



The Rise of Multimodal Transportation



The future belongs to multimodal logistics. The most important element of logistics operations is continuous flow of operations in an optimal way. Be it air, ocean, rail or road, each mode offers its distinct benefit and has some constraints. A multimodal setup helps package the best of the modes resulting in a suitable end.

Increasing pressures of facilitating trade growth, ensuring customer delight and sustaining in the global market have put Logistics industry in a challenging position. Factors such as growing road congestion, escalating fuel prices and changing environmental conditions have led the industry to rethink their business models. Logistics players are seeking different business models to combat everyday challenges with minimal expenditure, optimal Logistics itinerary and time saving delivery of shipments.

The use of integrated multimodal transport is relatively an old phenomenon, tracing back its origin to the beginning of the late 18th century. The Birmingham & Derby Railway introduced an early form of multimodal transport with the transfer of containers between rail wagons and horse carriage in 1839. The concept of Containerization was introduced in the early 1900s, thus revolutionizing the primitive Logistics operations. Traders started using metal boxes of standard dimensions for movement of goods between road and rail. One of the most far reaching impact of this standardisation was the evolution of 'multimodal' transport.

Multimodal transportation – key to growth and competitiveness:

In the last few decades it has been observed that largest growth has been in road freight transport, which incidentally is the mode with the highest external costs. In the meantime, competing freight transport alternatives, e.g. rail, air, short sea shipping and inland navigation, have been largely underutilized. Shifting the balance between modes and supporting multimodality in freight transport is one of the main goals for countries across the world.

Although, remarkable growth rates have been experienced in the

recent past, the idea of multimodal transport is yet to achieve the decisive break-through in the transport market. For shippers and Logistics service providers, door-to-door transport flows are of overall importance. However, the supply side of multimodal transport services provide mostly isolated solutions: targeted technological developments fitted to single transport modes, isolated network systems that are not interoperable or transport mode specific business models. Trucks are generally used to cover short distances between the loading area and the transshipment point respectively between the place of arrival and the end receiver. Long-distance haulage is conducted by other means of transport such as train, ship or even plane.

The need for comprehensive logistics systems in the transport, communication and information sectors is felt more intensely owing to the continuous growth of the industry. For complex shipments, or a more thorough exploration of the quality/price ratio of each part of the transportation, multimodal transport is a good, often the only, option to consider, especially to/from countries that do not border on the sea.

One of the main characteristics of multimodal transportation is transshipment terminal, which allows efficient cargo handling between short-distance and long-distance traffic as well as application of standardized and reusable containers.



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Rewards and Challenges of Multimodal Transport :

Multimodal transportation enabled by combination of different types of transport leads to unrestricted geographical reach even to the remotest areas of delivery within stipulated time and reduced environmental footprints for transportation. (here the statistics can come). There are definitely multiple hazards involved in the implementation of multimodal transportation, foremost being the monopoly of the transport industry due to restraining of the competition. The finances and facilities to ensure different modes of transportation at the low cost with remitting profits leads to many layoffs. The combined methods of transportation can lead to increased complications and challenges of different systems altogether under one system.

Case-in-point:

Recently India has firmed up the contours of its ambitious multimodal programme to reduce Logistics costs and make the economy competitive. The strategy involves a reset of India's Logistics sector from a "point-to-point" model to a "hub-and-spoke" model and involves railways, highways, inland waterways and airports to put in place an effective transportation grid.

This includes setting up 35 multi-modal Logistics parks with an investment of INR 50,000 crore, development of 50 economic corridors and an investment template which involves roping in the states and the private sector for setting up special vehicles for implementation. To implement this, the government hosted a multimodal summit—India Integrated Transport and Logistics Summit—in May 2017, to pitch project opportunities to the investors.

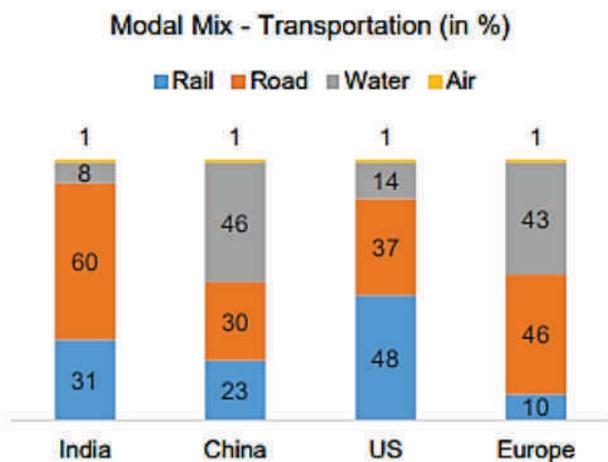
IATA forecasts that the value of international trade shipped by air in 2017 will be USD 5.5 trillion, representing less than 1% of world trade by volume, but over 35% by value. That is equivalent to USD18.6 billion worth of goods every day. Air Cargo is essential to many facets of modern life. Moving perishable goods would not be possible without air transport. The pharmaceutical industry relies on air transport for its speed and efficiency in transporting high-value, time and temperature sensitive Cargo, like vaccines. Carriage of live animals by air is considered the most humane and expedient method of transportation over long distances.

The global rail Logistics market is expected to grow at a CAGR of nearly 4% from 2017-2021. One of the key reasons for this growth is the increased efficiency of rail freight over truck freight considering hindrances like traffic congestion and fuel efficiency. Moreover, the growing reach of rail intermodals has contributed significantly to this growth. The global rail Logistics market is forecast to be valued at USD 210.13 billion by 2021.

Road Logistics comprise of about approximately 74 percent of the total freight transported worldwide. This sector will witness a significant increase in value creation, growing by 75% between 2016 and 2025.

There is no future for multimodal Transportation without technology. Chain connecting these modes is the effective door to door movement of goods under the responsibility of a single transport operator. There is no denying that multimodal transportation is here to stay.

Multimodal Transportation - World Perceptive



Experience a simplified multimodal transportation system

HELIOS is a comprehensive IT application that offers real time cost control, optimises Cargo movement and offers visibility to owners and value chain participants. It addresses specific challenges of multimodal transport systems like efficiency in delivery, adequate control on costs, and enables synergy of various modes of transport. HELIOS supports all types of business models like FTL, LTL, project cargo movement, trailer movements etc.



Longest Emirates Airbus A-380 touched down in New Zealand completing what is believed to be the world's longest nonstop scheduled commercial flight.