



Access to Distribution Networks Europe

Difficulties and Solutions



Drivers of Distribution Strategies

Exporting into Europe

- ✓ Globalisation of Manufacturing
- ✓ e-Commerce
- ✓ Consumer wealth patterns
- ✓ Fuel costs
- ✓ Environmental Legislation & carbon emissions
- ✓ Brand Image

EU Overarching Patterns

- ✓ Environmental regulations
- ✓ Eurovignette
- ✓ Cabotage
- ✓ Special user rebates-Diesel

EU Transport 2050

The European Commission this year adopted a comprehensive strategy (Transport 2050) for a competitive transport system that will increase mobility, growth and employment.

At the same time, the proposals will dramatically reduce Europe's dependence on imported oil and cut carbon emissions in transport by 60% by 2050.

>No more conventionally-fuelled cars in cities

>40% use of sustainable low carbon fuels in aviation;

>40% cut in shipping emissions.

>50% shift of passenger and freight from road to rail and water transport.

Irish Exporters Route to Market -The challenges

- 1. Shift in Manufacturing to low cost countries**
- 2. Demand moving to East >> east Europe , Middle east , Asia**
- 3. Imports into Ireland reduced>>Shortage of containers for Exports**
- 4. European Distribution Centres >>Competition**

More Challenges

- > Logistics 10% - 15% of final product costs.
- > Carbon emissions / transit taxes rising (Eurovignette)
- Lo/Lo Sea Freight – economical but slow.
- Ro/Ro – Cabotage delays
- Airtrucks/Express Trailers-not sustainable
- Congestion at major hubs – Sea and Air



Transport Trends

- Demand
- Greening of Supply Chain
- Security of supply chain



Transport Demand increasing Research -1

- Transport of goods has increased by 30% from 1995--2005 (Source Bearing Point)
- Road traffic creates 19% of all Green House Gases (transport of goods accounts for 5%)
- Goods transport ton per km f/cast to increase dramatically.

Example; Germany expect an increase of 73% by 2030, and will cause a 52% increase in greenhouse gases.

Greening supply Chain Research -2



Fuel costs increases(70% 2000-2010) forcing review ;

- Optimisation of transport & logistics networks
- Reduce packaging
- Reverse logistics –recalls/warranty/environmental disposal

EC moving to force modal shift

- Euro vignette Directive

-road user fee



Security of Supply Research -3

- 9/11
- Security of supply chain
- Anti-terrorism measures
- Anti –counterfeit measures
- Audited secure transport routes

Exporters Solutions

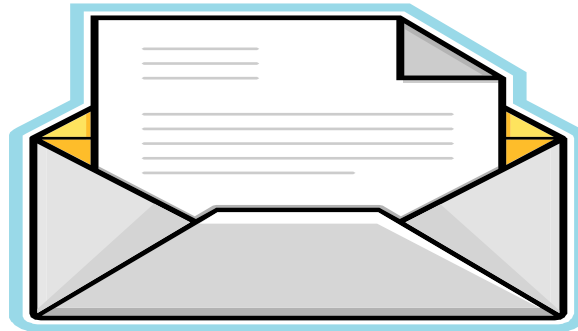
-Push out the envelope



1. Eliminate supply chain bottlenecks.
2. Reduce inventory at the port, manufacturing sites, and warehouses.
3. Reduce the number of supply chain providers
4. Identify opportunities to shift modes.

Exporters Solutions

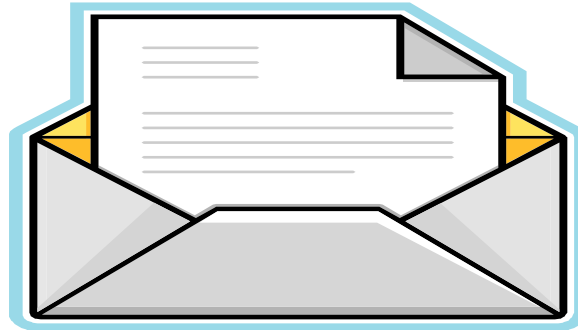
-5 to 8



5. Improve collaboration
6. Use preferential trade agreements.
7. Rebalance supply and fulfillment networks by determining tax-efficient sourcing and distribution strategies.
8. Take advantage of Technology

Exporters Solutions

-9 to 10



9. Control the procurement process.
10. Implement performance management metrics and tools.

Strategic Option -1

- Important to choose the most efficient sustainable method of dispatching goods to overseas markets
- Airfreight is it the best' last mile 'option??
- Greenest route to market
- Most efficient total solution



Strategic Option -2

- Stimulate demand
- Incentivize Carriers >> Sea >> Air
- Incentivize port terminal operators
- Play the Green Card



Strategic Option-3

- Global Distribution Centre
- Import Pre-clearance for US market
- Import Pre-clearance for EU market (Single European Authorisation process)
- AEO – CTPAT
- Enhanced State Agency and Private sector Collaboration



About the IEA

The IEA represents the needs of export industry ensuring that the necessary conditions are created and the necessary support is provided to assist companies to maximise their export sales. The IEA draws its membership from every exporting sector, ensuring that the interests of all industries are represented and promoted at the highest level.

The Irish Exporters Association provides a wide range of services to Irish companies already exporting or planning to export, north and south.

Apart from lobbying on behalf of its members both at home and in Europe, it provides practical, hands-on support through its information services, day-to-day operations support, on-line search facilities, a variety of publications and studies, export documentation services and consultancy and advice.

www.irishexporters.ie



Thank you – any questions?

