

Northern Europe

Logistics in northern Europe

Northern Europe is very sparsely populated. The region's metropolitan areas are generally located in the southern areas of the country, and their focus is directed toward central Europe. For this reason, logistics hubs are primarily located in these regions as well. One role that should not be underestimated is the bridge function performed by northern European logistics systems. In particular, through transports to Russia are of tremendous importance. The transport networks of northern Europe are very modern and efficient. Road transports are especially significant.



Transport hubs in northern Europe

Geographic challenges in northern Europe

With fewer than 25 million residents, the region's population is relatively small. But northern Europe is highly developed in technological terms. The southern regions of these countries with their focus on central Europe are much more heavily populated than the northern areas with their poorly developed connections. The main transport hubs are located near the major port cities of Copenhagen, Oslo, Gothenburg, Stockholm and Helsinki in the southern portion of northern Europe. The major freight airports are located at these hubs as well.

Given their geographic position, the countries of northern Europe form a logistics bridge between central and [eastern Europe](#) and [Russia](#) [1].

Core countries for trade

The most important import partners of northern European countries are the [central European countries](#) of Germany, France, the Netherlands and Great Britain along with [China](#) and the [United States](#). The most important export partners include the United States and the just mentioned central European countries, particularly Russia. The northern countries also conduct extensive trade with one another [1].

Northern European infrastructure

The countries of northern Europe have a modern, efficient [highway network](#), particularly in the economically bustling regions of the south. As a result, road transports make up a large share of national freight shipments - 59 percent of all shipments in Sweden and 69 percent in Denmark.

Given the region's geographic position, international [ship transports](#) and [combined transports](#) play a major role as well. On the other hand, [air freight](#) is much less important, even though growth has also been recorded here in the past [2, 3, 4].

Logistics requirements and service areas

As a result of northern Europe's geographic bridge function, through transports dominate much of the northern European logistics sector. In Finland, for instance, through transports to Russia play a leading role. They make up roughly 42 percent of Finnish transports. In addition, some European logistics service providers have set up centers in Finland that offer core and supplementary services for goods being transported internationally from and to Russia. One benefit of the location is that long waits on Russia's Baltic ports of Kaliningrad and St. Petersburg can be avoided and products can be exported to Russia by rail.

Fifty percent of Scandinavian industrial activities is conducted within a 300 kilometer radius around Gothenburg. More than 900 companies owned by foreigners are active in a number of sectors here. This development has led to a concentration of TTS activities in this region. Gothenburg's harbor is the largest in Scandinavia and its airport handles the most freight volume in Sweden.

The demands that highly industrialized northern European countries place on logistics service providers are high. A qualitative range of efficient, actual-state, end-to-end solutions is frequently required. But the northern European market for contract logistics is very segmented, even though several takeovers and mergers are transpiring. Currently, the 20 largest providers in Finland only have a 42 percent share of the contract-logistics market. By comparison: In the United States, the 10 largest providers have a share of 30 percent.

While growth was achieved in the [mail market](#) of all industrial EU members in 2004 and 2005, a drop was recorded in Denmark and Sweden. Furthermore, the opening of the mail markets has not been carried out in all countries of northern Europe. The markets in Finland and Sweden are completely open. But Norway remains a country that has strong political influence. In a European comparison, the northern countries have the highest postal rates [2, 3, 4].

Logistics centers in northern Europe

The largest logistics centers of northern Europe are located very close to the region's major ports. As a result of the large and growing importance of ship transports, large port operators and logistics service providers are increasingly investing in logistics and service centers near harbors. These investments frequently rise into the double-digit millions.

The region around Gothenburg, Sweden, is considered to be the largest and best logistics center in the region as a result of its strategic position [2, 3, 4].

Important logistics service providers

The most important logistics service providers in northern Europe are Dachser, DHL, DPD Nordic, DSV, Schenker, Posten AB, Stena, TNT and Volvo

Logistics.

Recommended reading

Fundamentals of Logistics Management | Grant / Lambert / Stock / Ellram
2005

References

- [1] The World Fact Book | Central Intelligence Agency 2007
- [2] Dänemark | Strohbach 2006. In: Transport und Logistik | Bundesagentur für Außenwirtschaft (Hrsg.)
- [3] Finnland führend beim Transithandel nach Russland | Tippelt 2006. In: Transport und Logistik | Bundesagentur für Außenwirtschaft (Hrsg.)
- [4] Schweden | Tippelt 2006. In: Transport und Logistik | Bundesagentur für Außenwirtschaft (Hrsg.)

URL

http://www.dhl-discoverlogistics.com/cms/en/course/trends/europe/europe_north.jsp