





Fuel Prices – Where next?


The recent dramatic rises in fuel prices have left many transport operators reeling. For companies with annual fuel budgets they don't stand a chance of coming in on target. And don't imagine this is a temporary blip, likely to be reversed. The government have been trying for years to price traffic off the roads but keep being repelled by fuel protests and the like. The recent rises resulting from global oil prices have given government the excuse to say that its not their fault but other cost increases are in the wings :-

-  Fuel duty escalator that will see duty rise faster than inflation – temporarily suspended but it will be back.

-  Road tax increases according to pollution emitted

-  Congestion zone charging

-  Lorry bans

-  Road pricing

All of these will keep transport costs rising. And Ruth Kelly's decision not to allow trials of LHV's (Longer Heavier Vehicles) doesn't help. It is a simple fact that the larger the vehicle the more efficient the journey in terms of carbon emitted and fuel used per tonne KM travelled.

So is it all doom and gloom then? Well maybe but of course some regard reducing transport as a good thing resulting in improved inner city air quality and reduced carbon emissions. And there is plenty that transport operators can do to reduce the impact of these costs. Research projects and surveys continue to demonstrate that we are not making the most efficient use of the journeys we take. Much of the growth in freight transport over the years has been in smaller vehicles with the largest permitted vehicles having grown very little. As already mentioned smaller vehicles are more polluting than larger ones so operators should try to use the biggest they can. Of course a large vehicle is of no use if it is not full and so the target is to maximise fill at all times both on outward and return journeys. There are many software packages that can help with this. Then there is the fuel consumption of the vehicle itself which can be improved with quality driver

training, first class maintenance and the use of aerodynamic body shapes. These can all make a useful contribution to costs.

Finally customers have a part to play in this. Insisting on regular, just-in-time deliveries and deliveries at times of day most impacted by congestion all have the effect of reducing efficiency.

So maybe these fuel price rises will be taken as a wake up call to make some big improvements in transport efficiency.

The Logistics Business is an independent consultancy specialising in supply chain and transport optimisation. Our transport audits can help organisations understand what opportunities are open to them to improve their transport efficiency and our solutions service will deliver the tools and techniques to realise them.