

Environmental Issues Surrounding Logistics in Japan

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Issues And Required Actions Concerning Freight Transport in Japan

Further efficiency, less cost

- Deregulation, Simplification of Procedures
- Shift to Sales Fleet, Outsourcing of Logistics
- Effective Development of Logistics Bases
- Standardization, IT Promotion
- Human Resource Development etc.

Environment Protection

- Global Warming
- Air Pollution etc.

Security, Safety

- Countermeasures against Terrorism
- Accident Prevention etc.

Environmentally Friendly And Efficient

Green Logistics Comprehensive Program

Secure and Effective

Realization of Secure and Effective International Logistics

1. Status and Progress of the Countermeasures Against Global Warming

Guideline for Measures to Prevent Global Warming

Objective

In order to achieve “6% Reduction Commitment“ in Kyoto Protocol, which is adopted by the 3rd Session of the Conference of the Parties to the UNFCCC (COP3)

Responsible Administration

Global Warming Prevention Headquarters in which related ministers participate

Revised on

19th March 2002 (new guideline)

Outline

-Aggregated CO2 emissions from energy sources per sector (Industrial Sector, Residential and Commercial Sector, Transportation Sector and Others Sector)
 -Imposed target of reduction for each sector (refer to the “chart1” below)

<Chart1: Original CO2 emission reduction target stipulated in the Guideline>

Sector	Expected amount of CO2 emissions in the target year*1 [million tons]	Target reduction ratios of emissions from the base year*2
Industrial	462	-7%
Residential and Commercial	260	-2%
Transportation	250	+17%

•Japan is trying to reduce CO2 emissions from energy sources to the same level as the base year 1990, while conducting overall measures to achieve “6% Reduction Commitment”
 *1 the Target Year : fiscal 2010
 *2 the Base Year : fiscal 1990

In the recent follow-up...

It has become clear that
 - *measures in Residential & Commercial Sector and Transportation Sector **has not been working enough** so far and*
 - ***additional measures and strategic focus on these sectors are urgently required***

1. Status and Progress of the Countermeasures Against Global Warming

focusing on **Transportation Sector**

Based on the result of re-estimation of CO₂ emissions in the target year using brand-new data, **additional 5 million tons** of CO₂ emission is to be decreased even if all the existing measures perfectly completed their objectives.

Viewpoint: CO₂ emission reduction measures should not ignore economical efficiency

Logistics sector, which originally had borne **9.1 million tons** of reduction, would be emphasized as a reasonable sector in which **environmental friendliness merges with economical efficiency.**

For instance, when shippers and logistics providers cooperate one another...

If the ratio of commercial trucks within total freight vehicles would be raised by **1%** through promotion of **logistics outsourcing** etc., CO₂ emission would be reduced by **2.5 million tons.**

If promoting the **3rd Party Logistics** would implement more effective transport, storage, cargo handling and other logistics related operations, logistics costs as well as CO₂ emissions would be reduced by **20%**

Logistics sector has been expected to bear most of the additional reduction in Transportation Sector

Revised Target: Reduction of around **14 million tons** of CO₂ emission, that means [**9.1(originally) + 5(additional)**] million, in the **Logistics sector!**

2. Promotion of "Green-Logistics Comprehensive Program"

- Urgent execution of collaborations and/or cooperative actions between shippers and logistics providers towards the implementation of environmentally sustainable logistics system
- Construction of an institutional scheme to realize ideal partnership between shippers and logistics providers
- 14 million tons of CO2 emissions reduction in the field of Logistics (additional to the original target in the future)



Vigorous participation of shippers

Project making (establish "CO2 reduce plan")

Co-support by related ministries

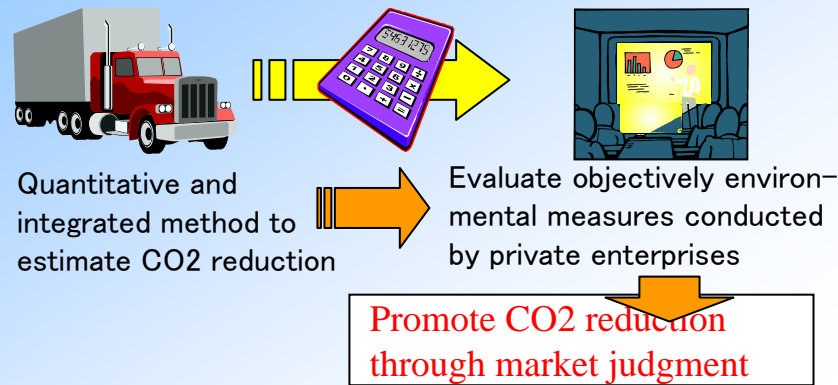
Help shippers to calculate the effects of CO2 emissions reduction by developing an easy method to conduct estimation

Strategic/highlighted subsidies to initiatives through partnership between shippers and logistics providers

<Considerable initiatives (examples) >

*Large-scale 3PL-firms and shippers cooperate to shift transport from truck to rail.

*Introduce new technology so as to reduce large amounts of CO2 emissions



3. Related Budget and Taxation System Towards Accomplishment of Green Logistics Comprehensive Program

BUDGET

-Establishment of Partnership Mechanism-
→Core Scheme of the Green Logistics Comprehensive Programs←

-Promotion of Collaborative Attempts by Shippers and Logistics Providers

-Identify integrated method to estimate CO2 reduction

-Strategic Subsidies to Outstanding Pathfinder Initiatives

-Expansion of the related budget-

-Acceleration of Installing LEV
-Development And Distribution of Eco-drive Management System (EMS)
-"Stop Idling" Measures

Development And Distribution of the "Super Eco Ship"*1

**1 "Super Eco Ship": is the new type of vessel that MLIT-Japan innovated. It excels at fuel efficiency.*

TAXATION

-Strengthening related tax systems, including intensifying environmentally friendliness of existing ones-

Efficient And Green Logistics Bases

Incentives for Installation of Larger Sized Containers to Rail

More Environmentally Friendly Vessels Taxes