

// Improved, but more to do

Luxembourg has identified the logistics sector as one of its diversification priorities. Since then, it has created the Logistics Cluster and promoted reforms at the airport and other nodal points. At the recent Logistics Management Forum, a panel discussion on "Easy and efficient trading procedures" discussed the progress made in Luxembourg's efforts and ways to make it even better. Using the World Bank's Logistics Performance Index as a measure, Luxembourg has dramatically improved its performance.



The index "measures the capacity of countries to efficiently move goods and connect manufacturers and consumers around the world." From 23rd position in 2007 out of the 155 countries evaluated, Luxembourg has shot up to 5th place this year, and scores as the best overall at customs and timeliness, two of the six criteria in the index.

// Becoming client-oriented

Representing the Luxembourg Customs Administration, André Schott, was on hand to receive praise for his administration's accomplishments. "We had to undergo a change in attitudes," he said. "We had to become more client-oriented." Schott outlined the implementation of the PLDA (paperless customs and excise) software application, as part of the European Commission's Multi-Annual Strategic Plan (MASP) for logistics.

After the first phase, between 2007 and 2009, the PLDA software can handle certain kinds of transactions, including export and country transit applications. "These are the most important forms of traffic at the Luxembourg airport," said Schott. During the current second phase, the customs office is bringing additional modules on-stream, including import applications.

// Towards a single window

In the third phase starting in 2011 the administration hopes to create a single electronic access point and, by 2015, a single window replacing dealings with multiple government agencies involved in customs clearance. "This will allow for faster processing, speeding up the supply chain," said Schott. "It will simplify doing business and get rid of unnecessary costs." However, such an administrative simplification requires time-consuming technological and legal changes, including a modernised customs code in 2013.

Clemens Abt of shipping concern Kuehne+Nagel pointed out that Luxembourg's biggest advantage against nearby cargo airports is its speed of handling. "If the customer can reduce shipping time by one day by using Findel airport, he saves the related time and costs, which has positive impacts."

// Money made on the ground

LuxairCargo is a "continuous change management organisation," according to Executive Vice-President Hjoerdis Stahl described her firm as Luxembourg "needs to be more actively tracking what's out there," she said. She pointed out that cargo flights make their money

by "reducing the time spent on the ground." She highlighted the use of radio-frequency identification tags to speed trucks into and out of the Cargo Centre in 30 seconds instead of 5-10 minutes.

Axel Quadt, Managing Director of DB Schenker, came with a list of specific improvements he'd like to see addressed. The first was that the airport's customs clearance centre is not open 24/7 "where it should be," he said. "Other airports have this," he said. "it hinders us." He said that Cargolux loses money shipping goods to Maastricht on the weekend.

// Need to cut traffic jams

Quadt also called for road infrastructure improvement. He said trucks dispatched from 15km from the airport were unable to deliver their cargo to their assigned flight because of traffic jams. "If we want to be attractive for logistics, we have to make improvements in this area," he said. He mentioned a third lane for highways and a bypass for Luxembourg.

Karine Bellony, a Director at PricewaterhouseCoopers gave a presentation on how shippers are affected by changes in VAT laws. She emphasized that Luxembourg has established several ways for shippers to benefit from using Luxembourg as a trans-shipment point.

Ernst & Young's Erwin de Vos emphasised that information technology will be the only way to handle the increased volume of shipping. He said the eventual goal will be a global network of electronically linked customs agencies so that import and export clearances can be handled at once. "Customs must strike a balance between inspections and facilitating trade," he said.

 by Mike Gordon