



Outcomes from Vienna Conference, 6 May 2010

"The Vienna Dimension"

Following a robust round table debate with speakers from shippers' Daimler, Alcoa, Borealis, Proctor & Gamble and Stora Enso and transport suppliers Ge-eX Logistics, LKW Walter International, SNCB Holding, AAE Holding and TIM Consult the key messages were:

- **Cost of freight** is number one in strategic planning and the supply chain. This is a critical dimension to ensure sustained market penetration and growth.
- All transport solutions must be sustainable with a high level of predictability and repeatability in service standards. Shippers must be able to plan on **virtual certainty**.
- **Capacity in CEE** continues to be a problem. The transport supply sector must do more work on this.
- Yes, CO² has an impact on service provision however it is down to **transport providers to constantly innovate** to meet both environmental goals and service standards. Efficiency and new thinking are essential maxims in transport supply and if that includes collaboration with competitors then so be it.
- **Consolidation** of short sea shipping services is a must to ensure the maximum use of the shipping network throughout North European waters, resulting in daily frequencies between key ports to meet shippers' demands.
- The Channel Tunnel is just not cost effective for the movement of freight. F&L must **raise the profile** of this issue with Channel Tunnel authorities.
- F&L will contribute **key priorities** for the industry to the upcoming review of the EU White Paper on Transport.



- Closer collaboration between shippers and transport providers may be necessary to improve the management of, in many cases, a complex supply chain. This is critical to achieve **closer integration of modal transfer**.
- Shippers do recognize that the transport supply sector must get an adequate rate of return on capital spend in terms of equipment to ensure a sustainable medium and long term investment strategy. Shippers also recognize that transport supply needs to have some guarantees on contract volumes to sustain this which is why **closer collaboration** between the parties can be the only way forward.
- Port congestion may return as a problem in 2012. The key question; “what **contingency plans** are in place to deal with this?” Shippers must know in advance.
- All sectors of industry recognize the unpredictability of fuel costs, reduction in sulphur content in marine fuels and the environmental demands for CO² reduction. F&L should set up a **working group on fuel costs and emissions** to determine a stable platform for future planning.
- Market intelligence is critical. Without that the wrong decisions on capital investment can result. As closer collaboration between shippers and transport supply evolves further, **market intelligence** must play a central role in future supply chain innovation and planning.
- Supply and demand will always be the key drivers. That is why **strategic alliances** are more important than ever to bring about an equitable balance between the two.
- Exchange rate fluctuation continues to unsettle market strategy. All sectors of the industry must probably learn to **live with this reality** in the current global circumstances. It may be that consumer prices will rise and fall on a more regular basis, possibly even monthly.
- The future will be built on the past. History always repeats itself. However the industry still believes that **longer trains** are necessary to sustain the economics of critical mass and probably larger ships too, although in the container sector they are unlikely to rise much above the “Emma” class.



Single wagon traffic on rail, particularly for groupage or smaller consignments, must be exploited to the maximum to bring rail into contention for traffic volumes currently moved by road.

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