

Logistics and shipping



Did you know... Cargolux handled the transport of the Solar Impulse. The long-range experimental solar-powered aircraft was disassembled and loaded into the nose of a Cargolux Boeing 747 before taking off on its pioneering round-the-world flight from Abu Dhabi in March 2015.

Logistics and shipping

Forging ties for international reach

The logistics industry is undergoing major changes as companies seek global solutions to ship products worldwide. In Luxembourg we are setting the standard among logistics providers with sustainable, high value-added logistics services. Luxembourg offers **world-class distribution facilities** and is an **internationally-recognised logistics hub**.

At the core of major logistics decisions

Luxembourg lies at the heart of Europe's strongest consumer markets and is close to major production centres, right on the main North-South and East-West highway and train corridors. The country focuses on using a multimodal approach to offer logistics solutions that combine all modes of transport via well-developed air, road, rail and waterway infrastructure.

Connected via reliable and scheduled rail connections to major ports of the North Sea, Baltic Sea and the Mediterranean Sea, Luxembourg serves as an extended gateway for goods travelling into and out of Europe.

Luxembourg is **Europe's 6th largest cargo** airport and home base of Cargolux, Europe's leading all-cargo carrier. With its annual handling capacity of 1 million tons, this well-equipped, modern air-freight facility ensures secure, efficient and **fast ground handling**. Goods can move from jumbo wide-body freighter aircraft on the tarmac all the way through customs at record speed. **Trucks can be quickly on the road and reach neighbouring capitals in less than eight hours.**

Over the last decade, Luxembourg has developed leading expertise in the handling and storing of multiple products such as valuable goods, pharmaceuticals, high-tech products, online purchases, live animals or perishables.

Leading logistics and supply chain expertise

Major logistics service providers such as Atlas Air, Arthur Welter, Cargolux, CFL Multimodal, China Airlines, CLdN, Dachser, DB Schenker, DHL, Expeditors, Fedex, Hasenkamp, Kuehne+Nagel, Lufthansa Cargo, LuxairCARGO, Luxport, Mars Logistics, Panalpina, Qatar Airways, SL Logistics, SDV, TNT, Transalliance, UPS, Wallenborn, Yangtze River Express and Yusen Logistics, to name but a few, are active in Luxembourg. As a result, a broad range of international companies have European distribution centres in Luxembourg or are managing their supply chain functions out of the Grand Duchy.

Going paperless

The Luxembourg Customs Administration has implemented, in cooperation with the European Commission, a paperless trade and customs environment, enabling effective control while reducing trade transaction costs.

Moreover, Luxembourg has been an IATA certified e-freight location since 2008.

Airlinks to all continents

The global network of Cargolux and other freight carriers (e.g. China Airlines, Silk Way West Airlines and Qatar Airways) as well as Panalpina's Controlled Air Freight Network, offer multiple destinations out of Luxembourg on a daily basis.

2nd

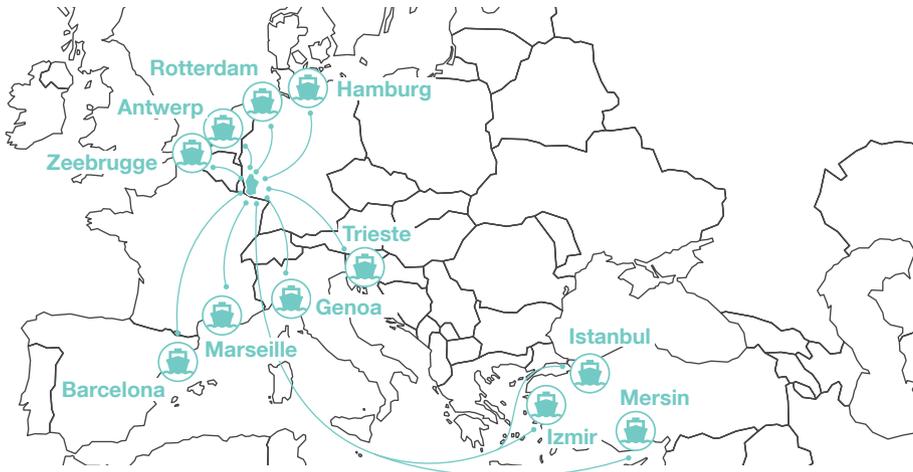
Luxembourg is ranked second in the World Bank's 2016 Logistics Performance Index.

Source: 2016 Logistics Performance Index.



Amazon manages its European Fulfilment Network, a logistics network composed of 31 centres in Europe, using a dedicated team based in Luxembourg.

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Connections for multimodal transport

CFL Multimodal, the logistics operator and combined transport operator of the Luxembourgish National Rail group (CFL), simplifies **train-to-truck transport**. Containers, swap bodies and trailers are shifted onto trains for their journey by rail to a wide range of European cities and ports.

Inland navigation provides another competitive and environmentally-friendly mode of transportation. Connected to rail and motorway networks, the **riverport of Mertert** offers tri-modal waterway – oriented transport logistics to other inland and North Sea destinations – a solution used mainly for dispatching and receiving steel and iron, fuels, construction materials, fertilisers and containers.

Sustainable shipping

Luxembourg has become a sought-after location for the maritime sector. In February 2017, out of a total of 220 ships registered in Luxembourg, 212 are flying the Luxembourg flag and 8 a foreign flag.

Ship owners specialise in areas as diverse as the **transportation of bulk liquids, offshore oil and gas marine services, dredging and land reclamation**, and are encouraged to renew their fleets on a regular basis and invest in new vessels. Luxembourg-registered vessels operating all over the world are known for their high quality and an average age of 11.5 years.

Shipping companies choose Luxembourg for many reasons. As of today, 301 authorised maritime companies and 65 accredited maritime managers are recognized in Luxembourg. With access to a single window for maritime affairs, they know where to turn to get things done quickly and efficiently – especially when it comes to registering new ships. While the process is convenient, ship owners understand that owning and operating a fleet requires complex **multidisciplinary expertise in accounting, audit, insurance, finance, law, ICT and satellite services** and they must have the information they need to comply with strict regulations wherever their ships operate. Maritime companies

that set up in Luxembourg also appreciate being able to find the highly skilled, multilingual staff they need to manage bookings and work with international clients.

Private jet and helicopter services

The Luxembourg aviation company, Luxaviation, provides a first-class customer experience. Aboard one of their 258 aircraft, passengers benefit from itinerary flexibility, precious time savings and highly secure flights, all while enjoying Michelin star-quality meals.

Moreover, in 2017, the group launched “Luxaviation Helicopters”, **the first VIP helicopter management company in the world** which will provide equivalent luxury services.

1st

Luxaviation is the leading business aviation group in Europe and the second-largest corporate aircraft operator in the world.



The Jan De Nul headquarters in Luxembourg host a training centre and simulator for dredging operators. As dredging operations require the use of extremely sophisticated equipment representing a very high value in capital, it is unthinkable to train crews directly at sea. That is why they get familiarised using a simulator in Luxembourg.

Trailblazer



ACHIEVING PERFECTION IN NICHE LOGISTICS SERVICES

As an intercontinental hub for logistics value-added services, the Grand Duchy helps to ship special goods and merchandise safely while minimising risk.

Luxembourg is proud to be leading the way in pharmaceutical Good Distribution Practice (GDP) certification. It is the **first airfreight gateway to be fully GDP certified according to WHO and EU GDP guidelines.**

Alongside fully GDP certified logistics providers such as Arthur Welter, DB Schenker, Expeditors, Kuehne+Nagel, Panalpina, SDV and Wallenborn, Cargolux and LuxairCARGO have also decided to go through this certification process, making them,

respectively, the first cargo airline and the first airport handling agent in the world to become fully GDP certified.

ENSURING THAT TEMPERATURES REMAIN CONSTANT

One of the greatest challenges for the safe shipment of these goods is **ensuring that temperatures remain constant.** When goods arrive at the Luxembourg airport, trucks only have to travel a short distance to reach the LuxairCARGO Pharma & Healthcare Centre. Thanks to this sophisticated logistics set-up, time and temperature sensitive products can be shipped from a pharmaceutical plant in Germany to a distribution site in the Midwest of the United States in only 36 hours without any changes in temperature.

Luxembourg is breaking new ground with the **first-ever GDP-certified trade route.** A memorandum of understanding was signed in 2015 between airport operators **Hong Kong Air Cargo Terminals** and Luxembourg airport. The goal is to maintain GDP standards for all healthcare-related shipments that travel between the Hong Kong and Luxembourg airports. ●

HORSE-POWER: SPECIAL HANDLING

Every year Cargolux flies up to **3,000 horses** in next-generation horse stalls loaded onto its Boeing freighters. With a single racehorse worth up to \$5 million, horses are precious cargo that require very special attention. Noah's Ark of the skies does not only include live animals, as high-end car manufacturers regularly airfreight **racing cars** boasting 750 horsepower. ●

350m

At lux-Airport, the maximum distance from the cargo centre to the furthest aircraft parking space is 350 metres.

LE FREEPORT

Located adjacent to the Air Cargo Terminal of Luxembourg airport, Le Freeport provides a sophisticated, **highly secured logistics facility for managing and storing art, fine wines, jewels, precious metals, cars and other valuable goods.** With its **state-of-the-art climate control system,** Le Freeport Luxembourg offers optimal storage conditions. Valuable goods can be

delivered straight from the tarmac to the storage room with no road transport involved, significantly reducing transfer costs and the risk of loss or damage, while offering a high degree of accessibility and security. To ensure **strict control and oversight,** goods can only be introduced into Le Freeport through specialised forwarders who are licensed by the Luxembourg Customs authorities. Goods that arrive through the airport

and are stored at Le Freeport are suspended from VAT and customs duties, while those that exit Le Freeport must be declared to Customs. Officials are physically present at the facility and have the right to inspect goods at anytime. All service providers working within Le Freeport must also comply with stringent regulations on anti-money laundering and combating the financing of terrorism. Le Freeport is well suited

for the **storage of valuable works of art** and is particularly interesting for art collectors and museums of neighbouring countries. While remaining in the VAT suspension regime, works of art stored at Le Freeport can be displayed in museums or art fairs under a temporary admission and importation system. ●