



Response to Public Consultation on “Future of Transport” Commission Communication

GS1 in Europe welcomes the initiative taken by the European Commission in defining the future of the transport system in a long-term vision. GS1 in Europe fully agrees with the trends and challenges identified by the European Commission and believes that these challenges can hardly be managed in isolation. Cooperative strategies and innovative concepts are in greater demand than ever before. ICT are of high relevance in achieving these aims.

The GS1 System

The GS1 System is an integrated system of global open standards, processes and enabling technologies that provide for accurate identification and communication of information regarding products, assets, services and locations. It is the most frequently implemented supply chain standards system in the world.

The GS1 System is the foundation of a wide range of efficiency-building supply chain applications and solutions. Based on GS1 identification keys, a common recurring set, the GS1 System is composed of the following key elements: a unique, standardized global numbering system for identification, GS1 barcodes and data matrices for labeling, global standards for electronic business messaging, a global data synchronization network as well as an immediate tracking and tracing solution based on the RFID technology.

Therefore, the use of GS1 standards facilitates cross-company collaboration and streamlining the entire value chain.

Achieving greater energy efficiency through supply chain optimization

The transport and logistics sector is characterized by very high overall energy consumption. Hence, intelligent logistics concepts that efficiently manage supply and demand will be in greater need than ever before against the background of a growing resource shortage, of climate change as well as of increased costs for energy. From production to transport all the way to the points of sale and even throughout the waste management process: The consequences of economic, societal and ecological changes can already be noticed throughout the entire value chain. A redesign of the supply chain can help lower CO₂ emissions, reduce energy consumption and traffic congestion.

Nowadays, information technologies are indispensable for managing logistic processes. To fully exploit all potential for optimizing the supply chain, standardized exchanges of information play a crucial role. Global standards such as those of GS1 can contribute significantly to a future-oriented redesign of the supply chain, which should involve greater collaboration and a structured data exchange among key stakeholders such as consumers, suppliers, manufacturers, logistics service providers and retailers. Yet collaboration can only be effective with sufficient information transparency. Furthermore, it requires that the right piece of information is available at the right time with the right quality. Inevitably, logistic service providers have to be integrated into the data exchange process between sender (e.g. the industry) and receiver (e.g. retail). Hence, enterprises have to organize the exchange of data with business partners and customers on the basis of common standards. Global standards and new technologies such as RFID help manage large amounts of information and guarantee the required transparency.



Moreover, logistics have become a decisive factor in organizing an efficient value chain. In this process, anticipatory planning is just as crucial as precise coordination of the different processes between all stakeholders. By using global standards and solutions such as those for tracking and tracing stakeholders can exchange the relevant data more easily and thereby avoid resource and time inefficiencies. CO₂ emissions, transport costs, energy consumption, handling costs as well as lead time can be reduced significantly by standardized data exchange.

A re-design of the supply chain

GS1 Germany has set up the strategy group “Future”, which consists of several renowned businesses¹ interested in developing possible solutions to the ecological and demographic challenges. These solutions are laid out in their “Meeting Point Future – Roadmap to the Value Chain 2016 in Germany”. After having conducted a thorough analysis of the economic, ecological, technological, demographic and regulatory developments, the strategy group came to the conclusion that greater collaboration among all actors needs to be promoted. Greater collaboration can take place in the following areas:

- **Cooperative logistics concepts**
The strategy group recommends, for instance, greater cooperation among European businesses in using infrastructures. This could include bundling the flow of commodities to more efficiently utilize truck load capacities: in Germany, two pioneers are the confectionery manufacturers Mars and Ferrero that agreed to contract a neutral logistics service provider loading one commodity of each company on one truck to jointly supply retail distribution centers. Thereby, new forms of partnership can be created such as collaborative warehousing.
- **Differentiated supply concepts**
A second approach in greater collaboration provides for the establishment of so-called city hubs: distribution centers in urban agglomerations shared by several suppliers. Other more differentiated supply concepts seek to minimize the customer's need for using their car by creating mobile selling concepts, which take the commodities directly to the customer, or by increasing the use of joint delivery services in rural areas.
- **Sustainable Transport**
In addition, the strategy group “Future” advocates the consequent use of alternative energy sources in transport (i.e. natural gas) as well as new driving technologies in order to achieve a fully sustainable transport system.

All these ideas can be realized by using global identification and communication standards such as the GS1 system that allow for a structured exchange of data. Therefore, all members of the strategy group support the use of such standards.

¹ Unilever, Capgemini, EHI Retail Institute, Kraft Foods, Douglas, Mars Germany, REWE Group, Metro Group, Dachser, SAP, P&G, Dohle, Henkel, Edeka





What the EU can do

GS1 in Europe calls on the European Commission to consider the positive impact global standards such as the GS1 system can have in attaining the objective of developing a sustainable transport system in the European Union. The implementation of global standards in business processes optimizes supply chain management and paves the way for such concepts as collaborative warehousing or city hubs, leading to a better use of scarce resources and greater energy efficiency in the logistics and transport sector. Furthermore, GS1 standards also allow for the subsequent use of innovative technologies such as RFID, which is based on the European Product Code (EPC) standard.

For best results, GS1 in Europe would again like to point out to the European Commission that it is important to involve SMEs in these developments as well and develop solutions that can be adjusted to their needs. Improving the competitiveness of SMEs by integrating them into the electronic supply chain management can derive cost savings of €28 million due to reduced operating costs and reduced inventory².

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² According to The Case for ECR - A Review and Outlook of Continuous ECR Adoption in Western Europe by ECR Europe, ECR Academic Partnership and IBM Global Business Services (2005)

