



## ***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*

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## *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)*

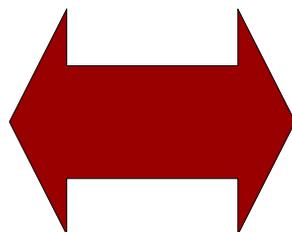
**Part 2** *Guidelines for Minimum Standards and Codes of Professional Conduct for Logistics service providers – to be published*

# *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.



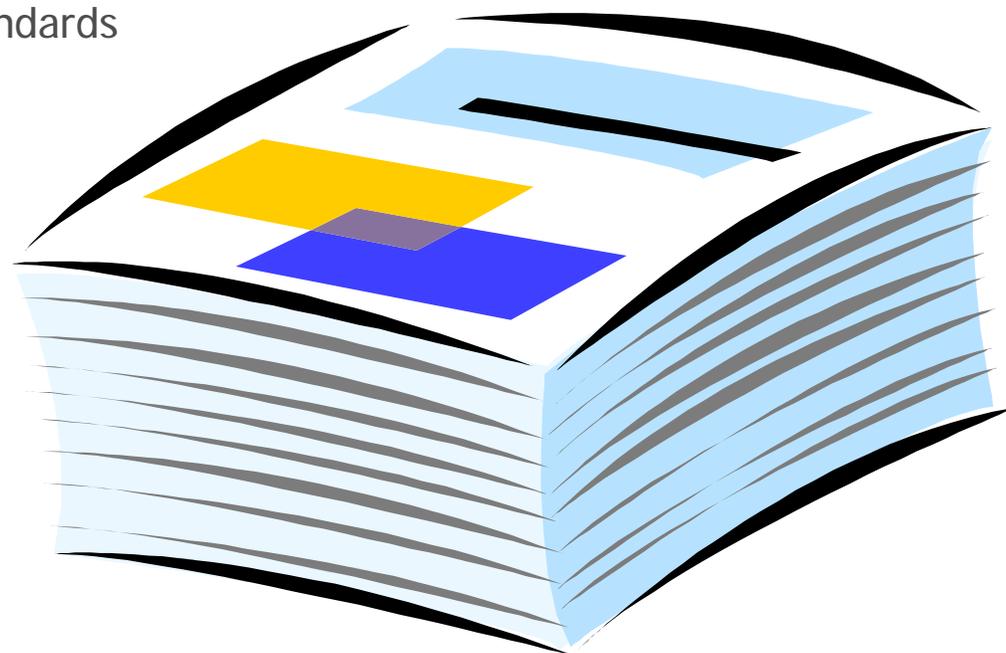
**Workshop in Negombo – Afternoon, 7 June**

# *Regional Study on Regulatory Frameworks for LSPs*

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## *Contents*

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



# *Regional Study on Regulatory Frameworks for LSPs*

## *Mapping of logistics services*

<b>Services</b>	<b>Transporter</b>	<b>Freight forwarders</b>	<b>NVOCC</b>	<b>MTO</b>	<b>LSP</b>
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*

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## *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*

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*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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