



Strengthening the regulatory framework for logistics service providers through minimum standards

*UNESCAP Meeting of Chief Executives of National Associations of Freight Forwarders,
Multimodal Transport Operators and Logistics Service Providers*

Negombo, Sri Lanka, Morning, 7 June 2013

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Regulation of logistics service providers

Background

- **The logistics industry is becoming more competitive, complex and international**
- Countries in the region in very different stages of development
- Minimum standards can enhance professionalism and competence in the industry and have a positive effect on customer confidence



ESCAP Mandate

Regional Action Programme for Transport Development in Asia and the Pacific, Phase II (2012-2016).

Part 1 *Guidelines for Minimum Standards and Codes of Professional Conduct for Freight Forwarders, Non-Vessel Operating Common Carriers and Multimodal Transport Operators (2011)*

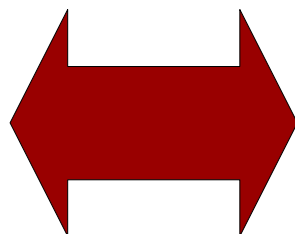
Part 2 *Guidelines for Minimum Standards and Codes of Professional Conduct for Logistics service providers – to be published*

Regional Study on Regulatory Frameworks for LSPs

Methodology

Desk research

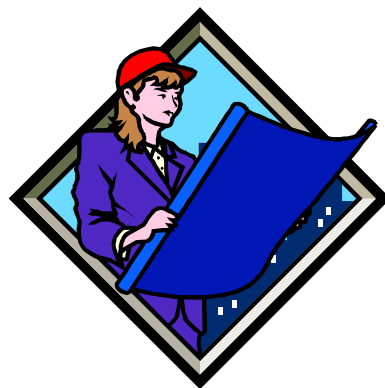
relevant regulations and initiatives for improving professional standards by both government and industry.



Field Visit

to Republic of Korea, Singapore and Thailand

Consultations with control authorities, national associations, logistics companies and research institutes.

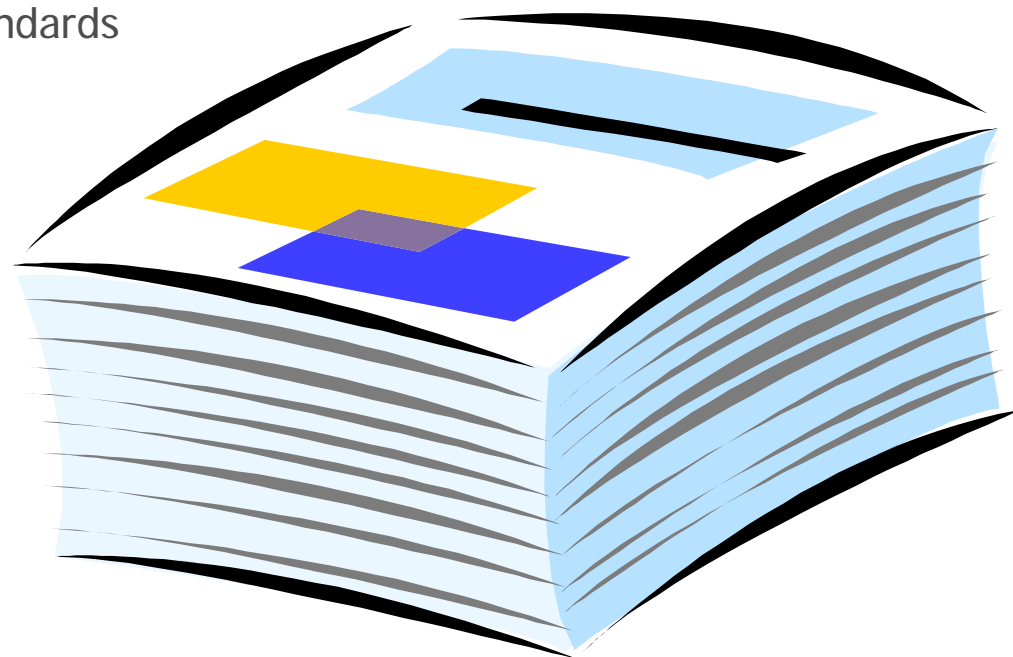


Workshop in Negombo – Afternoon, 7 June

Regional Study on Regulatory Frameworks for LSPs

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2. Mapping of logistics services
3. Regulation of entry
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5. Voluntary regulation for improved standards
6. Industry monitoring



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Mapping of logistics services

Services	Transporter	Freight forwarders	NVOCC	MTO	LSP
Carriage	x			(x)	x
Information services, including track and trace	x	x	x	x	x
Arrangement of transport operations	(x)	x	x	x	x
Warehousing (CFS)		(x)	(x)	(x)	x
Consolidation		x	x	x	x
Customs formalities and other order administration		x	x	x	x
Selection and integration of multiple carriers		x	x	x	x
Kitting		x			x
Assembly and processing of goods					x
Technical testing					x
Localization					x
Quality inspection					x
Lead logistics provision					x
Logistics consulting and supply chain design					x
Management of supply chain (including transport, warehousing and inventory)					x
Operation of supply chain					x
Project logistics					x
Procurement					x
Financial services, such as collateral management or insurance brokering					x

Regional Study on Regulatory Frameworks for LSPs

Main findings and recommendations

LSPs go largely “unnoticed” in national regulations

But due to complex services face a **labyrinth of regulation** and are exposed to **wider range of risk**.

Policy support

An integrated approach is required by control authorities to support the development of logistics service provision.

Logistics services providers need to be tracked by government and industry for **more informed policy making**.

Complex and customized services

Standard trading conditions can be developed for LSPs particularly to formalize industry best practice.

Capacity building

Voluntary certification can be used to support enhancement of management capabilities in the industry

Regional Study on Regulatory Frameworks for LSPs

Remaining work

Negombo workshop

1. Will discuss findings in more details
2. Offer opportunity to provide country examples
3. Will discuss additional matters, such as liability insurance and STCs
4. Will further develop recommendations

Publication of Guidelines planned for autumn



Thank you



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