

Barometer of urban logistics in lockdown #6

May 1st – 8, 2020

Chaire
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- The **Logistics City** chair (<https://www.lvmt.fr/en/chaieres/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 Ile-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
- Following the gradual lockdown phase-out announced in France for May 11th, a seventh question was added to both polls
- This note summarises the results of the **sixth and last week** of surveys (daily survey among companies and platforms May 1 – 7, 2020, weekly poll among organisations May 8, 2020)

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Survey synthesis and background information

A number of lessons can be drawn from these seven days of polling (and the last in this form), from May 1st to 8, 2020

- On May 8, the majority of companies were still facing a **reduction in their activities** ("20% fewer deliveries than on a comparable day in 2019"), with a large majority of their customers still closed
- However, there was already a **clear upturn** in certain activities, such as **meal deliveries**, with the increasing opening of take-out services in restaurants
- The majority of companies are expecting changes from 11 May: "We hope for a gradual resumption of delivery flows even if it is still very uncertain, especially for retail"
- Some companies no longer expect significant changes, probably because activities are already resuming
- A small proportion of companies are still experiencing recruitment problems: gig workers for instant deliveries on the one hand, employees and temp workers on the other
- Activity recovery plans are communicated and in the process of being put in place
- Fear of downward pressure on **transport prices** due to the risk of overcapacity in transport supply, if the recovery is, as seems to be emerging, slow and gradual
- A very changing **regulatory framework** still today with the **national lockdown phase-out protocol**
- Questions about the impact of **street management and developments** that will be set up by the City of Paris for the upcoming months, such as more pedestrian areas around major hubs (train stations, retail centres) and bicycle lanes

Elements of national and international context

- Documents available on **international supply chains and Covid**: TRB (<http://onlinepubs.trb.org/onlinepubs/webinars/200408.pdf>) and OCDE (https://read.oecd-ilibrary.org/view/?ref=128_128542-3ijg8kfswh&title=COVID-19-and-international-trade-issues-and-actions)
- An article published in Nature - Sustainability (<https://www.nature.com/articles/s41893-020-0488-7>) shows that the **carbon footprint of electric vehicles** is in almost all cases more favourable than that of internal combustion vehicles
- Interesting comments on **electric delivery vehicles, the strategy of groups** such as Amazon (Rivian) and UPS (Arrival) and the weak involvement of traditional vehicle manufacturers, with E. Morganti, Leeds University: <https://www.euronews.com/living/2020/05/05/musk-and-bezos-feud-goes-electric-with-amazon-s-answer-to-tesla>
- McKinsey survey 16-19 April 2020 in 6 countries in Europe: of all shops (physical or online), **large malls** are the places where consumers will avoid the most in their post-lockdown purchasing behaviour: <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/a-global-view-of-how-consumer-behavior-is-changing-amid-covid-19>
- Uber: worldwide sales in the first quarter of 2020 are up 14% year-on-year, mainly "thanks to an **increase in meal orders**" (Les Echos, 8 May). Uber Eats (30% of Uber's business in 2019) increased by 89% in April (excluding India). However, the delivery activity remains strongly loss-making
- A Los Angeles Times article on the concrete and detailed adaptation of the food supply chain in California during lockdown: <https://www.latimes.com/california/story/2020-05-05/coronavirus-food-supply-chain-makers-distributors-retailers>
- Many **airlines** have increased their freight operations to compensate for the loss of passenger traffic by converting all or part of their cabin space to freight (Freightwaves, 5 May)

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

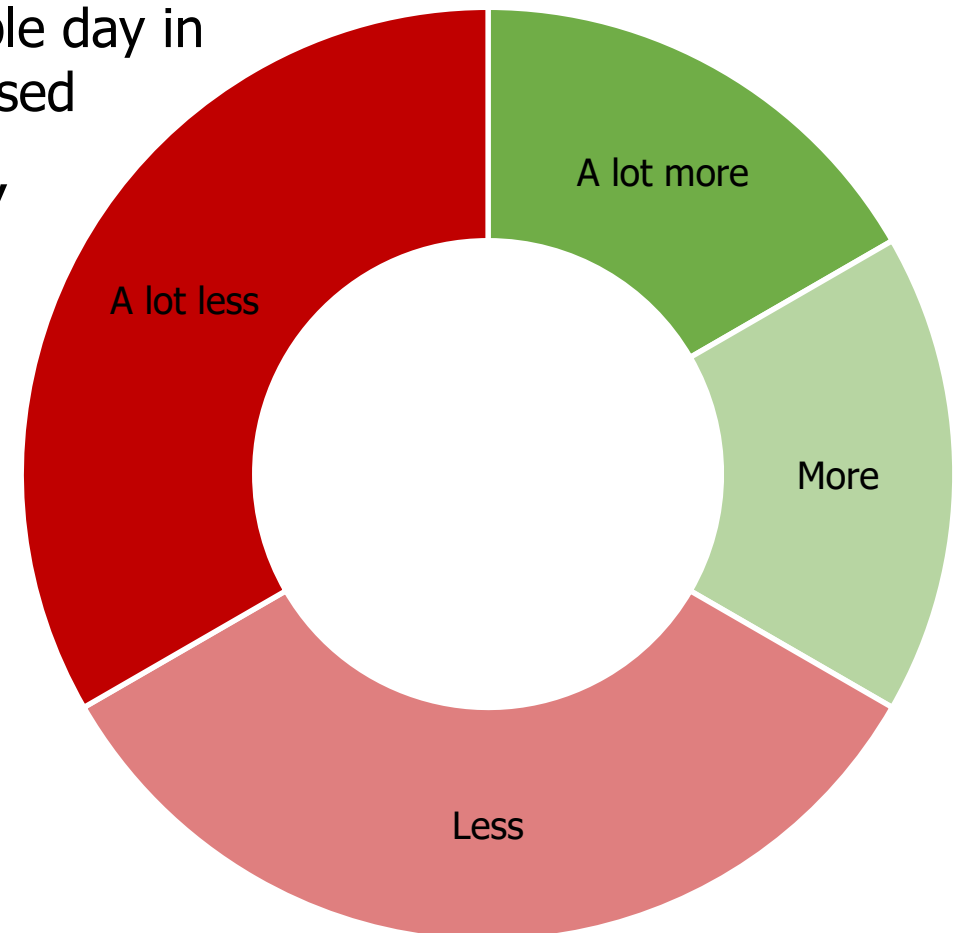
- The majority of companies are still facing a **reduction in their activities** ("20% fewer deliveries than on a comparable day in 2019"), a large majority of their customers are still closed
- However, there was a recovery for a third of the panel, and a **net recovery** in certain activities such as **meal deliveries**, due to the opening of restaurants (takeaway) and public holidays



"Pushes of B2C parcel flows"
Food, meals

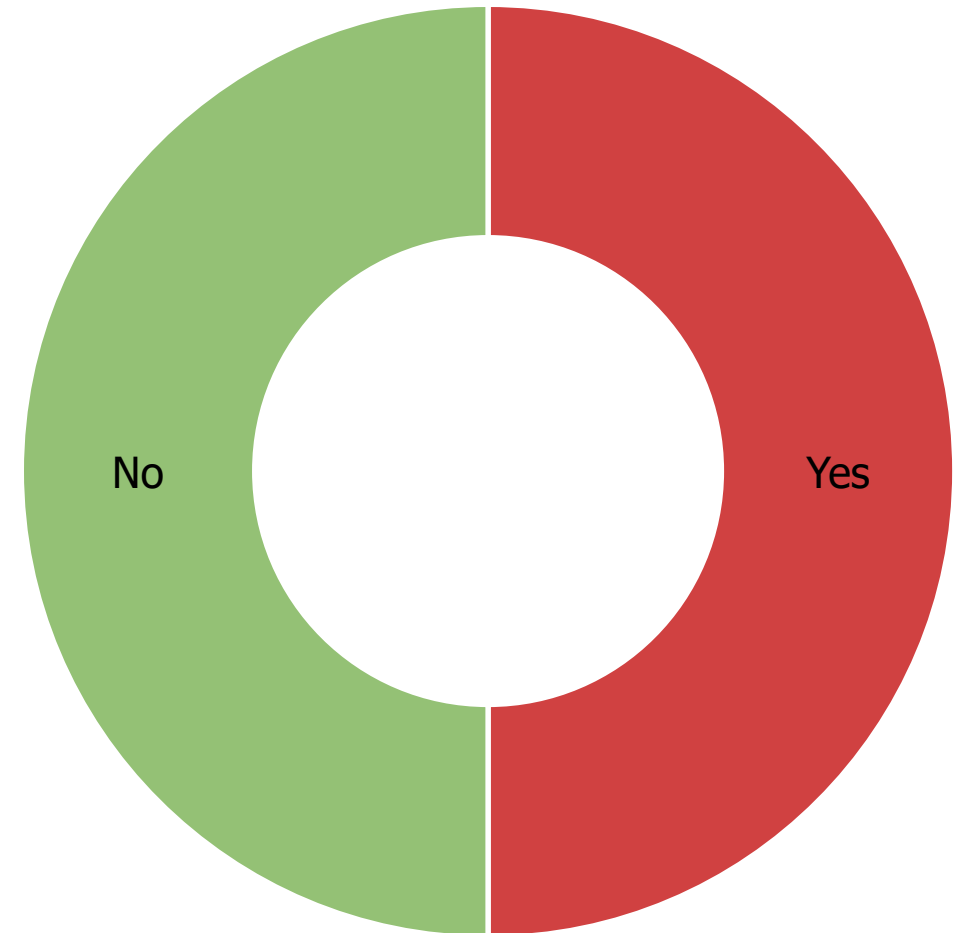


B2C sectors: medical, retail, cafeteria
Closing of B2B customer receivers:
local shops, services and maintenance,
administration



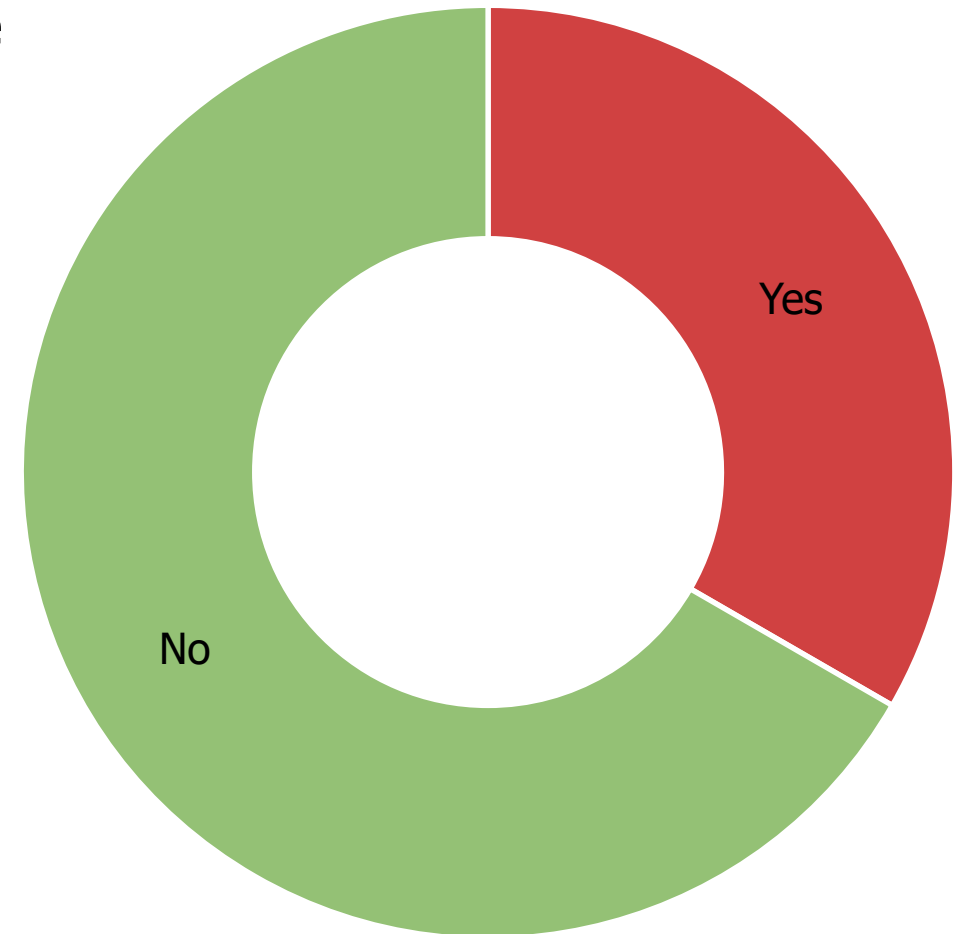
Difficulties in obtaining/providing sanitary equipment

- Companies are coping with the shortage of sanitary equipment but have difficulty **anticipating next week's needs** and obtaining the necessary masks, gel, cleaning wipes, sprays and protective windows
- Post-May 11th preparation increases the need to **develop protective gestures and skills**



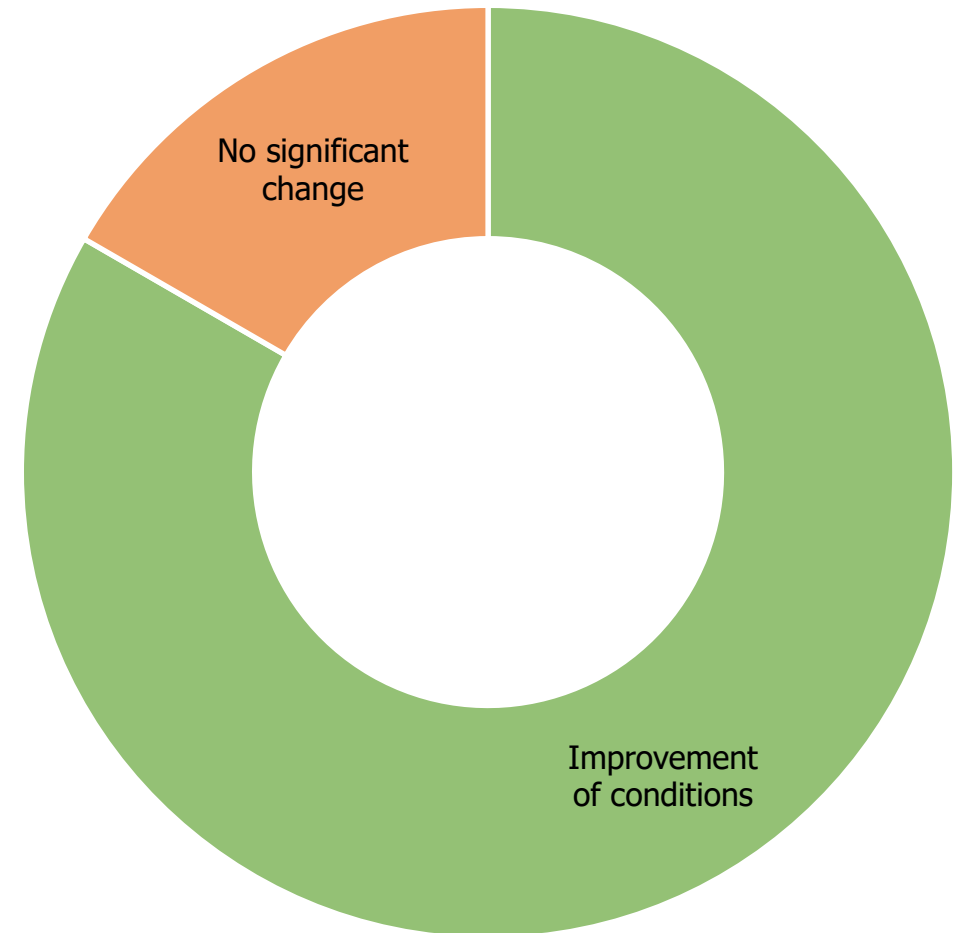
Difficulties in managing/recruiting staff

- A **small proportion** of companies are still experiencing recruitment problems: gig delivery workers on the one hand, employees and temporary workers on the other hand
- Still problems with absenteeism



Difficulties with traffic, parking, access or traffic regulations

- Evolution over the seven days: slight increase in traffic, still fluid but less than before
- Anticipation of a risk of a **sharp deterioration in traffic** after May 11th



Anticipation of post-May 11th (progressive lockdown phase-out)

- The majority of companies are expecting changes from May 11th onwards: "We are hoping for a gradual resumption of flows even if this is still very uncertain, especially for retail"
- Activity recovery plans communicated and in the process of being put in place
- **Some no longer expect significant changes**, probably because activities are already resuming
- Anticipation of tensions on operational means and barrier gestures, a generalised and therefore more massive prevention approach on increasing flows



New activities or ways of working, new challenges

- A very changing **regulatory framework** with the national lockdown phase-out protocol
- Launch and implementation of **activity recovery plans**
- And always: to promote the importance and strategic nature of the sector in the eyes of the the public, public officials, the media

Feedback from the transport and logistics trade groups



- Still very large differences between their members according to sectors: "decrease in volumes" but also an increase in volumes for some companies and on particular segments
- Some changes are expected after May 11th among their members, mainly at the **level of the organisation**: "barrier gestures", "protective equipment", etc.
- Questions about the impact of **street management and developments** that will be set up by the City of Paris for the upcoming months, such as more pedestrian areas around major hubs (train stations, retail centres) and bicycle lanes
- Fear of **downward pressure on transport prices** due to the risk of overcapacity in the transport supply, if the recovery is, as it seems to be taking shape, slow and gradual

Find this barometer and consult the barometers of the previous five weeks on:

<https://www.lvmt.fr/en/chaire/logistics-city/>

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