

## Bill's Building Blocks

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### Bold New Directions Accelerating Through Logistics

My street is quite narrow; it should be one-way. There is a steady flow of two-way traffic trying to avoid the traffic light one street over. Cars are always parked on one side so when a delivery truck parks along the opposite curb, it is nearly impossible to drive up or down the street. Since Christmas the number of UPS, FedEx, Amazon, and Fresh Direct delivery vehicles on my street has increased exponentially. The logistics trade press is currently running stories about the motor freight last mile capacity squeeze due to the decline in retail stores and the rise in direct home deliveries. It's "happening now".

But there are other more subtle changes going on in the world. Bold new directions are accelerating through logistics that may impact your supply chain and you personally.

- Vehicular Technology – Boeing has retired the venerable 747. This aircraft outfitted as a freighter is a mainstay in global airfreight transportation. Technology is racing ahead with more efficient aircraft design, drones, and autonomous trucks and ships.
- Logistics Information Technology – Maersk and IBM are partnering in the application of blockchain technology to the tracking of ocean containers. Others are researching how to harness artificial intelligence and virtual reality to robotics.
- Trade Relationships – Duty barriers and quotas are being raised by the U.S. on solar panels, washing machines, and perhaps steel and aluminum. Other countries will probably consider retaliation with higher duties on goods exported by the U.S.
- Imaginative Trade Routes – China has invested in the infrastructure of virtually every African country for decades. This to gain access to Africa's natural resources used to fuel China's impressive growth. Now China has entered an agreement with Pakistan, called the China Pakistan Economic Corridor (CPEC), which will afford western China the possibility of direct import/export access to the Arabian Ocean.
- Local Mass Transit – In our neck of the woods customer pressure, new management, and new political alliances will play out to implement positive train control for New Jersey Transit, Amtrak, Metro North, and the Long Island Railroad.

You might say that some of this is too far into the future or too distant geographically to bother you. Whether you work from home or commute to the office, I say keep your eye on logistics trends, global trade, and China. The pricing of goods, product availability, and delivery times are being changed by new technologies and conflicting relationships.

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