

BESTUFS II national seminar in Bulgaria

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“BEST EUROPEEN SOLUTIONS IN URBAN FREIGHT
TRANSPORT”

BULFRALOG & University of Transport “T. Kableshkov”
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ANNOTATIONS OF THE PRESENTED REPORTS

PROBLEMS AND SOLUTIONS OF LOGISTICS ACTIVITY IN COMPANY TRANSPRESS

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Transpress Ltd. is a transport company, providing express transportation of goods on the local and the international market. Transpress offers a full range of logistics solutions – from express document shipping's to supply chain management.

Transpress Ltd. has at its disposal more than 100 trucks, different in type, which meet all strict technical requirements of EC.

All trucks are equipped by mobile phones and GPS system, which allows to trace and secure them.

The company use tilt-trucks, vans, semi-trailers and vans for clothes hanging on hooks with weight capacity from 2 tons to 24 tons.

Transpress Ltd. offers to its customer's expertise, knowledge and resources in order to meet customers' individual need of logistic solutions:

- International transports;
- Customs representation;
- Warehousing and packing of shipments;
- Domestic transport and distribution;
- Express services.

Upon specific requirements on behalf of the customer, Transpress Ltd provide:

- ✓ door-to-door delivery;
- ✓ customer – friendly encashment;

- ✓ individual references for the
- ✓ quality of the received services.

His made Transpress the first Bulgarian 3PL forwarder.

Domestic Express Services

- Express delivery of documents and parcel shipments up to 100 kg in the country;
- Service “City-courier” – delivery same day;
- Priority delivery with fixed time by the customer;
- Service: documents returned to the sender;
- Cash-on-delivery services;
- Additional load insurance upon demand of the customer.

In 2006 Transpress expanded its activities offering international express deliveries:

- Door-to-door express delivery of documents or parcel shipments all over the world;
- Express delivery of items from all over the world to places in Bulgaria, cash on delivery.

Domestic Land Transport

- Full-load and group age load transportation from / to all towns in Bulgaria;
- Customized transportation solutions meeting the exclusive need of the customer;
- Logistic offices and warehouses in the country and possibility for express delivery within 24 hours.
- Transportation of extremely fragile goods (car-glasses, spare parts, computers);
- Additional load insurance upon demand by the customers.

Customs Service and Warehousing

1. Full customs services:

- Security for exports and import transportation of customs not-cleared items and general transit guarantee.

2. Warehousing:

- Customs-controlled and unlimited warehousing;
- Total surface: 1300 sq.m.;
- Mobile load-platforms, hoisting and hauling equipment;
- Electronically controlled access;
- Possible warehousing of hanging garments;
- Labeling and packaging of goods;

TRANSPORT & DISTRIBUTION IN SOFIA OF MILK GOODS FROM DANONE BG

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DANONE Bulgaria

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- Danone Serdika – established in 1993r, 100% property of Group Danone
- Core business – manufacturing and trade of dairy products
- Danone Serdika – market leader in fresh dairy products
- Only company with national coverage Danone Serdika is one of the biggest foreign investors in Bulgaria - total investments – above 50 million Euros
 - purchasing of raw milk,
 - quality and hygiene of production,
 - distribution,
 - refrigerator equipments,
 - good condition of work and opportunities for training
- Danone Bulgaria employees - 398 people

Logistics Organization in Danone Bulgaria

- ✓ Quarantine WH
- ✓ 2 Distribution Centers (Sofia and Plovdiv)
- ✓ External transport to deliver to the country
- ✓ Distribution done throughout 6 platforms
- ✓ 55 trucks for own distribution - the rest done by distributors and rented companies
- ✓ Raw milk collection- 14 trucks + 5 trailers
- ✓ 70 cars for running the business
- ✓ Logistics - 100 people

Distribution models using in Danone Bulgaria

- Direct distribution
 - sale and delivery managed by Danone
 - clients segment “C” (up to 40 kg. drop size)
 - sale made on spot
 - logistic cost
- Indirect distribution
 - sale and delivery managed by Distributors
 - clients segment “C” (up to 40 kg. drop size)
 - sale made on spot
 - no logistic cost
- Pre-selling
 - sale done by Danone, delivery is managed by rent transporter
 - clients segment “A+B” (over 40 kg. drop size)
 - sale separated form delivery
 - logistic cost
 - higher quality of execution

COMMENT: - better market control = higher service level

Transportation

1. FLEET REQUIRED:

- 55 own and leased trucks for distribution
- 6 rented trucks for distribution (pre-sell deliveries)
- 11 trucks per day for secondary transportation (rented)
- 14 trucks and 5 trailers for collection of RM

2. FLEET TYPES:

- Direct distribution trucks – up to 8 tons cross weight
- Pre-sell deliveries trucks (rented) – up to 15 tons cross weight
- Secondary transportation trucks – up to 20 tons cross weight
- Trucks for collection of RM – up to 20 tons cross weight

City Transportation

Main issues

- Traffic
- Different municipality requirements for trucks usage
- Bad infrastructure
- No transport suppliers
- Lack of drivers in the market

Presentation of Bulgarian National Forwarders Association - NSBS

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NSBS the Bulgarian Association for Freight Forwarding, Transport and Logistics was founded in 1992. At present 77 forwarding companies with Bulgarian and/or foreign capital is members of NSBS. These companies perform some 2/3 of the international forwarding services in Bulgaria. They realize approximately above half of the sales revenue and 83% of gross profit reported for the domestic forwarding industry. Since 1994 NSBS represents Bulgaria in the International Federation of Freight Forwarders Associations FIATA. Representatives of NSBS participate in FIATA's bodies and thereby - in the activities of the European Conference of Ministers of Transport ECMT, the European Commission, the Economic Commission for Europe of the United Nations ECE-UN, the International Chamber of Commerce ICC, as well as in a number of international organizations in the transport field, such as IRU, UIC, IATA, IMO, etc.

As of 2003 NSBS is a member of CLECAT (European Association for forwarding, transport, logistics and customs services) and thereby has a voice in the transport decisions of the European Commission.

NSBS is active in developing the legal base of international transport and forwarding and in formulating the transport policy of Bulgaria. Furthermore, through its initiatives and actions during the years, NSBS has greatly contributed towards the establishment of a favourable business climate in Bulgaria, especially in respect of the Bulgarian fiscal, Customs, currency control and foreign trade regulations.

NSBS has developed and since 2000 manages a comprehensive system for the vocational training of the forwarding personnel. The successful graduates receive an internationally recognized diploma for professional competence conforming to the standards of FIATA.

The main goal of NSBS for the years ahead is to contribute to the development and implementation of the national logistics strategy of Bulgaria and to serve adequately the economic integration of our country into the European Union.

NSBS the Bulgarian Association for Freight Forwarding, Transport and Logistics was founded in 1992 to pursue the following principal goals:

1. Represent the Bulgarian freight forwarding industry, protect and promote its interests in Bulgaria and abroad;
2. Develop and improve the legislative basis of the freight forwarding business in Bulgaria
3. Enhance the image and the professional standards of the forwarding industry by:
 - establishing criteria for access to the Forwarding profession;
 - setting down standards for the quality of services performed by the Forwarding companies - members of NSBS;
 - adopting and monitoring a Code of Business Ethics for its member companies;
 - conducting vocational training of freight forwarding personnel.

The Association encompasses the best representatives of the Bulgarian freight forwarding and logistics industry. Therefore by employing our member companies the Shippers may rest assured that they will receive:

1. Professional competence and high quality of the forwarding and logistic services;
2. Financial stability and high business ethics;
3. Fair and precise terms of the forwarding contract in line with the "Standard Trading Conditions", which govern the obligations and the liability of the Forwarder towards his Customer;
4. Protection of the Customer's interests and compensation of eventual claims and losses incurred in the transportation, handling and storage of the goods, which is guaranteed by the mandatory Forwarder's Liability Insurance concluded by our members in favour of their Customers.

HARMONISED CONTINUOUS TRAINING IN ROAD TRANSPORT SECTOR

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CT-TRANS is a European Project approved in 2006 under the Leonardo da Vinci Programme, with an execution period of 24 months, starting in October 2006.

This project has been promoted by the Regional Federation of Transport of Communication of UGT Castile-Leon (Spain) with the aim of developing and harmonising the new European laws on training in transport sector which will come into force at the end of 2008.

Taking the differences in training among the workers of the sector as a starting point, this project represents an in-depth analysis of the objective of the European Directive 2003/59/EC on the initial qualification and periodic training of drivers of certain road vehicles for the carriage of goods or passengers, given that, the harmonisation of the main training requirements established for the workers of the sector will be the basis for the unification of the contents of the compulsory continuous training established by the directive. The main objective of this project is to answer the need of a harmonised continuous training for workers of road freight transport sector. Although the objective of Directive 2003/59/EC is 'the establishment of standard Community rules for the initial qualification and continuous training' and to regulate the obligation of both systems of training and accreditation, the contents fixed are only recommendations. Thus, the project aims at unifying the training that will complete the Directive and that will increase the competitiveness of freight road transport drivers.

CT-TRANS Project partners consider that harmonising continuous training is something really necessary for the safety, quality and competitiveness of road transport sector, so it is highly important to promote continuous training among drivers, who are the direct beneficiaries of the project.

At the same time, the project aims at achieving the following specific objectives:

1. To know in detail the continuous training that road transport drivers are already offered at European level and to detect the differences in the application of Directive 2003/59/EC.
2. To identify the training needs of the sector that can be covered by continuous training.
3. To elaborate common training contents for compulsory continuous training, as well as the most suitable methodology, duration and execution plans.
4. To deepen in the homologation and harmonisation of the training in road freight transport sector.
5. To develop a pilot training module based on e-learning and new technologies to promote the benefits of continuous training among workers.
6. To promote the use of new Technologies in continuous training of road freight transport drivers, overcoming time and space limits.
7. To develop a reference point for the legislation and regulation of continuous training for the sector at national level, taking into consideration homologation and harmonisation principles.

Beneficiaries

This Project is addressed to three types of beneficiaries:

- Direct beneficiaries, which can be divided into two groups
- Indirect beneficiaries
- Potential Beneficiaries

Results

- Harmonised curriculum for continuous training of road freight transport sector drivers.
- Pilot training module based on new technologies.
- Report on the conclusions of the experimental application.
- Dissemination materials.

MODULE 1 SAFE AND ECO-DRIVING

Purposes:

To enable a driver to optimise his capacity to use a heavy goods vehicle;
To enhance the driver awareness in a safe and environmental friendly manner.

Expected outcomes:

Reduction of accidents and incidents;
Reduction of driver fatigue;
Reduction of fuel consumption;
Contribution to Environment protection.

Programme:

Topic 1: Preparing for driving.

Topic 2: Mechanical usage of the vehicle.

Topic 3: Driving in traffic.

Topic 4: End of module evaluation and overall assessment of the training course.

MODULE 2 DRIVERS HOURS RULES and WORKING TIME REGULATIONS

Purpose:

To improve understanding and knowledge of drivers hours and working time regulations

To facilitate controls and checks procedures

Programme:

Topic 1: The EU drivers hours rules.

Topic 2 : Tachographs

Topic 3: National labour rules.

Topic 4: Domestic Working time rules

Tools:

Multiple Choice questionnaires on the three topics covered

MODULE 3 HEALTH AND DRIVER WELFARE

Purposes :

Preventing & Assessing Risks

Programme:

Topic 1: Preventing Personal risks

Topic 2: Preventing professional risks
Topic 3: Security
Topic 4: Emergency response
Topic 5: End of module evaluation

Tools:
Application of regulations to case studies

MODULE 4 DRIVER'S COMMERCIAL ROLE

Purposes:

Reduction of the number of disputes
Expediting the application of the regulations
Reduction of the time lost whilst checks/ controls
To improve the driver's commercial awareness and customer focus
To know and to make a correct use of the documentation relating with vehicles and goods

Programme:

Topic 1: Documents management
Topic 2: Developing Customer relations
Topic 3: End of module evaluation

Tools:

Role play and participation-based assessment

MODULE 5 SAFE LOADING AND TRANSPORTATION OF GOODS

Purposes:

Reduction of the number of incidents
To improve the driver's performance in loading goods

Programme:

Topic 1 : before loading
Topic 2 : during loading
Topic 3 : after loading

FREIGHT LOGISTICS IN THE BIG CITIES

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The report examined the problem of urban freight logistics in the big towns. Concentration of the population in the big industrial and administrative centers created many problems for logistic, distribution, trade, traffic, collecting of wastes and unsold goods.

In urban freight transport participate trade companies with different economic aims. In many cases this companies contradicted of social interests and in protection of environment.

Models for reducing of disadvantages of the systems for distribution of goods in the urban areas are developed. Different possibilities for reducing of the traffic and rationality using of carry capacity and tonnages of vehicles are proposed.

Models for improving of urban logistics by optimal conditions are proposed.

STATE AND PERSPECTIVES OF INDUSTRIAL LOGISTICS IN SOFIA (MATERIAL HANDLING & WAREHOUSING PROCESS IN URBAN FREIGHT TRANSPORT)

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The Europeans are aware that Bulgaria is a small country that is well positioned geographically in the Balkan region. Its economic attractiveness is largely related to the possibilities offered by its location for the commercial exchange of goods and services between the East and West.

The financial and political support Bulgaria receives in order to harmonize the legislation and integration of national industrial, transport and commercial systems with these of EU countries is directly bound to developing logistic chains.

The problem to build or not to build a modern intermodal terminal (IMT) in Sofia has already ceased to be a topic of discussion because it is not possible for such a big industrial, commercial and transport center as the capital of Bulgaria to function and develop normally without this facility. Some of the main reasons that have imposed the necessity of the accelerated IMT construction are as follows:

1. The transit freight traffic through Sofia is three times bigger the freight traffic to and from the town. The importance of Sofia will be increasing in connection with:

- building high-speed transport corridors and involving the freight traffic from the Central and Western Europe to South-Eastern Europe, the Near East and Asia as well as from and to the neighboring countries of Bulgaria;
- providing complex logistic “door-to-door” services and “from producer to customer” services in time.

2. Combined transportation (CT) has to develop mainly along the international transport corridors passing through Bulgaria. At present CT are carried out effectively along Corridor 7 (the Danube river) and the natural water section of Corridor 8 (the Black Sea). The Danube should be maximally used with transportation to and from Hungary, Austria and Germany. As for the Black Sea, it provides the connection with Russia, Georgia and Ukraine and from there with Armenia, Azerbaijan and other Asian countries.

3. It is necessary to develop accelerated CT along the railway transport corridors, including Ro-La transportation due to:

- availability of a good transit flow of vehicles carrying out freight traffic between the Western Europe and Turkey, the Near East and ex-Soviet republics and passing through Bulgaria;
- availability of well-developed intermodal technologies along the Danube and in the Black Sea. These technologies can be used to continue the exit

Bulgarian border stations by Ro-La transportation as well as to and from the neighboring countries.

The site for the development of the terminal is located along the main electrified railway line between Sofia and Plovdiv and equipped with complex system for automatic train control. There are a number of operation stations in the vicinity of the site, such as Iskar, Kazichene, Elin Pelin and the railway halt at Verila. A single electrified railway line branches off from Kazichene to Musachevo. The container block-trains would be accessed by the above mentioned main railway lines to the nearest station and then to the terminal by the relevant external railway connections. An reception and departure train area and a proper track required for the staging area would be constructed at the site.

Warehouse Development along Pan-European transport corridors 4 and 8

Case study examples of current warehouse centers near Pan-European transport corridor No.4 (Dresden - Praha - Bratislava - Gyor- Budapest – Arad - Kraiova - Vidin - Lom - Sofia -Thessaloniki/ Plovdiv - Istanbul.

-A warehouse center of the company "Vidasnab" EOOD has operated for 20 years in the western industrial district of the town of Vidin.

-Two powerful companies with unoccupied logistical capacities are situated in the eastern district of the town of Lom.

-A considerable amount of warehouse centers are located in the northwestern district of Sofia, most of them private property.

The real estate of the metal trading company "Metalsnab-Lom" S.C. occupies 77 000 sq.m. territory. The company has a covered warehouse corpus, comprising two store halls, each 120m long, 36m wide and 12m high. The halls are operated by two double-beam overhead cranes with housing capacity of 5 tons. There are six open-air store areas in the warehouse center, each with a double-beam overhead crane with hoisting capacity of 12,5 tons each and another - with capacity of 5 tons. Each of the six areas is 240m long, 24m wide, with lifting height of 9m.

"Balkancar-Dunav Lom" S.C. is one of the four main enterprises of the greatest producer of electric- and motor- forklift trucks in East Europe - "Balkancar" EOOD. This enterprise is located some 1000 meters from the port area of the town of Lom, the access being facilitated by railway line of its own. It has unoccupied logistical possibilities as follows:

- open-air warehouse - 140m long, 24m wide, with three bridge cranes, hoisting capacity - 12,5 and 8 tons, lifting height - 9m.

Proposals to the possible investors:

- the company "Balkancar-Dunav Lom" S.C. is under procedure of privatization so that the whole company or separate units of it are to be purchased;

- some store areas could be let for rent;

- establishing joint-ventures.

The port complex consists of the Port of Lorn (Danube-km 742-3, i.e. 200 stream-kilometers east of the iron gate locks) and the Port of Or-jahovo (Danube-km 678). Main commodities handled at the Port of Lorn are iron ore, coal, fertilizers and urea (in bulk), grain (bulk, direct handling from ship to wagon), cement (bags and big bags), machinery and project cargo, iron and steel (breakbulk), other general cargo and raw materials for car tire production (unloading in bulk, bagging in big bags within the port).

The Port of Lorn comprises 5 quays - 13 berths. Berths 1,2 and 3 are allocated at the Danube. Berths 4 to 9 are allocated at the west side of the

harbor basin. Furthermore, there are one berth at the south side (10) and three berths (Nos. 11,12 and 13) at the east side of the harbor basin. The total port area comprises 299,380 sq.m, incl. aquatory of 88,000 sq.m.

The port's main shore handling facilities consists of 26 cranes with lifting capacity of either 10/ 20 tons or 5/10 tons, a specialized bulk terminal at berths 11 and 12 (iron ore, coa;, etc) and sheds, warehouses (4800 sqm) and open-storage areas (36 000 sqm). The port also accommodates car and truck park areas and railway links between the port and its hinterlandare designed for the high transport volumes of recent years.