



SHIPPERS LEAD THE DEBATE ON STEP CHANGE IN THE SUPPLY CHAIN

In a future which turns logistics on its head and demands total strategic reinvention of our industry, F&L has never painted such a vivid picture of 2050.

Joined by **Pat Cox** independent European Coordinator Scan-Med Corridor and a host of Europe's most prominent logisticians across a range of industries, F&L held its meeting on board DFDS 'Crown Seaways' 20-21 May 2015.

To a welcome in morse code, **Captain Flemming Langballe** opened the conference with 'The Ship as a Logistics Machine'.

Robust debate included potential of the North West Passage and the North Sea Route as well as the **impact of drones, 3D printing** and the **birth of a new type of shipper**.

"Do you have strategies in place to deal with changes in **weather** patterns, tsunamis and ash clouds?" asked **Gavin Roser**, F&L Secretary General.

"Academics from across the globe will be meeting in Paris this summer to debate how the **"physical Internet"** will transform our Supply Chain," said **John Riley** of CHEP. **Gavin Roser** will be chairing a session at this second international PI [conference \(6-8 July\)](#) with the

aim of bridging the gap between industry and academics.

CRUCIAL NORTH/SOUTH AXIS: SCAN MED CORRIDOR

"Strategic debate is critical" stressed **Mr Cox** "as we attempt on a scale - and with an ambition and quality of focus which has not been used before - to turn **Europe's developed patchwork into the coherent comprehensive network** that Europe needs to be competitive in 2030 and 2050".

Debate between Mr Cox and F&L members included an agreement that our **transport future is about services and solutions**, not necessarily infrastructure. The current **polycentric** multi-stakeholder approach is necessary to ensure buy-in and, for the first time, every member state government has signed up to an identical plan – not a local version of the plan.

Mr Cox urged a focus on **seamlessness**, on smart intelligent systems (ERTMS and MOS), security, safety, ecological/financial **sustainability** and **connectivity**. The Commission has completed tedious yet absolutely essential [benchmarking for all modes](#) and relies on **users to feed back**

information on cross border gaps across modes, last km road/rail links to ports, and areas where promises are not being kept.

- We must radically improve modal choice, turnaround speed and competitiveness.
- User pays / polluter pays principles are confirmed.
- "As significant investment is required, we must **hold to a plan which is clear and accepted by all** stakeholders" stated Mr Cox.
- "This is a golden opportunity to **push the system for everybody on every level**" said **Tony Berkeley** Board Member European Rail Freight Agency (ERFA) and Chair Rail Freight Group UK.
- Speculation on whether a terminal could be built near Munich – "We are focusing on alignment, on real deals with real communities. To prepare for the debate with the community is the first thing, even if that is not the end solution," said Mr Cox.
- Both, not either/or** – we need rail and road.

F&L members have a unique opportunity to connect with Mr Cox at regular intervals to discuss the current top three priorities



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"Innovative financing is an essential element of the agenda and we look for good economic and adequate financial rates of return as well as an EU priority in place," said **Mark Clintworth** Head of Shipping, European Investment Bank.

90% of EIB lending is within the EU and shareholders are the EU 28 member states. "Scan-Med is a mature corridor and infrastructure is largely existing but needs modernising," confirmed Mr Clintworth, adding that EIB is financing the Scan Med **Fehmarn Belt Tunnel** and the **Brenner Tunnel** projects.

Motorways of the Sea (MoS) is financed by EIB and will be discussed at F&L Barcelona 26-27 November 2015 with Brian Simpson Coordinator and Senior Policy Advisor José Anselmo

DATA MANAGEMENT

In groups chaired by **Nico Nürbchen** Director Group Logistics Management at medical supply company Paul Hartmann and **Harmen van Dorsser** Senior Advisor Capacity at Port of Rotterdam, **F&L's Think Tank was supported by participants keen to engage in discussing system/data integration and identifying soft processes** which can be measured by the **RACI Matrix** (responsible, accountable, consulted, informed).

"Stakeholders start with

the same data and enrich this during the data flow from system to system" pointed out **Harmen van Dorsser**, Senior Advisor Capacity at Port of Rotterdam.

"What data throughput do we see and where can we make efficiencies? Who are the stakeholders? Can we create a **uniform language?**" he asked.

"Any system or data integration must be supported by soft processes and the RACI matrix is a useful tool," said **Nico Nürbchen**. "**What level of traceability / visibility do you need from a customer perspective? And what are the barriers for higher visibility / traceability?**" he inquired.

Both groups will stage a live debate on possible approaches to deal with the issues at F&L Barcelona 26-27 November

INTERNATIONAL TRADE

"We can improve **international trade by resolving the top ten disparities in European harmonisation** which, for the most part, member states have signed up to" said **Theo Zwygers** Director EAI at LyondellBasell, who will speak on the same topic at the **ITF OECD's Annual Summit of Ministers** in Leipzig later this month.

With a staggering **42% violations identified** in the 563,310 vehicles German authorities inspected in 2013, it

was noted that the current level of regulation makes it virtually impossible for drivers to comply with the law as they transit through Europe.

"F&L has **inventorized the top ten obstacles to trade** and submitted these to the Commission as they may violate European fundamental freedom of goods," said **Philippe Billiet**, Lawyer at Billiet & Co in Brussels.

Describing a host of road disparities (including payload, cabin restrictions, toll systems, road securing, driving restrictions, special size and waste transport to name a few) and rail issues (including driver licenses and language, rail path access restrictions, train capacities and tariffication), the team opened a flood of comments among participants along with a fear that combined transport will decline if the issues are not addressed.

"The submission to the European Commission may have contributed to the subsequent Commission's decision to launch an **infringement case** on the application of the German minimum wage law to the transport sector and may contribute to the launch of further infringement cases, e.g. regarding overnight cabin restrictions for truck drivers in Belgium and France," said Mr Billiet.

Menno van der Kamp,



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Policy Officer at the European Commission hoped that many issues would be dealt with in the **road package due 2016** and reminded participants to read the Scan Med [Corridor Work Plan which will soon be published](#). The Work Plan contains a detailed alignment, the transport market study, critical issues of the entire Corridor and a recommendation from Mr Cox.

F&L will prepare a short sharp paper every 2 years for the European Council which will summarise user issues for the European Council

"Think about this in a different way" urged **John Riley**, General Manager CHEP. "How can we organise our drivers differently to address issues?"

F&L may also set up a working group to identify different approaches to driving

"Competition is essential for European harmonisation," argued **Lord Tony Berkeley**. "We are going

backward with widespread consolidation of state owned monopolies swallowing private companies to reduce competition!"

He emphasized financial transparency to prevent unfair advantage for incumbents, independent and strong infrastructure managers to avoid discrimination of new entrants, and coordination committees including customers to improve performance and network customer orientation.

SPIDER PLUS

"[Spider Plus](#) aims to develop a passenger and freight mobility vision for 2050. "Delivering the target of 50% freight to rail by 2050 needs concerted and connected action including eliminating air service links for distances of less than 3.5 hours, greater development of freight intermodality, hub and spoke infrastructure, and predictive maintenance" said **Armand Toubol**, Vice President Newopera Aisbl.

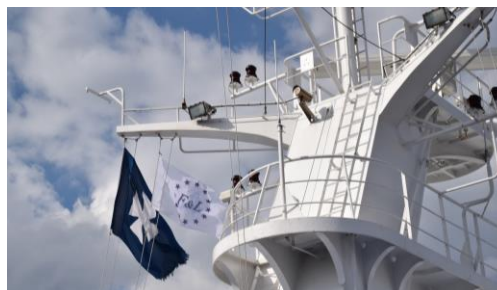
26-27 November 2015
F&L Barcelona

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