

*Damco ...continued*

may lead to changes in the business model and the products on offer.

"Our situation in Europe is not that easy. Europe is a quite complex market. We are active in about 35 countries, and in quite a few of these, we are relatively small or relatively one-dimensional, and we may have to change some of our business models in Europe and be much sharper on how we want to grow our business in these markets," Habben-Jansen says.

"But I hope that in three or four years time, we will be materially bigger in Europe than we are today, but with a different book of business," he adds.

### Challenge opportunities

For Damco to succeed, the business needs not only to cope with external constraints like consumers, who are reluctant to buy new PCs and dishwashers due to economic uncertainty, but also certain internal challenges.

Habben-Jansen says that the three main risks to his ambitious growth strategy are having the right employees, the right IT systems and making the right acquisitions, which will help the company offer the right products to its clients.

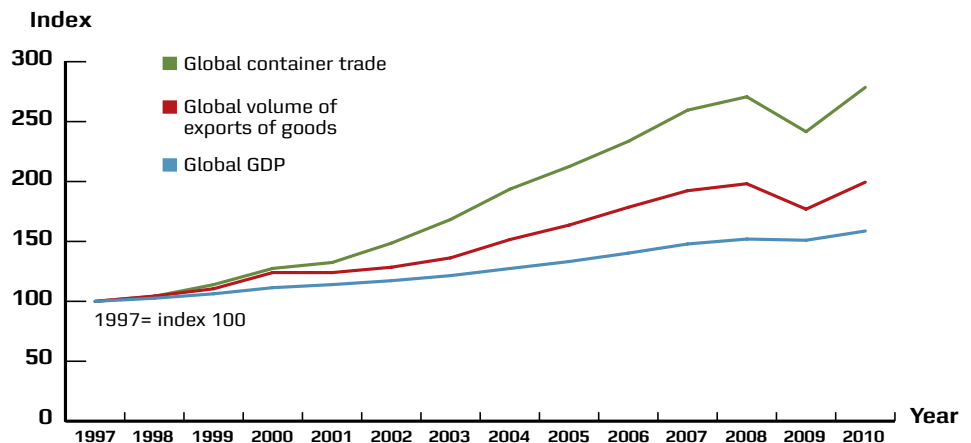
That said he also believes Damco has certain advantages, which enables the company to compete with much bigger rivals like Swiss-based Kuehne & Nagel.

They are:

- Being part of the Group, which offers financial stability and access to a global talent pool
- A strong position in high growth markets like China, India, Africa, Vietnam and Indonesia
- Being global market leader in Supply Chain Management
- Being small and nimble
- A business-model that is scalable and will allow Damco to expand its business two to three times without impacting operations ■

# Container shipping skyrocketing

**Global trade** | Growth in global trade and container shipping has outpaced growth in global GDP.



Source: IMF and Dreibry

BY ANDERS ROSENDAHL

**F**or much of the second half of the 20th century, growth in global trade and container shipping has outpaced growth in global GDP. On average, this has also been the case in recent years, and while global GDP increased by roughly 50% from 1997 to 2010, trade (defined as global volume of exports of goods) doubled, and container shipping almost tripled (see chart).

When explaining why trade grows faster than GDP, Per Flink Iversen, Head of Economic Analysis at Maersk Line, points to the integration of economies and globalisation enablers, including lower trade barriers and late 20th century revolutions in communications and transportation that have allowed industry supply chains to utilise resources around the globe, transforming natural resources, components and intermediate goods into finished products.

Thus, while most products are labelled with "made in" stickers that indicate a single country of origin, trade makes a global division of labour possible in which a network of countries each contribute to the making of the finished product.

"A mobile phone, for instance, contains raw materials and preliminary work from a number of countries before it is completed and boxed in the country it is

'made in'. In this process, a component is counted as many times in the trade statistics as it crosses multiple national borders, while GDP on the other hand is calculated on a value-added base only," Iversen said.

### Low-cost movement of goods

According to Maritime International Secretariat Services (Marisec), approximately 90% of world trade in terms of volume is carried by the international shipping industry. Particularly container shipping, which saw its origins in 1956 and makes low-cost movement of goods around the world possible, for example by adding only a few cents to the price of a T-shirt made in China but sold in Europe or the United States. In the past 10-15 years, more types of goods have been fitted into containers and estimates say that by 2009 approximately 90% of non-bulk cargo worldwide was moved by containers stacked on transport ships.

Reducing the costs related to trade, container shipping helps industries meet rising demands from growing, increasingly affluent populations. Equally important, it offers nations more opportunities to sustain their own economies, while giving people and businesses access to the global economy. ■