

# Logistics for Competitiveness

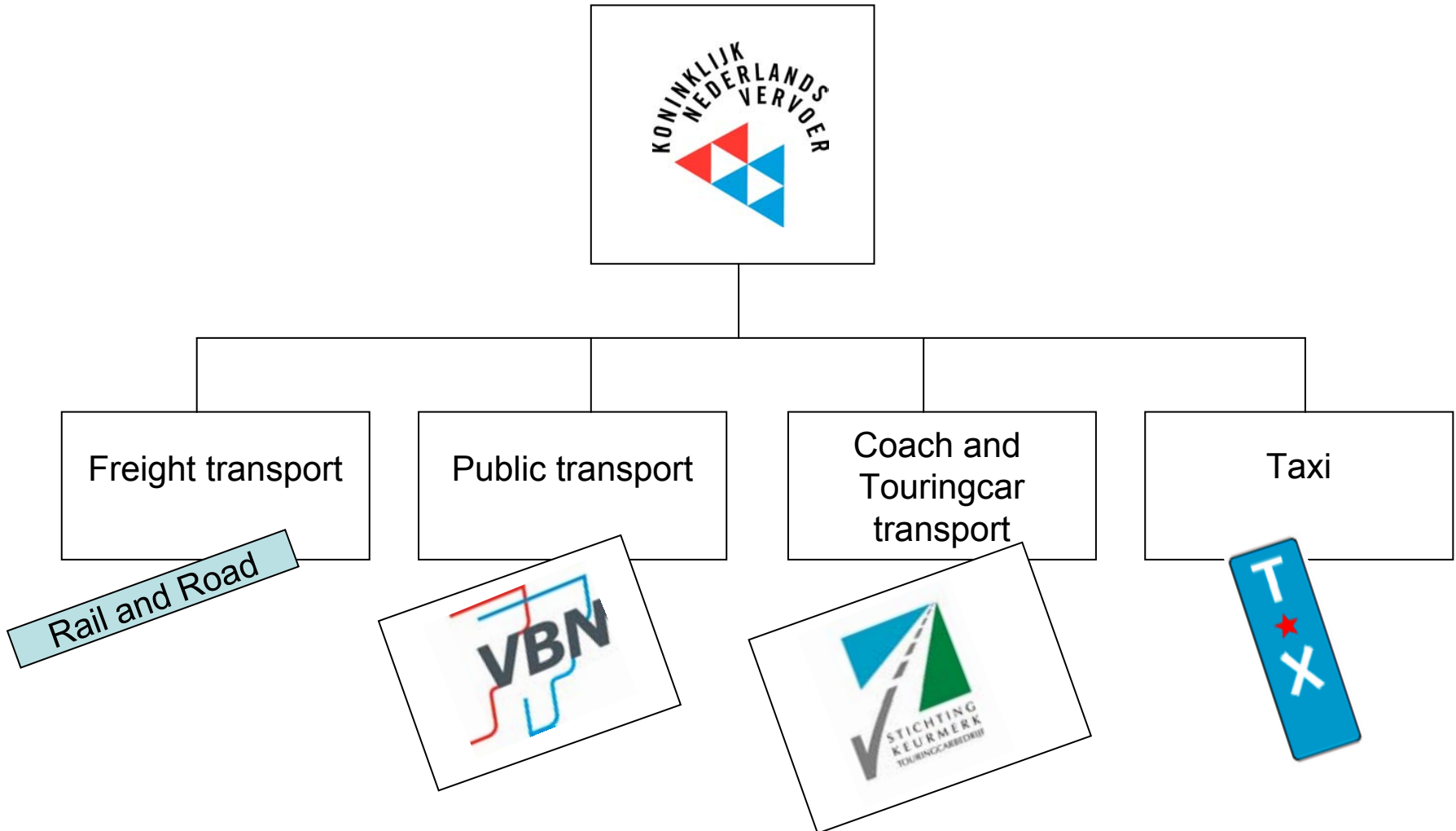


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**Royal Dutch Transport association**

30 March 2009,  
Washington

# Koninklijk Nederlands Vervoer (established in 1881)

## Royal Dutch Transport association



Logistics as key for peace and economic development

EU policy on transport

Trends in logistics in the Netherlands

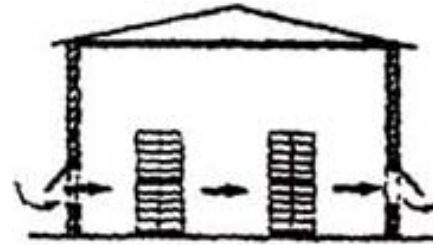
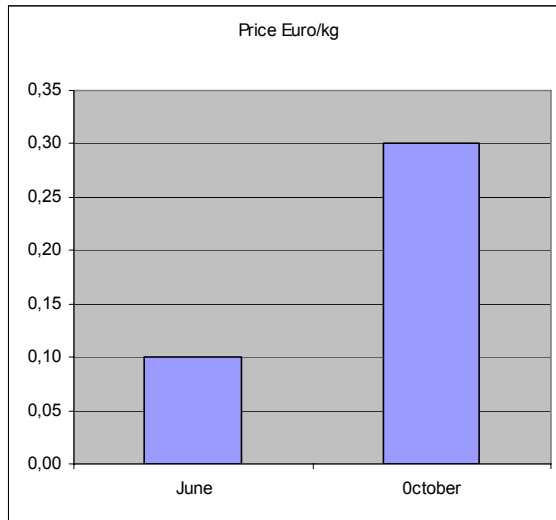
Initiatives to enhance competitiveness in the Netherlands

# Logistics give produce value (1)

Logistics enables population to generate income from local work for consumers elsewhere



# Logistics give produce value (2)



# Logistics are fundamental for competitive societies

## Free movement of goods as condition for peace and development:

- on the European political agenda since the Vienna Congress (1815)
- already the Mannheim Act (1868) contains the principles of the EU Maastricht Treaty (1992)



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# The EU Maastricht Treaty (1992)



## Article 75

*(a) common rules applicable to international transport to or from the territory of a Member State or passing across the territory of one or more Member States;*

*(b) the conditions under which non-resident carriers may operate transport services within a Member State;*

*(c) measures to improve transport safety;*

*(d) any other appropriate provisions.*



**European regulatory  
transport framework**



**Trans-European transport  
network (TEN-T)**

# European regulatory transport framework



## What still needs to be done:

- Harmonisation of environment criteria (e.g. environmental zones in cities, technical specifications of vehicles).
- Rationalisation of legislation on working and driving hours
- Elimination of restrictions on cabotage.
- Modernisation of customs regulations and introduction of E-customs (with non-EU member states).
- Internalisation of external costs.

# European transport regulatory framework

## - Internalisation of external costs



The implied strategy is:

*Transport users choose the most economic mode of transport based on market prices, which reflect internal and external costs.*

For this strategy to be successful:

- *Transport prices must reflect internal costs (and not be distorted by special taxes or subsidies)*
- *External costs must be internalised for **all** transport modes.*

# European transport regulatory framework

## - Internalisation of external costs



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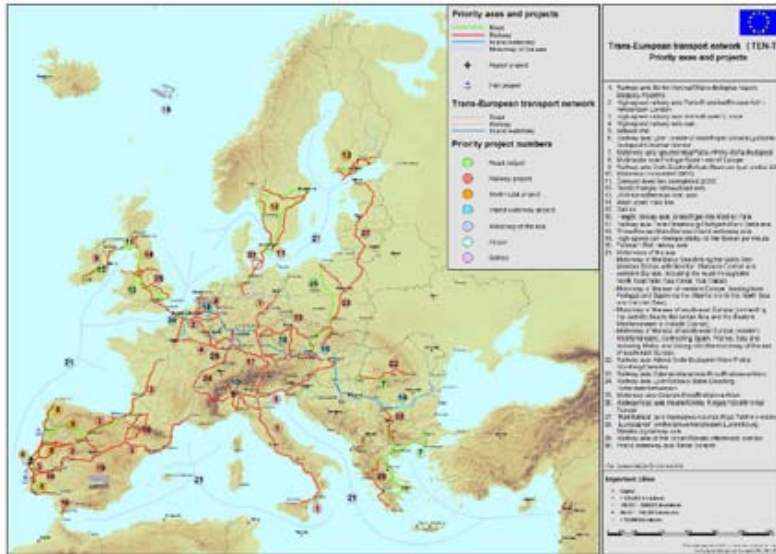
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For this strategy to be successful:

- *Transport prices must reflect internal costs (and not be distorted by special taxes or subsidies)*
- *External costs must be internalised for **all** transport modes.*

*Internalisation of external costs will not have the desired impact on making transport systems more sustainable, as long as internal costs (e.g. infrastructure) are not effectively reflected in transport prices.*

# Trans European transport network TEN-T



- How to develop the network of a continent, while respecting the autonomy of 27 member states?
- Modal-shift or co-modality?

*‘Balanced investment in different forms of corridor infrastructure may yield better solutions than a focus on individual modes of freight transport.’*

(World Bank Business Strategy 2008-2012 ‘Safe, Clean, and Affordable Transport for Development’)

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# The Netherlands as gateway to Europe



**1. Dutch infrastructure is part of European network**

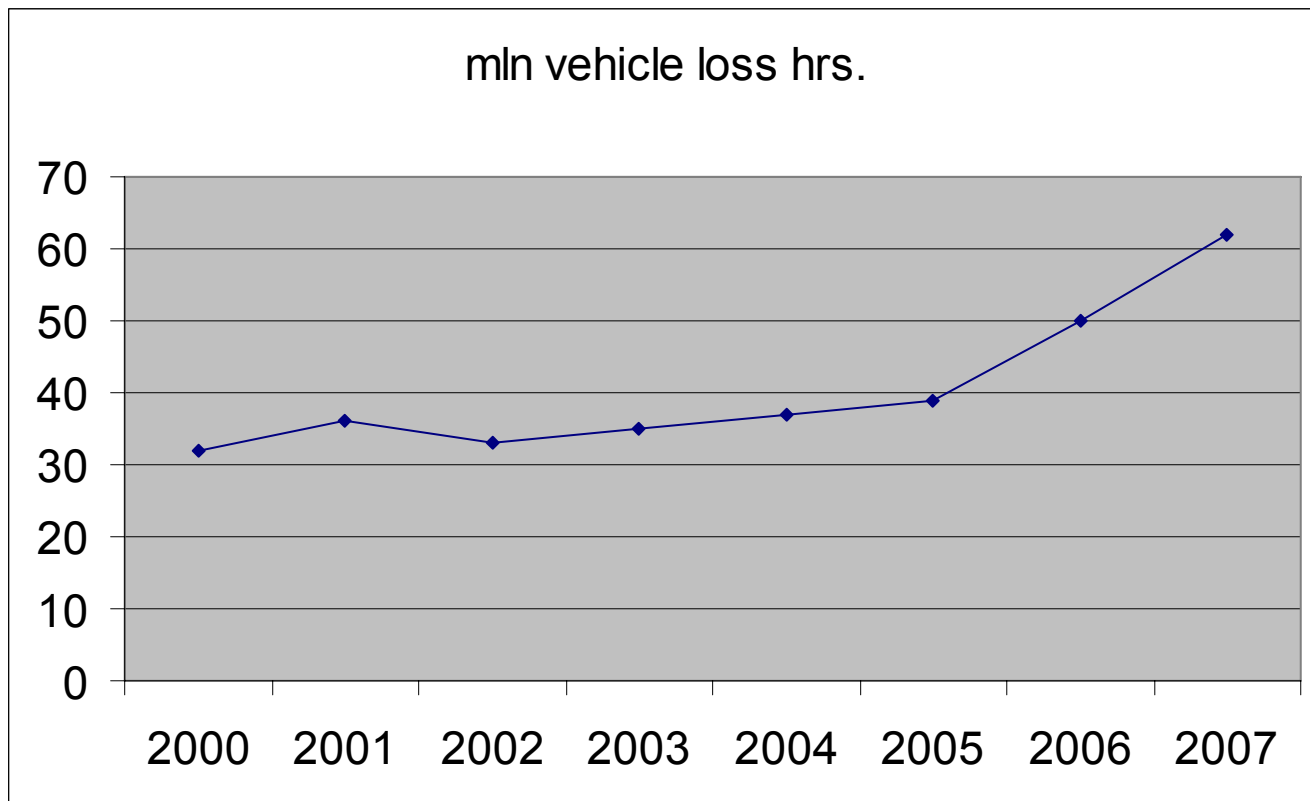
**2. Infrastructure is used to full capacity**

# Trend 1: Congestion on motorways erodes competitiveness



## Estimated economic cost of road congestion:

2006	Euro 2.5 Billion (= 0,48 % of GDP)
2007	Euro 2.8 Billion (= 0,52 % of GDP)



## **Trend 2: In the Netherlands growth in international road haulage is absorbed by foreign trucks**



### **Growth of transport to/from Netherlands 1995-2006:**

**by Dutch trucks: 0.5% per year**

**by foreign trucks: 4.2 % per year**

### **Dutch trucks:**

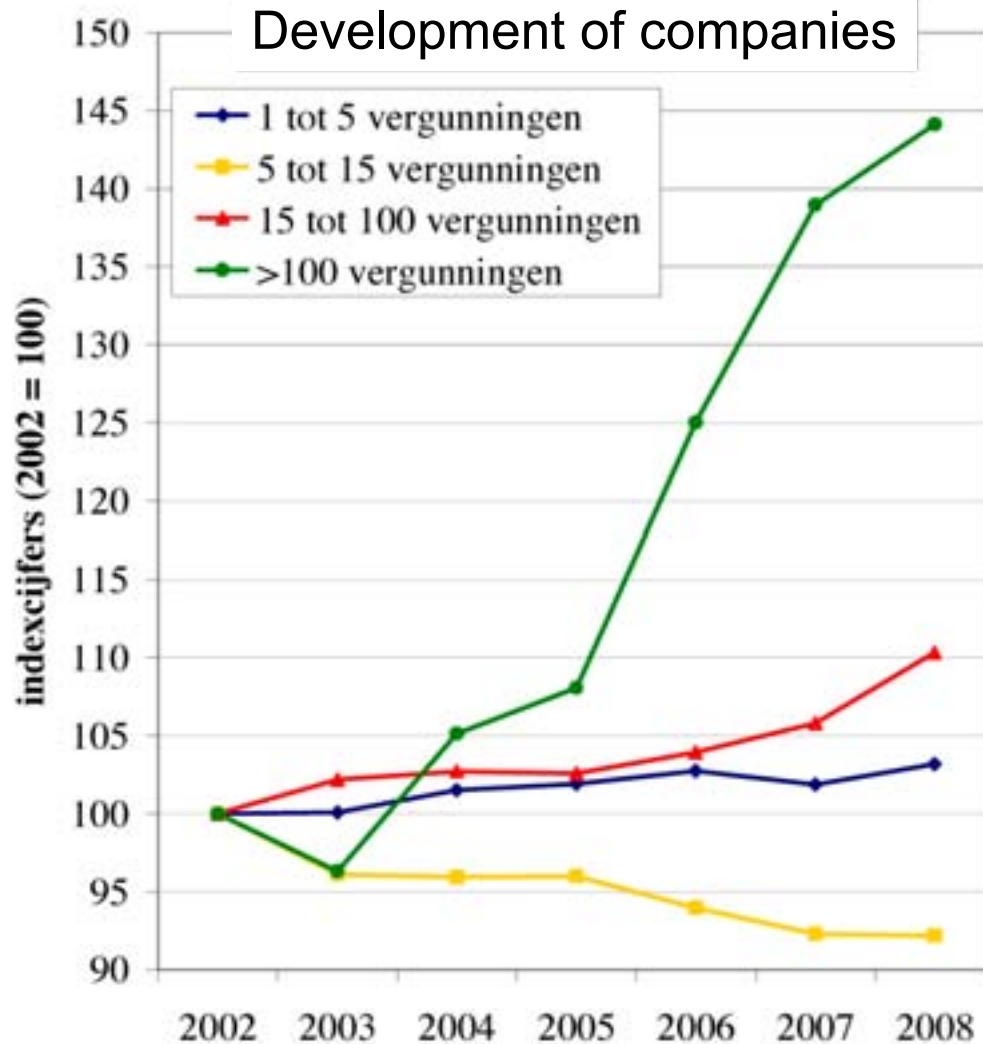
**1995: 76.7 billion ton.km**

**2006: 83,2 billion ton.km**

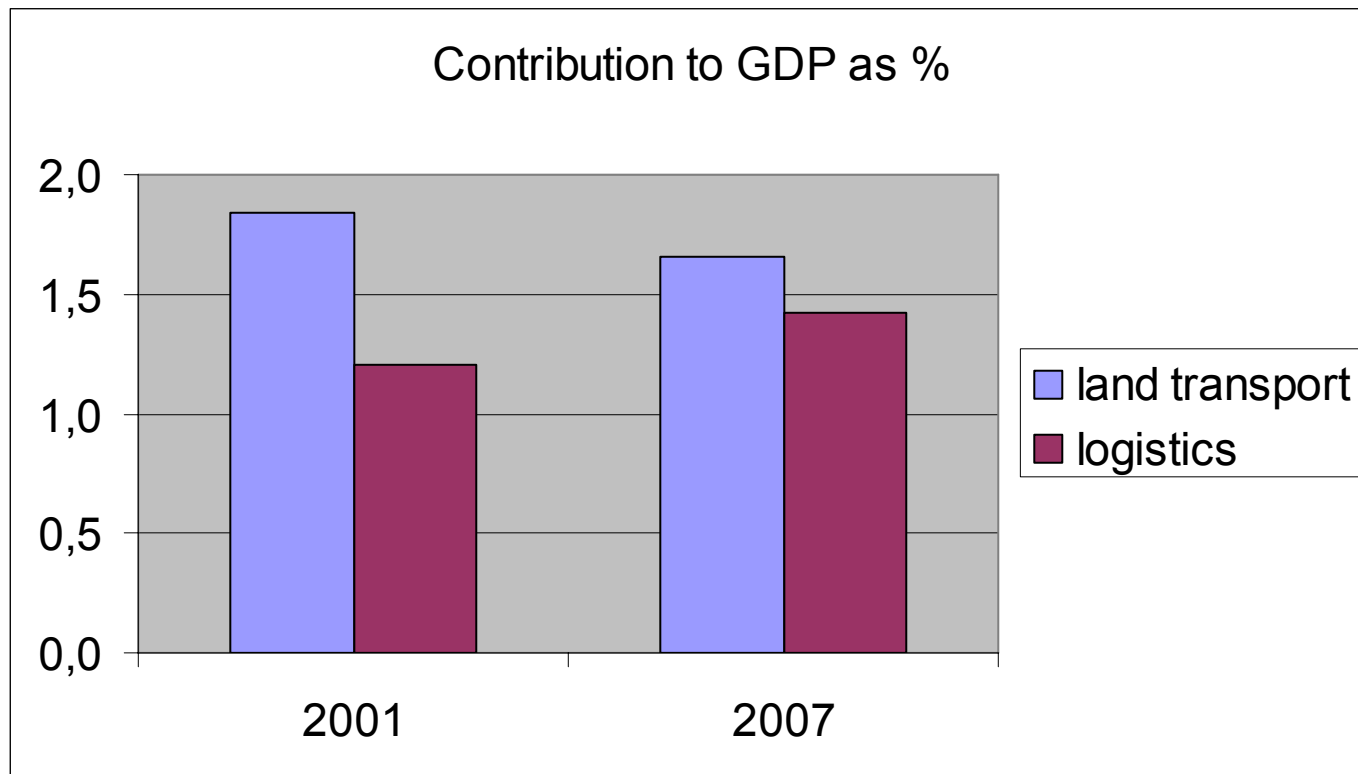
### **Foreign trucks owned by Dutch companies:**

**2006: 26.8 billion ton.km**

# Trend 3: Large companies gain market share



# Trend 4: growth of logistics share in GDP compensates decrease of transport

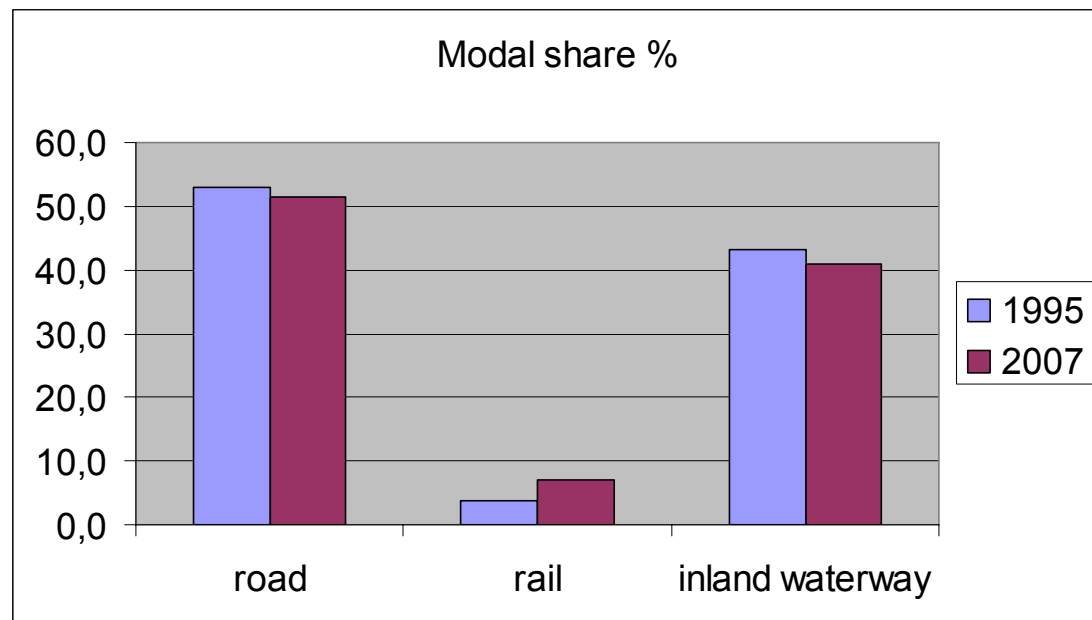


# Trend 5: Rail gains market share



## Freight volumes in billion ton.km

	1995	2007
road	43,5	55,7
rail	3	7,6
inland waterway	35,5	44,3
total	82	108



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## Initiative 1:

# Transport sector and government agree on package of **green** measures.



- **Target is 30% decrease in CO2 emission by 2020 (back to level of 1990), *but with doubling of freight volume between 1990 and 2020.***
- **All transport modes search for measures within their specific working area, *but largest potential is in modal shift.***
- **Road, rail and barge transport are actively searching for potential measures, *but maritime and air transport partners depend on worldwide measures.***

# Will modal shift be back on the agenda?



Building permission for expanding port of Rotterdam demands:

- modal shift policy on hinterland connections
- environmental zone to restrict emission of pollutants

Hinterland transport for containers:

	2005	2033
road	47%	35%
rail	13%	20%
barge	40%	45%



## **Initiative 2:**

# **Transport sector and government agree on logistics innovation package**



**Contribution of logistics to GDP to grow from Euro 3 billion (2007) to Euro 10 billion (2020)**

(i.e. growth from 0.7% of GDP to 1.4% of GDP)

- **Supply Management and Supply Chain Campus**
- **Project support for innovation projects**
- **Human capital programme**

## **Initiative 3: Road user charging for all (motorised) road users**

**Road user charging to lead to more economical use  
of infrastructure**

- **Introduction of road user charging for all motorised vehicles between 2012 and 2016.**
- **Variabilisation of tariffs for peak hour traffic and environmental parameters of vehicles**
- **Based on satellite tracking and multiple provider scheme (how to track 7 million vehicles and collect the revenues?)**

# **Initiative 4:**

## **Increase capacity of road and rail network**



- **Streamlining of environmental impact assessment and decision taking for construction projects**
- **30 projects for short-term elimination of bottlenecks in the road network**
- **Euro 4.5 billion for investment in rail for enhancing frequency of passenger trains (6 IC and 6 local trains per hour)**
- **Euro 0.4 billion extra in 2009-2011 in context of crisis-package**

***Thank you for your  
attention.***



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