European
Commission

Towards more efficient and sustainable logistics

ECITL, Dortmund, 6 November 2014

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European Commission / DG MOVE

Towards more efficient and sustainable logistics

- **Logistics – challenges and answers from the industry**

- **How do public authorities support industry in answering to these challenges ?**

- **Focus on e-Freight**

Logistics – key for EU economy

- **Logistics, a trade facilitator.**

- **A wide economic sector : 7% of EU GDP, 7 million jobs**

Country	Year	LPI Rank	LPI Score	Customs	Infrastructure	International shipments	Logistics competence	Tracking & tracing	Timeliness
Germany	2014	1	4.12	4.10	4.32	3.74	4.12	4.17	4.36
Netherlands	2014	2	4.05	3.96	4.23	3.64	4.13	4.07	4.34
Belgium	2014	3	4.04	3.80	4.10	3.80	4.11	4.11	4.39
United Kingdom	2014	4	4.01	3.94	4.16	3.63	4.03	4.08	4.33
Singapore	2014	5	4.00	4.01	4.28	3.70	3.97	3.90	4.25
Sweden	2014	6	3.96	3.75	4.09	3.76	3.98	3.97	4.26
Norway	2014	7	3.96	4.21	4.19	3.42	4.19	3.50	4.36
Luxembourg	2014	8	3.95	3.82	3.91	3.82	3.78	3.68	4.71
United States	2014	9	3.92	3.73	4.18	3.45	3.97	4.14	4.14
Japan	2014	10	3.91	3.78	4.16	3.52	3.93	3.95	4.24

LPI Global Rankings 2014

The logistics sector has to face number of challenges

- **An increased volatility of opportunities and risks, and shifting economic centers in a global economy => fragile competitiveness**

- **eCommerce and related rising customer expectations => ever more complex supply chains/relying on suppliers**

- **Disruptive technologies: 3D printing, drones**

- **Environment: impacts and limited energy resources**

Companies answer to those challenges through :

- **Innovating to improve quality of service**

- **Flexibility :**
  - "Physical Internet" => optimise use of transport infra / services
  - eCommerce => customisation of services

- **Cooperation :**
  - Along and across supply chains (2M, G6)
  - Physically / virtually
  - => Increase load factors, decrease costs, build new opportunities

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How do public authorities support companies in answering to challenges ?

Proposing a vision for the transport system 2050

White Paper on Transport 2011

- **For:** A Single European Transport Area in which all residual barriers – between modes and between borders – are eliminated

- **Transport has to**: use less energy, cleaner energy, exploit efficiently a multimodal, integrated and 'intelligent' network

- **1 target:** **-60%** of GHG emissions by 2050

How do public authorities support industry in answering to challenges ?
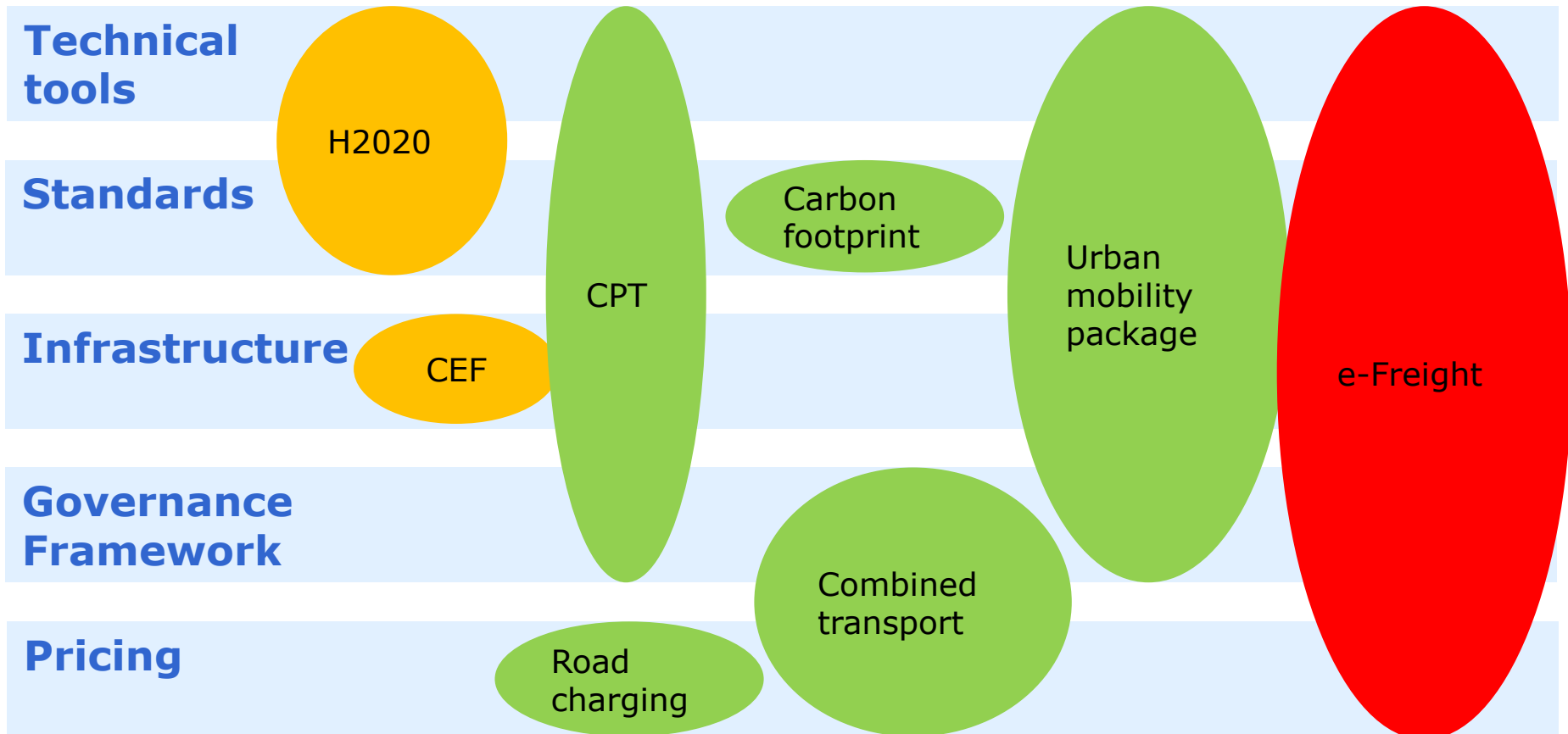
Technical tools

Standards

Infrastructure

Pricing

Governance Framework

How do public authorities support industry in answering to challenges ?

Technical tools

Standards

Infrastructure

Governance Framework
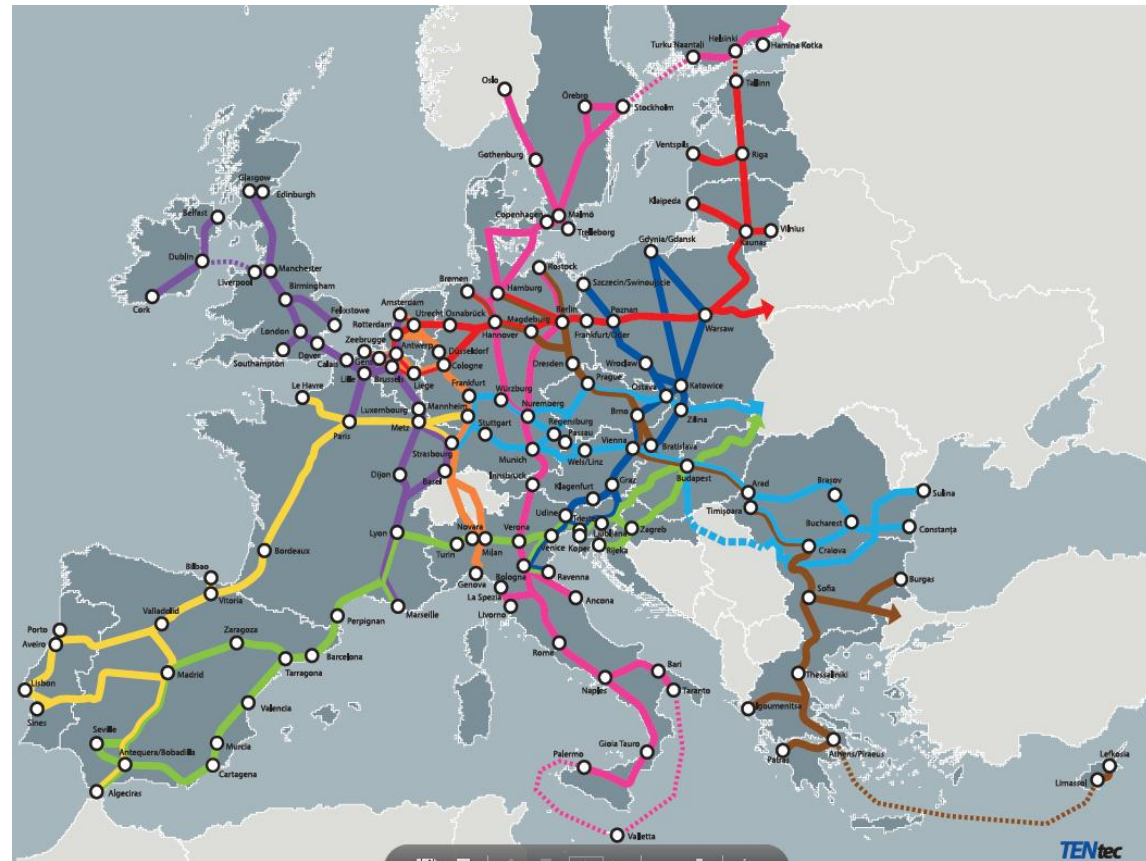
Pricing

H2020

CPT

Carbon footprint

Urban mobility package

e-Freight

CEF

Combined transport

Road charging

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Technical tools

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CEF / TEN-T : funding infrastructure

- **TEN-T revision:**

a dual layer approach

core network - 9 major corridors

- **Funding :**

"Connecting Europe Facility"

€26 billion (2014-2020)

- **First call / e-Freight topic**

Horizon 2020 : how to use infrastructure and resources at best

- **EU research and innovation programme**
  (FP7 + CIP)

- **Nearly €80 billion funding (2014-2020)**
  For the societal challenge "Smart, green & integrated transport" : € 6.339 billion

- **First calls for proposals - €15 billion over first two years**
  For the societal challenge "Smart, green & integrated transport" : € 717.5 million

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Clean Power for Transport Package

- **Policy action for the market take-up of alternative fuels**

- Communication:
  - A comprehensive European alternative fuels strategy
  - A framework to guide technological development and give confidence to consumers on the market development.

- Directive on the deployment of alternative fuels infrastructure:
  - Member States shall adopt national policy frameworks for the market development of alternative fuels and their infrastructure
  - Minimum infrastructure targets for the build-up of alternative fuel infrastructure
  - Fuel labelling.

Road charging

- **Road maintenance problem**

- **Current legislation :**

  - Road user charges on the main road network : Directive 1999/62/EC "Eurovignette"

- **Future EU legislation :**

  - A patchwork of different systems across the EU => new legislation needed for harmonised transition to infrastructure funding based on the user-pays and polluter-pays principles.

  - 2011 White Paper foresees : restructuring transport charges and taxes; internalisation of external costs and congestion

  - Directive 1999/62/EC => report by 16/10/2015 - further revision of the Directive ?

  - A proposal is under consideration by the Commission - Incoming Commission

Carbon footprint calculators

- **Estimate the carbon footprint of freight transport services:**

  - ➢ Harmonising/standardising methodologies: comparable results

  - ➢ Support the industry in its efforts for a precise calculation of their individual carbon emissions: accurate results

  - ➢ Improve application of carbon footprinting by the industry;

⇒ better choices and easier marketing of cleaner transport solutions.

- EC study on-going

Urban Mobility Package

- **Communication "Together towards competitive and resource efficient urban mobility " complemented by:**

  - Annex: the concept of Sustainable Urban Mobility Plans,

  - 4 Staff Working Documents, including one on urban logistics.

- **Reinforcing supporting measures for sustainable, competitive and resource-efficient urban transport by:**

  - Sharing experiences, show-casing best practices, and fostering cooperation

  - Providing targeted financial support: ESIF, TEN-T

  - Focussing research and innovation on delivering solutions for urban mobility challenges: CIVITAS 2020, Smart Cities and Communities

  - Involving the Member States and enhancing international cooperation.
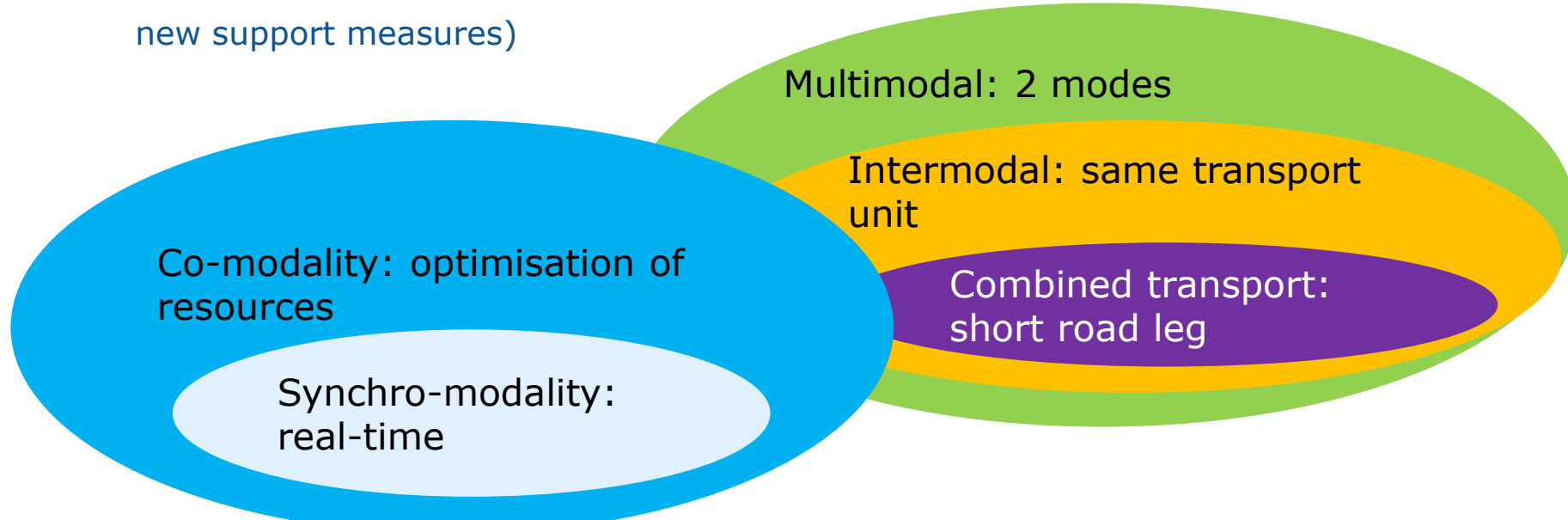
Combined transport

- **Combined Transport Directive (92/106/EEC) :**

  - **provides incentives for promoting inter-modal transport** (liberalisation of road cabotage, elimination of authorisation procedures, fiscal incentives)

Intermodal

Multimodal

Combined transport

Co-modality

Synchro-modality
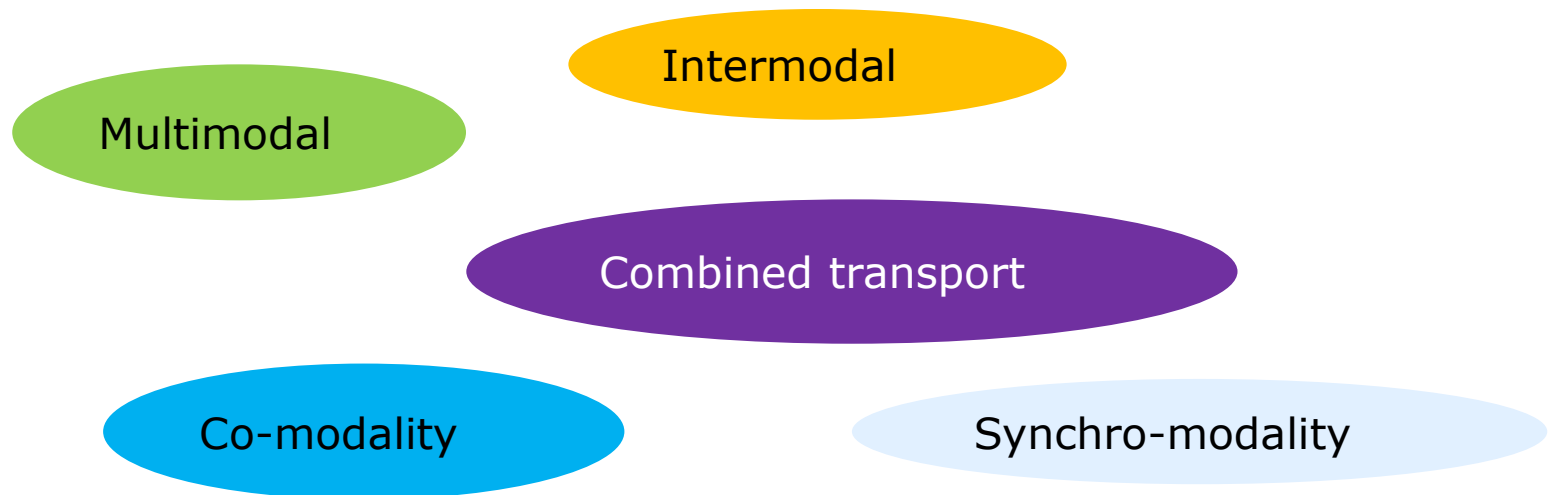
Combined transport

- **Combined Transport Directive (92/106/EEC) :**

  - **provides incentives for promoting inter-modal transport** (liberalisation of road cabotage, elimination of authorisation procedures, fiscal incentives),

  - **currently subject to a revision process (REFIT) => Commission proposal to amend the Directive ?** (definition clearer / more adapted to today's processes/regions ; new support measures)

Multimodal: 2 modes

Intermodal: same transport unit

Co-modality: optimisation of resources

Combined transport: short road leg

Synchro-modality: real-time

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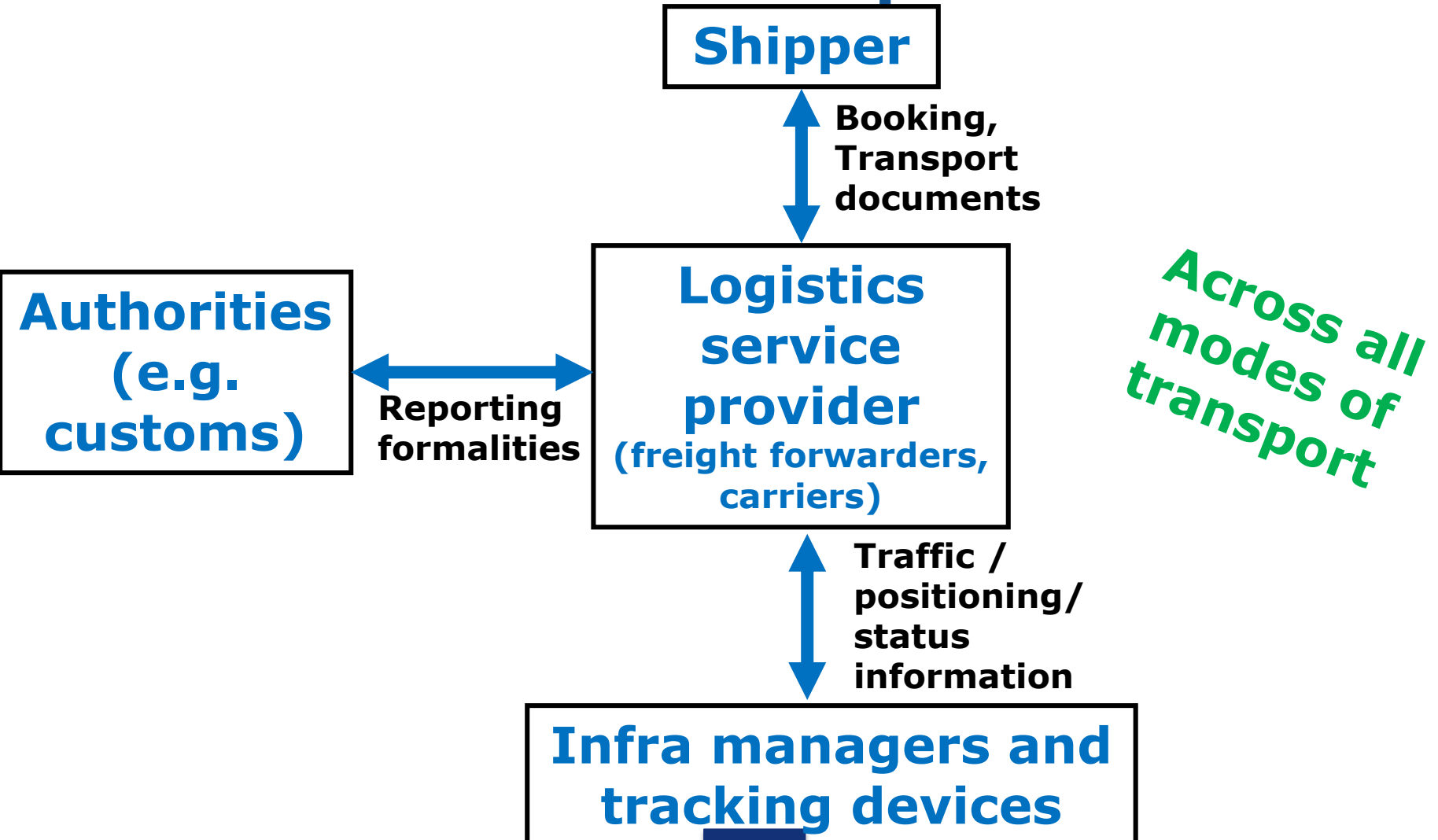
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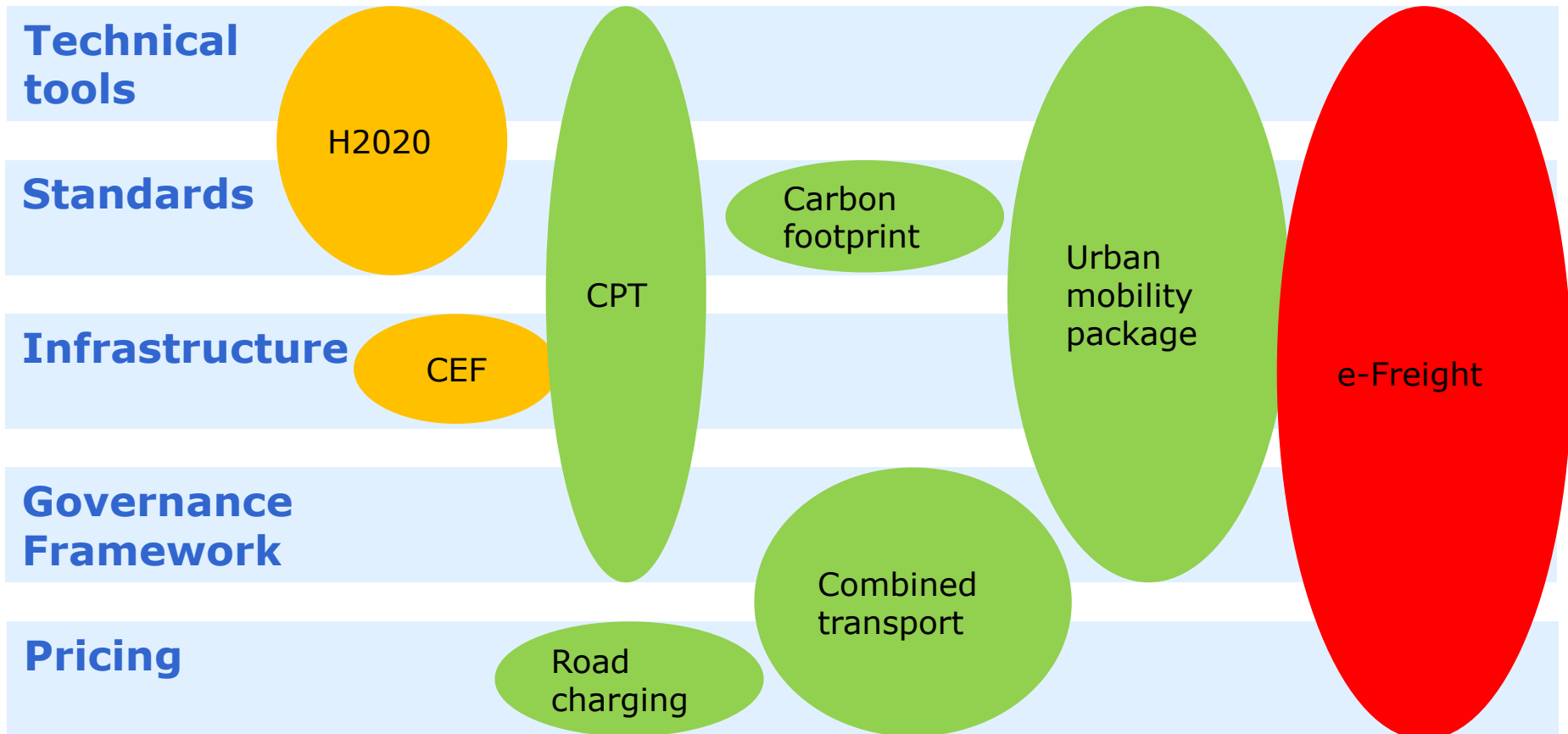
e-Freight: Make logistics more efficient through an easier access to information

- Supporting evolution of the logistics sector towards ever more flexible and collaborative supply chains

- Important role of information exchange in this evolution

- e-Freight: making logistics more efficient, less costly and building new market opportunities…

… by simplifying exchange, access and use of information in logistics.

What data do we speak about ?

Shipper

↕ **Booking, Transport documents**

Logistics service provider
(freight forwarders, carriers)

Authorities (e.g. customs) ↔ **Reporting formalities**

↕ **Traffic / positioning/ status information**

Infra managers and tracking devices

Across all modes of transport

To improve information exchange, the sector faces challenges

- Moving "for real" from paper to electronic documents to save costs

In the air sector: 10 billion € / year

- Avoiding repeated data entry into different systems to decrease administrative burden: provide data once – STD / SRM

800 of the 2300 elements required to report to various authorities are common.

- Integrating information from different sources will build new business opportunities for the sector
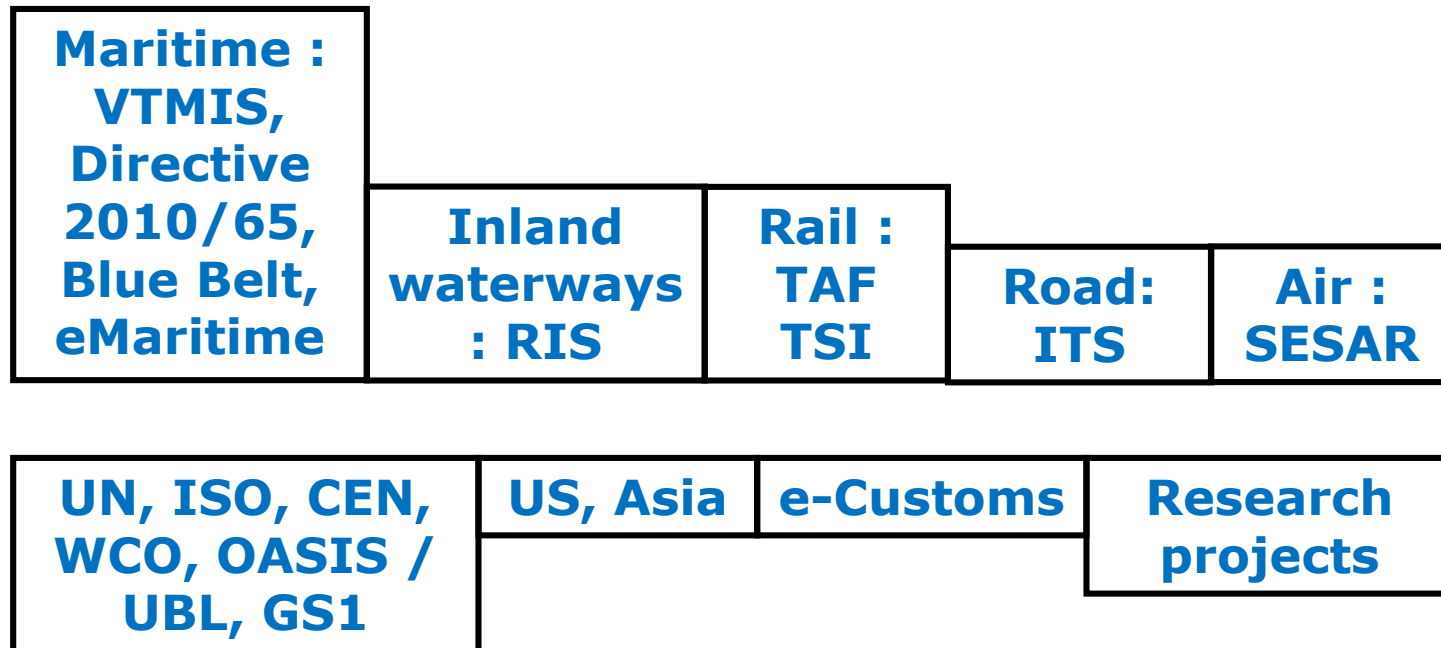
Real-time optimisation: 3-9 million € / year / company

Systems existing /under development

- Existing/under development systems and initiatives provide a basis for easier information exchange…

| Maritime : VTMIS, Directive 2010/65, Blue Belt, eMaritime | Inland waterways : RIS | Rail : TAF TSI | Road: ITS | Air : SESAR |

| UN, ISO, CEN, WCO, OASIS / UBL, GS1 | US, Asia | e-Customs | Research projects |

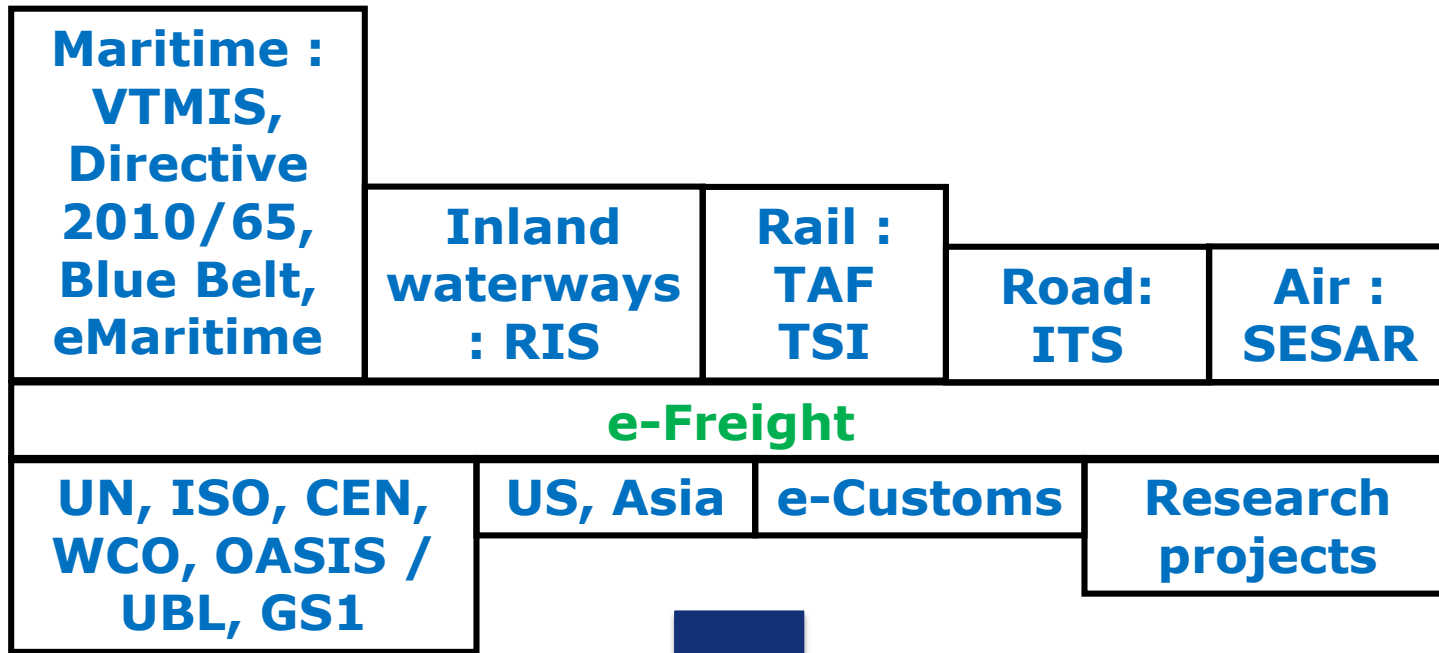# But stakeholders point to remaining problems which need EU intervention

- A mosaic of existing modal and sectorial initiatives lacking coordination: standards and infrastructures => data re-entry

- Remaining legal barriers to use and recognition of e-transport documents (e.g. acceptance by authorities of electronic documents)

- Trust limited by data protection questions: further to existing legislation, need to provide answers specific to the logistics sector: access rights, dangerous goods management

- Need for a critical mass of stakeholders sharing data and using related standards (need to convince with a sufficient number of successful business cases, cost-effective and easy-to-use solutions for SMEs, access to public data)

The way forward: examples of tools envisaged – technical tools

Background: new Commission – more coordination

1/ Further coordination : allow logistics players to speak a "common language" => data reuse
Standards (without reinventing the wheel)

Maritime : VTMIS, Directive 2010/65, Blue Belt, eMaritime	**Inland waterways : RIS**	**Rail : TAF TSI**	**Road: ITS**	**Air : SESAR**
e-Freight				
UN, ISO, CEN, WCO, OASIS / UBL, GS1	**US, Asia**	**e-Customs**		**Research projects**

The way forward: examples of tools envisaged – governance framework

2/ Lifting legal barriers to e-transport documents

3/ Raising trust thanks to adequate data protection – a governance body producing and maintaining a "yellow book of companies" ?

4/ Supporting development of a critical mass of stakeholders sharing data and using related standards ?

=> Tools under assessment

The way forward: we need you !

Active involvement of all stakeholders is key to implementation

=> projects : Horizon 2020, CEF

H2020: http://ec.europa.eu/research/participants/portal/desktop/
en/opportunities/h2020/topics/2704-mg-6.3-2015.html
CEF: http://inea.ec.europa.eu/download/calls2014/cef_transport/
calltexts/_map_funding-objective-2_annex-1_innovation.pdf (p.5)

=> e-Freight Forum

=> generic IT tools, e.g. e-Signature

e-Freight

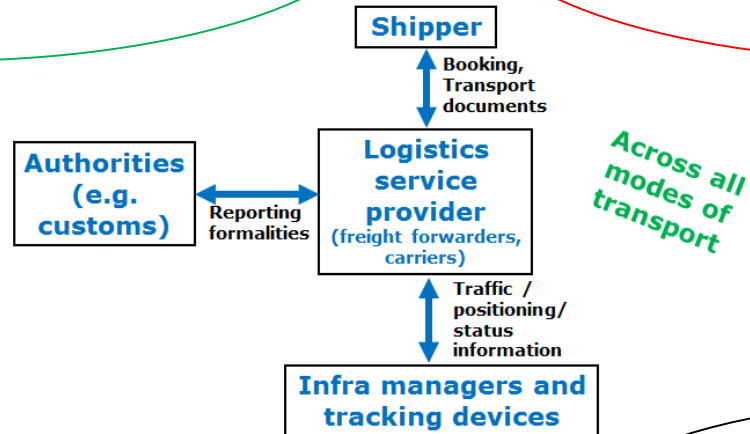**Increase efficiency
Decrease costs/admin burden
New market opportunities**

Vision

Connecting better stakeholders – easier access and use of information

Shipper

↕ Booking, Transport documents

Authorities (e.g. customs) ↔ Reporting formalities **Logistics service provider** (freight forwarders, carriers)

Across all modes of transport

↕ Traffic / positioning/ status information

Infra managers and tracking devices

Policy tools

**Building on existing systems:
- Standards – common language
- Governance framework, legal tools (e.g. data protection)**

Concrete changes

**From paper to electronic
No more repeated data entry into different systems
New business opportunities, real-time optimisation of freight management by integrating data from different sources**

Thank you

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