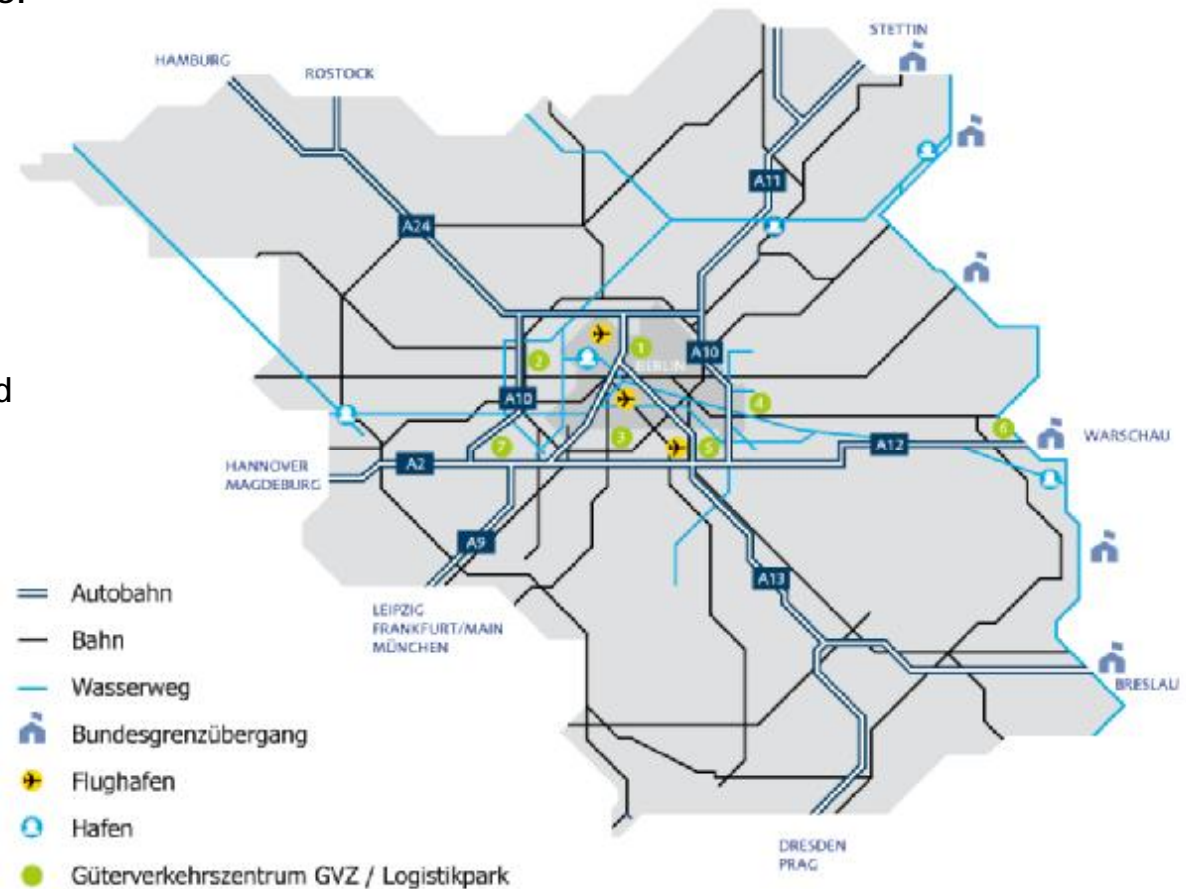
What is needed for success?

- à Joint effort of state and industry
- à Organisation responsible for development and management
- à Openess and Win-Win-Situation
- à Initial Financing
- à State Subsidies (?)

Freight Villages in Berlin region

Resources for logistics companies of all sizes

- n Extension of the Berlin West Port to a container-terminal
- n Extension of the logistics location near the Schönefeld airport
- n Freight Villages (FVs) Berlin South and West are ranked on position 3 and 4 in Germany
- n Selected locations:
 1. City FV BEHALA
 2. FV Berlin West Wustermark
 3. FV Berlin South Großbeeren
 4. FV Berlin East Freienbrink
 5. Logistics Park Berlin-Schönefelder Kreuz
 6. FV ETTC Frankfurt/Oder
 7. Magnapark Berlin Werder



Freight Village Berlin South (Großbeeren)



- 150 ha area
- 55 established enterprises
- approx. 3.700 employees
- approx. 90 Mio € state and 350 Mio € private investment



Ist the FV concept appropriate for the Ukraine?

Some thesis from my personal view:

- § The development of freight villages would show similar benefits as in Germany.
- § It is reasonable that the municipal and regional administrations coordinate the spatial planning. The state is responsible for infrastructure development (roads, rail, waterways, ports, terminal concept).
- § So the FV concept is appropriate in general, but Ukranian specifics must be considered.
- § The private sector could / should play a bigger role in development and financing (development funds, development enterprises).
- § Openess of the freight villages should be ensured, monopolies should be avoided. Railways involvement is necessary (intermodal terminals).
- § Pilot projects to learn from should be encouraged. Locally different solutions are possible. An umbrella organisation and masterplanning would be helpful.



Potential synergy effects with FV in Ukraine

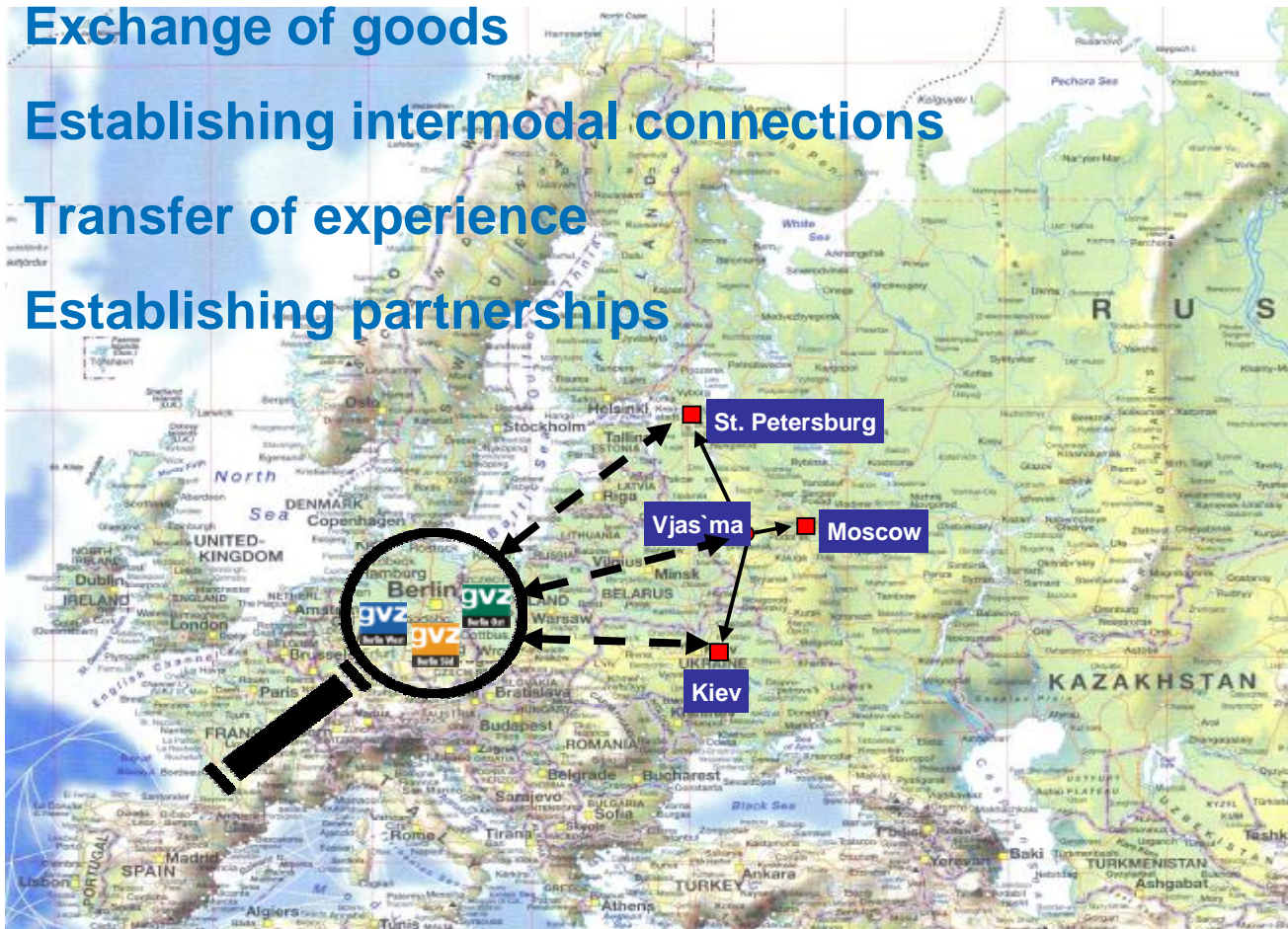


Exchange of goods

Establishing intermodal connections

Transfer of experience

Establishing partnerships



Current projects (example)

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Feasibility Study for Industry – Logistics Park Vjasma (near Smolensk)

Total area 800 ha
 Therefrom industry 415ha
 warehouses 273ha
 Single warehouses
 between 11,000 – 30,000 sqm
 4 rail tracks a 900m
 Container Terminal 18 ha
 Construction started in
 autumn 2007

Industry-Logistics-Park Vjasma - Plan of pictures

prepared by:	Wagener & Herbst
area:	415 ha
project:	Logistics Park Vjasma
date:	12/2007