

## NOTES OPEN DISCUSSION 121017 CLARION POST HOTEL

■ Host: Christian Wolmar (CW)

■ Note taker: Niklas Arvidsson

*A documentation of this conference will be available in January.*

**CW** calls himself an optimist and has been writing about transport for twenty years. He briefly mentions that the lesson from the Sweden-German football game yesterday is to **not give up**. There are some things that have not been discussed. What is freight? When you are entering a hospital you are passenger, when you come out all boxed up you are freight.

Sharing urban space/Multiactors, multicriteria. What is that? Come on guys, we can do better than that? You can't go to a white van guy and tell them about this? **Theory is important, but also practice.**

**CW** studied economics a while back. **The cost of things** is not really being discussed. We keep postponing taxes. We always have the argument that the freight lobby pushes, operators will go bankrupt. The cost of transport within a pot of Nescafe is one or two pence! We have not addressed that here. Nevertheless, transport is important, yes.

**Lets have a vote.** One of the issues that keep on coming up is whether it is a good idea to have a distribution center on the verge of town and then restrict the big trucks from coming into the city? By the way, it is not ok to say that it depends on the context.

Those in favor of not allowing big trucks: 15 people in the audience raised their hands. Those in favor of allowing big trucks in the urban areas: 15 people in the audience raised their hands.

**Jose:** is there a **market failure** present? The operator always optimize, if they use a big truck when they could have used a small one, they go out of business it is as simple as that. What about the narrow streets in Europe, you might ask? You do the mistake once to go there. No trucker does it twice.

In the networks there is arcs and nods. We did not speak much about the nods over the course of these few days. **Logistics sprawl.** Typology. Arcs and nodes are connected. I hope we will talk more about the nods in the future.

Two sides with different types of knowledge. In physics we talk about the "**fundamental constant**". If you mention that the day have only 24 hours. What is the equivalent in freight transport?

What is the average weight per household? **100 kg per inhabitant per day**, according to some. Is there a linear relationship between income and weight?

**Anna:** Was really fun to here that others are also interested in **nodes and links**. Cooperation. Perishable products, looking into redesigning supply chains. Behavior, competing, yes. But to make it work they need to cooperate. Methodology.

From the panel discussion. Small vans. We are economists, planners, engineers etc. In Nairobi it is very well organized. What about anthropologists?

I am coming from Brazil, an interjection on the small operators. Public authorities are really pushing. The operators react. They have gone on strike twice this year, **stopping the city**. The issue if unification. The small guys are not so organized.

Another contribution from Latin America: These **hidden transports** are efficient from an economical perspective, but not from other perspectives.

**CW:** The point I made, even increasing the costs a little should not make a huge difference?

**Russel Thompson:** Employment access. Economic activity. Gains in productivity, gives growth and employment but also in safety and environmental matters.

If you increase the price on transport, pushing costs to the small operators is not good. **They can not push the costs forward** to the forwarders.

I would like to answer the questions you raised. 5-8 percent of product value is logistics costs, and transport costs are a small portion of this. It is very promising to reduce the costs in transportation. In production it is not so easy anymore.

China. Three complaints, something about the curbside and something and that the delivery is too cheap.

Informal issues are seen as real value for money. Cost efficient.

There are two issues concerning infrastructure and **vehicle classification**. The regulations that have been dominating freight have resulted in a huge **increase in small vehicles**. If you can decide if you can buy a small truck or a big truck you would buy the small truck. The operators make very little money. You have to address the regulation.

**CW:** Taxi business.

In nature things grow, stabilize and then die. **Nothing grows forever**. The point is that we have to start thinking what to consume.

Badly needed discussion. We can be so absorbed by today's paradigm. We have to do a risk analysis. John Adams did some excellent work on the hyper mobility. Is it unsustainable? Climate change. There might not be food to transport around. I am all ears of logistics of today, but what should change and what are the risks. Is there **a different scenario ahead?**

**CW:** Is it possible to have efficient and environmental sustainable transport system at the same time?

If you go to the private sector, a lot of focus is on greening it. Localization. **Many proactive companies are using greening in their supply chains**.

This discussion is turning into an important area. We must improve the working conditions, **formalizing the informal part of transportation**. Globalization with extended supply chains and an increase of oil will rise the prices. More internalization. What about local production of food and shortening the supply chains?

**CW:** Surly this is not right? **Transport** is not going to be the **driver** of changing the course of globalization?

We have to take into account how many planets we are using up. This will drive us in the direction of a revival of local economies.

Michaels point, when you say 5-8 percent the **social costs are not accounted for**. There is a significant role of public to interact. Coordinating and regulating, etc.

**Kg/capita. But what about kg\*km?** How long has it been driving to get here?

I have been trying to talk for a long time. I would like to raise two points. Looking from a passenger perspective, mixed land use. What about **multinucleated cities**, medium size nodes, informal systems, formalization? Informal systems might have an interesting view on innovation, since they work on margins. Multiple use of vehicles? It is important to focus on both freight and passengers. Interesting developments. We also must be humble that we cannot internalize all costs.

I would like to amend the previous statement that transport is around 5-8 percent. In Indonesia it is 19 percent. It is difficult to improve the productivity, we need **more efficient systems**.

**CW:** 19 percent? Why is there such disparity? Compare **5-8** percent.

We need to find equilibrium with for instance economic income and an increasing middle class.

The freight industry and the economy should start to decouple. **Does economical growth have to be related to tonkm?** Service sector? Economic policy, should they boost green growth?

The whole discussion is focused on efficiency, improvement on operations and technology. But we also have to **avoid and shift**. Avoid some consumption patterns and shift to other more low emission modes.

**CW:** Barges and the likes. Some authorities are focusing on this. But is there not a divide in the public sector on this, some people are hostile and some people are in favor of these issues, any reflections on this?

**Harry:** Let's get this straight, market, public and private. A lesson from the financial sector, **we have to pay for what we incur**. Who is going to pay for the infrastructure to facilitate for all this logistics that is growing, growing, growing? The private sector increases the efficiency and the public sector pays the bill. Let's get this debate about the public and private in the proper context. You can't have an efficient private sector if you do not have an efficient public sector.

Freight activity. Flow of **freight is the physical expression of the economy**. We need to strive to make this flow as efficient and sustainable as possible.

**CW:** But surely every time I buy an eBook, it **doesn't cause a transport**. It uses energy, but maybe not so much. We have a shift here, do we not? From moving a book around to moving a few electrons around?

We could elaborate on urban productivity. Decoupling, the 100 kilograms, if you consider things on the long range here is an international and historical perspective. The ratio of **tonkm/euro is declining** in the **developed** world. Sure we could have a discussion of what is development, right? The amount of energy you consume in relation to currency is declining in for instance Europe. This ratio (which one?) 1/14. The East has a huge transport sector. **What do you want to decouple?** Do you want to reduce vehicle km? tonkm? Traffic? Do you want to decouple transport nuisances, such as emissions? We need to work on this issue. As an endpoint, thanks to the crises, if I may so, we are decoupling. I hope we will recouple in the future, because it is causing a lot of problems.

**CW:** We have a lot Transport ministers in Britain. I always ask them; is it possible to have more or less transport? The title on the conference is livable cities.

We have to see a difference between freight and passenger transport. Sharing urban space. What about **"shaking" urban transport**. Can both the passenger and freight create this together?

About livability. A rather distance concept. It is very complicated. If the city is not livable then the people move to the periphery. If the city should survive, then that means enormous costs. It is important with **attractive cities**, links and places where people can relax and meet. And this can be linked with freight but there is **no linking between disciplines**, that is a problem.

Most of the discussions have been on experiences from "mature" cities. Most **cities in South America, Africa and Asia** that have been growing up from the 1950s and onwards are **different** and do not have simple business districts etc. Most of them can only account for transportation of people, there is no upper class attraction to the center of the city. We have not talked about how freight move in these cities, usually at much smaller distances. In poor countries, like Delhi, could be made up of 30 smaller cities. The cities of the modern world will not look like they do in Europe. Secondly, we have to be very **careful about efficiency**, engineers and scientist focus on this. For democracy to survive, we might not want to have more

Wal-Marts, sweet shops? We have to think like human beings, maybe we should talk about inefficiencies more?

**Cathy:** Decoupling, it is still coupling. Will it start to grow after the crises? We are not producing so much here (Europe) anymore. A more localized economy might be more important. To reply to your (**CWs**) question in the beginning of **multiactors/multicriteria**, we have talked a lot about stakeholder involvement and that it is important. **This methodology could be one way** to study this development. That's all.

A question for you and media, the politicians and media like simple messages with regards to complex issues. Multicriteria might alienate the readers. **It is important to try to simplify.** In our research we found some obstacles, reaching media and silent universities.

**CW:** there are quite a few journalists that try, aside from FOX news, most journalists are good and serious. In terms of academics, you should **cultivate journalists**. I give lectures to academics and tell them; look, ring me up. Next time you do a paper, ring me up. I did this for 4-5 years. Two people called me. This is an important point.

**Sönke:** the least efficient link is when we go to the shop. **Last mile is important.**

**CW:** Good way to end. When we go to IKEA, we do not think about that we cause a lot of emissions. All of this has been noted and will be sent out.

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