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## Irish Exporters Association launches Supply Chain Ireland

A great sense of positivity and support transcended from the Clarion Hotel, Liffey Valley, Dublin following the launch of Supply Chain Ireland by the Irish Exporters Association. This new initiative will encompass exporters from SMEs to multinational companies with advice on multimodal supply chain, logistics and customs issues. Simon McKeever, Chief Executive, Irish Exporters Association (IEA) welcomed the attendees, with over 130 industry specialists representing air, road, sea and rail transport present along with Government and key stakeholders.

"Supply Chain Ireland will strive to strengthen Ireland's position as a leading location for conducting global supply chain activities. This forum will provide a network for exporters across all sectors to interact and exchange information on best practice through supply chain and logistics activities through a series of targeted information seminars, events and roundtable meetings countrywide."

"It is a very exciting initiative aimed at providing a platform for business to learn from one another and from leading experts in the field. We at the IEA felt a responsibility to drive collaboration across the transport and logistics sectors, corporate and Government in order to support and develop the industry," Simon said.

Simon thanked event sponsors Crowe Horwath and Irish Rail and then introduced keynote speaker, Tom O'Mahony, Secretary General, Department of Transport, Tourism & Sport.

Mr. O'Mahony wished the new initiative every success and looked forward to continuing the good relationship his Department has with the Irish Exporters. "Ireland needs a vibrant and efficient freight sector in parallel with our continued economic growth," he began. "Soon my Department will be launching a Consultation Policy Document on the sustainable development of freight transport and will be looking for contributions from all sectors involved."

Before discussing issues post recession, Tom said that the Government is there to facilitate trade growth in response to industry needs and will not add to the administration burden. "The recession had a massive affect with reduced volumes and traffic halved on our roads. Despite the deficit, the sector remained competitive and with the rapid economic recovery, the sector is responding well as business increases through our ports and airports. He brought us back to 2009 when over €2 billion was directed towards transport infrastructure. In recent years that figure had dwindled below €1 billion. "While much was spent on constructing the motorway network, the asset must be maintained and protected, unfortunately there is not enough money around to do this," he stressed. Tom



Simon McKeever, Chief Executive, Irish Exporters Association (IEA) & Tom O'Mahony, Secretary General, Department of Transport, Tourism & Sport.

cited regions that need attention such as the completion of a Cork to Limerick motorway and noted that the roads in the West "are poor, and affecting industry growth." Currently, the Government receives €300 million from tolls but needs €1.6 billion per year to maintain the asset and meet PPP obligations. So with €1 billion available from the Government there is a shortfall, but in order for the Minister for Finance to allocate more funds, even though revenue is flowing from the growing economy again, restrictions on spend from Europe has to be lifted, and we know Minister Noonan is working on achieving this. Next June will see the new Capital Investment Plan for 2016 - 2020 issued which will hopefully help to resolve these issues in the short term."

Well aware of the noticeable congestion brewing on Dublin's M50, investment will also be required to improve public transport services in order to

attract motorists from their cars and ensure delays for the road transport sector are kept as low as possible. "The Department is committed to supporting the Irish economy by ensuring that goods can be moved more easily about the country and particularly to and from ports and airports," he concluded.

Next main speaker, Howard Knott, needed no introduction. As Trade Facilitation Director for the IEA, Howard commenced his presentation on 'Untangling the Supply Chain and its role in competitive exporting' by saying that "A sustainable, competitive, flexible supply chain has never been more in demand. As Irish exporters penetrate more overseas markets, grow their presence in existing markets, or export for the first time, it is crucial that they are guided along the supply chain. Supply Chain Ireland initiative will be member driven and support activities across the island of Ireland." The evolution of



Howard Knott, Trade Facilitation Director for the IEA



the IEA's Supply Chain Ireland initiative stems from the creation of Trade Facilitation Ireland ten years ago, and the Rail Freight Group established in 2009, which Howard played a major role within same. Its ethos is evident in the new broader grouping which now takes in air, road and shipping sectors. Synergies and networking between all concerned can be formed to benefit the industry as a whole. Howard mentioned the various European Union led programmes such as Weastflows and the Celtic Arc as sustainable ways of moving forward with financial support available for rail and port developments, etc. He sees great potential for Ireland's maritime sector with more opportunities for smaller shipping fleets offering bulk, passenger and freight services on short sea routes and continued to impress us with his knowledge on developments by the major shipping companies at home and abroad that offer RoRo and LoLo services. Howard also touched on rail freight and how the European network is expanding while at the same time Intercontinental rail services to and from Asia are currently under development. He admitted that there are some flaws in the system which needs attention to ensure that each link of the Supply Chain moves on more efficiently.

Kevin Churchill is Head of Procurement in London's Camden Council, which along with the IEA, is a partner and participant in the EU backed Interreg IVB 'La MiLo' project which focuses on sustainability city logistics. Mr. Churchill explained the numerous merits of the formation of a consolidation centre which handles and distributes supplies of mainly office goods to offices within the Borough and neighbouring Councils. Opened last year, the project concentrates on the last mile delivery concept where two 7.5 tonne trucks deliver to the final destination on set days. Prior to the final drop, bulk supplies are delivered to a warehouse operated by DHL, with orders broken down to the pre-listed requirements. Over £1 million worth of business is done in this manner across 3 Boroughs with 100 suppliers involved. Due to bulk buying, discounts have been gained while the number of daily vehicle drops to these offices have reduced by 46%. With a 45% reduction in kilometres, a serious environmental imprint has been achieved. As the project progresses additional Boroughs and even the private sector will be invited to participate and the current Euro 5 vehicles will be replaced by possibly electric powered vans. "This change of logistics operation has seen staff at Camden Council adjust their systems accordingly to their benefit, as fewer deliveries mean more productive time at work," stated Kevin.

'The Aviation Security Supply Chain' was the topic of Sinead Quirke's presentation. Representing the Irish Aviation Authority, the non-Government funded organisation is profitable having made €25 million last year. Most of its work is centered on overseeing regulations, providing air traffic control and other related services. Air cargo security is also a major part of its day-to-day activities as its main objective is to ward against acts of unlawful interference within the industry. Among the challenges ahead for its 650 personnel is the expanding Air Cargo business. Sinead



Kevin Churchill, Head of Procurement in London's Camden Council

pointed out that those involved in producing and exporting need to have a full understanding on how the Supply Chain works from once it leaves the factory to the final destination, i.e. customer. "Responsibility, accountability, effective training and getting into the security culture is advised", she said. "Proper and appropriate tamper proof packaging is essential too", added Sinead.

She posed some open questions to IAA operations that require every item to be screened regardless of size, volume and weight. As the responsibility is on the producer from start to finish, she simply asked "What is being exported and is there a need to use airfreight?" "Are all the third party logistics providers on the same wavelength?" "Is the consigner well known and reputable?" Tighter regulations and certified transport operators will become more into focus with the Authorities' future road map plans. "Higher risk cargo requires higher regulations and additional screening," she advised.

The major role that road haulage operators provide in the Supply Chain sector was significantly highlighted by Eoin Gavin, President of the Irish Road Haulage Association. 99% of Irish exports are moved by road with 20% of the 10,000 strong

fleet carrying 80% of the goods transported, according to Eoin, who continued by outlining the many challenges overcome in recent years to make the industry sustainable, particularly since the Fuel Rebate scheme was introduced in 2011. Current issues being addressed include the readjustment of motor tax on trucks and reducing the high average profile of the driver. Through submissions to the Finance Minister, Michael Noonan, TD, Eoin is confident that the motor tax will be aligned with Northern Ireland and Europe in general. An apprenticeship programme for 18 year olds is to be started up offering young potential drivers, education, training and practical requirements to enjoy a career in the industry. "Our industry is the only one that gives operators a licence before proper on the ground training is undertaken. We are working on getting this issue right as properly trained drivers now are our transport companies of the future."

Eoin called for greater collaboration between hauliers (like the airline industry) in order to reduce empty running and advocated the implementation of longer/heavier Eco-Combi trucks to reduce the sector's overall carbon footprint. This autumn, Eoin's transport



Eoin Gavin, President of the Irish Road Haulage Association



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company will test trial this 25m combination on night runs from Bunnatt to Dublin with the special trailer built by Dennison. He applauded the formation of the Consolidation Centre in Camden and supports the Last Mile Logistics' initiative. "Projects like this should be implemented in Ireland", he emphasised. "City based hauliers could operate this system very efficiently due to their local knowledge", he added. Eoin also spoke about the Limerick/Shannon Sustainable Gateway Pilot Project which he is involved in along with Limerick County Council and the IEA. The Q&A that followed brought up the issue that drivers are not treated with due respect and that the industry needs to do some more to make it attractive to young people.

Gerry Culligan, Commercial Director at Irish Rail discussed "The way forward for Rail Freight". Growth in the rail freight business has been significant although at 1% of Irish Rail's business, it is low, admitted Gerry, unlike the UK which is at 10% and the global average at 20%. "Rail freight will become more relevant with our growing economy as road congestion and environmental concerns increase", he said. More loads in larger volumes at higher average speeds are the advantages offered by rail freight. Of the almost 1,100 freight services provided during 2014, both reliability and punctuality was well over 90%. "In the last two years, we achieved 6% overall growth mainly on the Mayo/Dublin/Waterford services. "While we invite new business, we, as in the CIE Group, are constrained on making investments as we have no Exchequer support. The freight business has to be commercially viable, and willing to work with 3PL providers." Gerry mentioned the Belmond Grand Hibernian, all-inclusive luxury tour train project that will be in operation here by 2017. He included developments at Shannon Foynes Port and the company owned Rosslare Europort as areas where further rail freight growth can be achieved. "Efficiency will have to be improved currently with longer trains than the 18 carriages used at present and more passing loops installed," he said. More night time services are also part of the plan which would impinge on the maintenance crew's operations. With regard to TAC-Track Access Charges, Irish Rail is keen to implement a lower rate shared with the passenger train service.

The success of its award winning Navigator division which delivers car parts on behalf of Ford, Volvo and Jaguar Land Rover, sourced in the UK with 99.57% on time deliveries was noted, as was Rosslare as the busiest port in Ireland when it came to ship/ferry visits and next to Dublin in terms of its freight and passenger movements.

"As we develop the rail freight market in Ireland, it is essential that we work closely with all key stakeholders and play our part in providing a competitive, sustainable and environmentally friendly supply chain offering for the benefit of our customers and the Irish economy," concluded Gerry.

The event concluded with a pair of presentations from the Customs division of the Revenue



Gerry Culligan, Commercial Director, Irish Rail

Commissioners. Caroline Kennedy spoke about the recently introduced Electronic Manifest System (EMS), while Joe Cleary talked about the introduction of the European Customs Code, which will affect all international traders that will go fully live on 30 April 2016.

The EMS was successfully launched in October 2014 and is now required for all ships and aircraft entering or leaving Ireland covering all goods, both from within the EU and from outside. Every Single Administrative Document (SAD) should be matched to the appropriate e-Manifest and the experience over the initial six months period has shown that only 20% of import SAD's have done so. The Revenue Authorities have been in a constant engagement process with traders and have tweaked the system to cut out unnecessary complications. Caroline informed the meeting that, from July 2015, the Revenue will share its EMS data with the Department of Transport and will be moving into "full implementation" phase of the project under non-matching import SAD's will not be released. She made a request to the carriers in the room to ensure that all Manifests are lodged electronically and on time, that there is only one Manifest per flight/ship, and to ensure that the data on the Manifest is completely

accurate so that SAD's can be matched.

Joe Cleary said that the Union Customs Code is being implemented in order to modernize Customs legislation and procedures within the community, simplifying customs rules and procedures, increase clarity for customs officials and to complete the move to a paperless and fully electronic environment. All manufacturers but particularly those firms that are further processing imported materials will face substantial changes in procedures and processes and the Revenue is seeking to engage the companies most affected so as to ensure that the full implementation on 1 May goes as smoothly as possible and that the operations of significant exporters are not disrupted unnecessarily.

Both Caroline and Joe undertook to do all possible to assist businesses in dealing with the changes and propose to also engage through involvement in future Supply Chain Ireland events.



Gerry O'Reilly, spoke on behalf of one of the event sponsors Crowe Horwath