The needs of the business community towards regional development.

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What is City Logistics?

- The idea of consolidating deliveries at the outskirts. It involves the consolidation of loads at specialist facilities before onward delivery into urban areas.

- The European Commission has been an important player in the promotion of the concept due to its environmental benefits.

- To be successful City Logistics involves new partnerships and styles of cooperation between all those involved in the logistics chain and in delivering/receiving goods in city centres. This includes organisational linkages and new thinking about marketing and packaging strategies.
Distribution system is established by neutral service provider with specialisation to certain commodity (food, textiles, consumer goods, industrial, etc.) or type of shipments (parcels, pallets, bulk, frozen, etc.)
What are main limitations?

- Level of outsourcing. 3party providers are acting as consolidators and specialists in the field. Outsourcing today is more driven by cost factors, less by strategic focus on core competences.

- Regional density of logistics flows. Contrast in business development between Riga and regions are influencing logistics flows in the direction of to/from Riga or via Riga and therefore even more loading infrastructure of Riga

- Supportive legislation. Driver working time organization, distribution in Riga centre and old Riga, traffic rules (for transit and Riga city distribution), dangerous goods, cold chain of deep-frozen supply chain, etc.

- Lack of suitable IT tools. Order process management, traffic management, etc. Central platform doesn't exist, but there are company dedicated or niche solutions.

- Skilled labour availability. Overall problem related to liberalization of EU labour market and growth rate of Latvian economy.
Some practical examples

• Several companies in RCP accepting supply of cargo only from 8.00 to 17.00. Therefore, for example, heavy trucks with saw-materials should cross city during intensive traffic hours.

• Traffic signs. Even when supplying address in area with limited access for trucks, first, penalty should be paid and then asked for refunding

• Traffic regulation. «Salu» bridge in direction to airport. Lielupe bridge to Jurmala.
What can be done in Riga region?

- Common rules for all suppliers, like for limitations of deliveries in city centre, involvement of receivers/shippers
- Crossing bridges, weight limitation too low. One 40m3 distribution truck can take the load of 4-5 minivans.
- Access to shops, unloading facilities, faster handling, less interference to traffic
- Morning/evening deliveries, not during intensive traffic hours
- Balancing of labour, traffic and infrastructure issues related movement of logistics centres outside of city limits
- IT tools supporting EDI data exchange. On-line traffic info in Riga city, application for permits.
- Visible signs of address and street name. Good example is Jūrmala.
Let's make city logistics effective!
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