

Colloquium and Workshop

"Logistics Cluster - realities, challenges and limits, a European perspective"

4th December 2017 at the French Embassy in Berlin

Presentation of the event

Context

On the 4th December 2017, an international workshop and conference on the topic of logistics clusters: A European perspective was held in Berlin. The event focusing on logistics cluster – realities, challenges and limits - is a result of the French-German cooperation of the Université de Perpignan, IFSTTAR, the Université de Cergy-Pontoise and the DLR- Institute of Transport research. The event was supported and hosted by the French Embassy in Berlin.

Aim

The analysis of the spatial dynamics of logistical activities in Europe shows a growing interest for clustering, which means geographical concentration, coordinated either by private actors such as logistics real estate organisations (logistics parks or freight villages), or by public actors (logistic activity areas). The advantages to the geographical concentration of economic activities are highlighted by numerous works, e.g. in works on industrial districts (Becattini, 1990), in works on clusters (Porter, 1998), in works on the role of agglomeration economies by Marshall (1920) as well as in works on the role of organized proximity (Gilly and Torre, 2000). However, these theoretic advantages often cannot be materialised or confirmed in real life. The conference made it possible to discuss the phenomenon of logistics clusters with a focus on these occasionally inconsistent effects and to identify areas for further research. Beyond this, the symposium made it possible to evaluate the role of the public authorities in terms of spatial control of logistics facilities, thereby enabling the mastery of the last kilometre.

Around 40 participants from France, Germany and Luxembourg attended the workshop and conference and the audience was very diverse, covering all stakeholder groups of the topic. Jointly, logistics operators (logistics parks managers, logistics providers, and logistics clubs), public authorities (local authorities, public platform manager, and logistics clusters) and researchers discussed success factors of logistics clusters.

Organisation team

Prof. Dr. Sophie Masson, Universität von Perpignan, UMR ART-Dev (Coordination)

Prof. Dr. Gernot Liedtke, Professor, DLR Institute of Transport Research (Co- Coordination)

Prof. Dr. Corinne Blanquart, Professorin, IFSTTAR

Prof. Dr. Laurent Guihery, Universität von Cergy-Pontoise, MTRE

Saskia Seidel, DLR Institute of Transport Research

Executive Summary

After an introduction by the hosts, Ms Speiser, Research and Innovation Policy Officer at the French Embassy, Prof. Sophie Masson, chair of the organising committee, kicked off the workshop with the topic of "Logistics Clusters: state of play and issues raised by the research". This session included three scientific presentations on the issue of "Logistics clusters & economic performance" and three presentations on "Logistics clusters: development and planning issues" each.

The presentations on "Logistics clusters & economic performance" by Prof. Gernot Liedtke (DLR), Dr. Nathan Bounie (IFSTTAR) and Prof. Laurent Guihéry (Université de Cergy-Pontoise) introduced three different facets of "logistics clusters" and therefore different realities: innovation clusters like Silicon Valley, logistics parks with given infrastructure, and city logistics platform as urban distribution centre. This first session allowed to compare research concerning the economic and territorial issues related to logistics clustering and to question the reality of the expected positive externalities of this economic concentration. Different circumstances result in different visions and expectations towards the "logistics clusters": innovation poles and logistics parks are suitable for completely different situations and issues. Furthermore, the economic effects of clubs and logistics cartels in comparison to the principles and advantages of competition in transport were debated.

The presentations on "Logistics clusters: development and planning issues" by Dr. Jens Klauenberg (DLR), Dr. Laetitia Dablanc (IFSTTAR) and Dr. Danièle Patier (Lyon) demonstrated methods to measure concentrations of logistics companies, gave an overview of practical examples of logistics sprawl worldwide and an insight into the logistics in the French agri-food market, differentiating between urban integration and distant polarisation. Furthermore, methods for measuring the concentrations of logistical establishments were discussed as well as an overview of concrete (worldwide) examples of logistics clusters.

The second part of the day which was open to the general public, was dedicated to the topic of logistics clusters from an academic and an operational view. Prof. Michel Savy opened the academic session with his presentation "Logistics clusters: a political economy approach". He pointed out two contradictory yet simultaneous trends of logistics spatial distribution currently taking place at different scales:

- at large scale, polarisation around main metropolitan areas (implosion), and
- at smaller, local scale, ex-urbanisation of logistics ,expelled from city centres to ever more distant outskirts (explosion)

In his presentation he emphasized the importance of distinguishing between different logistical spatial configurations (logistics platforms, logistics parks, logistics locations) and returned to the morning discussions about the ability of cluster policy to generate positive (external) effects. Despite the weak synergies highlighted by the work of researchers, there are strong benefits such as the bundling of logistics activities and joint services (fire, monitoring, signalling, waste treatment and energy services, etc.). He reiterated that public submissions should better support the formation of logistics clusters: "*Much more could and should be done for both companies and their employees, especially given the lack of manpower managers often regret: shops, canteens, vocational training, employment agency , Business center, health, kindergarten, etc. to private car. These problems are socio-economic issues and require innovative public and private management structures.*" Furthermore, Prof. Savy raised the question if clusterisation can be seen as a consequence of search

for new locations. For example in industrial parks which likely accommodate several logistics investments in the same site.

Markus Hesse took in his presentation “(De)constructing logistics clusters: a geographer’s perspective on agglomeration, proximity and scale” a look on logistics cluster from a geographers’ perspective and brought the issues of agglomeration, proximity and scale to the fore. He questioned the “normative ideal” of clusters and its expected benefits in economic, societal and even environmental terms. He stressed the existence of limits to the agglomeration of logistics activities that can generate negative externalities and dysfunctions. Mr. Hesse raised among others the question if in times where ICT proximity is broadened there is a need for physical centres. Furthermore, the three main questions he sees are: *“How big should a cluster be and what should it serve? Where should it be located? And how to deal with costs?”*

After the academic experts the operational experts Christophe Ripert (Sogaris) and Michaela Holz (Brandenburg Invest) gave an insight in their daily work in context of logistics clusters.

The discussion held during the workshop and conference led to the identification of some major challenges and key findings that are described below.

Conclusion

Summarizing all presentations, two foci emerged: logistics clusters and micro freight hubs. In former times, logistics clusters were called “wholesale areas” and “marshalling yards”; micro hubs were known as post offices. So the question emerges: Are logistics clusters “old wines in new bottles” or what is today (so) different compared to the past?

Clearly, wholesale markets and post offices were concepts of an era in which state interventions in logistics markets were much stronger than today. And whilst the existing concepts descended in liberalized markets, the idea of horizontally collaborating logistics firms attracted the expectations of environmental policy and society. However, these expectations have turned out as misbeliefs given the observations in the logistics markets. In other words: a withdrawal of economic policy and spatial planning fosters – of course – a spatial de-concentration on all levels compared to the “old” regulated world. Local proximity of firms with the same economic activity is neither a necessary nor a sufficient condition for the realization of synergies in logistics. The question whether market forces alone support the emergence of spatial clusters and city hubs cannot be answered unambiguously.

Nevertheless, the spatial agglomeration of logistics activities is connected with many societal benefits such as the increased use of intermodal transports or a more sustainable organization of space. Consequently, policy, in context of European sustainable development strategy, is (or at least should be) in charge to support the emergence of logistics clusters since market forces alone seem not to be able to work efficiently.

Once policy and spatial planning are in charge of developing logistics clusters, a lot of questions arise. Suitable land plots need to be secured. Where should these spaces be located – on development axes or in areas without established facilities? How many clusters should be established and what is the optimum cluster size (note that market forces alone cannot reveal the optimum number of clusters in an environment characterized by subsidies, regulation and external costs)? How should the clusters be connected to the areas they serve (for instance, an eco-friendly transport connection to inner urban areas)? Should pooling strategies occur, as it can be a backdoor for cartelization

strategies? To find the adequate answers to these questions, further research and a discourse between policy makers, logisticians and other stakeholders are necessary.

The experiences and theoretical analysis show, that logistics clusters do not constitute an appropriate space to the emergence of innovations in logistics. Innovation in logistics is driven by entrepreneurs from all over the world and by information technology based developments and their use by competing logistics firms.

In the future era of digitization and automatization, the question of logistics clusters must be raised again. Different forces are expected to support and to weaken the tendencies towards concentration. Automatization in warehousing and transhipment are expected to support multimodal logistics clusters operating at an industrial scale. Can concentration or cartelization then appear? It is not necessary that clusters will be constituted by many firms. Perhaps large integrators will develop centralized hub and spoke networks all over Europe. On the other hand, the reduction of transport cost per mile results in smaller operators entering the market to offer point-to-point transports. This is a force working against concentration and it depends on many aspects, including fuel price, environmental restrictions, economic and political developments just to mention some, how the market will develop.

Next steps

The symposium allowed to deepen scientific debates and to bring out new research topics, benefiting from common French and German experiences. A joint publication in form of a book will cover the discussions and presentations of the day. Furthermore, a call for a special issue related to the topic will be launched at beginning of next year. The call of papers will be open to the general public and will be distributed on an international level.

If you're interested in a particular presentation or further information please contact:
Sophie.masson@univ-perp.fr (France) or Saskia.seidel@dlr.de (Germany)