

Barometer of urban logistics in lockdown #3

April 10 – 17, 2020

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PARIS



Photo credit L. Dablanc

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- The **Logistics City** chair (<https://www.lvmt.fr/en/chaire/logistics-city/>) of the University Gustave Eiffel has launched, with the support of the City of Paris, an initiative to increase knowledge and awareness of the situation of the urban logistics sector in times of lockdown
- A panel of companies and platforms operating in Paris and the Île-de-France region was selected to be interviewed daily through a short and anonymous survey
- A second survey, conducted on a weekly basis, polls professional transport organisations
- This note summarises the results of the second week of surveys (daily survey among companies and platforms April 10 – 16, 2020, weekly poll among organisations April 17, 2020)

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Overview and background information

A number of lessons can be drawn from these seven days of polling, from April 10 to 17, 2020

- For a number of companies, **business volumes are increasing** in Paris and Île-de-France, however a quarter of the panel continues to experience "much less" activity and no increase compared to previous weeks
- Meal deliveries increased during Easter and with the opening of some fast food chains but remain 30 to 40% lower than before the lockdown
- The **supply of sanitary equipment** remains a concern, especially **masks**, but the situation is very **contrasted**: on the one hand the companies which have much less difficulty in obtaining/supplying sanitary equipment (contrary to last week), on the other hand those which still have some
- Trend over the seven days: **significantly fewer companies with recruitment difficulties**; difficulties continue to be more on the side of digital platforms (gig workers) and large groups (employees, temporary workers)
- **Traffic conditions** are still very good, improvement of the situation with regard to fines judged abusive - however, reports of **assaults** in Paris; and some recipients who want to be **delivered indoors or upstairs**, despite new delivery protocols
- **Cash flow problems** are beginning to take hold among transport companies, some of which are having to manage downward rate renegotiations
- Begin to prepare for the **post-May 11th situation** (the survey will now incorporate this question)
- **Solidarity initiatives** with the health community are continuing: "innovative initiatives that could potentially create new commercial offers, but are initially costly"

(...)

Some elements about the regional and national context:

- Second FNTR survey (published on 15 April 2020): 84% of goods transport companies (excluding food and animals) in France are at a standstill (down from 29% to 27%) or partially at a standstill; car transport (92%), moving (75%) and construction sites have fallen the most; **52% of trucks are at a standstill**, compared with 59% a fortnight ago
- Ordonnance of 15 April 2020, which relaxed the one of 25 March on the time limits for processing building permits, and the publication of the guide to good practice for the partial resumption of activity on building sites have made it possible to resume a certain number of building sites: **construction and public works traffic is slowly resuming**
- The Minister of Transport, speaking before the Sustainable Development Commission on 10 April, referred to "the relocation of part of the supply chain" and indicated that the crisis could be a "**catalyst for the decarbonation of the transport sector**" (Stratégies Logistique)
- Following the decision of the judicial court of Nanterre on 14 April, **Amazon has closed its warehouses in France** (but not its parcel distribution centres) and responds to orders from foreign warehouses
- Road fatalities fell by 40% overall (week from 30 March to 5 April), but those of **professional drivers of heavy goods vehicles and light commercial vehicles remained stable** (Agency for Road Safety)
- **Rungis wholesale market** has opened a home delivery service online (<https://www.rungislivrechezvous.fr/>)
- According to the Chamber of Commerce and Industry of the Paris and Île-de-France region, 27% of companies that continue to work have **supply problems** (survey 3 April 2020)
- **Bicycle traffic in Paris** decreased from 913,000 to 140,000 between the beginning and the end of March (Paris data department, City of Paris data) and debates on the place of the bicycle after the lockdown are developing
- "We have to relocate part of the food production" (Célia Blauel, environment deputy mayor for Paris).
- There are about thirty urban farms in Paris (400 in France), but production costs per unit are much higher than in a greenhouse in the countryside (Les Echos, 11 April 2020).

Urban logistics in New York City: discussion on April 14 with Alison Conway, researcher and Manhattan resident

- Demand for consumer goods has fallen structurally: as in Paris, many New Yorkers, and especially Manhattanites, have left the city and tourists are not around
- There is a lack of data, but the **number of parcels** ordered online overall seem to be declining
- Delivery times are much slower but very variable (sometimes very short)
- At the same time, it is **difficult to reserve delivery slots for food products**. Amazon is putting new customers on a waiting list. Some grocery items missing online. FreshDirect has stopped taking back containers from home deliveries
- New home delivery services: for example, **almost all pharmacies now deliver** and the city hires **taxi/Uber drivers to deliver food** - but converting commercial supply chains to residential supply chains poses many problems
- Some New York restaurants continue to deliver, but **many are closed**
- **Regulations on delivery times and noise** have been relaxed/removed in some cities. Restaurants in some cities can deliver normally prohibited products (alcohol)
- The governor of the State of New York has asked the City of New York to **convert streets into pedestrian-only areas** to relieve crowded parks, but the municipality has made a minimal plan.

Meal and grocery deliveries in Chinese cities: the services of digital delivery platforms such as Meituan and Ele.me exploded during the lockdown and have remained very high ever since, Meituan employs nearly one million self-delivery contractors per day (The Economist, 4 April 2020)

Many cities around the world are reorganising and developing **bicycle paths during the health crisis:**

<https://www.theguardian.com/world/2020/apr/11/world-cities-turn-their-streets-over-to-walkers-and-cyclists>

Change in delivery volumes in the Ile-de-France region

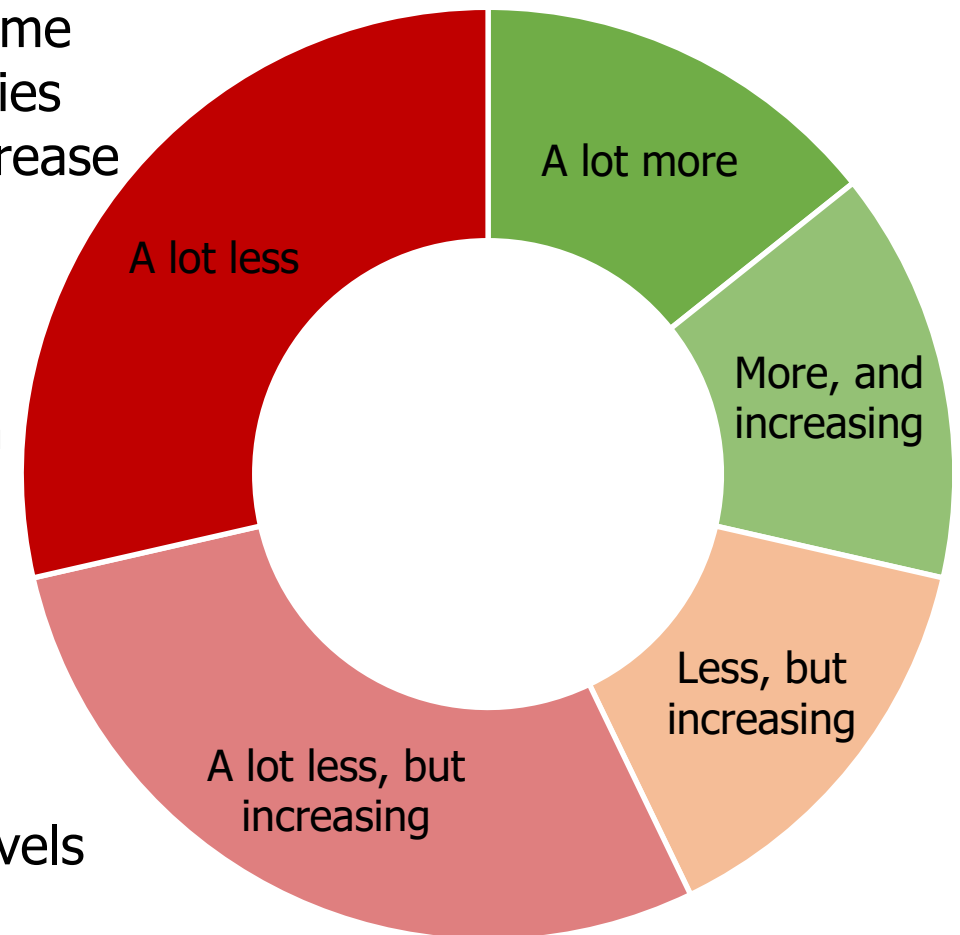
- **Business volumes are increasing:** “in parcel transport, we are at -39% and no longer at -62%”, the volume of some customers is increasing, however a quarter of companies continue to experience “much less” activity and no increase compared to previous weeks
- Meal deliveries increased during **public holidays** (Easter) and with the opening of some chains (KFC) but remain 30 to 40% lower than before the lockdown



E-commerce (compensating for certain companies)
Grocery

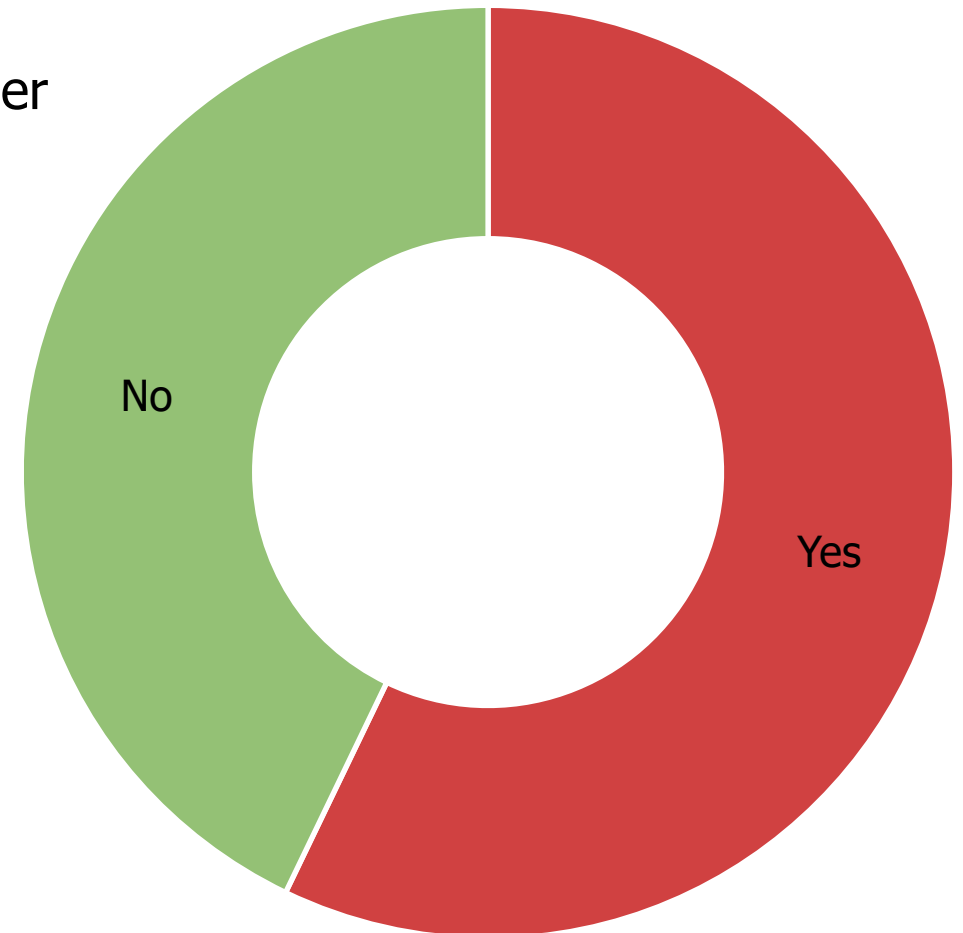


Non-food stores but also some B2C sites
Cafés, hotels
Restaurants: B2B supplies but also persistently low levels for meal deliveries



Difficulties in obtaining/providing sanitary equipment

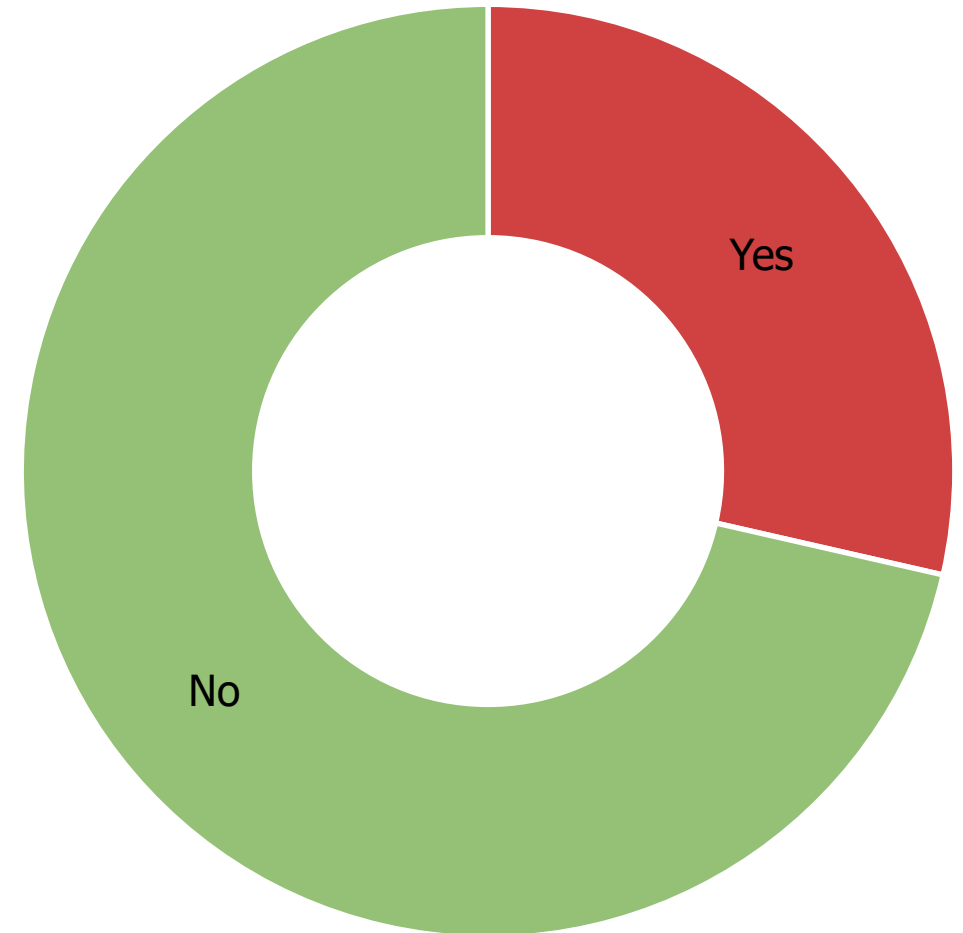
- **Contrasting situation:** on the one hand, companies that have much less difficulty in obtaining/providing sanitary equipment (contrary to last week), on the other hand, those that still have difficulties in obtaining/supplying sanitary equipment
- Questions about the **type of masks:** “which masks would be best?”



Regarding “yes”:
still masks!

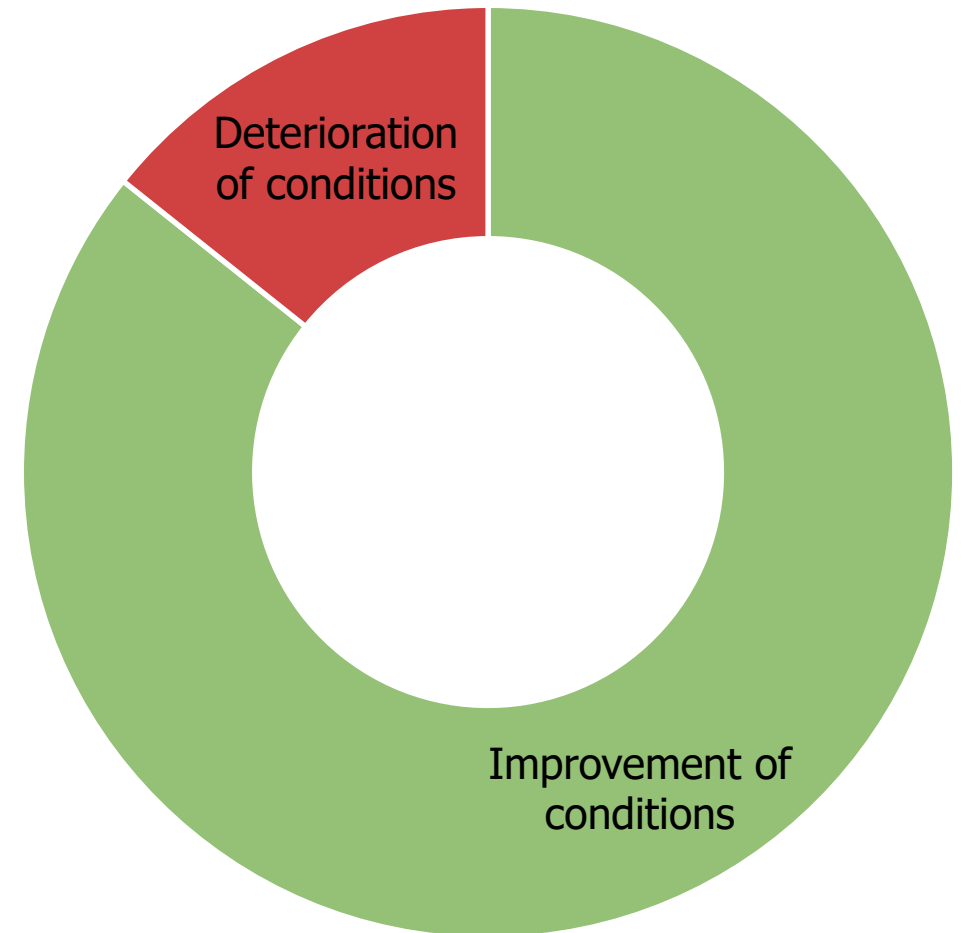
Difficulties in managing/recruiting enough staff

- Change over the seven days: **significantly fewer companies with recruitment difficulties**
- Difficulties continue to remain more on the side of digital platforms (gig workers) and large groups (employees, temporary workers)
- A challenge and initiatives :
 - Still problems expressed about **absenteeism**
 - Due to the drop in volumes, **work is shared** among subcontractors: “they turn every other day so that the work is distributed fairly among them”



Difficulties with traffic, parking, access or traffic regulations

- Evolution over the seven days: still “super smooth” circulation
- Improvement of the situation with regard to enforcement and fines, “everything goes well with the police”
- However, there are reports of **assaults** in Paris, in neighbourhoods that are generally unproblematic
- Recipient access: identification of pharmacies and private consumers who want to be **delivered inside or upstairs**, despite the new delivery protocol on the doorstep and at street level of buildings



Challenges, solutions, innovations (open question)



New activities or ways of working, new challenges

- **Cash flow problems** are beginning to set in, also problems with maintaining operations and maintaining service quality
- Continuation of monitoring new opportunities and changes in the **type of recipients** during the lockdown period: more deliveries to individuals (e-commerce), mass retail, hospitals and pharmacies
- Begin to prepare for the **post-May 11th situation** (gradual reopening of businesses)
- Solidarity initiatives with the health community are continuing: “innovative initiatives that potentially create new commercial offers, but which are costly”
- And always: to promote the importance and strategic nature of the sector in the eyes of the public, public officials, the media, and so on

Feedback from the transport and logistics trade groups



- On activity levels: still large differences between the members of the different organisations, however the decline in volumes is less pronounced than at the beginning of the lockdown period
- Confirmations:
 - No staff shortage problem
 - Still difficulties in obtaining/providing sanitary equipment: “supply of masks and protection of employees”
- Problems identified over the seven days:
 - “Problems with cash flow”
 - “Renegotiating lower rates”

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