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PRESS RELEASE

Logistics in Transition

BRUSSELS, 25 September 2019 – At the first European Logistics Platform (ELP) Forum organised under the new term of the European Parliament at the Residence Palace in Brussels, more than 80 EU policy-makers and industry stakeholders came together to discuss the challenges facing the logistics sector, ranging from digital transformation to sustainability, infrastructure and access to skills.

In the keynote presentation, **Professor Alan McKinnon**, Professor of Logistics in the Kühne Logistics University, presented the mega-trends affecting logistics, from sustainability in the supply chain to logistics skills shortages and the rise of e-commerce and demand chains. He warned that the estimated growth in freight and the lack of progress in cutting CO2 emissions to date means that there is real urgency to increase the decarbonisation efforts in the logistics sector. He cited an OECD/ITF report, which found that, even if all global transport cuts are implemented, sector CO2 levels in 2030 would still be the same as in 2015, despite the need to decrease them drastically. Prof. McKinnon suggested that due to current emission trends and the need to stay within tight carbon budgets, restricting the level of freight movement may have to be considered. Other freight decarbonisation measures include shifting freight to lower carbon modes, improving vehicle loading, increasing energy efficiency and switching to low-carbon energy.

The second challenge Prof. McKinnon covered during his keynote speech was the skills shortage in logistics, a problem which does not only affect the logistics sector in Europe, but in many countries around the world. While automation is going to have a big impact on the sector, it will remain a large employer. He also talked about the need to invest in upgrading the skills of the existing workforce.

During the following panel discussion, industry representatives, including **Leigh Pomlett**, Executive Director of CEVA, **Bart Vandewaetere**, Head of Corporate Communications and Government Relations for Nestlé, and **Helder Velho**, Director for EU Transportation Services at Amazon, debated ways of approaching the challenges of logistics.

There was in general a strong recognition from industry on the responsibility to make change and to invest more in decarbonisation efforts, not least recognising that sustainability is top of the agenda for customers. The focus should not only be on the energy performance of vehicles, but on all parts of logistics, including warehousing operations. Industry participants suggested that regulators should invest in the supporting infrastructure (e.g. to make further electrification of freight sustainable) and to allow for much-needed innovation in the sector. At the same time, the development of multimodal transport and the shift to a more collaborative approach with all the actors in the supply chain are needed to improve efficiencies. With this, continued learning remains vital, and supporting skills and education of workers should not be ignored. Regarding the necessary skillset, industry speakers agreed that the demographic problem cannot be solved solely through automation. It was highlighted that the acceleration of

automation will require a different skillset. Therefore, improving the attractiveness of the industry as a potential employer, especially for young professionals, remains a key challenge.

Edoardo Turano, Deputy Head of the Road Transport Unit of the European Commission's Directorate-General for Climate Action (DG CLIMA), highlighted the importance of the transport sector in the context of the broader transition towards climate neutrality by 2050. He emphasised that collaboration between governments and the private sector is essential to accelerate the needed decarbonisation of transport. At the same time, he underlined that the challenge of transport decarbonisation offers important opportunities of increasing Europe's competitiveness, investing in innovation and clean technologies. He highlighted that there is no single solution for transport decarbonisation, but instead, a combination of different approaches is of the essence.

Sandro Santamato, Head of Unit at the European Commission's Directorate-General for Mobility and Transport (DG MOVE) in charge of Maritime Transport and Logistics, spoke on digitalisation and how sharing data and information can increase efficiency. He referred to the importance of creating a trusted environment for information sharing between the various actors involved in transport and logistics. Digitalisation and automation could also generate demand for more qualified jobs and increase the attractiveness of the sector. He noted that the industry's input is important to determine how value can be added from the EU institutions. The shift towards multimodality was also confirmed to be among the Commission's priorities, as well as digitalisation and the integration of environmental and climate objectives in the future EU research and innovation agenda.

Finally, the Members of the European Parliament, including **MEP Andris Ameriks**, **MEP Vera Tax** and **MEP Boguslaw Liberadzki**, responded to the challenges raised by the industry. MEP Liberadzki reminded the audience on the need to be on board and to invest in order to meet decarbonisation targets, as awareness on the 'green deal' was much bigger today than it was 10 years ago. He also insisted on the need to ensure that EU rules support industry competitiveness and not stifle it. MEP Vera Tax welcomed the fact that industry supports the need to decarbonise and invited industry to suggest ways of achieving the EU targets and to indicate priorities for investment and R&D. She also highlighted that the European Commission could help supporting the emergence of a better gender balance in logistics. MEP Ameriks argued that in light of the EU's target to reduce emissions, policymakers should stay in close contact and cooperate with representatives from the industry to determine the appropriate way for investments to reduce emissions.

The European Logistics Platform consists of more than twenty industry stakeholders representing a wide variety of actors involved in logistics and supply chains across Europe. Current members include

ACEA, AMAZON, BDL, CER, CLECAT, Deutsche Bahn, Deutsche Post DHL Group, Duisport, ECG, ECSLA, ERFA, ESC, ESPO, FEPORT, FERRMED, FTA, Goodyear Dunlop Tires, Hutchison Whampoa, IRU, Michelin, Nordic Logistics Association, P&G, Port of Rotterdam, Transport en Logistiek Nederland, UIRR, Volvo Group
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