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## EDITORIAL

Welcome to the inaugural issue of our “newsletter”! This initiative has the sole objective of enabling you to get to know us better. To know each other better is to understand each other better !

SDV Live will be published quarterly, featuring a variety of topics and displaying our areas of expertise. In this first edition you will find: up to date trends in the air and seafreight markets, how to reduce the environmental footprint within the supply chain and an illustration of our logistics strength in Africa from the telecommunications sector... You can also log onto [sdvlive.com](http://sdvlive.com) where a range of SDV news and articles lies in wait !

At SDV, we believe that our service levels depend first and foremost on their ability to find bespoke solutions stemming from their knowledge of your markets, your industry sector and the latest innovations in our business... That is the spirit of our strapline: “Logistics.Imagination”.

Herbert de Saint Simon  
SDV CEO

# SDV NEWS

## July 5, 2011 - SDV Renewed Contract with Thales Alenia Space

By signing a four year contract at the Paris Air Show, Thales Alenia Space has renewed its confidence in SDV for transporting satellites. SDV will move the satellites from assembling facilities in France and Italy to the Kourou launch site in French Guiana, the Baikonur Cosmodrome in Kazakhstan as well as to the Vandenberg satellite launch center in California and the Xi Chang one in China. Satellites are exclusive and high value added products. The logistics for these space infrastructures is characterized by many specific constraints in addition to strict delivery deadlines and high level of confidentiality.

A fully dedicated organization is mobilized by SDV for each shipment. Containers, purpose-designed for the chosen aircraft type (AN 124), are conveyed by a team of specialists whose mission is completed at the time of the final customer handover.

## June 28, 2011 - Clarins appoints SDV Hong Kong New Logistics Partner

SDV Hong Kong has signed a three year contract with Clarins, a well-known French cosmetics company specializing in skincare products and perfumes. Since April 1, 2011 SDV provides local logistics and distribution services to Clarins Hong Kong.

The SDV warehouse located in Kwai Chung, an area in the New Territories of Hong Kong, has been newly refurbished. 8,000 sqm in compliance with the high safety and security standards are now dedicated to this new customer.

The Logistics services include: goods receiving, inspection, controlled-temperature storage, goods issue, distribution within Hong Kong and Macau. By combining logistics services and expertise in the Perfumes & Cosmetics sector, SDV contributes to the seamless flows of goods and to the optimization of the supply chain.

## June 27, 2011 - Eurocopter and SDV Announce their Joint Commitment to the Voluntary Reduction of CO2 Emissions at the Paris Air Show

Eurocopter Deutschland GmbH and SDV have signed the Save Program charter at the Paris Air Show. This confirms their joint commitment to the voluntary reduction of CO2 emissions linked to helicopters transport, the flows of industrial and raw materials and spare parts shipments. Eurocopter is fully committed to adopting sustainable environmental business practices.

▶ July 4, 2011 - UBIFRANCE and SDV Sign an Agreement to Facilitate the French-based Companies in their Development on Export Markets

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▶ May 10, 2011 - SDV Aerospace Tianjin Delivered the 100th Engine to Airbus Tianjin Final Assembly Line (FAL)

on SDVLIVE.COM

▶ May 5, 2011- SDV in Korea Wins the Tender to Manage the Logistics of a World's Leading Fashion Brand

on SDVLIVE.COM

▶ April 29, 2011 - Kamaishi Initiative: SDV Japan together with the Rugby Players to Help the Population.

on SDVLIVE.COM



“Our objective is to go beyond simple carbon offsetting and focus on reducing CO2 emissions. We expect SDV, our key logistics provider, to implement a concrete framework for reducing the carbon footprint of transport and neutralising all residual CO2 emissions”, says Pierre Lutz, Global Logistics Manager for Eurocopter Deutschland GmbH.

Eurocopter Deutschland GmbH and SDV have set a target a 20% reduction in CO2 emissions over a period of three years.

By launching the Save Program, SDV demonstrates its expertise in contributing to its customer's eco-friendly logistics solution and makes carbon reduction the new driver in logistics performance.

## April 27, 2011 - SDV Houston Performs Reel Moves for Offshore Nigeria Field Development

Located in the Gulf of Guinea, offshore Nigeria, Africa, is the Usan field. The field is situated in water depths ranging from 2,461 to 2,789 feet (750 to 850 meters), and has proven and probable reserves of 500 million barrels of oil.

SDV handled the full Usan project. It represents a total of 44 trees shipped from worldwide origins (USA, Europe, and Asia) to Nigeria as well as other components such as: wellhead system, tubing hanger system, connectors & hubs, control system, work over control system & tools.

SDV Houston performed the logistics planning and execution of moves from site to port for the 23 custom design reels, each of which weighs in at 36.82 tons with a 32 feet (9,7 meters) diameter.

# TRANSPORT AND LOGISTICS

## Supply Stays High

“Capacity continued to outstrip demand in the second quarter of the year as shipping companies bet on strong economic growth,” says Denis Sanguinetti, sea freight procurement manager for SDV in Paris. “It’s a race to be the biggest.”

The world’s top shipping companies have added 15% more capacity on routes between Asia and Europe this year, noting the continuing trend for super-sized container vessels with a 18,000 TEUs (twenty-foot container) capacity. Scheduled deliveries of new container ships worldwide could reach a record two million TEUs (twenty-foot containers) in 2013 from 380,000 TEUs last year, according to recent estimates



from Alphaliner, a weekly newsletter.

Demand, meanwhile, remains weaker than expected in the face of fragile consumer confidence in Europe. Trade from Asia to Europe is predicted to grow by just 7.5% this year. The air freight industry is following a similar trend. Capacity on cargo flights from the Hong Kong, Shanghai and Canton area has risen 15% so far this year compared to the previous year, estimates Van Hove manager of airfreight procurement for SDV.

Fast-expanding carriers such as Emirates, Saudi Airlines and Qatar Airways are fuelling the growing supply of cargo space from Asia as they order passenger Boeing 777s with a cargo capacity of 25 tons on some routes and Boeing 777 freighters with up to 85 tons of capacity. Package delivery companies such as FedEx and United Parcel Express are also aggressively seeking business in the Asian region, he adds.

But there are signs the trend could reverse as some airlines remove capacity in a bid to boost freight rates and sustain cargo revenue. Air France, part of the Air France/KLM group, recently withdrew five cargo planes from routes between Hong Kong and Europe, while airlines CargoLux and Cathay Pacific are also cancelling some flights.

› Iraq: Tackling Transport Challenges

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› Understanding the New Incoterms

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› Offshore logistics

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# INDUSTRY SECTORS

## Telecoms Moves in Africa

Telecommunications companies turned to Africa, transforming the continent into one of the fastest-growing mobile-phone markets in the world. Yet on a continent where cities lie one thousand kilometres inland, physically supplying these telecoms networks with infrastructure and other equipment such as mobile-phone handsets, presents particular challenges. Risks ranging from port congestion to complex government-controlled customs procedures can cause costly delays to supply-chain budgets worth millions of dollars. Limited and ill-maintained road and rail networks linking major cities can slow the transport of cargo by days.

Transporting high-value goods such as handsets and electronic equipment, for example, may mean extra security. “Handsets are highly sought after,” says Pearce telecoms logistics director for SDV. “We have to use armed security convoys in some areas.” Satellite tracking systems allow clients to track the progress of goods. Meanwhile, the trend towards shifting production sites from Europe to Asia has made transport more complex as many routes from Asia to Africa pass through the main European and Middle Eastern hubs. “It’s a delicate planning scenario involving constant negotiations and monitoring of capacity, routes and rates”.

**Transporting high-value goods such as handsets and electronic equipment, for example, may mean extra security.**

At a time when many telecoms groups are focusing on cutting costs, switching to sea from air freight is one way to reduce the transport budget. The strategy has risks, however. Sea cargo can take between ten and 60 days to reach its final destination, compared with just two to three days for air freight, Pearce warns. One solution is to combine sea and air transport by using fast ocean vessels from Hong Kong or Singapore to Dubai and then switching the transport to air for the final leg to Africa, noting that the biggest risks typically lie at the end of the journey. That’s where local knowledge helps deliver the goods.

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› Fast Food for Global Gourmets

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› Asian Appetite for Luxury Grows

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# SUSTAINABLE DEVELOPMENT

## A Smaller Footprint

Global warming has become a hot topic. Human-related activities such as the burning of fossil fuels emit double the amount of carbon dioxide the Earth's oceans and forests can absorb, scientists warn. Efforts to reduce emissions in the transport sector rank high on the environmental agenda.

And at a time when the price of oil has climbed over \$100 per barrel, cutting emissions also makes economic sense. "Any transport solution that reduces oil consumption is a good one," says Grandjean, co-founder of Paris-based consultancy Carbone 4.

Ways to reduce a company's carbon footprint include carrying goods by sea instead of air or transporting freight on trains rather than trucks. Better capacity management and initiatives such as Motorways of the Sea, sea corridors being developed by the European Union around shipping lines with reliable and high-speed port services, offer other energy-saving solutions.

Meanwhile, leading shipping companies have developed innovations to significantly reduce fuel consumption such as electronic-injection

engines and propellers that maximize efficiency. They have also embarked on programs to reduce the speed of vessels. Container ships worldwide and freight trains in Europe emit between 10 and 30 grams of carbon dioxide per tonne per kilometer compared to 80 grams for road (semi-trailer) and 600 grams for long-haul flights, according to figures from Carbone 4.

Besides multimodal transport solutions, alternatives exist on upstream logistics. "SDV highlights the Buyer's Consolidation solution as one of the environmentally-friendly alternatives", says Jean-Pascal Naud, sales director of SDV. The idea is to consolidate the flow of goods from multiple buyers on one platform. "This approach meets two requirements in terms of costs and environmental impact".

"The evident need to reduce energy consumption with the ever growing demand for the transportation of goods worldwide can be reconciled".

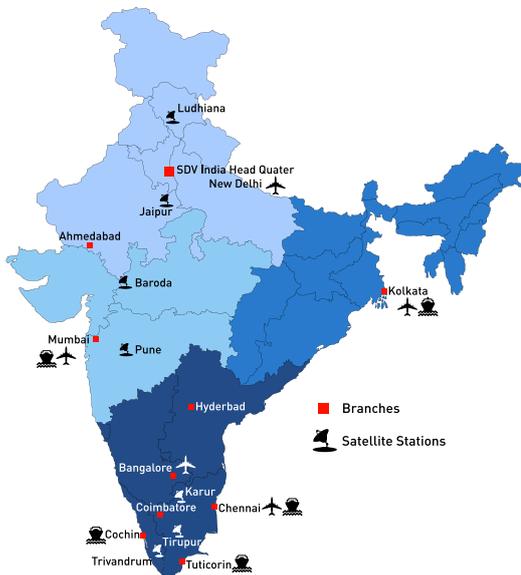
▶ The Socially Responsible Network

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▶ Tougher Standards

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## MARKET FOCUS by SDV India



The economy of India is the tenth largest in the world with the country's growth averaging at 7% per year since 1997. India is one of the five major high-growth emerging economies, together with Brazil, Russia, China and South Africa (the BRICS countries). Indian imports are dominated by high tech & telecom products, engineering goods, machinery, consumer and luxury goods. Indian firms are bullish about their economy and are eager to embrace new technologies, brands, services, and capabilities. The Republic of India consists of 28 states and 7 union territories and New Delhi is the capital. The main ports are: Mumbai (Nhava Sheva), Chennai, Tuticorin, Kolkata. The main airports are: Delhi (DEL), Mumbai (BOM), Chennai (MAA), Bangalore (BLR), Kolkata (CCU). SDV has been present in India since 1989 and ranks among the top 15 IATA companies in the region. As a leader in global supply chain management, SDV offers a wide range of services and solutions:

**Multimodal Transport:** air and sea freight, regular LCL services from Mumbai, Chennai and Tuticorin

**Customs & Regulatory Compliance:** SDV India has its own CHA license for customs brokerage activity

**Logistics:** storage & order preparation, supply and distribution centers.

**Supply Chain:** solution design and integration, client & supplier relationships management, Lead logistics Provider, End-to-end approach.

**SDV industry expertise:** fashion, home furniture, healthcare, luxury goods, aerospace, and industrial projects.

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