

# Logistics as a Lever for Growth

Logistics partnership  
and national strategy:  
A 360° approach

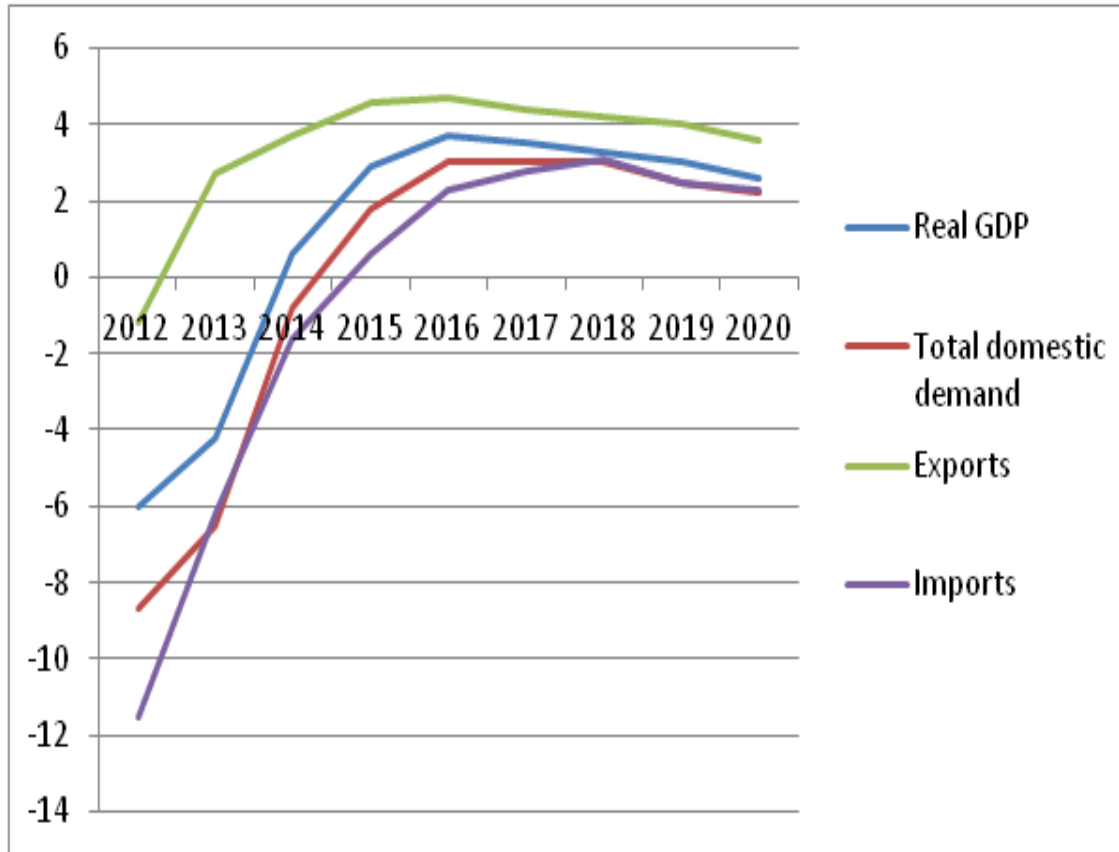
Ο πρωταγωνιστικός ρόλος  
των logistics στη σύναψη  
στρατηγικών συμμαχιών  
στην οικονομία και  
στην επιχειρηματικότητα

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World Bank

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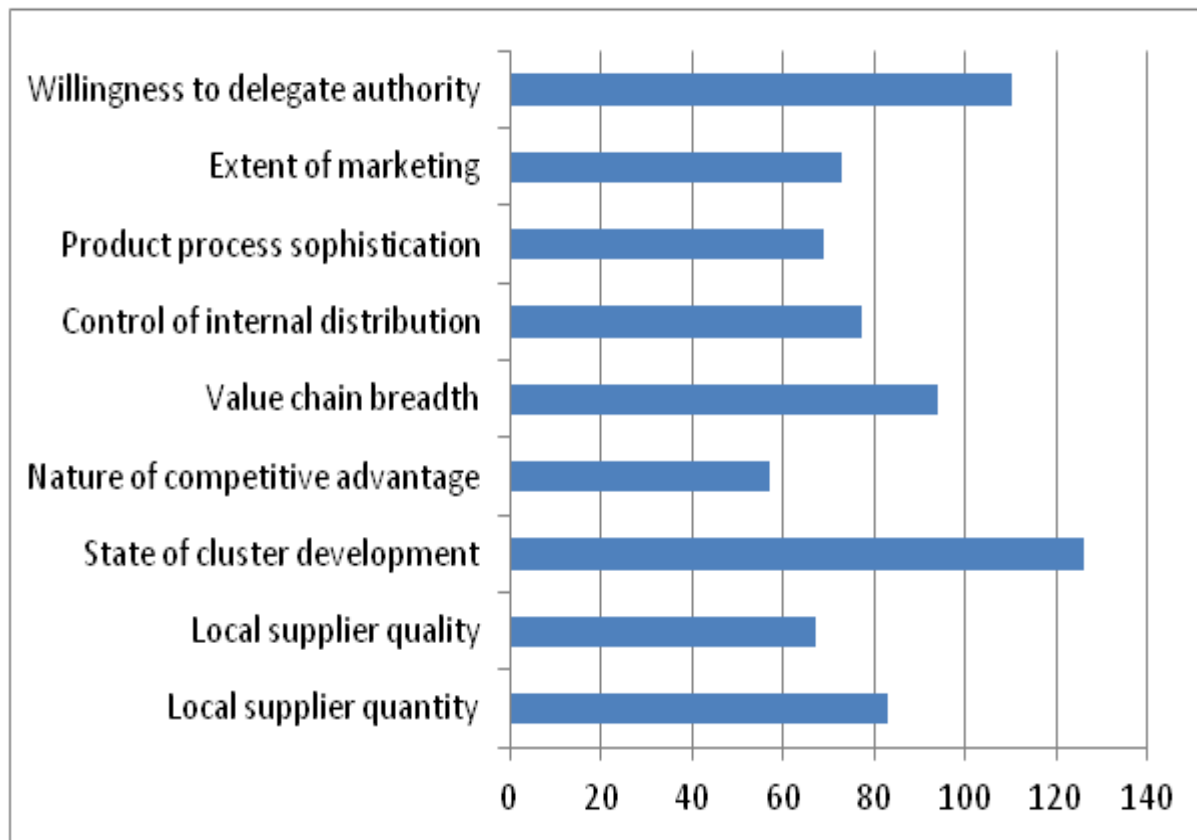


## Exports will drive growth in Greece in the near future



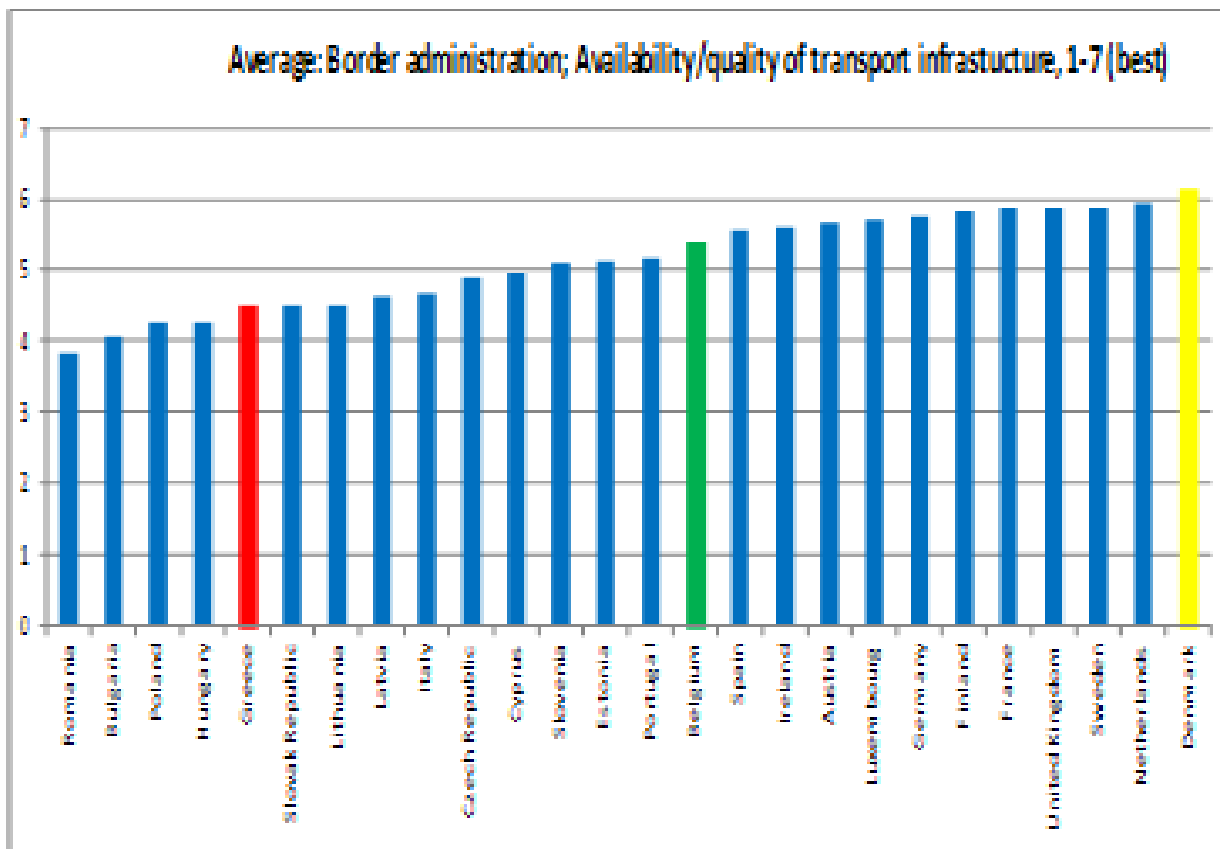
Source: IMF (2013)

## Greece ranks poorly on clustering and value chain (rank among 144 countries)



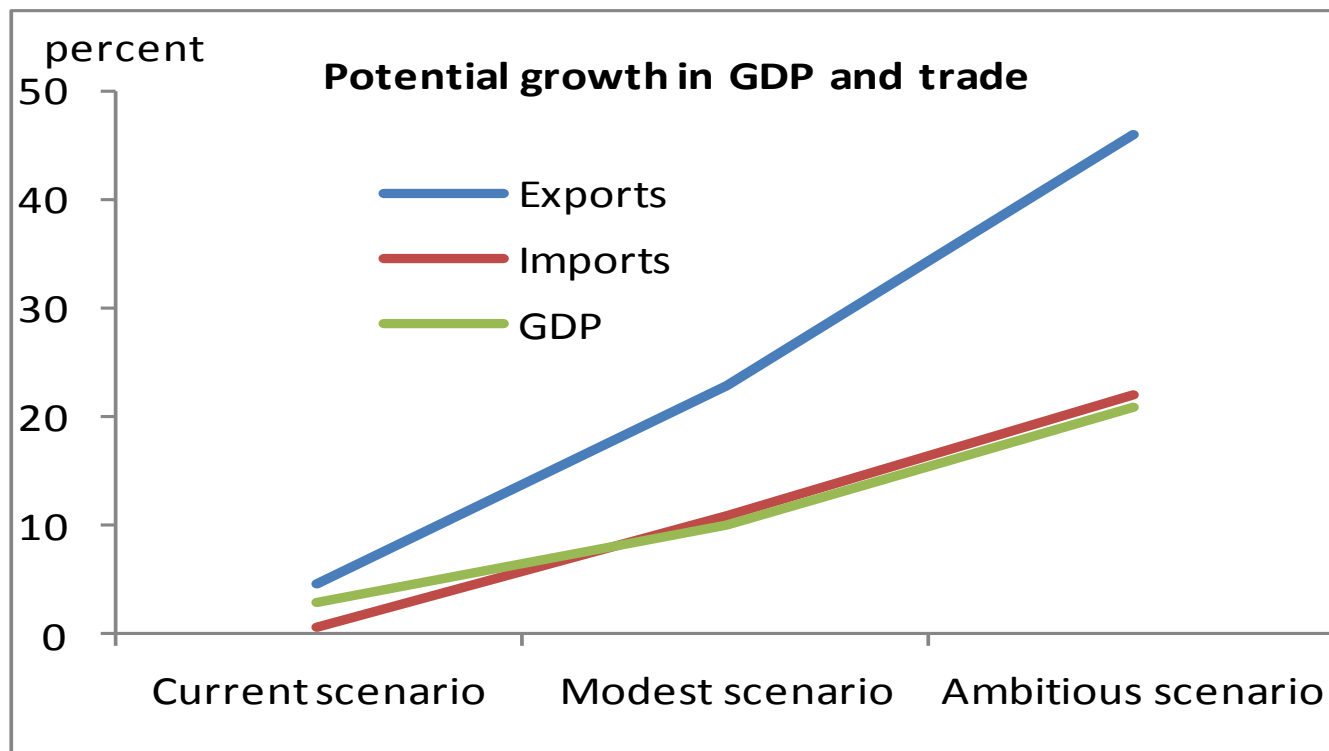
Source: Global Competitiveness Report 2012-2013

## Greece ranks low in border administration and transport infrastructure



Source: Global Competitiveness Report 2012-2013

## Trade and GDP can increase drastically with improvements in transport infrastructure and border administration



Note: Potential growth in GDP and trade if border administration and transport infrastructure in Greece moves to Belgium level (modest scenario) or Denmark level (ambitious scenario).

Source: Courtesy of Marinós Tsigas, USITC

## A bigger potential ahead



Note: container volumes of Piraeus still small compared to Greece's neighbors (largest European container ports in 2011 by TEU volume)

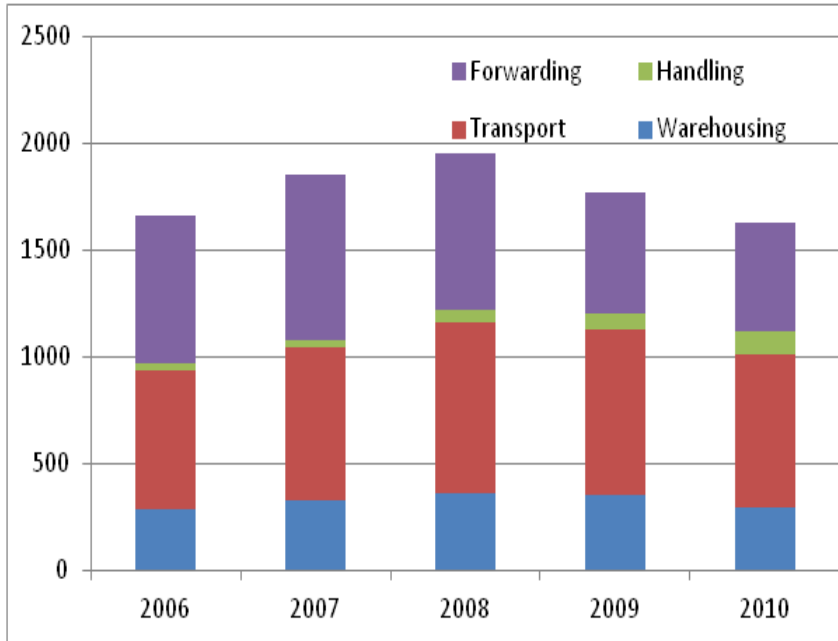
Source: Eurostat, Colliers 2012.

## Greece's comparative advantage lies in delivering quality services

- The country cannot compete with the cost-advantageous emerging countries or with the technological juggernauts of Central and Northern Europe.
- Priority should be given to reforms that push operators to apply best practices and deliver superior services.
- Not a single silver bullet reform, but a continued and coordinated effort to address the many distortions that combine to create great uncertainty, raise information and operational costs and deter investors.
- Realistic reforms fall in two categories:
  1. Reforms to transformational sectors: the big wins.
  2. Smaller micro-initiatives to boost viability of existing business and encourage competition and efficiency gains

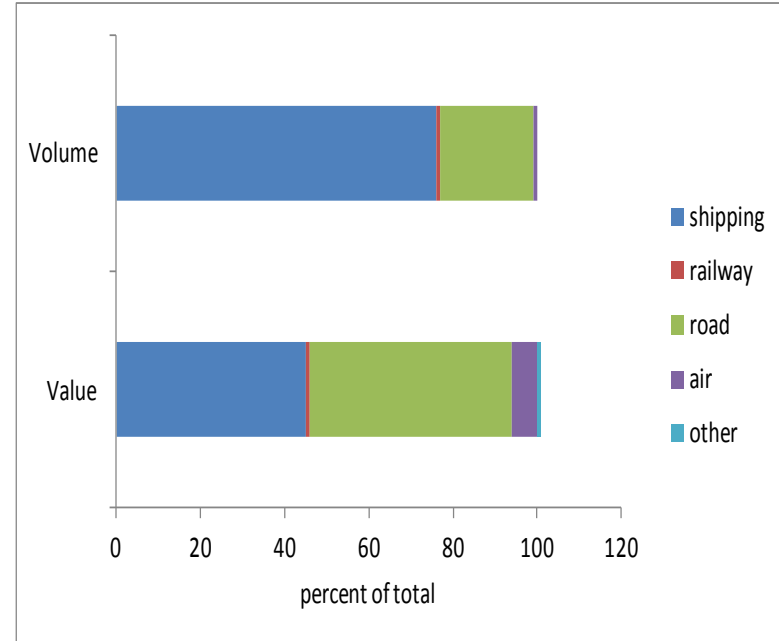
# Transformational sectors: trucking, rail and port industries

**Greek logistics services (in billion Euros)**



Source: SEV

**Rail: the big absent (volume and value of exports using various modes of transport)**





## Reforms to transformational sectors: big wins

- Trucking: reap the gains of the 2010 reform and do the extra-mile.
  - Reduce or eliminate un-necessary administrative restrictions and menu costs.
  - Enact measures and create incentives to speed up the pace of the 2010 reform.
- Rail: unlock its potential to become a primary artery between the Port of Piraeus and markets in Central Europe.
  - Full electrification of main lines.
  - Privatization of Trenose.
  - Enhancement of EU transport corridor known as “Corridor 10” through the Balkans.
- Port industries: Continue to facilitate the strategic connection with the rail line.

## Reforms to modernize the logistics industry

- Design and implementation of government regulations.
  - Simplify and speed-up the licensing process for warehousing and logistics facilities.
  - Clarify steps to become a third party logistics provider.
  - Move from a prescriptions based to an outcomes based regulatory environment.

But reforms will take time and new challenges will arise...

- ...hence the government and private sector should collaborate to institutionalize a nimble and flexible environment for ensuring that the regulatory environment keeps up with the needs of the sector.

## In conclusion

- Look at the big picture: develop concrete logistics priorities, set in place a mechanism for sustaining the policy action over time with coherence and flexibility, simplify procedures, improve coordination between agencies, and enforce regulations in a systematic and predictable manner to minimize costs and delays.
- Invest strategically: ensure that logistics infrastructure does more to connect Greece to Europe through the most cost efficient routes, and place emphasis on the rail and ports sectors.
- Support the modernization of logistics providers: speed up the transition of the trucking sector to more efficient practices, enact regulations that simplify licensing across the board, encourage investment in logistics, and make the Greek logistics industry more competitive and sophisticated.
- Facilitate international trade: streamline customs and fiscal procedures.

**Thank you**

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