



Action Plan to keep freight moving

● An Action Plan for Freight Transport Logistics

- Logistics: the oil in the EU's economic machine

The efficiency of logistics services impacts the prices and quality of products. The sectors of the economy are affected differently, but estimates put logistics costs at up to 12% of final costs in the manufacturing industry and more than 20% in the retail sector.

In recent years, efficiency gains in logistics have helped bring down the transport component in the total product price. This has increased European competitiveness on global markets by making it possible for European companies to source raw materials and components from all over the world. European manufacturers also have access to worldwide markets to sell their products.

● The need for action

The evolution in freight transport has, however, put a strain on infrastructures in the European Union. The visible signs of this are congestion on parts of the European transport system, including many of its roads, rail links and harbours. Some estimate these costs to be as high as 1.5% of GDP and they are likely to increase substantially in the years to come as growth is set to continue. Studies show that we can expect 50% more freight by 2020. For some parts of Europe, predictions even suggest a doubling of freight transport by 2050.

Growth in freight has also increased the dependence on imports of fossil fuels, the main energy source for transport, which now accounts for 31% of total EU energy consumption. Furthermore, there are signs that growth in transport and logistics is leading to shortages in qualified staff.

Finally, the transport sector's carbon dioxide emissions and its contribution to global warming are a major concern. Transport emissions are still increasing, and one third of these are estimated to be caused by freight transport. This trend needs to be stopped if the EU is to meet its greenhouse gas emission targets.

● An Action Plan based on a broad consultation of interested parties

The tasks set out in the Action Plan are the result of a long consultation process that began after the publication of the 2006 Communication on Freight Transport Logistics. Interest in the subject has been lively with the closing conference in May 2007 attracting many representatives from industry associations, national authorities and civil society. Their input has helped determine the list of specific actions now being put forward.

● Actions for boosting efficiency and sustainability

The Logistics Action Plan is constructed around a number of core orientations, namely

- innovation,
- simplification,
- quality,
- green corridors and
- updating of the regulatory framework.

Each of these headings introduces a range of concrete measures which are set against a concrete objective and a clear timetable. In total, the Logistics Action Plan proposes more than 30 actions to be implemented over the coming years.

MEMO - ACTION PLAN FOR FREIGHT TRANSPORT LOGISTICS

To promote *innovation*, the Action Plan will encourage the use of information and communication technologies in freight. It outlines the vision of paperless information flows accompanying the physical shipment of goods. It will also help make traffic management more efficient by promoting intelligent transport systems as well as facilitate the roll-out of innovative services. Emerging technologies such as RFID (Radio Frequency Identification) and the possibilities offered by satellite services will revolutionise freight transport.

The paperless transfer of information on the transport of goods will also help the *simplification* of freight flows. Another element of this strategy is to create a single transport document to replace the many mode-based versions that currently render multi-modal transport less attractive. The Logistics Action Plan furthermore gives a new boost to efforts to simplify administrative reporting by creating a single reporting interface.

To improve the *quality* of logistics services it is proposed to tackle the more than 500 reported bottlenecks, which create unnecessary obstacles to the efficient flow of goods, from lack of parking spaces for trucks to red tape. Quality will also be enhanced by giving more value to professional competence and ensuring that qualifications are mutually recognised.

In terms of *updating the regulatory framework* the Logistics Action Plan proposes developing standards for loading units suitable for all modes of transport. It also suggests assessing the need to review the current limitations of road vehicle weights and dimensions. Further legislative proposals will be initiated by the Commission in the coming years.

Finally, the Action Plan suggests that priority should be given to the improvement of efficiency and sustainability of freight transport where pressure to do so is highest, namely in *urban environments* and along the major European *transport corridors*. The Logistics Action Plan will help ensure that Europe's main transport arteries become 'green', taking account of environmental concerns as well as the growing need for safety and security.