

## **DB Schenker : growth, legacy, road ahead after global transition**

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Date: 02 August, 2025

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**Dhaka : In the dynamic world of global logistics, few names carry the weight and history of DB Schenker. Founded 153 years ago, the German logistics giant has long been a cornerstone of international freight forwarding, transport, and supply chain management. However, 2024/2025 marks a pivotal chapter in its legacy, especially in Bangladesh, as the company undergoes a major transition following its acquisition by Danish logistics powerhouse DSV.**

### **From German roots to Danish ownership**

Globally, DB Schenker had ranked fourth in the logistics sector in 2023, but by 2024, it moved up to third place. In the meantime, a significant shift occurred. Its parent company, Deutsche Bahn-Germany's state-owned railway conglomerate-found itself in financial distress during the

Covid-19 pandemic, with rail operations nearly halted. Schenker, long Deutsche Bahn's most profitable arm, became the obvious asset to sell, and so, DSV stepped in.

"DSV was previously in third position globally, and Schenker was in fourth," said Mohammad Sams E Tabriz, Managing Director of DB Schenker Bangladesh, while talking to The Bangladesh Monitor. "Now, together, we've become number one globally. It's a massive leap."

As part of the ongoing global acquisition, Schenker operations across different countries are being absorbed into DSV. In Bangladesh, legal proceedings are underway. Once completed, the iconic "DB" in Schenker's name will vanish-marking the end of a legacy brand, rebranded under DSV.

### **Massive gains, mixed emotions**

While the union brings strategic advantages-doubling procurement power with shipping lines and airlines, enhanced capacity, and greater global reach-it also brings a sense of nostalgia.

"It's sad to see the Schenker name go," Tabriz reflected. "From warehouse signage to multistoried offices and trucks on the road, the brand has been part of the global logistics landscape for over a century."

### **Remarkable growth story in BD**

Schenker's Bangladesh journey started in 2019 with just 14,000 TEUs (Twenty-foot Equivalent Units). Despite launching right before the Covid-19 pandemic, which limited market access and client onboarding, the company closed 2024 with 35,117 TEUs-a growth of over 200 percent.



*Mohammad Sams E Tabriz, Managing Director-BD, DB Schenker*

"If not for Covid and the acquisition news, which unsettled some clients and prospects, our growth could have been even stronger," said Tabriz. "Still, in five years, we've entered the top five freight forwarders in Bangladesh."

It may be mentioned here, the current top players in Bangladesh include Maersk, Kuehne + Nagel, DSV, APL Logistics, and Schenker.

### **Compliance** : Double-edged sword

As a German-origin (multinational corporation) MNC, DB Schenker operates under strict global compliance standards. While this reinforces trust among global clients, it poses challenges in a market like Bangladesh, where regulatory adherence is inconsistent.

"We often lose business simply because we include VAT and taxes where others don't," Tabriz explained. "It makes us more expensive, even when the service is identical specially for the road business."

Still, the company remains committed to operating ethically and hopes more local factories and vendors embrace compliance standards.

### **Landlocked by regulation**

Another limitation is investment freedom. Unlike local forwarders who can buy land and build facilities like Container Freight Stations (CFS), foreign companies like Schenker cannot purchase land directly. This restricts infrastructure development and competitive edge.

"Local players can grow faster with fewer constraints. It's a real challenge for us," Tabriz noted.

### **Infrastructure woes**

Bangladesh's infrastructure remains a recurring bottleneck. At Chattogram port, currently feeder berth is getting delayed from 5 to 7 days, severely delaying shipments. A recent NBR strike further clogged operations, creating a massive backlog. Add to this, Freighter (charter) handling operational costs from Bangladesh are the highest in the region.



"We need more than just Chattogram," warned Tabriz. With critical dependency on one port, any disruption could spell disaster. Alternatives like Mongla and the under-construction Matarbari deep seaport (targeted for 2027) need urgent acceleration.

Air cargo faces similar woes. Sylhet Airport, for instance, lacks warehouse facilities and quantity of scanners. Routine disruptions of scanner operations cause delays and complications for all forwarders.

"We literally have to wait overnight to ensure goods are scanned before export. It's exhausting," Tabriz shared.

### **Solutions exist-but need govt backing**

Despite the gloom, there are quick wins if stakeholders act fast. Bonded

warehouses could solve long lead times, especially for raw material imports from the US like cotton, which currently take 45+ days to arrive.

"Why can't we store those in bonded warehouses? This would allow 1-2 days delivery to factories-fewer lead times than importing from even India or China," he proposed.

### **Missed opportunities in cross-border trade**

India's decision to suspend transshipment access for Bangladesh has dealt another blow. Previously, several Global Brands were relied on cross-border trade with Bangladesh through Schenker. That has now halted, reducing business volumes further.

On the flip side, the suspension presents an opportunity: to invest in and fix Bangladesh's infrastructure instead of relying on third-country transshipments through Colombo, Singapore, or Dubai-each with capacity, cost, or congestion issues.

### **Pushing through with global standards**

Schenker's offerings remain best-in-class: from end-to-end visibility, PO management tools, and GPS-enabled trucks, to global innovations like a fully robotic warehouse in France and a carbon-neutral warehouse in Singapore that transforms CO2 into oxygen. Red Lion 2 is Singapore's first warehouse to achieve Green Mark 2021 Platinum Positive Energy (PE), generating 15 percent more energy than it consumes.

"These are the value additions that set us apart," Tabriz said proudly.

### **Bangladesh's brand image: A call to action**

Tabriz believes Bangladesh suffers from an underwhelming international image. Brands like Adidas have pulled sourcing from the country while continuing large-scale sourcing from Vietnam and Indonesia.

"With more positive branding of Bangladesh by the embassies abroad can do more to enhance our image. Investors and high-end retailers still doesn't have the full confidence on the competencies of Bangladesh."

Road ahead

Despite every hurdle, Bangladesh's logistics industry-and DB Schenker's role within it-continues to grow. "It's a miracle," Tabriz admitted. However, miracles will not be enough. Infrastructure development, compliance enforcement, policy reforms, and global image rebuilding are the need of the hour.

With the legacy of Schenker transitioning into the future under DSV, the industry stands at a crossroads-full of challenges, but equally full of promise.