

Brussels, February 2008

## **FECC CONTRIBUTION TO THE AD HOC GROUP ON LOGISTICS**

### **Introduction**

The Chemical Distributors in Europe represent around 1,200 companies with 30 billion€ annual turnover and more than 40,000 employees. Most of these companies are SMEs who distribute, formulate and import substances and preparations vital for innovation, competitiveness and sustainability of industry. Through their logistics efficiency, chemical distributors supply thousands of industrial plants with the specific chemicals that are required to continue their production. An efficient transport and logistics framework in Europe is crucial for a sustainable chemical distribution business. The Chemical Distributors in Europe count around 1,500 sites, more than 5 million shipments and around 19 million tonnes shipped.

The European Association of Chemical Distributors (FECC) would like to bring the following points to the attention of the High Level Group on competitiveness of the Chemical Industry:

### **Intermodal Regulations Disharmony**

FECC shares the wider industry's view on the need to enhance Global Harmonisation between the different modal transport regulations for dangerous goods. The differences between the modal regulations for the same substance, create too many practical obstacles to multimodal transport operations, and lead to unnecessary costs. Even safety may be at risk in the chain of multimodal transport operations due to these differences. FECC supports the Industry's request for a political statement encouraging the Competent Authorities, dealing with dangerous goods transport regulations, to further accelerate the harmonisation process and actively seek compromises with the objective to achieve a uniform set of regulations (see attached INDA position for more information)

### **Logistics Infrastructure Capacity**

The current infrastructure will need re-thinking in view of the shifting of manufacturing capacities to the Middle East and Asia. Currently, there is limited storage and loading capacity for chemicals in port terminals. In addition, there are difficulties for building new capacity in terms of obtaining environmental permits, and coordination with local authorities.



### **Supply Chain Inefficiencies**

Collaborative integrated supply chains need to be promoted. Manufacturers, distributors and shippers need to jointly discuss the current challenges and propose the most advantageous solutions for the entire chemicals supply chain. FECC requests that appropriate fora are facilitated for these discussions and that they are also accessible to small operators.

### **Drivers Shortage**

Current drivers' shortage, particularly for dangerous goods qualified drivers, needs to be addressed. Measures need to focus on mutual recognition of requirements and simplification of training and other requirements.

### **Administrative Complexity**

Need for a simplification of administrative procedures, particularly in ports where the cost of these procedures may become up to 40% of the total cost of the transport. Access to port services for new operators also needs to be facilitated.

### **Road Congestion**

Maximum use of existing roads infrastructure should be encouraged such as night time and week end transit

### **Alternative modes**

Rail transport, inland waterways and Short Sea Shipping (SSS) need to be developed as alternatives to road transport: in order to increase the shipment's ratio 'tonnes shipped per person':

- Road transport's profitability may continue to decrease due to the current levels of congestion in tunnels, roads, etc.
- More independent rail operators need to be able to enter the market.

### **Telematics**

FECC is concerned about the current developments on telematics. Tracking and tracing systems should not be imposed on companies as the benefits for both the companies and the society are still unclear. A harmonisation of the existing and future initiatives in this field should be facilitated.

For further information please contact:

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