

JUST-IN-TIME SUPPLY CHAINS A THING OF THE PAST SAY MULTIMODAL OPENING PLENARY PANELLISTS

Freight and shipping decision makers at the Multimodal 2022 seminar say pre-Covid just-in-time approach won't return until shippers regain confidence in supply chain resilience

London, UK, Monday 20th June 2022: The switch away from the just-in-time (JIT) supply chain model toward a more cautious local warehousing approach by shippers and end users is set to stay until confidence in the resilience of global ocean freight transport systems is restored, according to senior freight and shipping executives at Multimodal 2022.

Describing the shift away from JIT driven by Covid, toward the more cautious just-in-case (JIC) model of holding a supply of material and goods in local warehouses, panellists cautioned that despite the widespread lifting of Covid restrictions, there would be no quick return to pre-Covid practices.

“If you look at warehouse occupancy rates, customers are holding a lot of product locally, and I don’t see that changing until there is more resilience,” said Nick Winder, group managing director for WIN Logistics Group.

HMM Europe managing director for Great Britain, Peter Livey, highlighted that there have been so many ‘black swan’ events in the last few years that some previously dominant supply chain models such as ‘Lean JIT’ were no longer seen as reliable.

“I think people have been burnt in the last two years, by the disruptions to logistics supply chains,” said Samantha Brocklehurst, customer experience director for the UK & Ireland, Maersk.

“We have seen a swing from JIT to JIC, and I don’t think we can go back to JIT, but I think there is a middle ground.”

Livey said many companies have had to adjust or re-examine their models

because of the extensive disruptions due to Covid and port congestion, with significant implications such as the location of stock.

The panellists questioned the idea that customers will significantly reverse two decades of outsourcing manufacturing production to China and the Far East – near-shoring production closer to consumer markets – because it was a complex and expensive change to make.

More commonly, it was discussed, customers were instead looking at moving some production to other Asian countries.

Multimodal is an annual free-to-attend three-day event at the Birmingham NEC, which took place from June 14th to 16th, connecting supply chain decision makers with exhibitors including Maersk, Malcolm Group, Maritime Transport, MSC, G&W, DP World, Kuehne + Nagel, O.N.E., Kerry Logistics, and ABP.

A record 860 guests gathered at the VOX in Birmingham on the 14th of June to celebrate achievement and innovation at the 2022 Multimodal Awards, presented by former international rugby union referee Nigel Owens.

On the night, £17,175 was raised for Transaid, which works to improve road safety through driver training in Africa.

Multimodal 2023 will take place on the 13th to the 15th June.

For details of how to exhibit or sponsor, please contact Robert Jervis Robert.Jervis@clarionevents.com

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