Introduction of Japan’s activity in promotion of Green Freight and Logistics in ASEAN
ASEAN-Japan Transport Partnership (AJTP)

**Introduction**
The Japan-ASEAN Comprehensive Economic Partnership was endorsed in 2002
- Broad-ranged economic partnership of ASEAN and Japan being considered
  - **Objective:** “to deepen the A-J partnership”, improved competitiveness for both A-J”

**Objectives**
To further enhance the cooperation relations, taking into account as follows.
①Regional economic integration ②Global and regional environmental issues ③Transport security ④Transport safety improvement

**The Pakse Action Plan under AJTP**
- ASEAN and Japan conducted a review of the “Manila Action Plan” and confirmed the new policy framework of AJTP from 2014 to 2023. It was endorsed in 11th ATM+J at Pakse (Dec. 2013).
- The projects under the Pakse Action Plan should be implemented under the 4 policy pillars, as follows:

**Steps towards ATM + J meeting**
- STOM, Each WG (Land, Maritime, Air, Transport Facilitation) At ASEAN regions
- **ASEAN-Japan STOM Leaders Conference**
  - Recent conference:
    - 13th: Kagoshima
    - 14th: Akita (2016)
- Each WG (Land, Maritime, Air, Transport Facilitation) At ASEAN regions
- **Senior Transport Officers Meeting + Japan (STOM + J)**
- **ATM + J meeting**
  - 1st: Myanmar
  - 2nd: Cambodia
  - 3rd: Lao PDR
  - 4th: Thailand
  - 5th: Singapore
  - 6th: The Philippines
  - 7th: Viet Nam
  - 8th: Brunei
  - 9th: Cambodia
  - 10th: Indonesia
  - 11th: Lao PDR
  - 12th: Myanmar
  - 13th: Malaysia
There are 22 projects in the ASEAN-Japan Transport Partnership (AJTP) Work Plan for 2015-2016. Of them, “Expert Group Meeting” within “Logistics Project” is our main activity for Green Logistics promotion in ASEAN.

**Transport Facilitation**

- **Logistics Project**
  - Expert Group Meeting
    - Logistics Policy Dialogue
    - Palletteization promotion
    - Logistics HRD project
  - New Air Navigation System
  - Automobile Standard
  - Urban Public Transport
  - Road Technology Exchange
  - Joint research on Road Technologies

**Quality & Sustainable Transport**

- Safe and Efficient Transport
- Port Technology Joint Research
- Seafarers Policy
- Maritime Security
- Aviation Security
- Railways Revival Plan
- Mega-Float Promotion
- Airport Study (Eco-airport)
- New Action Plan on Environment Improvement
- Intelligent Transport System
- Maritime Safety

**Transport Infrastructure**

- Port Development Research
- Cruise Promotion
- Public Private Partnership

**HRD**

- Transport Officials Training
- Information Platform
1. History and Background

<Origin of Green Logistics concept>

- Incorporation to Brunei Action Plan (ASEAN Strategic Transport Plan 2011-2015)

**Brunei Action Plan TFA-12:**
Develop green logistics through increase in Logistics management efficiently and utilization of environmental-friendly transport modes, fuel, fleets, and supporting logistics facilities

Japan has been requested from AMS to cooperate towards its development
1. History and Background

<Japanese cooperation up to 2015>

- Utilized Experts Meeting scheme (AJ-EGML)
- Supported the creation & inclusion of Green Logistics Vision and Action Plan to KLTSP

[ Detailed activity at each meeting ]

Apr. 2013 25th TFWG:
Announced to support Green Logistics in ASEAN

Mar. 2014 9th Experts Meeting on Logistics:
- Shared Japan’s Green Logistics Measures
- Proposed to set Green Logistics Vision and Action Plans beyond 2015

Mar. 2015 10th Experts Meeting on Logistics:
- Discussed and Finalized Green Logistics Vision and Action Plans

Submitted to and accepted for inclusion to KLTSP at ASEAN transport minister’s meeting in Nov 2015
<Green Logistics Vision>

Develop a Common Green Logistics Framework with Doable and Attainable Measures that would Enhance the Implementation of Green Logistics Policies within ASEAN Member States
1) Develop and Implement Green Logistics Measures that would encourage the private sectors and individual consumers to promote Green Logistics

[ Detailed activity program ]
- Establishment of Green Logistics Partnership Conf. to enforce cooperation between / amongst shippers and / or logistics operators.

[ Schedule / target for completion ]
- Start activity from 2016 and continue thereafter
The Green Logistics Partnership intends to create cooperation between / amongst shippers and logistics operators in order to share wisdom with each other, striving towards the creation and improvement of an environmental-friendly logistics system.

The partnership conference was jointly established by the Ministry of Economy, Trade and Industry (METI), the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), and private sector, in April 2005, to cope with environmental issues in Japan’s logistics. The partnership conference intends to encourage each company's voluntary efforts and wide use of green logistics by providing subsidies and giving awards for the remarkable achievements against global warming in logistics.

Green Logistics Partnership Conference

Secretariat: Ministry of Economy, Trade and Industry (METI), Ministry of Land, Infrastructure, Transport and Tourism (MLIT), Japan Institute of Logistics System (JILS), Japan Federation of Freight Industries (JFFI)

Shipper companies

Logistics operators

Member companies and organizations
About 3,300 members*

Collaboration

Other companies and local governments
Think tanks and academic experts, etc.

* As of January 2015
In 2005, upon the establishment of the Green Logistics Partnership Conference, the following three working groups consisting of governments, shipper companies, logistics operators, and academic experts, were created to conduct the following duties.

**Green Logistics Partnership Conference**

- **Ministry of Economy, Trade and Industry (METI)**
- **Ministry of Land, Infrastructure, Transport and Tourism (MLIT)**
- **Japan Institute of Logistics System (JILS)**
- **Japan Federation of Freight Industries (JFFI)**

- **Shipper companies, distribution companies, industry groups**, logistics operators, trade associations
- **Audit cooperations, think tanks, research institutes, researchers, regional office of the national government, local governments, and others**

**CO2 Emissions Calculation WG**
- Development of the calculation method
- Development and standardization of the unified calculation method to cover various efforts of operators

**Business Promotion WG**
- Selection of good practices
- Development and standardization of the unified calculation method to cover various efforts

**Policy Planning WG**
- Planning and operation of the conference
- Study of the conference program and coordination and preparation for the conference

**Program schedule**
- **[Opening]**
- **[Excellent operators commendation]**
- **Minister of Economy, Trade and Industry Award**
- **Minister of Land, Infrastructure, Transport and Tourism Award**
- **Ministry of Economy, Trade and Industry, Director-General for Commerce Distribution and Industrial Safety Policy Award**
- **Ministry of Land, Infrastructure, Transport and Tourism, Deputy Vice Minister for Logistics Award**
- **[Closing]**

Source: Calculation guidelines for CO2 emissions from logistics

*The subsidy ended in FY2011 and the award’s are only given today.*

**Project outline**
Before, Nestlé Japan shipped goods from three domestic factories to customers by truck. By replacing truck with railway and ships, substantial CO2 reduction was made.

**Business operators**
- Oji Transportation Co., Ltd.
- Zenkoku Tsuun Co., Ltd.
- Japan Freight Railway Company (JR Freight)
- Nestlé Japan Ltd.

**Significance in this effort**
- A modal shift using both railway and ships is achieved, by cooperating with delivery destination customers and early determination of quantity.
- Together with modal shift, the reduction of the number of vehicles is done by directly delivering the product from the factory to consignees.

**Before implementation**
1. The delivery was arranged from Nestlé Japan's factory to replenish stock at 13 warehouses all over Japan.
2. The delivery was arranged from Nestlé Japan's warehouse to destination customers for the quantity just ordered.

**After implementation**
1. In the negotiation between Nestlé Japan and its delivery destination customers, the order quantity is confirmed in advance.
2. Based on the quantity confirmed in the negotiation, the vehicles departing from the factory are arranged.
3. According to each delivery date, the direct delivery is conducted. With the above arrangement, in addition to the modal shift being achieved, the number of vehicles used for delivery is reduced.

**Reduction in volume of CO2 emissions:** 1,208.4 tons
**Reduction in percentage of CO2 emissions:** 86.5%

<table>
<thead>
<tr>
<th>Before implementation</th>
<th>After implementation</th>
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<tbody>
<tr>
<td>Nestlé Japan's 3 factories</td>
<td>Nestlé Japan's 3 factories</td>
</tr>
<tr>
<td>Nestlé Japan's 13 commercial warehouses</td>
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<tr>
<td>Delivery destination and customer</td>
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2. Content of the Vision and Action Plan

<GREEN LOGISTICS ACTION PLAN -2>

2) Share and Create the best practices summary report on Green Logistics of ASEAN Member States

[ Detailed activity program (example introduced at 2015 AJ-EGML) ]

- Green Partnership Best Practice which summarize best practice from Green Logistics Partnership Conference and modal shift subsidy system.

[ Schedule / target for completion ]
- Start activity from 2016, complete by 2020
2. Content of the Vision and Action Plan

3) Create a Checklist Guide on Green Logistics providing the guidance and instruction toward the private sector’s activities and operations to promote Green Logistics

[ Detailed activity program (example introduced at 2015 AJ-EGML) ]

- Checklist developed by Japan Institute of Logistics System (JILS) was presented as output image

[ Schedule / target for completion ]

- Start activity from 2016, complete by 2018
3. Working towards implementation

< Framework and next step >

[action from AMS]
Leadership by Malaysia as “Lead state”

[action from Japan]
Continued support for implementation
- AJTP
- AJ-EGML

Together with the Malaysia as “Lead state”, Japan will continue its support towards implementing the action plan through AJ-EGML, etc

Details towards implementation shall be discussed during the next AJ-EGML
3. Working towards implementation

< Details of next AJ-EGML (tentative)>

- Timing: mid~late February 2017
- Place: Tokyo, Japan
- Invited attendees: government member of AMS, international organization, private sector, NGO, NPO, etc.
- Topic for discussion: details on implementation of each Green Logistics Action Plan (roadmap, milestone, to-dos, etc.), cooperation and collaboration amongst stakeholders, etc.
Thank you for your attention!