

5. LOGISTICS

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**1) Modal shift**

The switch to use of rail and marine transport instead of mainly trucks in order to reduce the impact on the environment and cut costs.



Chiba Auto Square



Automatic multi-level garage at a car dispatch center

**2) Returnable steel racks**

Returnable steel racks are used for packing vehicles for shipment overseas. After unpacking, they are folded up to between a tenth and third of their original size and returned to Japan. Introduced for use in Europe, they can be used 15–20 times.

At MMC, we recognize the importance of cutting use of packing materials and improving transport efficiency at the production, distribution and servicing stages in order to combat global warming and protect the environment, and are actively developing a low environmental impact logistics system.

Measures to increase transport efficiency

■ Modal shift¹⁾

In order to develop an efficient transport system utilizing multiple means of transport—trucks, ships and rail—we are promoting the switch from a mainly land-based transport system to a marine one. Already over 95% of passenger cars that can be transported by sea are transported by sea, and this figure should reach 100% by 2000.

Marine transport is being used more for trucks, too, and in the case of land transport of small-sized trucks, we are switching from the existing system of using the trucks themselves to transport them to loading them onto transporters for transport like passenger cars.

Rail, meanwhile, is starting to be used in certain regions where improvements in efficiency can thus be obtained.

■ Use of trailers and more efficient routes

In viewing the transportation equipment, Mitsubishi promotes the loading of vehicles over the top of car transporter tractor units in accordance with relaxations; in order to improve loading efficiency. The introduction of full trailers is an additional measure taken to improve the transportation efficiency by increasing the number of vehicles loaded per trailer.

We also opened a new logistics center, Chiba Auto Square, in 1995 at Chiba New Port. The exclusive berths, new vehicle servicing workshops and automatic multi-level garage facilities available at Chiba Auto Square have enabled us to concentrate our operations for distributing vehicles to distributors in the big Kanto market.

■ Sharing transport with other companies

Sharing land-based means of transport involves companies making mutual use of each other's return journeys. The target for shared transport in fiscal 2000 in those regions where transport is shared is 25%, and the scheme's coverage is being gradually expanded.

Measures to cut use of packing and packaging materials

Various steps are being taken to cut the amount of packing and packaging materials used in transporting parts for production and other supplies to affiliated producers and distributors overseas. These include making greater use of returnable steel racks, simplifying packing specifications, using stretch film packing, and replacing wooden packing cases with steel ones.

■ Returnable steel racks²⁾

Packing for products shipped overseas is made from wood and plywood which is disposed of at the destination. In order to reduce the amount of waste this creates, we are switching to use of returnable steel racks when transporting vehicles in large numbers, and recyclable steel cases when transporting just a few vehicles at a time.

Returnable steel racks have been used for shipments to North America (MMMA), the Netherlands (Ned Car) and Italy (IPF) since production began.

We are also switching to use of returnable racks for packing supplementary parts and supplies bound for Europe (MMSE) and the Near and Middle East (MMGF).

Because of the contribution use of returnable racks can make to conservation of resources and cutting costs, we will be further expanding their use in the future.

■ Reduction of use of wooden packing cases

This shift toward greater use of steel and simpler packaging has enabled us to cut the amount of packing used in fiscal 1998 by 78% below the fiscal 1993 level.