Make logistics a pillar of a global sustainable development strategy!

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Tags: logistics, development, MDG, trade, connectivity
Marco L. Sorgetti, Director General, FIATA (International Federation of Freight Forwarders Associations)

In the year 2000, the 189 member states of the United Nations set themselves eight priority objectives to be achieved by 2015. Known as the Millennium Development Goals (MDGs), they ranged from eradicating extreme poverty and achieving universal primary education to ensuring environmental stability and developing a global partnership for development.

The key to achieving many of these important goals is fostering prosperity on a global scale. In this respect, one could argue that the MDGs process was insufficiently focussed on key factors for economic development such as the ability to trade and exchange of goods. Enhancing economic prosperity is all about making it easier to trade and more specifically bringing goods to market.

Improved logistics connectivity and greater trade facilitation are, consequently, powerful tools to improve prosperity, i.e. to abate poverty and improve living standards worldwide in the next decade and beyond. Modern logistics has the power to release small and medium domestic industries from being restricted to supply their local markets and empower companies and countries to expand their markets, increasing their chances to grow and prosper. One needs only to examine previous researches and statistics from notable institutions and scholars (Ezeala-Harrison 1999, Tanner 2001, Zhu 2011) to shed light on the importance of logistics as a driver for economic growth.

As the international community is discussing the post-2015 development agenda, the logistics sector has worked through FIATA (International Federation of Freight Forwarders Associations) to highlight the benefits of logistics connectivity and the need for
logistics to be included as a priority in a future global development framework. Logistics and its impact on trade has often been viewed as a good policy implementation in favour of trade, however we have clearly encouraged states to recognise it is also a catalyst for sustainable growth, especially because improved logistics connectivity also contributes to containing transport related emissions.

Having worked with the World Bank on the Logistics Performance Index, FIATA has always been aware of the impact of logistics towards economic growth and therefore conveyed this message very early on in an open letter to the UN Commission on Sustainable Development whereby it advocated for more emphasis and focus to be placed on the concept of logistics connectivity.

Following our open letter, we produced a Position Paper shedding light on the importance of inclusivity of all stakeholders, especially in the logistics industry which encompasses a range of stakeholders, in preparation for the Secretary-General’s initial input to the OWG.

The 17 SDGs released by the UN in September 2014 were laudable in that they implicitly raised the issue of trade facilitation. This is a step forward, but the SDGs could improve their impact in multiple areas by making logistics connectivity a key objective. This would facilitate implementation of the SDGs and bring additional benefits in a number of collateral areas, such as health and environment.

FIATA believes that great strides can be taken in the discussion to enhance logistics connectivity. It is true that trade and transport are interconnected within all industries and beyond, but this is precisely one of the risks: forgetting their crucial importance for growth and prosperity because of their pervasiveness. FIATA members contributed in significant amounts to the fight against Ebola and what FIATA learnt in this delicate situation was the crucial importance of logistics connectivity even regarding healthcare, especially in extreme situations such as this one.

The challenge is to take grasp of this simple truth that countries’ prosperity and improved living standards for citizens, and even their health, depend significantly on the level of logistics connectivity and trade facilitation that each country can achieve.

FIATA is now pleased to see that the International Transport Forum has dedicated a main roundtable focused on Rail Connectivity and a side event titled "Logistics Connectivity: The key facilitator of global trade" focusing specifically on this concept. We are sure this will further enhance the attractiveness of the Forum and FIATA will do all that it can to maintain the importance of this topic on the agenda of the decision makers.

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