

Freight transport logistics in Europe, the key to sustainable mobility

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PURPOSE: to present a Communication on “Freight Transport Logistics in Europe – the key to sustainable mobility”.

CONTENT: liberalisation and harmonisation has shaped the current transport system in the EU. The fast growth of freight transport contributes to growth and employment but it also causes congestion, accidents, noise, pollution, increased reliance on imported fossil fuels and energy loss. Infrastructure resources are limited and any disruption in the supply chain has negative impacts on the whole of the EU economy. Transport logistics can play a key role in ensuring sustainable mobility as well as contributing to meeting other EU objectives such as a cleaner environment and reducing the amount of energy consumption. Logistics can increase the efficiency of individual modes of transport resulting in fewer units of transport. Logistics are indispensable for maintaining and increasing European competitiveness and prosperity. Shifts to more environmentally friendly modes must be achieved on long distance modes of transport, in urban areas and on congested corridors.

More specifically speaking, logistics involves organising and carrying out transport and storage activities to make the goods supply chain efficient. The global logistics industry is estimated at roughly EUR 5.4 trillion. Annual expenditure on logistics in Europe amounts to around EUR 1 billion. On average, logistics accounts for 10 -15% of the final cost of finished goods – this includes both transportation and storage. Although the development of transport logistics is a matter for industry, public authorities can help create a framework in which industrial activity can expand. The areas, in which the Commission is becoming involved include:

- Setting up a group of Member State/industry focal points. These forums can help identify the obstacles to improved freight transport logistics - the so called “bottlenecks exercise” as was successfully pioneered with short sea shipping. Apart from solving bottlenecks, they could share know-how, provide best practice and give input to policy developments.
- Seeking improved, inter-operable information technologies for the purpose of enhanced tracking and tracing. Common standards, which have industry support, are key to making logistics more efficient. Thus, development should be geared towards common messaging within an open architecture. ITS-readiness should be incorporated in the original design of equipment or infrastructure to avoid costly add-ons at a later stage. Freight Transport Logistics, therefore, must remain a 7th framework priority given that modern technological innovation can open up new avenues for the sector.
- Helping to build logistics terminals and to improve their efficiency. Constructing new infrastructure is not an objective in itself. Current infrastructure use can be optimised by deploying efficient and sustainable logistical solutions. This includes fleet management, rail and inland waterway infrastructure management, complete utilisation of loading capacity etc. The efficiency of transshipment facilities, including seaports and airports is crucial for logistics performance. Attracting and securing additional private investments is essential and European rules must provide the appropriate legal framework.
- Optimising the use of infrastructures such as a dedicated rail freight network. Currently, rail transport suffers from the priority given to passenger trains on lines with mixed traffic. Action is

therefore needed to enhance interoperability and reduce the delays generated by mixed traffic. The Commission intends to propose an action plan to encourage the emergence of a rail freight-orientated network allowing for dedicated freight corridors. Such corridors should help to achieve higher levels of reliability, performance and competitiveness of international rail freight services.

- Improving the training and certification of logistics providers and other personnel involved in the management of logistics flows.
- Harmonising transport documents.
- Harmonising the different liability regimes in the multi-modal chain.
- Promoting multi-modal transport solutions.
- Devising indicators for assessing logistics performance in Europe.
- Devising labels of excellence for those involved in the transport and supply chain.
- Researching and implementing common European standards for loading units. This will help in the seamless flow of cargo. Rules on vehicle and loading units should meet the needs of modern logistics. This proposal arises from the current multitude of different configuration of these units, which creates friction costs and delays in handling operations between modes. European industry needs a better system of loading units for intra-European transport to reduce costs and improve competitiveness.

To conclude, advanced quality solutions are needed for Europe if it is to maintain and improve upon its global logistics position. Being a centre of logistics excellence would help economic, social and environmental sustainability in Europe. Co-modality and high efficiency in the transport system are also indispensable for Europe to manage the increasing flow of goods. This Communication presents a set of ideas for a possible strategic framework. In 2007 the Commission intends to prepare an Action Plan for Freight Transport and may, which may if appropriate, be accompanied by further proposals.