

Global Logistics

Spring 2018 No 22 March 19 2018

**COBA Research Day 2018 – March 20th -Torian Auditorium from 11am-1pm
NASBITE 2018 International Student Case Competition -March 21th-23rd
Baltimore Maryland**

- **Knight-Swift buys trucker Abilene Motor Express**

Tight trucking capacity and strong shipping demand may be setting the stage for new carrier consolidation. Knight-Swift Transportation Holdings Inc. is acquiring Abilene Motor Express, WSJ Logistics reports, in what looks to be one of the industry's biggest deals since Knight-Swift itself was formed last year through the combination of the country's two largest truckload operators. Abilene is a niche carrier but it brings the bigger operator a profitable business and 400 trucks when shippers are paying premium prices to find capacity on the road. That's boosting carrier revenues just as trucking companies also are reaping big benefits from the new U.S. tax law, including Knight-Swift's \$364.2 million tax gain in its latest quarter, providing money for mergers. Knight-Swift CEO Dave Jackson says the company's biggest challenge is finding people to put behind the wheel. Buying other companies may be the fastest way to get those drivers.

Source: The Wall Street Journal/ Logistics News March 16, 2018

- **Toys 'R' us liquidation could leave vendors without payment**

The Toys "R" Us Inc. plan to liquidate may end up costing vendors and suppliers many millions of dollars. Dozens of toy makers have shipped at least \$450 million in products to the retailer since the company filed for bankruptcy protection, and the WSJ's Lillian Rizzo reports they have yet to be paid. DHL Supply Chain was among the 50 largest listed creditors when Toys "R" Us filed for bankruptcy last fall, with nearly \$3 million owed. DHL declined to comment on whether it has collected on any of its bills or whether it is still moving goods as the retailer liquidates. "We are continuing to liaise closely with our customer but it is too early to comment," a spokesperson said. Toys "R" Us still hopes to sell 200 of its best-performing stores, but after a miserable holiday sales period, questions about its inventory and any revenue it can generate may be tied up in court.

Source: The Wall Street Journal/ Logistics News March 15, 2018

- **Tesla's make-or-break moment is fast approaching**

Tesla Inc. is reaching a make-or-break point in getting its automotive supply chain up to speed. The Silicon Valley electric-car pioneer is set to disclose next month whether it is on track to meet an ambitious second-quarter production target for its mass-market Model 3 sedan.

Achieving the goal of 5,000 cars a week is crucial to generating enough cash to sustain operations without having to raise more capital. Pushing out more Model 3s would answer concerns over Tesla's cash flow, and provide enough working capital to push along its Tesla Semi, the heavy-duty truck that's gained plenty of reservations based on promises of new production.

Source: The Wall Street Journal/ Logistics News March 15, 2018

For more information contact or visit:

Dr. Suman Niranjan

Director of G-LIBER Center

niranjans@savannahstate.edu

Phone: 912.358.3424

<https://www.savannahstate.edu/coba/GLIBER>

Contributor: Leila Rastegar