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Ladies and Gentlemen,

I am grateful for having the opportunity to say something about logistics in relation to the flow of goods, as I realize that this meeting is predominantly geared to discuss aspects of passenger transport.

I will not talk about technical innovations in fuels and engines, cars and other means of transportation, though I personally believe that those innovations will in the end of the day prove to be effectively and substantially putting an end to pollution and faltering safety.

If you will allow me, I will talk about what Logistics can contribute to the solution of the problems that are the subject of the discussions during this conference.

Logistics comprises far more than only the physical transportation of goods. In fact logistics is about the provision of all goods – and all information relating to such provision - necessary for an organization to perform its functions.

Three characteristics spring to mind when considering goods: place, time and change. Place is about transportation, time is about warehousing; change is about the processing of goods.

Typically the political focus is on the aspect of transportation of goods. And such focus is practically always founded in a negative mind-set.

Transportation of goods, in particular by road, is considered to be dirty and dangerous and to serve no good purpose. It should therefore be banned and if that is not possible be curbed as much as possible.

This mind-set denies the fundamental value of transportation of goods. A value that lies neither in the extent of the transportation sector, nor in the number of vehicles, nor in the number of people employed nor in the revenues for the exchequer. However important that value may be, the real value lies in the fact that transportation of goods is both ancillary to and an absolute precondition for any productive activity. No such activity is economically meaningful if the fruits thereof would not reach the user they are destined for.

The societal meaning of transportation of goods is as comprehensive as the economy, as our welfare and wellbeing themselves. Therefore putting up barriers to the transportation of goods stands equal to putting up barriers to our economy, welfare and wellbeing.

Now unfortunately, the other side of this unchallengeable beneficial quality of transportation of goods is: the downside, being that it pollutes, that it is potentially dangerous and that it takes up precious space. It therefore follows that we should have as little of it as is reasonably possible.

Where the idea stems from that more transportation of goods leads to more economic growth, only the good Lord knows. Yet the public at large, politicians, other decision makers in society and last but not least environmentalist suspect a secret alliance of capitalist businessmen, that wishes to drench society in goods transport.

Please allow me to make utterly clear: Shippers disclaim and repudiate this twisted and indeed pure nonsensical idea.

A cost conscious shipper (which is equivalent to: a shipper that wants to stay in business) will always try to spend as little money as feasibly possible on the transportation of his goods. Clearly, shippers are on the same side as environmentalists who seek to minimize as much as possible the need for transportation of goods.

But, let us, please, keep this notion in the right perspective. The need of goods, therefore the need for transportation of goods originates from consumer demand.

People need food and beverage, clothing, roofs over their heads, furniture, medicines, books, and so on. People are in demand for maintenance and repair of their properties. Continuously, always, everywhere, in an ever growing pattern of consumption. Production (with capital P), Trade (with capital T) and Service Industry (again with capitals) seek to meet those needs.

If you want to know where the growth of goods transportation comes from: For instance: over the last two decades in the US of A the per capita consumption of food rose with 50%; Europe is steeply catching up. And this is exclusive of the growth of the population. Already nowadays every third lorry in the Netherlands is carrying agricultural products.

In order to tackle the downside of goods transport, can we stop this consumption?

Can we stop people from installing a fourth bathroom in their town house; from buying their third television set, from changing their furniture, though their present is still in perfect order; or from having twenty five shirts, where twelve would largely do?

Can we put a ban on consuming fruits and vegetables that are grown on the other side of the earth? A ban for the reason that such consumption brings about transportation that we find undesirable?

Obviously the answer is no. Unless of course we would be willing to submit ourselves to dictatorial regimes, where our leaders decide what is good for us.

So if we can't stop consumption of goods, must we then accept the unavoidability of the transportation of those goods?

Yes, but also little bit of no.

A little bit of no: There are many practical, mostly small, steps that can be taken on our way to lessening the problems caused by the transportation of goods. Yet many small steps together make a giant step, so that in the end of the day we may conclude, that they have "made the difference".

Logistics can make the provision of goods more intelligent, thereby minimizing transportation and thus the negative effects of transportation.

In fact there are three parameters that quantify the need for transport, namely: weight, volume and distance. Each of these parameters individually as well as in relation to each other must be scrutinized in order to define the optimal solution in the given case.

We should distinguish between on the one hand reduction of transport by doing away with unnecessary transport and on the other hand the optimization of necessary transport.

Looking at the reduction of the need for transport of goods, logistics can bring about new concepts of production, whereby three major areas of attention pop up:

1. Reduction of volume and/or weight through original design or redesign of products; seeking for instance to avoid transportation of water or air; also looking at processing at the source; the best attitude of a designer will be: how, in the first place, can I avoid as much as feasibly possible the need for transportation
2. Reduction of distances, for instance between processes nearby the location of original production, by relocation of production, or by virtualizing of steps in the chain of production;
3. Avoiding of return of product, package or waste, or reducing the volume and/or weight of the same.

Looking at optimizing necessary transport, logistics further can bring about new concepts of warehousing and transportation, in particular but not limited to distribution of goods. Without being limitative: the following measures can make transport more efficient:

1. Kilometer reduction by improved efficiency within the same unit;
2. Better loading of transport units;
3. Fuel saving programs, optimizing of fleet management;
4. Improving drivers' skills and attitude;
5. Smart itinerary planning;
6. Combining of cargo/ sharing of warehouses/centralization of distribution, also among competitors;
7. Supply chain management.

What, against this background, politicians should be aware of, is of the ease with which they make rules and regulations that are detrimental to what we wish to achieve through transport reduction and transport efficiency.

Think of restricted periods for delivery in cities, think of lack of parking space for delivery vans, think of driving bans, of working hours regulations, of dimensions and weight prohibitions et cetera et cetera. All of these measures (as well as their conjuncture) cause extra transport, unnecessary transport, unnecessary pressure on the environment and on the use of scarce infrastructure.

Restrictions in delivery times in the Netherlands alone are responsible for 30% (that is three – 0 percent) extra demand for transportation of goods to supermarkets within city perimeters.

I'd say: there is an easy win to be gained!

Ladies and gentlemen, among you, folders have been distributed with the tempting title: "Congestion and ways out of it". In there you will find some thrilling examples of transport reduction and transport efficiency.

As you may by now have come to understand (I hope) I am a strong believer in these concepts. I would be very proud if I would have, shall I say, at least stirred up your curiosity for these subjects, because with curiosity starts all science.

Thank you for your kind attention.