



Capturing the new role of transport

Supply chain challenges for national competitiveness through transport



Inland Transport Committee
Geneva, 23-25 February 2010

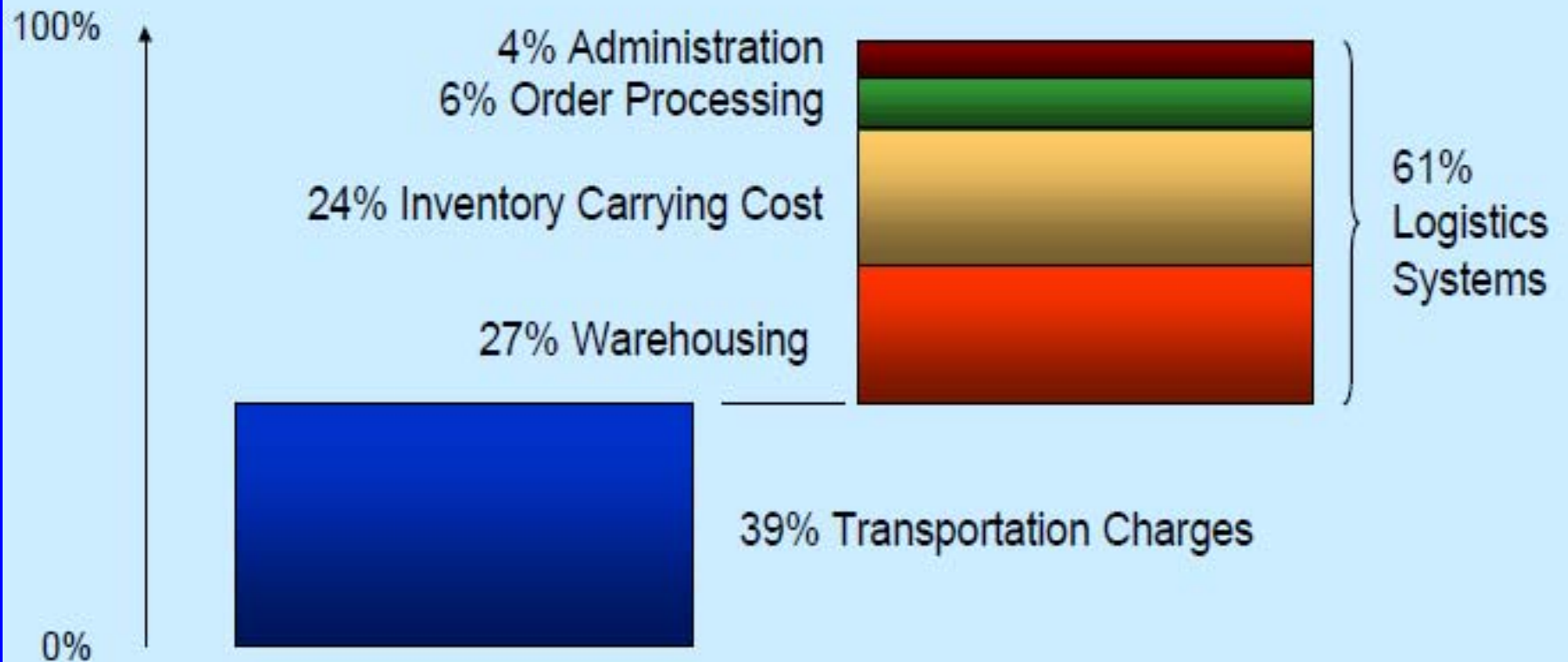
M. Pesut, UNECE

Trends affecting transport

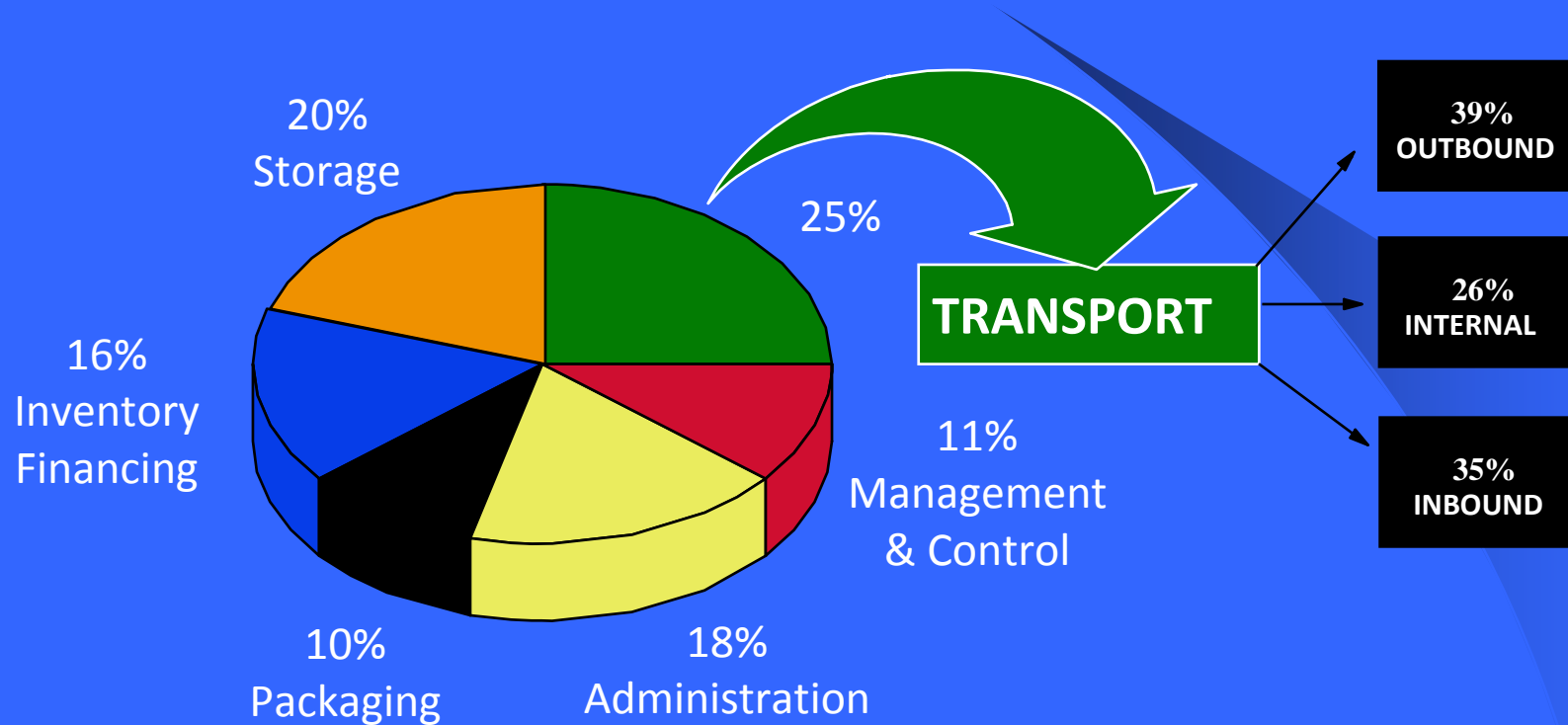
- Globalization and Global Supply Chain Management
- Trade liberalization – Facilitation – Security
- Changing role and scope of the public sector
- Environmental awareness - growing responsibility for sustainable development
- Technical and technological changes

Worldwide logistics costs

- Worldwide logistics costs exceed \$1 trillion



Direct transport costs are around 25% of logistics costs

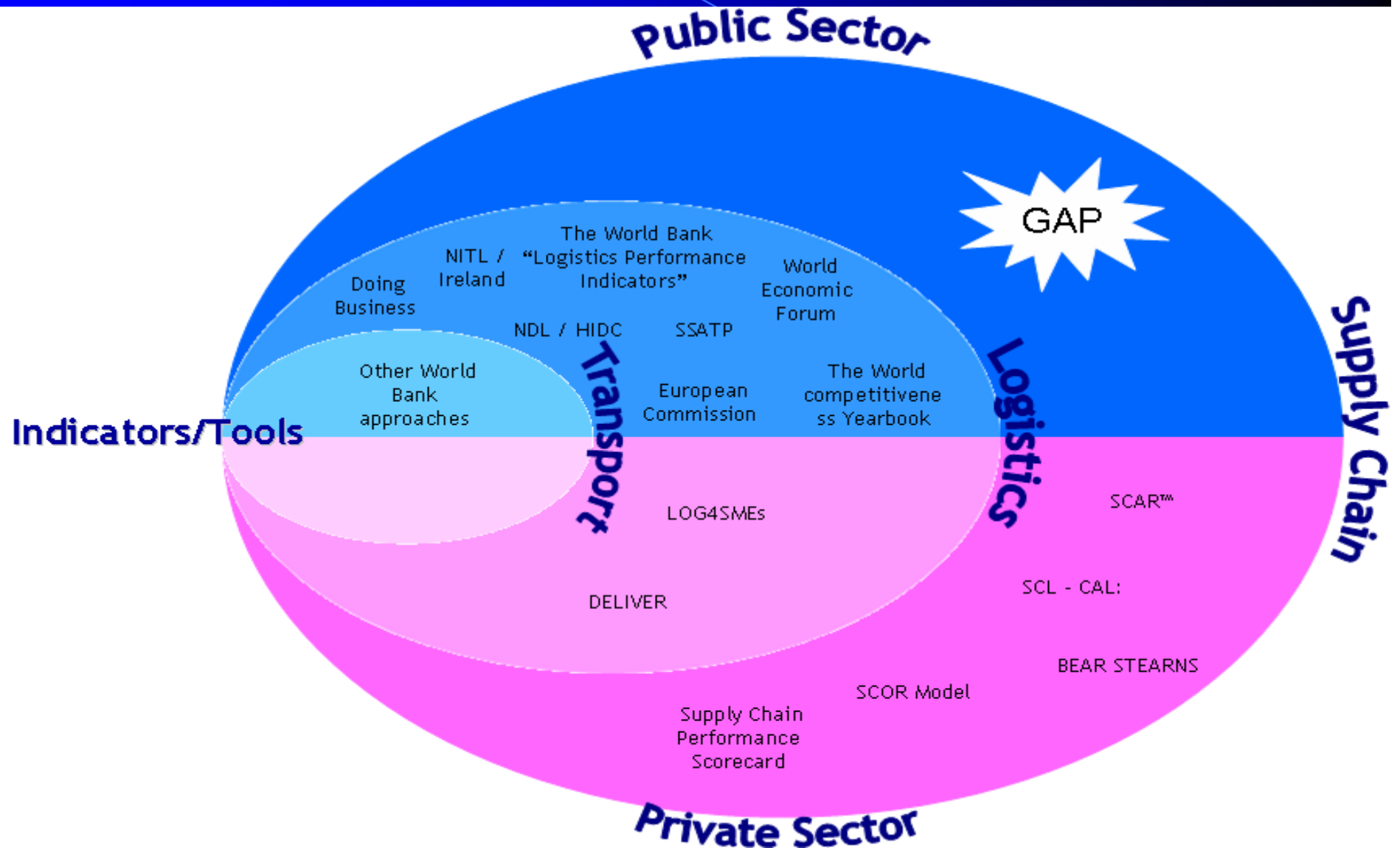


Source: OECD Average: Bundesvereinigung Logistik (Germany)

Traditional methodologies - Are they still useful?

- **Traditional transport statistics - variety of indicators:**
 - modal indicators (length of roads, railways, etc.)
 - capacity indicators (number and carrying capacity of vehicles, trucks, trains, etc.)
 - performance indicators (pkm and tkm, train km., etc.)
 - environmental indicators (emission, noise, energy consumption, etc.)
- **Strengths but also weaknesses:**
 - statistical analysis and reliability, historical data, harmonized among countries, based on objective information,
 - lack of quality of service measures, not demand driven, partially capture the role of transport in supply chains, static as they do not capture developments and dynamic changes in markets

Where is the gap?



Need for new methodology

- ❖ Re-position role of transport
 - as part of the global trade
 - important indicator for the level of development and competitiveness
- ❖ Reflect technological, commercial and regulatory changes governing transport
- ❖ Need to develop appropriate methodology based on:
 - ❖ multi-criteria based tools
 - ❖ meso-level indicators
 - ❖ specification of strategic policy objectives
 - ❖ collection of data and appropriate comparison of costs

Chronology of the project

- **September 2008** – WP.5 approved launching of a project
- **February 2009** – ITC confirmed the WP.5 decision
- **September 2009** – WP.5 approved objectives, project scope, indicative timeline and terms of reference of the TF to be established
- **December 2009** – RT on Supply Chain Challenges for National Competitiveness through Transport
- **February 2010** – ITC to approve the outline of the project, indicative timeline and TOR of the TF

Objective

- To develop unique methodology which could be commonly used by Governments wishing to:
 1. evaluate contribution of transport sector to the overall competitiveness of their economy;
 2. identify weaknesses in their transport system and transport links with their main trading partners;
 3. identify appropriate policy interventions to improve performance and remedy problematic areas

Project scope

- Round Table;
- Audit of the existing indicators of competitiveness;
- Development of a new methodological framework for evaluation with a core requirements;
 - to reflect and relate to strategic policy objectives;
 - to develop multi-criteria based tools;
 - To collect data and compare costs appropriately.
- Governance – Task Force (TOR in ECE/TRANS/2010710)

Round Table

- To gather experiences from UNECE countries and to exchange views on methodologies already in use;
- IO to inform on their methodologies for logistics and competitiveness indicators;
- Governments, academia, international organizations, industry
- Highlighted main challenges imposed on policy planners, logistics providers and users of supply chains;
- Critically assessed quantitative, static and supply oriented transport indicators derived from subjective surveys;
- Identified opportunities, possible approaches and further directions for the project;
- Confirmed the need for new, multi-criteria assessment methodology

Indicative timeline

- **September 2009** – WP.5 approved project outline, work programme and TF;
- **December 2009** – Round table – inputs and views
- **February 2010** – ITC to approve the outline;
- **March 2010** – TF to meet in Geneva and review first draft proposal of the methodology;
- **June 2010** – TF to meet in Geneva and finalize draft of the methodology;
- **September 2010** – Presentation of the draft methodology with pilot data to the WP.5
- **February 2011** – ITC to launch the new methodological framework.



Thank you for your attention
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