

Problems of international logistics



According to the reporters' research, the logistics industry is currently facing some problems such as capacity, infrastructure, security, rising truck rates etc.

One of the more difficult aspects of supply chain management is trying to understand the full capabilities of your suppliers. By understanding what a supplier can do during critical times can greatly increase your response time to changes in demand. Skilled supply chain managers will often review lead times, burst capacity, standard capacity and quick turn capabilities with their suppliers to ensure the supplier's capabilities meet the needs of the company.



According to Department of Energy forecasts, diesel fuel will average \$3.73 per gallon in 2012. Although this is down slightly from 2011 levels, it is still 25 percent higher than it was in 2010. We will see upward and downward fluctuations, but the end result will be higher transportation costs.

***The price of diesel**



*Capacity

Despite rising rates, the threat of capacity shortages remains. Many truckers sold off equipment during the downturn, and continuing battles over driver hours-of-service regulations and safety initiatives



- * **Infrastructure.** The infrastructure continues to deteriorate, and Congress is in seemingly hopeless turmoil and conflict over jobs, spending, and other issues that are all tangled up with infrastructure.
- * **Security.** Efforts to tighten security in the supply chain will continue, but the idea of guaranteeing that every package and every container is safe boggles the mind. It will be impossible to plug every leak, but the government and carriers will likely scramble to do so every time one develops.



Another common supply chain challenge is lack of communication. Both suppliers and customers need continuous monitoring, as well as collaboration to ensure supply meets demand. Nothing can replace face-to-face communication; by fostering personal relationships with both customers and suppliers, the entire supply chain process will be embraced by all.



In conclusion it should be noted that while the principles of supply chain logistics still apply in a global environment, the challenges are significantly magnified and the risks are increased. As many firms attempt to take advantage of global sourcing and marketing, there is a growing need for awareness regarding the challenges and infrastructure changes.

*Thank you for attention!