



Malik Zeniti is pictured at MERTERT port, which could soon offer 5G solutions to users

“Opportunities are there for people who jump on board”

Director of the Cluster for Logistics Luxembourg
 Malik Zeniti argues the case for Eco-liners, discusses smart technologies and the challenges faced by the sector, including the shortfall in heavy goods vehicle drivers.

Interview **DUNCAN ROBERTS** Photo **GUY WOLFF**

Logistics has been touted as a significant, and constantly strengthening, pillar of the economy. What role does Luxembourg have to play as a hub at the crossroads in Europe for logistics movements?

I think it's really location. We really have a perfect location in the heart of the powerhouse that we call 'the blue banana' [the corridor that stretches roughly from north-west England through London, the Benelux, Germany and Switzerland down to Milan].

For example, the Swiss running shoe brand ON uses Luxembourg for all their distribution outside of Switzerland, including for e-commerce, through Kühne+Nagel in Contern. Also south of the airport Japanese robotics company Fanuc has established its European customisation and distribution centre that allows it to adapt products that arrive by maritime transport to Luxembourg centrally for its 17 European subsidiaries.

Other companies who, for example, deliver spare parts across Europe from Luxembourg—you might know Husky—are quite happy to have an excellent next-day supply base. They have a very good reputation because they really digitise a lot of their stuff that they are able to supply any spare parts in record time.

My first involvement with logistics was with air freight... so the fact that our airport has also seen record volumes in the last 18 months is obviously

**MALIK ZENITI
 SELECTED CV**

1981-1987

University Karlsruhe -
 Chemical engineering

1988-1990

Euro-Composites Corp -
 process and engineering

1990-2015

DuPont - various roles
 rising to business
 development manager

2015-present

Cluster for Logistics - director

huge news. E-commerce has been obviously very strong, but also vaccines and pharmaceuticals...

In the past, there has been debate about night flights. I recall, several years ago, DHL wanted to set up a hub in Luxembourg but in the end they didn't because they weren't allowed to land at night.

I think more or less we have agreed that the sector is not pushing for the lifting of the night flight ban. What has helped has been the extension of the number of places for 747s. So, if somebody lands at midnight, it's still being unloaded up to three o'clock before leaving at six in the morning.

I think the supply chain disruptions obviously hit the sector very strongly, and Luxembourg is now seen as a secure place where you get your products without too much delay. So having a robust process in Luxembourg, which is independent of belly freight, which accounted for 50% of air cargo but completely disappeared for a long period [during the pandemic travel bans] and is only slowly coming back, is important.

So how are logistics companies emerging from the pandemic, and what opportunities presented themselves because of the lockdowns and restrictions?

Initially, there was a lot of suffering. I mean it's in the nature of a transport logistics company to be flexible and to reorganise itself on a daily basis, but there were really rough times during the closure of the borders and for drivers who could not even go to eat something or sleep somewhere.

There is also still a lot of bureaucratic burden that's not making life any easier. Luxembourg trucking companies, which already pay the highest minimum salary across Europe, still have to prove wherever they drive that they are paying more than the minimum salary of that country. So the European directives, which were trying to create a level playing field, have created overheads and a big burden for the companies. The conclusion is that

removed again on the other side. You can use this to save some energy and to address the lack of drivers.

Yes, there has been much in the media about the shortage of HGV drivers. What impact is this having on the industry in the short- and long-term, and how can the logistics sector attract more talent?

Those figures we hear of up to 100,000 drivers lacking... where should they come from? You know, who would suddenly be excited to do to become a truck driver? We know that on the eastern border countries of the European Union, businesses are going to Ukraine and to Belarus to find drivers, because their truck drivers are driving for us.

The apprenticeship programme we have had since 2014 has brought in new talents, but mostly to supply chain back-office activities. In Luxembourg, some trucking companies will probably limit the capacity of the trucks they own and turn to using more subcontractors to maintain flexibility. As long as Luxembourg depends on 90% non-resident truck drivers who cannot drive more than 25% in their own country--otherwise they will lose their insurance--this will continue to create a lot of headaches.

LEAN & GREEN AWARDS 2021

On 11 October the Cluster for Logistics Luxembourg hosted its 2021 Lean & Green Awards. Four companies received awards, two of which--agriculture sector cooperative De Verband and passenger transport company Sales-Lentz--joined the Lean & Green initiative in Luxembourg in 2021. Both set up audited and eligible action plans that provide the framework to reduce their CO2 emissions from transport and logistics activities by at least 20% within the next five years.

In addition, Mertert port-based logistics and transport company Luxport Group, and Bettembourg-Dudelange based international road transport company Transalliance, achieved a 20% reduction of their transport-related CO2 emissions compared to 2015, for which they received the first Lean & Green Star in Luxembourg.

Conversation Malik Zeniti

The employment agency, Adem, has been organising courses to support training for new truck drivers. But young truck drivers prefer to stay close to their family rather than be gone for two or three weeks as is often usual.

Some large European trucking companies already take this into consideration by adding intermodal transport so that drivers can work in their home region instead of mostly depending on international transport.

Is that having an impact on other modes of freight transport?

The lack of truck drivers will also increase demand for rail. Sooner or later, I think that might be the next bottleneck. It has already been a bottleneck on the Silk Road linking to China. Now that is also completely full, because when people couldn't get transport on ships, the next best was rail from a cost perspective. So today, the Silk Road does not need any financial support anymore.

I think that our national railway company [CFL] is quite happy with the products that they created linking Luxembourg to the North Sea ports in Germany or to Spain and even to Marseille.

How are smart technologies being used to make logistics more efficient for providers and end users?

I think here there's maybe a positive effective of covid, because it forced companies to start working-from-home policies and to digitise and use data in a more paperless way... to be proactive and to plan ahead and provide precise information. A lot of companies obviously could not make everything paperless, there's still a lot of physical handling but everybody's trying to really use technology to the highest possible extent.

We hope the fact that Germany's second chamber, the Bundesrat, has signed legislation for the so-called e-CMR, the electronic consignment letter that Luxembourg embarked on in 2018, will make things easier. Once that is made law, under the new German government, it will take some work away from the drivers, because although it should be the shipper who fills that in, quite often it is the driver. All the west coast of Europe has already signed, so you can transport tomatoes from Spain to the Netherlands without having to print any paper. Cabotage is

"The lack of truck drivers will also increase demand for rail"

also something which can be both verified and controlled digitally, so creating a more level playing field.

5G is another subject we've started to talk about, but it's a chicken-and-egg problem. Most people just think about increased speed, but there are other benefits of 5G, including slicing, which is a network architecture that enables you to put several companies in your data broadband. We don't yet have enough user cases for people to see why they should invest in that technology.

We are encouraging people and the goal is to have the port of Mertert and the Bettembourg hub offer 5G and that will then help people find solutions and use this technology.

Data analysis, end-to-end track and tracing, improved digitally supported planning tools and last but not least pick by light virtual or augmented reality and drones are the smart technologies being evaluated or already used. Investments in robots and co-bots will also increase, due to lack of manpower and IT specialists.

really those companies who have started to digitise and simplify their processes are the ones who can seize opportunities.

Opportunities are there for people who jump on board and organise themselves with good IT--and make sure they get the right IT, because sometimes logistics is not necessarily seen as the sexiest sector and IT experts are being sought everywhere. We hope that Luxinnova's digital innovation hub will also help our players to digitise and get their act together.

With the Cop26 summit on the horizon, what efforts are being made by trucking companies to reduce their environmental footprint?

We are seeing pressure coming up from the new EU Fit for 55 programme, which requires every country to agree on saving 55% carbon dioxide emissions by 2030. Luxembourg starts to be a good student in matching this programme, and so that creates a lot of demand for new technology and new ways of doing things. Trucking companies always try to minimise the use of fuel. They train their drivers in eco-driving, they use the most modern Euro 6 standard trucks--many companies here no longer have any Euro 5 vehicles.

On the other hand, it was not helpful that at a certain time the ministry of the economy excluded transport from incentives for innovation. Probably they didn't want companies who had no physical presence here but only had truck drivers to get support for that. But basically it was a disadvantage for all the companies who have all their substance and all their resources here.

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Conversation **Malik Zeniti**

LOGISTICS IN LUXEMBOURG

230,000m²

Warehouse capacity created
in the last 10 years

20,000+

Jobs in supply chain, transport and logistics

€234.4m

CFL freight business in 2020

1,107,071 tonnes

Sold by Cargolux in 2020

Sources → Cluster for Logistics, CFL, Cargolux

But we have our Lean and Green programme [see page 26] that allows companies to address the challenges in their business planning. It has been adopted by a dozen forward-looking companies in Luxembourg and over 600 across Europe.

We see very ambitious goals being promoted by the government in its so-called PNEC [Plan national intégré en matière d'énergie et de climat] national energy and climate plan. This would require us to even save 57% on the carbon side. When we see people struggling to achieve 20%, 30%, or 35%--only one company who has achieved that 35%--that means that we really have to look at other means of doing things, changing the processes and technology.

You recently did a presentation of so-called Eco-liner trucks...

I realised that some industrial companies, for example, send two or more trucks per day between a location in Luxembourg and a location which is no more than 100 kilometres away. They would love to use Eco-liners because that would decrease the number of trucks, the number of drivers that you need, and you could also save up to 25% in emissions. And then there's also the cost. We saw that there's no movement in Luxembourg on that subject, so we promoted it through a video that shows how Eco-liners work in 2021.

Because it has been tested in the Netherlands, where they started with a pilot programme in 2000 and, after 20 years, they now have some 2,000 Eco-liner trucks. In Germany, too, they have been investigating all the questions surrounding Eco-liners since 2011--parking lots, what type of infrastructure you need, what about emergency braking and so on. Now Germany has a positive network of 12,000 kilometres where you are allowed to use Eco-liners. And just before the [German Bundestag] election, Germany and the Netherlands agreed to allow Eco-liners to cross the border. We find it an unfair advantage given to our Dutch, Belgian and German neighbours. And as we have this big challenge of 57%, how can we just afford to exclude such technology?

So why is Luxembourg being so reticent?

We know that Mr [François] Bausch [déi Gréng transport minister] does not approve the Eco-liners. But he's basing his reasoning on studies from NGOs that were published in 2007.

We are now 13 years further down the road. It has been proven that the trucks have lower weight per axle, so they do not damage bridges. They have a dolly in the middle which allows them to easily negotiate roundabouts. They cannot be used to transport hazardous goods and only drivers with certain training and without any lost points on their licence are allowed to drive Eco-liners.

We're just adding five or six metres to a truck that allows for more volume and will still be within the weight limit. In Scandinavia, they even use 60 tonnes instead of the 44 tonnes that we are allowed to drive here in Luxembourg. In Germany, it's only 40 tonnes. The trailer has to be what we call 'craneable', so it has to be reinforced which already makes it a tonne heavier and more expensive, but means you can also load it onto a train.

At the Cluster for Logistics, we also want to promote rail, so I would be happy if we could start with an agreement that if you drive to the Bettembourg hub from within a 150-kilometre radius, that could be a pilot to start. It would create a positive network, allowing people to use certain roads and certain patterns to take the goods to the hub, do your 600, 800 or 1,000 kilometres by train and then be