

Logistics as an activity catalyzing the economy

It is true that the essence, the structure and the consequences of the economic activity of logistics are not at all well known. It has great defenders and critics, who on many occasions use it with partial arguments and often biased in favour of or against the theses that they uphold or oppose.

It is true that logistics is an essential and growing need for industry and a central element of trade, but economic advantages and value creation can be derived from this activity which go beyond the accessory and complementary activity which one may at first sight think that logistics represents for trade and industry. Explicit economic advantages are not derived from a road or a railway passing through a territory, rather the opposite, but clear advantages are derived from all the intermodal nuclei, that is to say from the change of transport system, because value can be added to the process and therefore related economic activities can be derived.

A port is essentially, although not in all cases, an intermodality nodule: the goods change from land to sea transport, or vice versa. The exception is those ports in which the intermodality is only maritime, that is to say the cargo is transferred from a transoceanic vessel to a cabotage vessel. These ports, Gioia Tauro, Tangier-Med and Algeciras in the Mediterranean, have the common characteristic that they are close to the main shipping lines, in this case Port Said-Gibraltar, and that they have almost no effect for the territory where they are situated because everything arrives and leaves by sea and there is no perceptible economic effect on the territory.

But the ports with a change of transport system, with real intermodality, have as common characteristics that they are situated around big cities, population nuclei and important centres of economic activity, creating around them centres for processing, manufacture and distribution.

In Europe the four main ports are in Hamburg, Antwerp, Rotterdam and Bremen, and they are all at the mouths of major rivers - the Elbe, Scheldt, Rhine and Weser - and they are all situated in centres with high urban density

with complications for communications, access and availability of space which the activities of stocking, warehousing, distribution and manufacture require. This is a characteristic inherent in the ports, which require specific actions to reduce these difficulties and allow the direct advantages which arise from their geographic situation to be obtained.

The complexity of the logistic activity arises from the fact that it cannot be carried out only in the private or in the public sphere, or in other words that it inevitably requires the collaboration of both sectors. Private activity, which should be the essence of the logistic activity in a free market economy, needs infrastructures and services which only the public activity can provide and, therefore, if there is not close, direct and smooth collaboration between the two sectors it is not possible to develop logistics.

If the logistic activity of Rotterdam and of Barcelona is compared, this can easily be understood. The movement of 10 million containers in Rotterdam requires dedicated transport routes, in particular the railway as this is the only means of transport, together with the river, which has capacity both thanks to the lower impact on the territory and the environment and to the cost of the ton per kilometre transported. The Dutch government, aware of this need, recently created a two-way railway line for exclusive goods use from the Port of Rotterdam to the German border, which with a distance of only 160 Km had a cost of €6bn in view of the density and fragility of the territory that it crosses. The location of the Port of Rotterdam at the mouth of the Rhine moreover offers a river route for transport to the densely populated areas of Saxony and Baden-Württemberg, the centre of German industrial activity. is the area of Frankfurt, Düsseldorf, Bonn and Cologne.

In Barcelona there is no river which connects the port with the territory and there is no policy of using the railway to Europe or inland in the peninsula, despite the advantage represented by the recent construction of the high-speed train tracks which have left free capacity on the existing Iberian gauge lines. The possibility of connecting Barcelona with the border using a European gauge track which represents a minimum investment of some €150M has not come to

anything either, because the central government has not been convinced of its need.

Things as easy as allowing goods trains to be able to have the standard European length of 750m instead of the 400m that the Spanish network has have not even been planned. This change of standard would reduce the transport costs and increase the capacity of the network by 90% with minimum investments, because it only involves the construction of sidings of this length on the main lines allowing slow trains to be overtaken by fast ones. This system on the Madrid to Barcelona journey can be carried out with an investment of just €30M. This action which has not been carried out reduces the capacity and raises the price of the service unnecessarily, or at least in a totally inefficient manner, because the cost-benefit ratio of the investment is extraordinarily low.

This example is like a blueprint of what should be done, and has been done, in Rotterdam, and of what should be done, and has not been done, in Barcelona. It is obvious that here the governmental policy of lack of investment and of leadership in support of logistic activity makes us inexorably lose a unique opportunity, thanks to Barcelona's location in relation to trade from Asia to Europe which currently all comes through the Mediterranean and the Suez Canal and which represents three days less sailing for vessels if they unload in Valencia or Barcelona instead of Rotterdam or Hamburg.

There are often complaints in the media and civic spheres about the difficulty represented by the location of an important port such as Barcelona close to a city and the simplifying and short-term solution is that we have to design and condition the growth of the port so as not to affect the city without seeking the way to make an economic activity and source of wealth viable which is only justified by its proximity to the port and therefore by its territorial location.

Certain projects require unity of action to improve their coordination and extract the necessary synergies. Barcelona is a point of origin for transport but also a passing point for goods from Spain and from North Africa toward Europe. On the railway level there are three good stations in Barcelona: those of Morrot in the Port and of Can Tunis next to the Zona Franca, already in operation, and the new one from the Port, in the former bed of the River Llobregat. All three

are connected with the railway network at a single point, and it is logical to think that coordination of their operation would allow the optimization of both their use – possibly Morrot no longer serves any purpose due to its bad situation and small size - and the rail traffic toward both Europe and the Peninsula, but this would require a joint action of the Port, Adif and Renfe, which is far from occurring given the respective powers which are dispersed, divergent and not well coordinated due to lack of planning and overall action.

If the availability and the exploitation of space around the Port and Airport is compared, which would allow the establishment of companies with obvious logistic advantages, as occurs around the Port of Antwerp or of Rotterdam, where there are thousands of hectares available which have allowed the installation of major industrial activity, we find that in Barcelona this space is much smaller, from seven to ten times smaller depending on the cases in relation to the ports of northern Europe, and that it is administered by three different administrations, Consorci de la zona franca, Port and Airport. This would have to lead to two rectifying actions to mitigate the current difficulties. A single operator such as the Consorci or the Port and the possibility of increasing the space available, displacing the airport over the sea and allowing the current space of the runways to be used as a logistic and industrial expansion zone, would generate over 1,000 hectares available for logistic activities. The location of the airport on an artificial island separated from the coast, with runways parallel to the coast, would allow air access without difficulties or noise interference for the neighbouring towns, and therefore night traffic, which would allow air cargo to be promoted with obvious synergies with the port and in the surrounding logistic and industrial areas. It should be recognized that this action is not easy to undertake and that it requires management powers that the autonomous authorities do not have and a will and a vision to plan and manage that does not exist in the central government, but it is clear that an action of this type would represent a significant boost for the Port and the Airport and the creation of wealth for the exploitation of assets: situation of Port and Airport in relation to Barcelona metropolitan area, which few European cities have. If these two projects, availability of an efficient

goods railway with the necessary loading and unloading stations and space for the location of companies associated with the logistic activity, become a reality, the will expressed repeatedly and convincingly by the Port to become the gateway for Asian traffic to Southern Europe, with all that this represents, would become a reality.

This does, however, justify and require the airport to be able to manage itself in an autonomous and independent manner without links to a higher body which obviously has objectives on a different level and not focused on the optimization of the airport itself. The same can be said, although to a lesser extent, in relation to the port, as its degree of autonomy is high although insufficient to participate in a project of this nature.

Belgium and also Holland, through Antwerp and Rotterdam, have managed to create a value which in the case of Flanders reaches 6% of its GDP and have achieved the highest degree of internationalization of their economy in Europe. Nothing would prevent this policy from being implemented in Barcelona and Catalonia and by extension in Valencia, reaching similar milestones, although this requires an economic vision of the public administration which does not currently exist.

It is a proven paradigm that with infrastructures the more obvious the realities and the projects are in view of their advantages, the more difficult they are to implement.

That is to say, the organization of the Iberian gauge Spanish railway network for goods transport, the creation of European gauge tracks for goods connecting Barcelona, Tarragona and Valencia with France, the concentration and unified management of the goods railway stations, the creation of broad logistic zones in the area surrounding the Port and Airport with single management, the transfer of the Airport in a project like that of Osaka or Hong Kong over the sea with operating and environmental impact advantages, the coordination of Port and Airport with a concentrated action as regards tourism and goods traffic, are opportunities which could substantially change the level of our economic activity and wealth creation, as has occurred in centres with no more major advantages of location than Barcelona, such as Antwerp,

Rotterdam and Hamburg, except for their advantage of all being at the mouth of major rivers. There is a high risk that this will not be carried out in Barcelona due to a lack of joint vision and of public-private coordination. If the project is to be carried out, it is necessary to form a single management body to which all the actions of the different public administrations are delegated.

We should not stop indicating and repeating the actions that are necessary to carry this out, but these possibly give rise to the need to study and manage these issues in a different way, as others have done, with principles of profit and economic efficiency and not only in accordance with infrastructures which are often developed independently from the service that they have to offer.

Here, as with many other public-private projects, it is true that first the objectives must begin to be clear, and if this occurs the actions that arise from them will be too. There are occasions on which this has been achieved, such as the Olympic Games or even the diversion of the River Llobregat due to the growth of the port southwards, but now a broad, global, transforming and reforming approach is needed, and we need leaders who can gather together the will necessary to carry out these projects with the breadth and the conviction necessary. Maybe we tend to define the details and divide the powers too much, instead of defining the general objectives and creating management bodies which allow them to be attained. Let's do it; it's never too late.

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