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OECD WORKSHOP ON MARITIME TRANSPORT

MANAGING DOOR TO DOOR TRANSPORT CHAINS

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MANAGING DOOR-TO-DOOR TRANSPORT CHAINS

Overview

1. In international trade there is a growing demand for door-to-door delivery of goods. Throughout history, the development of commerce and industry is indebted to technical advancement in the moving of goods. The advancement for door-to-door delivery techniques has picked up its pace since 1970, primarily because of deregulation and computerisation. These two factors have jointly contributed to the building and managing of door-to-door transport chains. Today, door-to-door transport has continued to benefit from the robust development of globalisation and information technology.

2. Chinese Taipei's oceanic cargo carriers have played a vital role in the door-to-door delivery of high-tech products. On the other hand, shippers have joined hands with carriers who can provide fast, reliable door-to-door service for safe delivery of cargoes. To attain this status, carriers have to increase their efficiency and their cost-effectiveness and rely on individual modes of transport. However, after the 9-11 incident of last year and the lockout of US west ports last October, efficient management of door-to-door transport chains to ensure safe delivery of cargoes has become a new challenge to the transport industry.

The transport structure of door-to-door services: an operational perspective

3. The market for door-to-door services has seen significant growth as a result of increased outsourcing of global transportation that can make the best use of the supply chain close to the location of the clients. Liners believe the demand of the shipping industry for door-to-door global logistics services will remain strong. We also believe that the growing development of such services will benefit the society as well as the economy.

4. Door-to-door delivery involves different modes, flexible and evolving marketing, and distribution requirements. Typically, a door-to-door transport system is composed of marine, air, and ground transportation. Its successful operation needs excellent integration of every interchange point of individual modes. All parties involved, such as mode operators, warehouse operators and truck operators should have good cooperation among themselves.

5. Other forces needed for supporting door-to-door transport services are transportation infrastructure and customs ruling. The deployment of jumbo container ships obliges ports to re-structure or expand related infrastructure and transportation networks. Observation of customs ruling is essential in the transport of perishable goods, dangerous cargoes, high-tech accessories and components and related concrete products.

Requirements of efficient access to door-to-door transport chains

6. The door-to-door system offers shippers many opportunities for saving money and improving marketing due to quick distribution of goods. This calls for fast interchange of data between modes. From the perspective of practice, the following are critical elements for efficient access to door-to-door transport chains.

7. The first is the need for efficient access to enable various modes to improve the mobility between the original point and the designated destination. Efforts must be made in operational co-ordination in the transport industry to facilitate smooth transfers. However, it is critical to get sustainable support from the administrative units.

8. The second is the need for improving interchange functions among terminals, depots, warehouses and inter-modality. Still, the total time required for moving customers' just-in-time (JIT) cargoes from one place to another must be reduced. This calls for increased, seamless co-ordination between the terminal operator, warehouse operator and ground transporter in order to make transport faster and to share updated delivery information.

The challenges and opportunities

9. Today, we are faced with a changing environment full of challenges and opportunities. Though numerous instruments are readily available, the interface between transport, information and customs procedures remains cumbersome and costly, especially in many developing countries. Because many parties are involved in the whole transport flow, they must cooperate more closely than before to meet the requirements of shippers, vendors, and even the administrative unit.

10. The 9-11 event last year and the western ports lockout in America last October have illustrated the critical and fragile nature of the international transport system. The C-TPAT (Customs-Trade Partnership Against Terrorism) launched by US Customs and the adoption of measures such as CSI (Container Security Initiatives) that requires carriers to work with the cargo providers throughout the supply chain for the enhancement of security may well offer an opportunity for establishing a new approach to risk management. However, the challenge of choosing the right partners to produce correct, trustworthy information to cope with some likely legal consequence is the greatest concern.

The way ahead

11. To confront the security issue, we need to develop a transport facilitation intelligence system and techniques for risk management. We also need to tighten the partnerships between the sectors of the administration and the transport industry. The aim is to better understand, in advance, cargo movement using various modes in an uninterrupted operation between regions or continents from door to door with a single bill of lading. We must establish a new approach to ensure smooth delivery.

12. Nowadays the shipping industry plays a major role in door-to-door transport and logistics activities. Following this irreversible trend, carriers have to meet increasing service requirements such as flexibility, speed and reliability in order to deliver the goods more efficiently and effectively. We believe this needs closer cooperation between the transport industries and the administrative authorities.