SUPPLY CHAIN AND LOGISTICS IMPLICATIONS FOR TRANSPORT

Logistics challenges and implications for transport, particularly intermodal transport

Inland Transport Committee
24-26 February 2009

Progress report
by
Working Party on Intermodal Transport and Logistics (WP.24)
UNECE, WP.24 …and logistics

Work programme of WP.24

In 2006 inclusion of new work element from (former) ECMT Working Group on Intermodal Transport:

“Analysis of modern transport chains and logistics… providing a rational basis for Governmental decisions on transport demand [and] modal choice …”

Implementation?

(competence, mandate, value-added, client-oriented)
UNECE, WP.24 …and logistics

- Supply chain management and logistics
  - of growing importance for competitiveness of economies
  - require reliable, flexible, fast and efficient transport
  - impact on transport demand, quality and land use
  - determine modal and inter-modal choices

- Transport policies must respond
  - at national level
  - at international level

- UNECE and WP.24 provide a forum
  - to exchange of information and best practices
  - to review of concepts and indicators (f.i. to measure logistics)
  - with expertise on regulatory and capacity building policies
  - at inter-governmental, pan-European level
“Virtual” Expert Group of WP.24

WP.24 requested Expert Group
- to structure the past considerations of WP.24 on supply chain management and logistics
- Identify measures for inter-governmental action

Expert Group prepared a note on
- concept of logistics and supply chains
- impact on freight and intermodal transport
- role and areas of Governmental action
- examples of Governmental initiatives
- proposals for future WP.24 activities

Summary of this note: ITC Informal document No.11 (EFR)
(full report: ECE/TRANS/WP.24/2008/4)
Logistics and intermodal transport

- **Logistics** (8-14% of GDP and 10-30% of value of consumer goods)
  - Process of designing and managing the supply chain
  - From supply to manufacturing to final distribution
  - Providing goods at least cost at place and time required by customers

- **Inland freight transport** (25-30% of logistics costs)
  - Essential part of logistics and supply chains
  - Decreasing importance (relative to logistics cost)
  - Quality challenge (reliable, flexible, fast, transparent, sustainable,… + cheap)
  - Bottleneck challenge (congestion road/rail, port hinterland, urban areas)

- **Design and management of freight transport**
  *Freight transport logistics*
  - Planning, organization, control and execution of freight transport within (often global) supply chains
  - Intermodal transport provides flexibility for supply chain manager
  - Critical factors: Capacity (consolidation, transshipment)

- **WP.24 focus:**
  Analysis of transport aspects of supply chains and logistics and its impact on modal choice and intermodal transport
Role of Governments in logistics and intermodal transport

- Primarily a business activity
  - Supply chain management
  - Organization of freight transport
  - Planning and operation of intermodal transport
  - Construction and operation of terminals (distribution)

- Governments play a complementary role
  - Transport policies
    (level playing field among actors and modes, safety, land use, sustainability, security, etc.)
  - Transport infrastructure
    (networks, terminals, etc.)
  - Research, education and awareness
    (ITS, professional training, public perception, etc.)
Role of Governments in freight and intermodal transport

Fields of action
- Transport Policies and Infrastructure
- Research Educations Awareness
- Supply chain management Intermodal transport

Governments Public sector
- Projects
- Initiatives
- Incentives

Industry Private sector
- Projects
- Initiatives
- Incentives

Fields of action

Source: Adapted from German Masterplan
Role of Governments in the design and management of intermodal transport

- **Activities at national level**
  - Masterplans on freight transport and logistics
  - Logistics plans, network design, strategic land-use planning

- **Activities at sub-regional level**
  - Freight Logistics Action Plan (European Commission)
    (e-freight, ITS, training, benchmarking/best practices, documentation, liability, dimensions, green and urban transport corridors)

- **Activities at UNECE level**
  - International policy and regulatory measures
  - International transport infrastructure and performance
  - Exchange of policy information and best practices
Role of UNECE in the design and management of intermodal transport

- **International policy and regulatory measures**
  - Monitoring and analysis of national measures to promote intermodal transport
    - Survey of Government policies
    - Policy check-list or tool-box (pros and cons)
  - Logistics “Model” Action Plans and Partnership Agreements
    - Review of existing “models”
    - Insertion of logistical requirements and benchmarks
    - Insertion into AGTC and its Protocol on IWT
  - Civil liability regime for pan-European intermodal transport
    - Analysis of UNCITRAL convention
    - Review of alternative solutions (focus: European land transport)
  - Logistics indicators and statistics
    - Review of public and private intermodal transport statistics
    - Contributions to development of logistics indicators
Role of UNECE in the design and management of intermodal transport

- **International transport infrastructure and performance measures**
  - Review of existing AGTC infrastructure and performance standards
    - Identification of interoperability standards and benchmarks
    - Revision and/or addition of minimum standards into AGTC
  - **Optimization of transshipment and logistical procedures**
    - Procedures for optimum location (land-use planning)
    - Criteria for efficient construction and operation procedures
    - Adequate PPP procedures (best practices)?
  - **Improvements in port hinterland transport**
    - Identification of capacity challenges (DIOMIS, etc.)
    - Insertion of minimum infrastructure and performance standards into AGTC, AGC and AGR
Role of UNECE in the design and management of intermodal transport

- Exchange of information and best practices (research, education, awareness-raising)
  - Concepts, design, weights and dimensions of intermodal loading (transport) units
    - Monitoring by UNECE secretariat
  - Experiences in preparation and implementation of national logistics action or master plans
    - Exchange of best practices
  - Intelligent transport systems (ITS)
    - Monitoring of such systems by secretariat
    - Preparation of compendium of such services
Procedure: Adoption of a revised work programme

- Review of expert group proposals
  (March 2009 – WP.24)
- Adoption of new work programme proposals
  (October 2009 – WP.24)
- Approval of revised work programme
  (February 2010 – Inland Transport Committee)
WP.24 and ECMT documentation
“Logistics and intermodal transport”

Official documentation:
2008: ECE/TRANS/WP.24/2008/4
       ECE/TRANS/WP.24/2008/1
1994: TRANS/WP.24/R.64
1993: TRANS/WP24/R.53

Recent reports of WP.24:
ECE/TRANS/WP.24/119
ECE/TRANS/WP.24/117
ECE/TRANS/WP.24/115

...and informal notes and documents by UNECE and ECMT
www.unece.org/trans/wp24