

increased asset utilisation, faster service and greater transparency throughout the supply chain.

Some technological developments have had a particularly significant impact, such as tracking technology.

Vehicles are now linked to their base via satellite using GPS and radio data system technology, while vehicle status information is constantly exchanged between the business and the customer, maximising vehicle utilisation and maintaining competitive unit costs.

Over the last 40 years, the world has unfortunately witnessed a number of events that have impacted the logistics sector. Preventative anti-terrorist measures have become the norm in the industry with potential threats unlikely to disappear in the near future.

As with many other sectors, logistics has seen its fair share of consolidation over the last 40 years. The globalisation of the supply chain has necessitated scale enlargement for many logistics businesses in order to remain competitive.

From the chilled logistics market to the parcel distribution sector, there are now only a handful of major players operating in the UK market.

Looking forward to the next 40 years, trade flows are likely to significantly alter with Europe and the US possibly losing importance while the BRIC countries and Africa appear destined to become major trading routes. This will impact logistical requirements and logistics companies will have to re-focus their strategies to fully capitalise on these growth markets.

In light of geopolitical developments and natural disasters, it is probable that the

logistics sector will develop more expertise to manage the impact of these events on the supply chain, and develop more robust risk-mitigating strategies.

With environmental issues increasingly high on the agenda, it is likely that the environmental impact of logistical operations will become ever more scrutinised. Logistics companies will therefore need to develop an integrated green strategy in line with their corporate strategy.

Technological developments will continue to drive efficiency and information flow, such as tracking/GPS technology and provide instant information to management and customers.

The future is also likely to see existing technologies rolled out on all levels of the supply chain as well as being fine-tuned to customer-requirements.

In order to guarantee robust supply chains in an ever-rapidly changing world, increasing levels of collaboration and integration between logistics companies and customers is likely to emerge, both on an operational and managerial level.

Over the last 40 years, the structure of the logistics industry has been significantly altered, with new technologies and the globalisation of trade being the main transformational forces driving change.

As a result, the logistics sector today is typified by ongoing cost management, increasing operational efficiency-levels, globalisation and service reliability.

Will the next few decades bring further change to the sector – the answer will surely be yes if we use the last 40 years as the precedent.

Trade flows are likely to significantly alter, with Europe and the US possibly losing importance, while the BRIC countries and Africa are destined to become major trading routes

*Rob Riddleston is Head of Transport & Logistics at Barclays Corporate*