Global transport & EU logistics: what are alternatives and sustainable solutions?

Summary
EU Clusters Talk “Global transport & EU logistics: what are alternatives and sustainable solutions?”

The European Cluster Collaboration Platform, on behalf of the European Commission, DG GROW, organised the EU Clusters Talk “Global transport & EU logistics: what are alternatives and sustainable solutions?” on 11 May 2022, 8:30 – 10:00 CEST, to speak about the current challenges in logistics in Europe and beyond, the disruptions in the supply chains because of the war in Ukraine and the pandemic, and possible transport alternatives and investments for the future.

Agenda of the meeting
Moderation: Chris Burns

1. News from the European Cluster Collaboration Platform
2. “From Our Own Correspondent”: EXXTRA project
3. Perspectives from the European Commission
   - Ulla Engelmann, Head of Unit Industrial Forum, Alliances, Clusters (GROW.D.2), European Commission
   - Ricardo Varanda Ribeiro, Policy Officer for Industry, Goods, Energy, Customs and Origin at Directorate-General for Trade (TRADE), European Commission
   - Gabor Nagy, Policy Coordinator for Land Transport at Directorate-General for Mobility and Transport (MOVE), European Commission
4. Panel debate: What are alternatives and sustainable solutions for the current disruptions in transport and logistics?
   - Uwe Pfeil, Cluster Manager, Cluster Mobility & Logistics, European Cluster Manager of the Year 2020
   - Luk Palmen, Innovation & Cooperation Manager, Silesia Automotive & Advanced Manufacturing
   - Ramón García, General Director, CITET (Centro de Innovación para la Logística y el Transporte de Mercancías)
   - Silvius Stanciu, Romanian River Transport Cluster
5. Funding opportunities

1. News from the European Cluster Collaboration Platform

Nina Hoppmann, team member of the European Cluster Collaboration Platform

After the introduction by moderator Chris Burns, the following news items were presented:

1. Invitation to fill in the Survey on cluster managers skills for Cluster Booster Academy
2. Invitation to read the handbook in service design for innovation agencies
3. The European Commission adopted the regulation on eco-design for sustainable products
4. European Patent Office and European Investment Bank conducted a study on obstacles that small businesses face in developing advanced digital technologies in the EU

2. “From Our Own Correspondent”: Press Conference “REPowerEU”

In the video from our correspondent, the EXXTRA (“EXcellence EXchange and Teaming-up between RAILway clusters and ecosystems”) project was presented. Its aim is to accompany the professionalisation of clusters’ competences and services towards the creation and consolidation of 2
3. Perspectives from the European Commission

Ulla Engelmann, Head of Unit of Industrial Forum, Alliances, Clusters (GROW.D.2), European Commission

In her welcoming words, Ulla Engelmann explained that the logistics sector is suffering significantly from disruptions, as the survey on disruptions in supply chains that was run by the European Cluster Collaboration Platform has shown. The European Commission has a Task Force on Supply Chains that is dealing with disruptions in logistics. It is one of the top priorities. Ulla Engelmann highlighted that they welcome working together to help with logistics issues.

Ricardo Varanda Ribeiro, Policy Officer for Industry, Goods, Energy, Customs and Origin Directorate-General for Trade (TRADE), European Commission

Ricardo Varanda started his presentation explaining that the traditional focus on pure trade measures that not facilities import and export around the world are now being overcome by logistics. Then, he gave some example in the area of health such as vaccines. He underlined that health security preparedness are an investment in growth stability and in economic resilience.

It can be observed that the infection and the policy that some countries have can generate further supply chain risks and regarding health measures, for instance, the lockdown in China has consequences on logistics and increase the costs related to logistics.

He highlighted that they are trying to seek at WTO to reinstate the resilience of global trade system in essential by encouraging the trade partners to undertake commitments to restrain export restrictions of goods, to ensure greater transparency of the trade measures they take and to facilitate trade in a time of crisis. Ricardo Varanda also explained that they are working on reach an agreement on the role of intellectual property as part of a comprehensive trade and health approach.

To finalise his statement, he underlined that after reading the results of the Survey of disruptions in supply and value chain, there are some supply challenges that arise from the invasion of Russia in particular risks in raw materials. From the EU are taking policy measures to respond to the situation and, they established a large network of free trade agreements that allow UE to diversification.

Gabor Nagy, Policy Coordinator for Land Transport, Directorate-General for Mobility and Transport (MOVE), European Commission

Gabor Nagy started his presentation taking about the agricultural export of Ukraine products, the seaport in Ukraine is under blockade by Russian navy. The European Commission as well as some member states are working on provide assistance in order to these huge amounts of grain and seed and other products are able to leave the country. They look for building up a new logistics lines in order to stabilish new supply chains.

The biggest bottleneck regards to the rail gauge in Ukraine and the Moldova and the Baltics countries which is wider that the Europe standard gauge, this means that all of these products need to be transhipped at the border. Therefore, they need to find a way to fasten up the transhipments at the border. They are planning to facilitate all these actions together with the member states and Ukraine, all kinds of transport modes are considered but mainly rail operations because they think rail is the most efficient way to transport all these agricultural products.
Gabor Nagy also informed that in the last weeks they were working with Ukraine and the European partners to identify all the bottlenecks that they are facing. The most important freight lines are for example the need of freight lines from polish border crossing towards the Baltic Sea and to use ports like Hamburg or Rotterdam and also, they are considering using Constanza in Romania. All these seaports have enough capacity to absorb the incoming grain and oil.

He also informed that there are some difficulties in the border such as administrative procedures, it is a priority for them to streamline all the procedures and to establish guarantees. Ending his statement, Gabor Nagy underlined that the logistics should be rethought in the mid-term and long-term.

4. Panel debate: What are alternatives and sustainable solutions for disruptions in transport & logistics?

Before the beginning of the discussion, the four panellists introduced themselves and their clusters/organisations:

**Uwe Pfeil, Cluster Manager, Cluster Mobility & Logistics**

Cluster Mobility and logistics is based in Bavaria, Germany. They work in six areas: vehicles and infrastructure; sustainable mobility; data and networking; transport logistics; intralogistics and production logistics. The cluster is formed by more than 100 members, the majority of them are SMEs and also have a strong connection with the automotive industry.

**Luk Palmen, Innovation Manager, Silesia Automotive & Advanced Manufacturing**

The Innovation Manager, Silesia Automotive & Advanced Manufacturing cluster is one of the biggest automotive clusters in Poland. As Luk defended the main key is rethinking location not logistics. The cluster is formed by more than 115 members.

**Ramón García, General Director, CITET**

CITET Innovation cluster for the Sustainable Distribution of freight is focus on urban logistics mainly, they represent more than 80 members. The cluster is managed by the Spanish Logistic Center. The Industry 4.0 and smart distribution are the main topics of the cluster right now.

**Silvius Stanciu, Romanian River Transport Cluster**

Romanian River Transport Cluster is located in the southeast region of Romania very close to Ukraine. They collaborate and help Ukraine in different ways. The Cluster is formed by 33 members, 23 of them are SMEs. Silvius underlined that they are open to collaborate and to develop projects to help Ukraine.

**Open Dialogue**

Starting the open dialogue, the moderator asked Uwe Engelmann what the difficulties are they are facing and how they are finding solutions. They are facing three problems: the first is people because a lot of truck drivers are coming from Ukraine; the second one is goods, supplying the automotive industry, and the China lockdown and the last problem is the raising transport costs and energy. In terms of solutions, Uwe Engelmann explained that there are not general solutions in the short term, but he explained that build projects together and collaboration will help to solve these problems.

Taras Holub informed about the hard logistic situation they are facing in Ukraine, with many problems with supply of petroleum due to the lock of their ports. He explained the government of Ukraine start to work under recovery plan of Ukraine and they are open to discuss to everyone who wants to take part of it. Follow him, Silvius Stanciu informed about the different connexions they
now have with Ukraine. He also highlighted that there are a lot of opportunities to help Ukraine and to develop a partnership.

Moreover, Luk Palmen also explained the difficulties they are facing and the solutions. Starting with the difficulties, in general looking at the automotive sector and in regard to the targets to 2030 such as producing electric vehicles, aluminium, cobalt and other materials for battery production are needed. He saw challenges and discussion in this area and in the area of re-industrialization process for Europe. Luk Palmen highlighted that when the logistics are discussing, it has to take into account the carbon footprint policy for the European Union. In terms of solutions, he emphasized that in this area there is no short-term solution, because we have underestimated a lot of problems but we should start thinking on the midterm position and long-term for Europe.

Ramon García explained that they are facing problems in raw materials, also in the cost of energy, which is the main problem in his organisation, for this reason in March was the worst strike ever in Spain and also he explained a problem with labour force to cover the demand. As Ramon García informed, now there are raising all the structural problems of the inefficiencies in the supply chain. Behind the relevant problem are structural problems. In terms of solutions, the government in Spain has taken relevant solutions, in Spain the transport companies are small, and it depends on the oil cost. It is necessary to look for solutions in the mid-term. Regarding to an innovation solution, Ramon underlined the need of collaboration and share resources.

Ricardo Varanda emphasized the lack of planning and allocating the necessary resources, the trade framework and the structure are there, but the ability to transport things in an efficient way is missing, this fact is hampering the possibility not only to grow but also to diversify.

Regarding to alternative energy and modes of transport like hydrogen, Luk Palmen answered that hydrogen still having expensive production in terms of producing the hydrogen on a large scale.

To sum up, the speakers shared some final thoughts, Uwe Engelmann underlined that Europe have to deal in the short-term the risks of logistics issues and also should about the chances and how can use technology to solve the problems. Luk Palmen emphasized on focus on the strategic position of Europe for what concerns the Baltic Sea, and the black sea. In general, we need to abroad the discussion combined logistics with energy and self-sustainability. Ramon offered their help to the Ukrainian organisations. He also highlighted that Europe has to face three main problems: the lack of data, the supply chain needs data for planning; the second one is to connect the infrastructure and do it more profitable and the last issue is to awareness the society about the economic and social impact of logistics.

5. Funding opportunities to strengthen resilience

Nina Hoppmann, Team member of the European Cluster Collaboration Platform

Closing the EU Clusters Talk, Nina Hoppmann presented the following funding opportunities:

From the European Commission:


From cluster partnerships:

1. AMULET 1st Open Call. Deadline: 20 June
2. GALATEA’s open call for services. Deadline: 30 September.