



## 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 40m<sup>3</sup> 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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