

Reducing Trade Costs for landlocked developing Countries





Understanding the total supply chain

- What are the components and costs involved from factory floor to customer door ?
 - Need to understand the Macro and Micro factors influencing supply chain decisions
 - Optimal Locations
 - Capacity requirements
 - Transportation Modes
 - Information Systems
 - Design Decisions including Network Design , Supplier Relationships and Risk Mitigation Strategies incl. seasonality etc.



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Transport Costs are essentially determined on a combination of Fixed and Variable Costs (generate a return for re-investment) and transit time of moving a product/cargo from A to B and getting Vehicle back to A

- Port dwell time – by improving port productivity , idle time is reduced thereby reducing costs
- Border Efficiencies – still rely on paperwork and outdated Customs procedures – need to use technology and Govt. Trade Agreements to expedite vehicle's transiting borders
- Impact of seasonality or bi-directional traffic
- Transportation Modes – Rail and Road need to be complimentary and efficient
- Understanding the network of distribution – avoid unnecessary “touchpoints” and reduce lead time
- Technology e.g. POD's