

# Results of Review of the Implementation Status of Efforts Upheld in the Program for Advancing the Comprehensive Physical Distribution Policy (Outline)

## [Program for Advancing the Comprehensive Physical Distribution Policy]

- **A policy package consisting of the concrete distribution policy measures that Japan should advance in the future**, based on the FY2017-FY2020 Comprehensive Physical Distribution Policy (Cabinet decision on July 28, 2017), for the six objectives listed therein
- Decided by **the Comprehensive Physical Distribution Policy Promotion Council** (consisting of **the Directors General and other officials of relevant ministries and agencies**)

## [Review of Implementation Status of Efforts Upheld in the Program for Advancing the Comprehensive Physical Distribution Policy]

- Under the FY2017-FY2020 Comprehensive Physical Distribution Policy (Cabinet decision on July 28, 2017), it is stipulated that **the progress** of the Program for Advancing the Comprehensive Physical Distribution Policy, which compiles the concrete distribution policy measures that Japan should advance in the future, **should be managed using a Plan-Do-Check-Act (PDCA) cycle and modified as necessary through review of the Program, thereby ensuring desired effects.**
- METI reviewed the implementation status of **all 106 measures** upheld in the Program to uncover progress made in the approximately 1 year since the previous revision, and confirmed that almost all measures have been **implemented steadily in accordance with the Program.**
- For measures that require alterations in the content or the process, METI **revised the Program** to reflect the latest situations and **added two new policy measures.**

## Composition of the Program for Advancing the Comprehensive Distribution Policy \*Same as the FY2017-FY2020 Comprehensive Physical Distribution Policy

### < Innovative Change >

[5] "Distribution Innovation" through utilization of new technologies (IoT, BD, AI, etc.)

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Creation of new industry through utilization of new technologies in the distribution sector

- (1) Promote optimization of the supply chain as a whole through utilization of IoT, BD, AI, etc.
- (2) Enhance efficiency in transport with platooning and automated driving
- (3) Utilize drones
- (4) Automate and mechanize distribution facilities
- (5) Introduce IoT into ships and automated ships

### < Connection >

[1] Shift to a new style of distribution that will contribute to enhancing efficiency and creating value for the supply chain as a whole, and will create high added value by itself – from competition to co-creation –

- (1) Enhance efficiency in distribution through collaboration and cooperation
- (2) Develop an environment that facilitates collaboration and cooperation
- (3) Create a seamless supply chain with high added value centered in Asia

### < Visibility >

[2] Enhancement of transparency and efficiency in distribution and work style reform through this initiative

- (1) Clarify the relationship between services and prices
- (2) Create a new environment for enhancing transparency
- (3) Concentrate on services that will create added value and shift to a new style of distribution wherein all workers can play an active role

### < Support >

[3] Achievement of highly efficient distribution through taking advantage of stock effects or otherwise strengthening infrastructure systems – enhancement of systems as social infrastructure integrating hard and soft infrastructures –

- (1) Enhance transport efficiency by strengthening the modal connection
- (2) Strengthen road, marine, air and rail transport systems
- (3) Strengthen systems within distribution facilities
- (4) Create local communities in consideration of distribution

### < Preparation >

[4] Development of sustainable distribution in response to disasters and other risks including global environmental problems

- (1) Prepare for disasters and other risks
- (2) Prepare for global environmental problems

### < Human Resources Development >

[6] Securing and fostering human resources  
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Awareness-raising activities targeting the general public to deepen their understanding of distribution

- (1) Secure diverse human resources working on site and foster human resources who can manage increasingly sophisticated distribution systems
- (2) Carry out awareness-raising activities to deepen people's understanding of distribution

Aiming to raise the labor productivity of the distribution industry **by around 20% by FY2020**, and finally to **the average level of all industries**

## [Policy Measures Added to the Program]

### (1) Promotion of shared understanding between freight trucking companies and freight owners on the cost structure of the trucking business

- In order to have freight trucking companies and freight owners share an understanding of the costs needed to secure sufficient freight trucking capacities while observing laws and regulations, the "Guidelines for Securing Sustainable Provision of Freight Trucking Services" compiled and published in December 2018. Efforts are to be made to disseminate the guidelines among freight trucking companies and freight owners.

### (2) Appropriate operation of the Standard Fare Notification System

- In line with the Standard Fare Notification System, which was established under the amended Motor Truck Transportation Business Act, standard fares are to be set as a reference for sustainably operating the trucking business while ensuring legal compliance, with the aim of improving drivers' working conditions, securing sound operation of the trucking business, and enhancing and maintaining distribution systems.

## [Other Major Revisions]

- In consideration of other programs and plans and discussions at committees, the main text of the Program, including KPIs, was updated.
  - e.g.) "Promotion of review of business practices in food chains"
    - (Before revision) KPI [3] Rate of reuse of recyclable food waste
    - ⇒ (After revision) KPI [3] Amount of business-related food waste
- KPIs were newly set for measures that previously lacked KPIs.
  - e.g.) "Promotion of comprehensive measures for low carbonization at ports"
    - KPI [58] Number of projects started in promotion areas
- Work schedules were modified in accordance with the progress of each policy measure.

# Responses to Major Opinions from Relevant Organizations

\*Extracted from among the total of 42 opinions

Targeted policy measures	Major opinions from relevant organizations	Major responses by relevant ministries and agencies
"Promotion of the use of machines for handling palletized cargo"	In order to promote the use of machines for handling palletized cargo, the national government should take the initiative in formulating plans to integrate pallet standards in a phased manner for each business and sector. Furthermore, standards for packing and packaging are also required so that palletized cargo can be stacked.	As you pointed out, we consider that the use of pallets is effective as a means to enhance efficiency in distribution within the current labor shortage. The Study Group on Standardization of Distribution in the Processed Food Sector is planning to clarify preferable pallet standards for that sector in FY2019. However, it is difficult to unify pallet standards in the entirety of the supply chain due to differences in product design or available facilities, etc. Therefore, we are planning to set separate pallet standards for each business and sector.
"Development of a working environment where all people, including women and young people, can play an active role"	Regarding "2.(3)3 Development of a working environment where all people, including women and young people, can play an active role," how about using the term "diversity"?	Compared with the average level of all industries, the percentage of young people among truck drivers is low and that of elderly people is rather high. Women truck drivers are also very small in number. That is why the expression "including women and young people" was adopted here. We will keep your opinion for future reference.
"Measures to prevent and mitigate disaster damage at airports"	Promotion of computerization of ports is being discussed for the purpose of enhancing response capabilities of ports in the event of a large-scale disaster. Similar discussions should be held for airports as well.	In preparation for a possibility that a certain airport becomes unusable, providing appropriate information and making extensive adjustments has been decided for the operation of each airport so that air carriers, etc. can effectively utilize other airports to maintain the aviation network.
"Responses to the 2020 Tokyo Olympic and Paralympic Games"	In order to secure smooth distribution around the period of the Games, measures for mitigating congestion in ports and airports, and information on traffic controls and other information should be disseminated broadly and promptly through opinion exchanges with related parties, including freight owners. This should be included as one of the challenges.	Based on your opinion, we will include the matter in "Challenges and Future Directions of Actions."
"Fostering of advanced distribution personnel"	Regarding "6.(1)E) Fostering of advanced distribution personnel," relevant education for students in the science and technology field should be enhanced.	As you pointed out, we understand that there are not many workers who completed their education in the science and technology in the distribution industry. It is necessary to enhance higher education on distribution in the science and technology field to attract students. In April 2020, the Research Center for Advanced Science and Technology, the University of Tokyo, opened the Donated Course on Advanced Distribution Science. We will broadly disseminate such initiatives.

- Even after the formulation of the FY2017-FY2020 Comprehensive Physical Distribution Policy and the Program, circumstances surrounding the distribution sector continue to change. Against this backdrop, the distribution sector is also required to properly and rapidly respond to economic and societal changes in a timely manner through various measures, including efforts for work style reform or improving the working environment, utilization of new technologies, and enhancing efficiency in distribution through collaboration with related parties.
- Therefore, following the revision of the Program in the last fiscal year, the latest revision incorporated further responses such as the addition of new policy measures.
- With further changes expected in the surrounding environment, initiatives that respond properly will become increasingly important in order to ensure that the distribution business that supports the national economy and people's lives will sustainably fulfil its role.
- FY2020 is the final year of the FY2017-FY2020 Comprehensive Physical Distribution Policy. In light of the implementation status of efforts upheld in the Program, it is necessary to proceed with discussions for formulating the next Comprehensive Physical Distribution Policy in collaboration with relevant ministries, agencies, and organizations.