

# 2017

## Global Logistics Guide



SPONSORED BY



*Inbound Logistics'* 13th annual Global Logistics Guide presents a transportation and logistics world atlas to help you stay on top of shifting global dynamics and map out locations for further exploration.



## When *Inbound Logistics* published its inaugural Global Logistics Guide in 2005, the world was in a different place.

Globalization was rampant. China was emerging as the primary destination for offshore manufacturing as India wallowed in protectionist politicking. North America was buzzing economically; Brazil and Europe, too. Despite war and a dependence on oil, the Middle East was beginning to cement its future as a freight crossroads.

In 2017, this landscape is markedly different. China's economy is in transition—threatened by growing debt, an inability to right-size production, and an increasingly outspoken and expanding middle class. Brazil is in the depths of bureaucratic corruption and depression. South Korea's fortunes have turned as well. Meanwhile, the United Kingdom's Brexit has Europe on edge; and President Trump's unlikely path to the White House has stirred new reservations between NAFTA partners.

Beyond geopolitical machinations, countless disruptors threaten to tip the balance of global trade as we know it:

- Robotics, automation, and 3D printing will offset low-cost manufacturing advantages.
- Rampant protectionism favors localization. So does sustainability.
- Digitalization and demand-driven logistics are pulling supply chains closer to demand.
- Middle-class growth in developing markets is altering supply-demand dynamics.
- Global e-commerce will challenge traditional borders and boundaries.

Spin the globe and you'll discover countless locations with compelling value propositions. Whether it's a pure-play distribution facility, manufacturing center of excellence, transshipment port, regional e-commerce hub, or new market to sell in/source from, retailers and manufacturers have no shortage of options. Layer on top of that global volatility and hyper-sensitivity to supply chain exceptions. It's little wonder supply chain modeling, simulation, and optimization are fast becoming core competencies.

To help you reconcile these changing global dynamics, and map out locations for exploration, *Inbound Logistics*' 13th annual Global Logistics Guide offers a transportation and logistics atlas replete with need-to-have information. *IL* identifies leading logistics hotspots as excelling in three key critical areas:

1. **Transportation infrastructure.** The density and breadth of modern airport, port, and road infrastructure.
2. **IT competency.** The progressiveness of information and communication technology investment and development as measured by The World Economic Forum's Networked Readiness Index.
3. **Business culture.** The strength and expertise of homegrown logistics talent, cultural and language similarities, government leadership, historical U.S. foreign direct investment outflows, and economic freedom. This index takes into account variables that might appeal to U.S. businesses, as well as pro-business sensibilities ranging from investment trends to future economic potential.

There are intangibles at play as well. Our X-Factor qualifier considers other determinants such as political stability, labor markets, and foreign investment policy that may shade a country's appeal one way or the other.

If you have questions or comments about our methodology and selections, please email: [editor@inboundlogistics.com](mailto:editor@inboundlogistics.com)

### ABOUT THE RANKINGS

Countries are ranked on three criteria: transportation infrastructure (T: 1-4 points), IT competency (I: 1-3 points), and business culture (B: 1-3 points). Points are totaled for all categories—taking into consideration X-Factor (X: plus or minus) points—to determine final ranking: 10 is highest, 3 is lowest.

Sources: U.S. Department of State; The World Bank; World Port Rankings, American Association of Port Authorities; Airports Council International; World Economic Forum's *Growth Competitiveness Index*; World Economic Forum's Global Information Technology Report; Central Intelligence Agency's *World Fact Book*; U.S. *Direct Investment Abroad*, Bureau of Economic Analysis; and *Index of Economic Freedom*, The Heritage Foundation

## CANADA

**GDP:** \$1,550

**EXPORTS:** \$402

**IMPORTS:** \$419

**U.S. FDI 2015:** \$353

**FDI 4yr TREND:** ↑↑↓

TOTAL RANK

7

T I B X  
2 3 3 -1

Its primary sector economy has been exposed to global commodity fluctuations and current NAFTA uncertainty. But the Keystone XL Pipeline would help stand up its vital oil and petroleum industries.

## MEXICO

**GDP:** \$1,144

**EXPORTS:** \$359

**IMPORTS:** \$373

**U.S. FDI 2015:** \$93

**FDI 4yr TREND:** ↑↑↑

TOTAL RANK

4

T I B X  
2 1 2 -1

NAFTA's future is a wildcard. Peso volatility continues to be a major concern as currency inflation weighs against in-country investments.

## PANAMA

**GDP:** \$52

**EXPORTS:** \$15

**IMPORTS:** \$22

**U.S. FDI 2015:** \$4

**FDI 4yr TREND:** ↓↓↓

TOTAL RANK

7

T I B X  
3 1 2 1

The expanded Panama Canal has already set new monthly tonnage records. The challenge now is building out transportation infrastructure and logistics capabilities to support more value-added transshipment business.

## CHILE

**GDP:** \$241

**EXPORTS:** \$56

**IMPORTS:** \$57

**U.S. FDI 2015:** \$27

**FDI 4yr TREND:** ↓↑↑

TOTAL RANK

6

T I B X  
2 2 2 0

Chile remains the envy of its peers. The country ranks first in IT readiness. Years of political turmoil following Pinochet's socialist dictatorship have helped it find a balance between state-owned enterprise and a burgeoning private sector.

# The Americas

Trump administration trade and immigration policies will have a percussive impact. The United States has indicated a new direction with free trade agreements, prioritizing domestic economic performance and job creation over political diplomacy. Such a tack will likely focus on bilateral agreements, which leaves NAFTA in limbo. Canada's concerns are offset by President Trump's intent to make the United States OPEC independent. A likely Keystone XL Pipeline redux favors North American energy development—the lifeblood of Canada's economy.

In Mexico, the threat of a "wall" and U.S. protectionist trade policy has increased peso volatility, making any investment in the country tenuous at the moment. The cross-border maquila phenomenon, once symbolic of NAFTA trade, may soon disappear altogether.

Trade wars will do little to excite Panama's interests. A widened canal is already setting new tonnage records, and the country—like Costa Rica, Jamaica, and Colombia—is jockeying to become the transshipment hub of the Americas as larger containerships join the worldwide fleet.

Farther south, Brazil's descent into recession—and perhaps depression—has been front and center on the global stage. Labyrinthine tax regimes, poverty, and poor infrastructure remain prevailing concerns. The Pacific Pumas—Colombia, Chile, and Peru—demonstrate great resiliency.

**FDI** U.S. Foreign Direct Investment

**T** Transportation Infrastructure

**I** IT Competency

**B** Business Culture

**X** X-Factor

All amounts in \$US billions.

## COLOMBIA

**GDP:** \$292

**EXPORTS:** \$34

**IMPORTS:** \$47

**U.S. FDI 2015:** \$6

**FDI 4yr TREND:** ↑↑↓

TOTAL RANK

5

T I B X  
2 1 2 0

Despite a dependence on oil, economic reform and diversification have served its interests well. The country has come a long way in the past decade. The widening of the Panama Canal is benefiting ports such as Cartagena, which is emerging as an Americas transshipment hub.

## BRAZIL

**GDP:** \$1,775

**EXPORTS:** \$190

**IMPORTS:** \$145

**U.S. FDI 2015:** \$65

**FDI 4yr TREND:** ↑↑↑

TOTAL RANK

3

T I B X  
2 1 1 -1

Questions of leadership following President Dilma Rousseff's impeachment will do little to stem the current recessionary tide.

SPONSORED BY



# Europe

The United Kingdom's shock exit from the European Union (EU) and Italy's constitutional referendum have set the tone for Europe's reckoning. Brexit uncertainty will continue to shroud economic projections on the continent. Terrorism and immigration reform are topics du jour. Nationalism is rampant, which ripens protectionist sensibilities—hardly favorable ingredients for the world's largest economy.

Still, the Eurozone—and Britain for that matter—has been resilient in spite of Brexit. In fact, EU GDP slightly outpaced that of the United States in 2016. Spain, Poland, and Ireland have been Europe's most encouraging performers. Germany and the Netherlands continue to grind.

But it remains to be seen how long this quiescence will last. EU unemployment is still high, placing greater pressure on subsidized social welfare programs. Netherlands, France, and Germany have upcoming elections that will test the spirit of the EU. Italy and Greece have talked openly of dropping the euro. It's anyone's guess whether it will endure.

**FDI** U.S. Foreign Direct Investment

**T** Transportation Infrastructure

**I** IT Competency

**B** Business Culture

**X** X-Factor

All amounts in \$US billions.

## GERMANY

<b>GDP:</b>	\$3,364
<b>EXPORTS:</b>	\$1,283
<b>IMPORTS:</b>	\$988
<b>U.S. FDI 2015:</b>	\$108
<b>FDI 4yr TREND:</b>	↓↑↑↑

TOTAL RANK
9
T I B X
4 3 2 0

GDP growth is stable if slow. Its economy is growing at the fastest rate in five years.

## FRANCE

<b>GDP:</b>	\$2,419
<b>EXPORTS:</b>	\$505
<b>IMPORTS:</b>	\$525
<b>U.S. FDI 2015:</b>	\$78
<b>FDI 4yr TREND:</b>	↓↑↑↓

TOTAL RANK
7
T I B X
3 2 2 0

Nationalist, anti-EU sentiment has unsettled the populace as it approaches new elections. Labor rigidity will always be a concern, despite the fact that productivity is relatively strong.

## BELGIUM

<b>GDP:</b>	\$455
<b>EXPORTS:</b>	\$251
<b>IMPORTS:</b>	\$252
<b>U.S. FDI 2015:</b>	\$45
<b>FDI 4yr TREND:</b>	↓↑↑↓

TOTAL RANK
7
T I B X
3 2 2 0

Belgium's re-export oriented economy will always feel the pinch of global trade volatility, especially after Brexit. But favorable infrastructure across all modes still makes it one of Europe's most attractive distribution locations.

SPONSORED BY



## SWITZERLAND

<b>GDP:</b>	\$671
<b>EXPORTS:</b>	\$301
<b>IMPORTS:</b>	\$243
<b>U.S. FDI 2015:</b>	\$155
<b>FDI 4yr TREND:</b>	↑↑↑↑

TOTAL RANK

8

T I B X  
3 3 2 0

The neutral, non-EU, free market economy has not been immune to Europe's travails. Currency inflation relative to the euro and tepid Chinese demand are hurting exports.

## RUSSIA

<b>GDP:</b>	\$1,331
<b>EXPORTS:</b>	\$260
<b>IMPORTS:</b>	\$165
<b>U.S. FDI 2015:</b>	\$9
<b>FDI 4yr TREND:</b>	↑↓↓↓

TOTAL RANK

4

T I B X  
2 1 1 0

While Russia's oil dependence and political posturing (Crimea) are recurring flashpoints, the country is furtively becoming a back door trade corridor between China and Europe.

## POLAND

<b>GDP:</b>	\$477
<b>EXPORTS:</b>	\$188
<b>IMPORTS:</b>	\$190
<b>U.S. FDI 2015:</b>	\$11
<b>FDI 4yr TREND:</b>	↑↓↓↓

TOTAL RANK

6

T I B X  
2 1 2 1

Remarkably, the pride of the EU has had 25 years of positive GDP growth—resilience unmatched in the Eurozone. Sandwiched between Germany and Russia, Poland has thrived under privatization and market reform. Its next challenge is to migrate toward more high-value manufacturing.

## NETHERLANDS

<b>GDP:</b>	\$750
<b>EXPORTS:</b>	\$460
<b>IMPORTS:</b>	\$376
<b>U.S. FDI 2015:</b>	\$858
<b>FDI 4yr TREND:</b>	↑↑↑↑

TOTAL RANK

10

T I B X  
4 3 3 0

A rebounding housing market, strong consumer spending, and healthy job growth are buffeting an economy that has been in the black for three years running.

## TURKEY

<b>GDP:</b>	\$718
<b>EXPORTS:</b>	\$150
<b>IMPORTS:</b>	\$198
<b>U.S. FDI 2015:</b>	\$4
<b>FDI 4yr TREND:</b>	↑↓↓↓

TOTAL RANK

3

T I B X  
2 1 1 -1

Once a fast rising star, sociopolitical turmoil and terrorism have offset the country's advantageous geographic location.



FDI U.S. Foreign Direct Investment  
 T Transportation Infrastructure  
 I IT Competency  
 B Business Culture  
 X X-Factor

All amounts in \$US billions.

## UNITED ARAB EMIRATES

<b>GDP:</b>	\$370
<b>EXPORTS:</b>	\$316
<b>IMPORTS:</b>	\$247
<b>U.S. FDI 2015:</b>	\$16
<b>FDI 4yr TREND:</b>	↑↑↑↑

TOTAL RANK

9

T I B X  
4 2 2 1

Emirati investment in transportation and logistics infrastructure is paying dividends. Three top-ranked airports, a world-class port, and the Jebel Ali Free Zone have made the country a global distribution crossroads.

## SOUTH AFRICA

<b>GDP:</b>	\$315
<b>EXPORTS:</b>	\$83
<b>IMPORTS:</b>	\$85
<b>U.S. FDI 2015:</b>	\$6
<b>FDI 4yr TREND:</b>	↓↓↓↓

TOTAL RANK

3

T I B X  
2 1 1 -1

Outside of the island nation Mauritius, it's Africa's highest ranked country on the World Economic Forum's *Global Competitiveness Index*. However, political turmoil and a hard-hit commodity sector have unraveled the once-promising BRICS country.

## Middle East/ Africa

The cradle of civilization is becoming the fulcrum of global trade. It wasn't long ago that the Middle East's economic interests were largely dictated by global commodity fluctuations. Even as Saudi Arabia's prospects remain tethered to oil market share, the United Arab Emirates (UAE), Qatar, and Bahrain have diversified beyond petroleum trade to focus on freight. The Emirates is by far the Arabian Peninsula's brightest gem. The city-state, roughly the size of South Carolina, features three airports that rank among the world's top 30 in freight tonnage—and Dubai has cemented itself as one of the top ocean-shipping ports in the world. With dual air-sea intermodal connectivity, the region has become a favored distribution pivot for companies seeking access to both Europe and Africa.

African progress to date remains sluggish. The collapse of global commodity prices has retarded foreign direct investment in the continent's abundant natural resources sector. Tanzania's Bagamoyo port development project offers an apt example. The \$10-billion project, largely funded by Chinese investors, was suspended in early 2016 over concerns the scope was too large. Instead the Tanzanian government has received a loan from the World Bank to expand the Port of Dar es Salaam.

SPONSORED BY



# THE WORLD LEADER IN CLOUD-BASED GLOBAL TRADE MANAGEMENT SOFTWARE



**Amber Road**  
POWERING GLOBAL TRADE®



COLLABORATE



CONNECT



COMPLY



**Amber Road**  
POWERING GLOBAL TRADE®

For more information, please visit  
[www.AmberRoad.com](http://www.AmberRoad.com)

# Southeast Asia & India

India's economy has been buzzing under the leadership of Prime Minister Narendra Modi. He considers himself a modernizer—not a reformer. Once a peer to China, then a laggard, India's future now seems brighter. The government has eased foreign direct investment restrictions so the likes of Amazon and Walmart will subsidize physical and informational infrastructure development. Transportation, tax reform, and income equality remain lingering issues. And the country's recent demonetization action has taken the sheen off an otherwise upbeat near-term horizon.

Elsewhere, Indonesia has been hit hard by commodity price fluctuations. The government is looking to attract foreign investment around primary sector industries that will help drive more value-added downstream processing and manufacturing capabilities. Vietnam is fast becoming a favored destination for low-cost manufacturing as Chinese inflation alters intra-Asia supply chain dynamics. Malaysia, arguably, is the most unheralded performer in the region. The former British colony is ideally situated along the highly trafficked Strait of Malacca shipping lane and has developed a high-tech manufacturing sector.

## INDONESIA

<b>GDP:</b>	\$862
<b>EXPORTS:</b>	\$137
<b>IMPORTS:</b>	\$122
<b>U.S. FDI 2015:</b>	\$14
<b>FDI 4yr TREND:</b>	↓↓↑↑

TOTAL RANK

4

T I B X  
2 1 1 0

Long a favored trade target because of its natural resources, the government is making a concerted effort to grow FDI around secondary sector activities.

## THAILAND

<b>GDP:</b>	\$395
<b>EXPORTS:</b>	\$190
<b>IMPORTS:</b>	\$171
<b>U.S. FDI 2015:</b>	\$11
<b>FDI 4yr TREND:</b>	↓↓↑↑

TOTAL RANK

4

T I B X  
2 1 1 0

The country has ambitious plans to develop an economic roadmap tied to innovation and digitalization. Transportation infrastructure is a concern that government aims to address through stimulus.

## MALAYSIA

<b>GDP:</b>	\$296
<b>EXPORTS:</b>	\$167
<b>IMPORTS:</b>	\$140
<b>U.S. FDI 2015:</b>	\$14
<b>FDI 4yr TREND:</b>	↓↓↑↑

TOTAL RANK

7

T I B X  
3 2 2 0

A strong primary sector and established high-tech manufacturing pedigree have helped the country become one of Southeast Asia's rising stars.

## INDIA

<b>GDP:</b>	\$2,095
<b>EXPORTS:</b>	\$272
<b>IMPORTS:</b>	\$402
<b>U.S. FDI 2015:</b>	\$28
<b>FDI 4yr TREND:</b>	↑↑↑↑

TOTAL RANK

7

T I B X  
2 1 2 2

Tax reform and more progressive foreign direct investment regulations have helped spur the economy—regardless of short-term, ill-conceived demonetization pains. By 2022, it is expected to become the world's most populous country.

## SINGAPORE

<b>GDP:</b>	\$293
<b>EXPORTS:</b>	\$353
<b>IMPORTS:</b>	\$271
<b>U.S. FDI 2015:</b>	\$229
<b>FDI 4yr TREND:</b>	↑↑↑↑

TOTAL RANK

9

T I B X  
4 3 2 0

As a primary transshipment hub, the city-state's economy is invariably tied to global trade—for better or worse. An aging population and shrinking labor force are forcing government to focus on a digital roadmap that supports R&D.

## TAIWAN

<b>GDP:</b>	\$519
<b>EXPORTS:</b>	\$315
<b>IMPORTS:</b>	\$249
<b>U.S. FDI 2015:</b>	\$15
<b>FDI 4yr TREND:</b>	↑↑↑↑

TOTAL RANK

7

T I B X  
3 3 2 -1

Taiwan's sovereignty remains a concern, especially as China's "red supply chain" becomes competition for high-tech manufacturing.

SPONSORED BY



FDI U.S. Foreign Direct Investment  
T Transportation Infrastructure  
I IT Competency  
B Business Culture  
X X-Factor

All amounts in \$US billions.



# Asia

China's evolution from low-cost manufacturing to consumer-driven GDP growth has been difficult, raising fresh socio-cultural concerns as an expanding middle class awakens. Right-sizing industrial scale and transitioning labor to more service-oriented industries is no small task. China continues to flood global commodity markets, raising the ire of Western countries claiming its behavior is anti-competitive. Government stimulus has helped push more domestic consumption, even if it increases debt risk. Importantly, the United States' withdrawal from the Trans-Pacific Partnership hands China control of a nascent Asian trade bloc. The "red supply chain" has been well documented—especially between China and its cross-strait neighbor Taiwan. High-tech manufacturing, once a domain of the Chinese territory, is now up for grabs as the intra-Asia supply chain takes shape. Low-cost production will migrate to countries such as Vietnam, Laos, and Cambodia.

Elsewhere Korea is mired in its own dire straits. After the failure of Hanjin Shipping, its president has been impeached over a widening corruption scandal that now implicates some of the country's iconic brands. Japanese performance remains indifferent. Yen appreciation as a safe haven currency in the wake of Brexit slowed export demand. Sluggish domestic consumption has been a recurring problem as well.

## HONG KONG

<b>GDP:</b>	\$309
<b>EXPORTS:</b>	\$488
<b>IMPORTS:</b>	\$510
<b>U.S. FDI 2015:</b>	\$64
<b>FDI 4yr TREND:</b>	↑↑↑↑

TOTAL RANK
8
T I B X
3   3   2   0

As a primary transshipment hub for freight moving in and out of the Pearl River Delta, the territory is largely dependent on China's economy.

## CHINA

<b>GDP:</b>	\$11,008
<b>EXPORTS:</b>	\$2,011
<b>IMPORTS:</b>	\$1,437
<b>U.S. FDI 2015:</b>	\$75
<b>FDI 4yr TREND:</b>	↑↑↑↑

TOTAL RANK
6
T I B X
3   1   2   0

The country is in a period of transition as low-cost production moves to the hinterland and elsewhere in Southeast Asia. Still, it's massing, mobile middle class is an attractive elixir for global manufacturers and retailers.

## SOUTH KOREA

<b>GDP:</b>	\$1,378
<b>EXPORTS:</b>	\$509
<b>IMPORTS:</b>	\$405
<b>U.S. FDI 2015:</b>	\$35
<b>FDI 4yr TREND:</b>	↑↓↑↑

TOTAL RANK
7
T I B X
3   3   2   -1

The country's government is unsettled after the impeachment of President Park Geun-hye, Hanjin's bankruptcy, and continued saber-rattling from the north.

## VIETNAM

<b>GDP:</b>	\$194
<b>EXPORTS:</b>	\$169
<b>IMPORTS:</b>	\$161
<b>U.S. FDI 2015:</b>	\$1
<b>FDI 4yr TREND:</b>	↑↑↑↓

TOTAL RANK
4
T I B X
2   1   1   0

China's swiftly changing economy has been a boon. Historically strong in agricultural and fishery industries, Vietnam is becoming a low-cost manufacturing hub for intra-Asia trade.

## JAPAN

<b>GDP:</b>	\$4,383
<b>EXPORTS:</b>	\$641
<b>IMPORTS:</b>	\$630
<b>U.S. FDI 2015:</b>	\$109
<b>FDI 4yr TREND:</b>	↑↓↑↑

TOTAL RANK
8
T I B X
3   3   2   0

The country will always be exposed to eternal trade factors that shade export demand. Despite government stimulus and quantitative easing measures, sustained domestic consumption remains a recurring challenge.