



# TOMORROW : 2050

## Alternative Futures for Logistics

### What could the Logistics sector look like by 2050?

The logistics sector is a frontrunner in globalisation, innovation and consolidation. Disruptive technologies, a challenging shift in international trade relationships and other external factors, require a continuous review of a company's strategy.

Four possible futures are explored in Translink's TOMORROW: 2050 Alternative Futures for Logistics Report.

#### FRAGMENTED MOVES:

This scenario sees a logistics sector operating within a world of shared goals and standards about climate change mitigation, but where technologies are developed and adopted in a fragmented and elitist manner, creating high barriers to entry.

##### WHAT THIS MEANS FOR M&A:

- 1 Global standards in addressing climate change facilitate global deal opportunities.
- 2 Exclusive ownership of latest technology favours growth of dominant industry players.
- 3 Top 100 firms expected to perform larger deals, increasing global dominance.

#### SHARED MOVES:

Here, we see universally agreed climate mitigation measures and a collaborative, fully automated logistics sector, with inclusive and accessible technologies.

##### WHAT THIS MEANS FOR M&A:

- 1 Collaboration mindset facilitates alliances across geographies and segments.
- 2 Dominant players are constrained, leaving medium sized players more room to prosper.
- 3 Technology is no longer key differentiator; alternative factors efficiently served by and fuel M&A activity.

HERE IS A SYNOPSIS OF EACH SCENARIO AND IT'S POTENTIAL IMPACT ON M&A

#### COMPLEX MOVES:

Here, there is a fair distribution of economic power across the globe, however, technologies are developed and adopted in a rapid, irresponsible manner with little regard for people, ethics and sustainability.

##### WHAT THIS MEANS FOR M&A:

- 1 Absence of global standards re: climate change mitigation creates barriers and may favour deglobalisation/regionalisation trends.
- 2 Requires more sophisticated approach by leading logistics firms who need to adhere to national, regional regulatory frameworks re: climate change mitigation.
- 3 May create strong regional players that are fully adapted to regional regulatory framework.

#### SMART MOVES:

This scenario will see the fair distribution of economic power across the globe. Technologies in this context are developed and adopted in a responsible manner with consideration for ethics, people, and sustainability.

##### WHAT THIS MEANS FOR M&A:

- 1 Local operators, sheltered by complexity barriers, become attractive targets for cross-border deals.
- 2 ESG friendliness and compliance a key differentiator; M&A helps companies get greener.
- 3 ESG is an increasingly important criteria for completing M&A transactions.