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BTJ ThinkTank
Think transport | Think energy

TransBaltic

Key business actions for the BSR

External revision of the TransBaltic WP5 results

It's time for summing up

By **Przemysław Myszka**

After three years the EU project TransBaltic is heading toward its finish line. This BTJ Think Tank, prepared in cooperation with the project's managing team, is aimed not only at recapitulating TransBaltic's activities, but more importantly – confronting the outcomes of the project reports and studies with business representatives and other stakeholders.

The overall objective of TransBaltic was to provide regional level incentives for the creation of a comprehensive multimodal transport system in the Baltic Sea region. For three years the project's specialists have been networking all around the BSR, pointing out key challenges, gathering data, advocating in the favour of a sustainable and green transport network and finally issuing the so-called Reports Work Packages that contain various studies on vital regional problems.

The topic of the first in the series of BTJ Think Tanks dedicated to TransBaltic project's findings is the Work Package 5 (Key business actions), chiefly concerning dry ports and intermodal terminals, empty container management, rail solutions as well as information and communication technologies. Baltic Transport Journal has prepared extracts from the reports, listing both general and detailed questions regarding the key issues included there, which were subsequently sent out to various professionals all around the Baltic Sea. All the opinions collected by Baltic Transport Journal point out one important thing – the problems tackled by TransBaltic reports aren't only academic disputes. People from the industry are dealing with them day by day, trying not only to cope with today's, sometimes very harsh circumstances, but also to set the pace for future prosperity as well as gain a competitive edge.

The main purpose of this Think Tank is to be a breeding-ground for discussions. The answers and observations will greatly contribute to the TransBaltic Macroregional Transport Action Plan. This strategic document developed by TransBaltic in cooperation with other transnational and cross-border projects in the Baltic Sea region, will attempt to facilitate the future integrated multimodal transport system around the Baltic by setting a vision for such a system in the year 2030, proposing the optimum scenario to achieve it and laying down a number of so called policy actions instrumental in following this path. Additionally, major outcomes of this joint BTJ and TransBaltic initiative will be then included in the TransBaltic Testimony publication, which will be printed for the project's final conference in September 2012 and distributed among the project's stakeholders and BTJ regular readers. ●

> "The main purpose of this Think Tank is to be a breeding-ground for discussions.

Green Cargo/Peter Lydén

Project part-financed by the European Union (European Regional Development Fund)
Baltic Sea Region Programme 2007-2013
SKÅNE

Dry port development

Do the seaports in the BSR really need dry ports at their hinterland?

Region Västerbotten (northern Sweden) has conducted a study on the successful establishment of two potential dry port sites "The Nordic Logistic Center" in Umeå and the Storuman terminal in Stensele. In his report entitled "Rail-road intermodal terminals (dry ports) and necessary market conditions" within TransBaltic's WP 5 Rickard Bergqvist argues that among the most important prerequisites for the future development and profitability of these locations lie in their synergy and collaboration within alternative market segments. Stefan Back of TransportGruppen and Anders Ekmark from the Swedish Transport Administration answer our questions concerning the TB findings. To read the full report click *here*.

Stefan Back
Director Sustainable Logistics at TransportGruppen
and Chairman of the Intermodal working group of the Swedish International Freight Association

Photo: CargoNet

> "Obviously a stronger flow of freight east-west will be positive but these projects (Norway-Sweden-Finland-Russia) have been promoted many times since 1990s and they are still far from reality.

- **What is a reasonable, realistic potential, of two new intermodal terminals in Västerbotten? Are the terminals in Storuman and Umeå (located within a 200 km distance) more a threat or a benefit to each other?**

They should be a benefit, as long as they cooperate and specialize. Already now they have a very different market focus. We have a rather good experience in Sweden from collaboration between Vaggeryd and Nässjö in this way, and they are 40 km apart. One comment is that 200 km, however, is a rather far distance if you are contemplating building common intermodal train sets. Interest from train operators can of course be affected by that.

- **How can two terminals specializing in different cargo segments truly benefit from collaboration and raise their competitiveness in a local/international supply chain system?**

Biomass and other tree-based products (very common in these parts of Sweden) can be transported both in wagonloads and in intermodal units. The terminals must be flexibly used to cater to the needs of different shippers, in order to promote rail options. Working together can enhance this flexibility.

- **As of April 2012, CargoNet ceased their intermodal trains between Gothenburg and Umeå. How does this reflect the potential of dry ports in northern Sweden?**

CargoNet's traffic is now successively taken over by new operators and this, in a way, could be very good in the long perspective because of new business models that better secure intermodal flows of cargo to and from Norrland. The market will decide how many terminals can and will be sustained profitably.

- **What role will northern Swedish dry ports play in a scenario, where – after the new SECA regulations in 2015 come into force – some cargo flows are rerouted via Norwegian ports located outside the SECA zone, e.g. Narvik?**

If they really are implemented, as it seems to not even be a remote possibility that enough new fuel will be available in the area in 2015, the SECA regulations will surely have some consequences like that, considering that the industry in the northern Baltics will have to choose between finding new ways of compensating costs or withdrawing production from the area. This could affect Umeå both ways, losing freight through re-routing but also increasing intermodal/rail transport as an alternative to sea. A flexible terminal will adapt to the demand in different directions!

- **What if the only ferry service by RG Line between Umeå and Finland (which declared bankruptcy in November 2011) finally collapses? Can the dry port have sufficient cargo without the route across the Bothnia Bay?**

We do not think that Umeå terminal is dependent on east-west freight, rather as a hub for intermodal transport to and from northern Sweden. Obviously, a stronger flow of freight east-west will be positive but these projects (Norway-Sweden-Finland-Russia) have been promoted many times since the 1990s and they are still far from reality. If the demand starts to really grow, then a ferry will surely be sustainable in the future.

Project part-financed by the European Union (European Regional Development Fund)
Baltic Sea Region Programme 2007-2013

Anders Ekmark

Senior analyst at the Swedish Transport Administration

- **Are the terminals in Storuman and Umeå (located within a 200 km range from each other) more a threat or a benefit to each other?**

They could benefit from each other, but it is a wise thing to hold costs down and discuss how different market segments can be handled. One thing to discuss is the potential use of a shuttle train between Storuman and Umeå. They can utilize the 'Twin hub' idea if the distance of 200 km is not too big.

> "The Umeå and Storuman hubs should not be dependent upon cargo flows going across the Bothnia Bay.

Photo: UPM

- **As of April 2012, CargoNet ceased their intermodal trains between Gothenburg and Umeå. How does this reflect the potential of dry ports in northern Sweden? What if the only ferry service by RG Line between Umeå and Finland finally collapses?**

In the end the withdrawal of CargoNet could be positive since several other actors are interested in taking up the connection instead. And, in my mind, the Umeå and Storuman hubs should not be dependent upon cargo flows going across the Bothnia Bay.

- **What role will northern Swedish dry ports play after the SECA regulations enter into force in 2015?**

The forest industry expects that there will be an increase in road and rail transport. However, it's unclear how this will affect northern dry ports.

EU-Consult has conducted a report on the potential and legitimacy of setting up a dry port in north-east Poland (the Warmia-Masuria region). Authors of the publication analysed the project's feasibility, polled the market response and pointed out the two most convenient locations: Elbląg and Olsztyn. Meanwhile, they also stressed numerous weaknesses of such a concept. Lidia Wójtowicz of the Department of Regional Development of the Warmia-Masuria Voivodeship as well as Krzysztof Kasica from the City Council of Elbląg share with us their expertise in the field. The abovementioned report entitled: "The analysis of the potential and legitimacy of building a multimodal, logistic centre (dry port) of public character in the Warmia-Masuria Voivodeship together with determining a potential area for its location" can be found *here*.

Lidia Wójtowicz

Director of the Department of Regional Development of the Warmia-Masuria Voivodeship

Photo: CargoNet

The results of "The analysis of the potential and legitimacy of building a multimodal, logistic centre (dry port) of public character in the Warmian-Masurian Voivodeship together with determining a potential area for its location", performed within the TransBaltic project, shows that it is rather not possible. The functionality of the dry port located on the immediate hinterland of the Gdańsk and Gdynia seaports in Zajączkowo Tczewskie, will mainly rely on the feeder network of containers from the ports on the long distances with the use of shuttle trains and on "door-to-door" services within a radius of 200 km in all directions. Therefore, a dry port oriented on transport to/from ports of Gdańsk/Gdynia won't be economically sound in Warmia-Masuria. The analysis shows, however, that the possibility of creating an intermodal platform independent from the volume of traffic to/from seaports in the Warmian-Masurian Voivodeship should be verified. The main directions of the platform's transport would be Kaliningrad Oblast, Lithuania and possibly Belarus and Ukraine. The potential complementarity of the dry port in Zajączkowo and a multimodal platform in Warmia and Masuria could rely on the fact that Zajączkowo would offer a service primarily in the longitudinal network while the object in Warmia and Masuria

> "Regulations concerning open-access to such facilities as dry ports should apply only in cases that are funded from public funds (mostly EU). In other cases, the market should decide.

- **How to avoid overlapping catchment areas between the dry ports located in neighbouring areas? What sort of collaboration can occur between the potential intermodal facilities in Olsztyn or Elbląg and PCC Intermodal's planned dry port in the nearby Pomorskie region (scheduled to start operations in 2015)?**

could concentrate on the parallel relationships; however, the thesis should be supported by market research.

- **Does a rail intermodal terminal require a large distribution centre in its area to be economically viable? Would a new dry port in Warmia-Masuria help to serve transit streams?**

It seems that at the beginning of functioning an intermodal terminal it does not need a large distribution centre, nevertheless, it is necessary to find a partner who is able to reliably calculate the minimum volume of cargo broadcast with the use of rail transport in a given destination. An offer both of these essential services, such as container storage or repair, as well as added value services, such as phytosanitary control, customs clearance can be expanded with an increase in volume of containers loaded and unloaded. The natural directions of Warmia and Masuria cross-border carriage is Kaliningrad, Belarus and Lithuania, but to make the venture profitable it is necessary to combine several broadcasters, so that through economies of scale (increasing the length of the train) unit costs of transport decrease and the competitiveness of rail shuttle from the terminal in Warmia and Masuria in relation to the truck transport increase.

- **Should legal regulatory bodies secure open-access and transparency in the use of dry ports? In what way? What are the necessary conditions, both on the public and private side, to grow up intermodal transport in the region?**

Regulations concerning open-access to such facilities should apply only in cases that are funded from public funds (mostly EU). In other cases, the market should decide. A basic condition for development of intermodal transport is to increase the competitiveness of rail transport versus road transport, due to lowering internal costs, mainly the rates for access, but not only. Along with the improvement of rail transport competitiveness, the market demand will increase for point infrastructure, that construction does not require a particularly long time horizon. The role of public administration is to create favourable conditions, by the means of development of spatial plans taking into account the possibility of profitable localization of such objects, openness to this type of investment and professionalism of action. The role of business is the preparation of an adequate transport offer and providing a stream of cargo, which will enable reaching the Strategy 2020 objectives, and thus limiting the use of roads for the sake of multimodal transport.

Krzysztof Kasica

Economic analyst of the Department of Strategy and Development at the City Council of Elbląg

- **How to avoid overlapping catchment areas between the dry ports located in neighbouring areas? What sort of collaboration can occur between the potential intermodal facility in Elbląg and PCC Intermodal's planned dry port in the nearby Pomorskie region (scheduled to start operations in 2015)?**

Photo: Liebherr-Werk Nenzing GmbH

> "One solution how to minimize the negative effects of overlapping catchment areas lies in the specialization of terminals – in terms of handled goods or directions to which the cargo is destined.

Taking into consideration that PCC Intermodal's investment in a dry port is to be located in Zajączkowo Tczewskie (south-east part of the Pomorskie region), on the transport crossroad linking ports in Gdynia, Gdańsk and Elbląg and the Warmia-Masuria region, the overlapping catchment areas between the company's terminal and the potential facility in our region cannot be avoided completely. Naturally, this does not rule out the chance of setting up a dry port in Warmia-Masuria. One solution how to minimize the negative effects of overlapping catchment areas lies in the specialization of terminals – in terms of handled goods or directions to which the cargo is destined. It is also a question of managing the dry ports. For example, a terminal in Elbląg could be a competition to the one in Zajączkowo Tczewskie, but they could also complement one another. The recent development of all three mentioned Polish ports shows that cooperation in the field of transportation can result in benefits for all parties.

- **Does a rail intermodal terminal require a large distribution centre in its area to be economically viable? Would a new dry port in Warmia-Masuria help to serve transit streams?**

It is advisable for a rail terminal to have a distribution centre in its vicinity, as it helps to secure profitability. Such a centre attracts more potential clients, which in turn seek a complex set of services. The TransBaltic report shows that quality services are one of the major factors that help to run business. In this context, the City of Elbląg has kicked off the 'Terkawka' project, aimed at preparing lands for future investments, including a logistics centre. The project's area is directly situated by the expressway S22 and the international road E77, not mentioning that it will be only 4 km away from the railway link Berlin-Kaliningrad. Mentioning Russia, the potential dry port in the Warmia-Masuria region could streamline transit cargo going to the Kaliningrad Oblast as well as to Belarus and Lithuania. And let's not forget about Ukraine either. In years 2007-2008 there was a vivacious idea called "the Baltic Ukraine", foreseeing a strong connection to be established between the country and Port of Elbląg. Due to the economic turmoil the concept came to a halt, became a little dusty, but if the good times return, why not to revive it?

- **What are the advantages of Elbląg as a location for a dry port?**

From our point of view, the analysis of a potential terminal in Elbląg should be supplemented by carrying out a survey concerning a multimodal transport network in the voivodeship, especially on the route between Elbląg and the rail border crossing with Russia in Braniewo. Among many things, the City of Elbląg takes pride in having rich experiences in supporting industrial parks and business clusters. In the future this may serve as a solid base for constructing a dry port.

"The potential for the Høje-Taastrup Terminal as a dry port for the industry in Zealand", a survey carried out by COWI within TransBaltic's WP 5, illustrated the possibilities of developing a dry port in the region, based on the existing multimodal terminal in Høje-Taastrup. The aim has been to estimate the extent to which firms in Denmark, and in Region Zealand in particular, assesses the potential of using rail transportation of international containerized cargo through the terminal in Høje-Taastrup to overseas container ports in Jutland and northern Europe. Thomas Elm Kampman of Skandinavisk Transport Center and Port of Køge, Leif Gjesing Hansen representing Region of Zealand and Jakob Svane from DI Transport are uncovering various faces of the intermodal sector in Denmark. The full study can be found *here*.

Thomas Elm Kampman

Director of the Skandinavisk Transport Center and Port of Køge

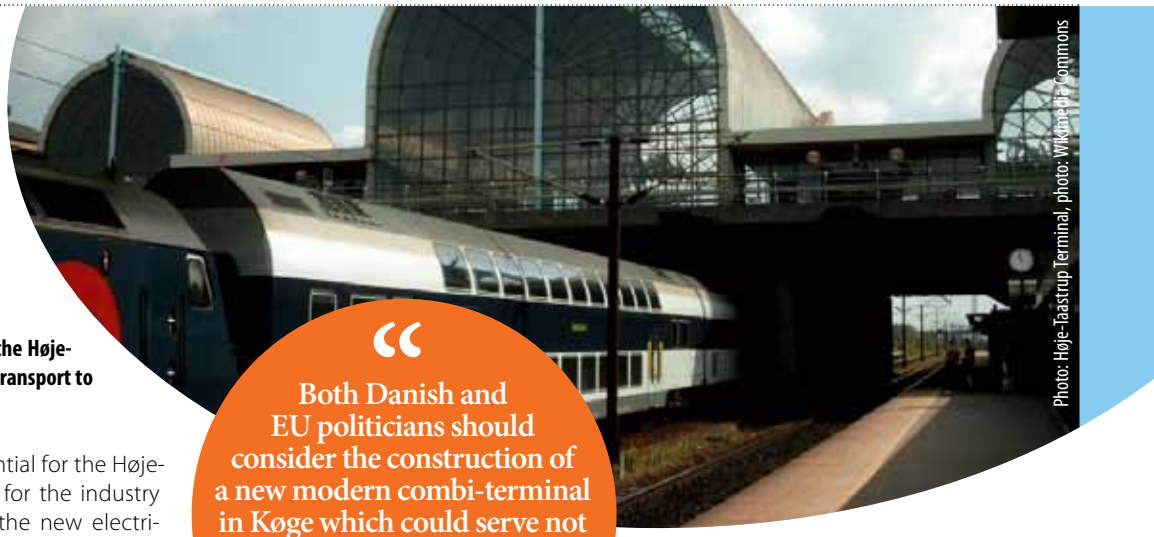

Photo: Høje-Taastrup Terminal, photo: Wikimedia Commons

- **Are there other alternatives than the Høje-Taastrup Terminal for intermodal transport to and from Zealand?**

The TransBaltic report "The potential for the Høje-Taastrup Terminal as a dry port for the industry in Zealand" hardly touches on the new electrified rail connection Ringsted to Copenhagen via Køge that in the future will be connected to the Fehmarn Belt tunnel giving the possibility of environmentally-friendly rail transport all the way from Sicily to Haparanda. Both Danish and EU politicians should consider the construction of a new modern combi-terminal in Køge which could serve not only 1.2 million consumers in the Copenhagen Area, but in theory also 3 million consumers in the Øresund region. We have used shuttle trains with containers from Hamburg/Bremen to Copenhagen in the past, let's do it again and save millions of truck kilometres.

> "Both Danish and EU politicians should consider the construction of a new modern combi-terminal in Køge which could serve not only 1.2 mln consumers in the Copenhagen area, but in theory also 3 mln consumers in the Øresund region.

Jakob Svane

Consultant of the DI Transport

Photo: POLZUG Intermodal

> "The notion of Copenhagen Malmö Port transferring its container operations from Copenhagen to Malmö is in my eyes absurd. The Øresund bridge toll alone would force cargo to find other routes immediately and CMP would lose most of it.

- **What are the prerequisites for a feasible dry port investment? Why does CMP still dominate the container market of Zealand, having competition from Høje-Taastrup in its direct hinterland? Would potentially transferring all box handlings to Malmö result in losing volumes at CMP in favour of land traffic?**

The notion of CMP transferring its container operations from Copenhagen to Malmö is in my eyes absurd. The Øresund bridge toll alone would force cargo to find other routes immediately and CMP would lose most of its cargo. Hence container shipping in Copenhagen will continue and Høje-Taastrup will continue to be a smaller player in the Zealand container market, compared to CMP.

- **How much are dry ports dependent on changes in the shipping market? What can the future role of Maersk Line's direct ocean calls at Aarhus be in securing cargo flows between this port and Copenhagen by rail?**

Enormously – to answer the first question. The dry ports would not be dry ports without the seaports, and the fluctuations of shipping markets can make or break a dry port. However, a good location will often be able to overcome such fluctuations. It is evident that for the case of Høje-Taastrup, Maersk Line's direct call at Aarhus is paramount. Indeed, Høje-Taastrup is mainly a dry port for Aarhus.

- **Is it of benefit or competition for a sea port when a dry port features the same services (custom clearance, containers maintenance, storage, etc.)?**

Both. And increased competition is a clear benefit to customers and society too.

Leif Gjesing Hansen

Senior Adviser at the Department of Regional Development of the Zealand region

Photo: Port of Gothenburg

- **Is it of benefit or competition for a sea port when a dry port features the same services?**

Our study illustrates that it is regarded as competition, if there is no cooperation between a port and a dry port – because they naturally compete on the same market and for the same customers. However, there was interest in this study to actually develop relationships between the terminal in Høje-Taastrup and strategically located ports in Germany and the western parts of Denmark – e.g. Aarhus and Esbjerg. Such cooperation was regarded as being in the interest of both the terminal, as to secure access to the line network of ports – and the container ports in order to secure direct accessibility to ports' distant customers.

- **Why does CMP still dominate the container market of Zealand, having competition from Høje-Taastrup in its direct hinterland?**

CMP still dominates the container market on Zealand, since the port has a well-established network of feeder lines to major overseas ports in Europe and a relatively frequent number of departures and arrivals. This has been pointed out as important by the transport customers in Zealand due to the flexibility and accessibility to reach their suppliers and customers. The terminal in Høje-Taastrup still lacks the numbers and frequencies of train services to other ports and terminals. The possible transfer of container activities from the Copenhagen port to the Malmö port would of course result in the loss of container traffic via the port of Copenhagen. Whether it would result in increased container traffic in the inland terminal at Høje-Taastrup depends on the transport costs of passing the fixed link across the Øresund versus using the Høje-Taastrup Terminal. However, interviewed companies in the study were positive of the future use of the inland port, if CPM in Copenhagen moved its container handling to Malmö.

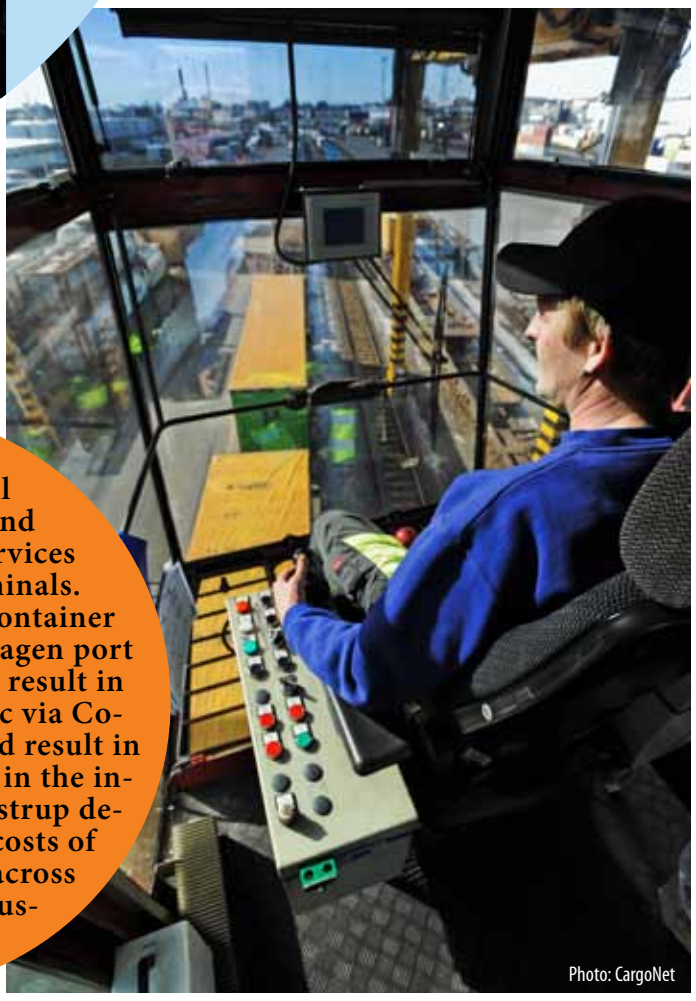

Photo: CargoNet

> **“ Høje-Taastrup still lacks the numbers and frequencies of train services to other ports and terminals. The possible transfer of container activities from the Copenhagen port to Malmö would of course result in the loss of container traffic via Copenhagen. Whether it would result in increased container traffic in the inland terminal at Høje-Taastrup depends on the transport costs of passing the fixed link across the Øresund versus using the terminal.**

Empty Container Management

How to reduce empty container volumes transported in the BSR?

"Report on Empty Container Management in the BSR – Experiences and solutions from a multi-actor perspective" authored by the Institute of Transport Planning and Logistics from Hamburg University of Technology tackles the issue of empty container flows within the Baltic Sea region. The document highlights that the matter in question is especially important for Eastern European ports and evaluates measures (like RFID, ICT, regulations or implementation of foldable containers) to fight the problem. Tallinn Port's Erik Ringmaa and Dominik Landa of DCT Gdańsk present their views on how to manage empty containers and what solutions are the best in this regard. You can find the full report *here*.

Erik Ringmaa

Chief Commercial Officer at Port of Tallinn

- **How to reduce empty container volumes transported in the BSR? Can ICT tools, policy measures or new technologies (e.g. foldable containers) help?**

Photo: Marek Szyller

> "Punitive measures would only increase the negative effect of carrying empty containers and therefore this is not an issue where the state should enforce regulations. Empty containers' storage is a pure commercial issue and competition is the tool to handle it.

The share of empty containers in the region reflects the actual trade imbalance. Lack of containerized exports from the region cannot be solved by ICT solutions, but it can help to decrease the empty containers' storage time. I am sure everyone understands that the equal share of containerized imports and exports is in every stakeholder's benefit. Punitive measures would only increase the negative effect of carrying empty containers and therefore this is not an issue where the state should enforce regulations. Empty containers' storage is a pure commercial issue and competition is the tool to handle it. In maritime shipping I do not see a big effect of foldable containers, because the ships have to move anyway in both ways and the number of containers (irrespective of their load) remains the same on a large scale.

Dominik Landa

DCT Gdańsk's Business Development Director

- **How can a network of container deports be optimized? What can Eastern European ports, such as St. Petersburg, Gdańsk, Klaipėda and Tallinn, which report high shares of outbound empty containers, do to streamline empty boxes flow?**

Photo: Lena

> "If the foldable containers were such a great idea the market would use them immediately.

The ports and the terminals do not have the necessary power to change the import/export full or empty flows as this rests in the hands of the shipping lines which are responsible for Empty Equipment management (also called Equipment Management policy) as well as container utilization and have various tools to do. For example pricing policy to attract eastbound cargo, creating affordable and competitive means of containers pick up and

return (i.e. allow pick up from locations close to the container stuffing). In the case of Gdańsk we are in the forefront of the idea on better empty utilization and cutting down empty repositioning costs by working with GOODMAN on the Port Centric Logistics policy which would decrease the empty repositioning costs as all the stuffing and unstuffing operations could be done in the Pomeranian Logistics Center adjacent and directly linked to DCT (where all operations on empty containers could also be performed). In general, the sea terminals are not serving as empty depots as this service (storage and repair) rests in the hands of the depot provided it's located not directly by the sea terminal. Terminals can only assist by providing the most accurate and fastest information on container moves, container status (damaged/sea worthy) and some minor works with containers to upgrade the status to a sea-worthy status.

- **Why do solutions like the radio-frequency identification (RFID) or online market places not help to deal with the problem of empty containers? What are the main advantages of the virtual container yard ICT tool?**

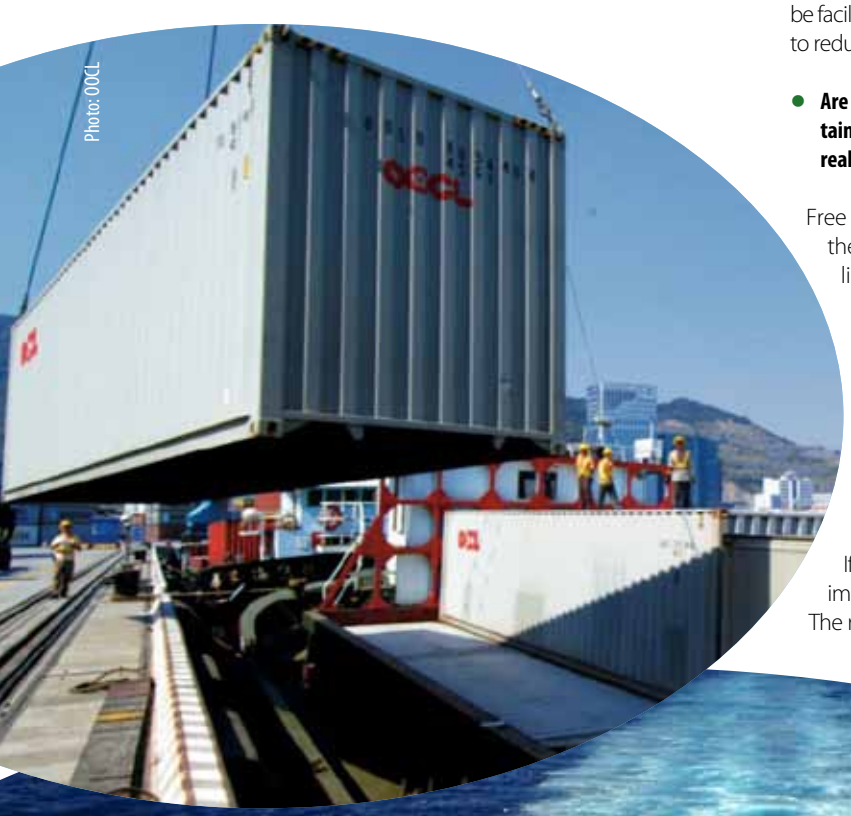

Photo: OOCL

In general, a shipping line and a terminal's communication is based on standard EDI messages exchanged between parties whenever any load/discharge/gate-in or gate-out occurrence is reported, incl. the status of a container (Full or Empty). Hence, the shipping line has all the required information to plan equipment according to its Equipment Management policy. All this is exchanged between parties immediately after such occurrence takes place. All the technologies supporting the tracking of the containers like RFID or DGPS are only assisting in feeding the Terminal Operating System without manual check-up or data key in by the personnel as this could be automatically reported by the receiving station at the terminal gates to do it more efficiently. The VCY and ICT tools may be very useful but provided shipping lines as owners of the boxes allow so called "triangulation" or re-use of empty boxes between the parties such as shippers or forwarders. Still each shipping line may currently allow the triangulation of boxes under its control but there are other issues that should be tackled such as, for example, a box being cleaned and undamaged after import. Hence again this is rather a question to the shipping lines which control their own fleet of containers whereas ports or terminals could be facilitators of container status reporting and providing some services onsite to reduce empty repositioning (such as small repairs, cleaning, washing, etc.).

- **Are policy measures (e.g. punitive law for containers stored longer than a certain number of days) the right way to deal with this issue? Does the situation really require regulations enforced by the state?**

Free market and cutthroat competition force shipping lines to utilize their container fleet to the maximum extent. None of the shipping lines is deliberately allowing inefficient processes to be in place as this has a direct impact on their bottom line. The role of the State could be to create an environment which would allow higher competitiveness of exports in the country of empty return which would help balance the flows.

- **What do you think of the use of foldable containers? Will it be a technological breakthrough or cause too many problems (due to their e.g. fragility)?**

If foldable containers were such a great idea the market would use them immediately. So far I have not seen them used extensively in global trade. The reasons may be: higher cost to manufacture, more maintenance to be performed, complicated construction which may not be water- or weatherproof, additional folding/unfolding cost (who would pay for this?), most probably higher repair costs and additional weight allowing less payload.

Deployment of the ICT toolbox

In what way may Information and Communication Technologies (ICT) help reduce empty flows and raise competitiveness of the market players?

Integrated circuits have revolutionized the world. It seems that in the future almost everything will be computerized. And why should it not be? One of the greatest achievements of this trend is that software really boosts hardware – if it is user-friendly and really helps – a clear-headed man could add. ICT tools can streamline maritime operations, but the proper know-how is needed. TransBaltic's Task Leader Leszek Andrzejewski from the Institute of Logistics and Warehousing shares with us his views on the ICT tools. You can find the report tackling the issue of ICT tools *here*.

Leszek Andrzejewski
Institute of Logistics and Warehousing, Task Leader of TransBaltic Task 5.3 – ICT tools

Photo: Deutsche Bahn

- **Should a virtual container yard help find free slot capacities and actively search for return cargo? Should it be provided by a neutral market player, like a port authority?**

> "The long lasting shippers' attempts to use empty containers for return cargo have not yielded many results. Partially because of the urgent need to ensure availability of empty containers in the exporting countries on the major trade lanes being unbalanced in terms of volumes.

Management of empty container movements is the domain of shipping lines being containers owners. Basing on current requirements and calculations they have decided to store the boxes at any inland or port depot or to transfer them immediately to the regions of massive loadings. The long lasting shippers' attempts to use empty containers for return cargo have not yielded many results. Partially because of the urgent need to ensure availability of empty containers in the exporting countries on the major trade lanes being unbalanced in terms of volumes. Besides, there is quite a complex and changeable network of cooperation between shipping lines and freight forwarders which additionally complicates the matter. Nevertheless, I believe that the IC technologies may support optimization of empty container management. The tool of virtual container yard being a kind of freight exchange would be suitable for that reason, where inquiries from shipping lines searching for loading opportunities for their empty containers available in Poland may be confronted with transport needs of the shippers or freight forwarders. The operator of such a tool should be neutral business wise, of course, for example an ICT company with a large competence in transport and logistics. Port authorities can hardly be regarded as a neutral unit since the tool has to cover all container depots in Poland. It can be assumed that an inflow of attractive alternative options may encourage shipping lines to optimize movements of their containers that way. It seems to be clear, however, that shipping lines' loading obligations remain their main priority what will strongly affect the optimizing tool utilization.

- **How to combat the reluctance of many carriers and freight forwarders to offer their services through open Internet platforms, which results in incomplete databases?**

The optimisation tool supporting modal choice (being the subject of IL-IM's Works within the TransBaltic project) may be used in two ways: first, as an in-house solution customised to the needs of a company willing to manage its supply chains. It can be a shipper or freight forwarder. This version of the tool is relatively easy to initiate towards an integrated transport system in the Baltic Sea region. Implementation of the public version of the tool being accessible by anyone is much more difficult. One of the main problems is to build a database of transport solutions available within given transport corridors. Transport operators are rather reluctant to present their sensitive price wise information on the open Internet platforms. There is no easy way to persuade them to do this due to a few reasons. First, there is no large demand yet to purchase such a form of transport services. Bigger shippers prefer to arrange their transport needs with freight forwarders in the form of direct negotiations. Their own corporate websites are also used for order management. Intermodal carriers are also focused in their sales to big clients. Small and medium-sized enterprises representing together a huge potential reaching approx. 50% of volumes to be transported but individually they can hardly attain optimised transport solutions because of small volumes and the low frequency of their transports. How to proceed then? According to our experience reached during TransBaltic, we can conclude that successfully implementing the widespread use of the ICT tool, supporting optimal modal choice, is a long term multi-threaded process. First, such implementation is possible if intermodal transport solutions provide actual competition towards road haulage. Recently, we have been facing such a situation in the transport of containers from the Far East or North America to Poland with the use of different gateway ports such as Hamburg, Bremerhaven, Rotterdam, Antwerp, Koper and Gdańsk offering a wide range of competitive modal alternatives. Intermodal operators are intensively investing in inland terminals in Poland and new block train

Project part-financed by the European Union (European Regional Development Fund)
Baltic Sea Region Programme 2007-2013
SKANE

connections are launched reflecting growing confidence in the Polish market. On the other hand, intermodal operators are gradually changing their attitude towards Internet platforms. We have managed to receive tariffs from five transport operators which may be a nucleus of the cluster of carriers participating in the implementation phase of the tool. During a series of demonstrations of the tool for shippers and forwarders, we have faced their common opinion that transparency of the intermodal market may significantly increase its turnover. In parallel there is also a permanent development of the ICT technologies supporting transport activities. Developments in areas of Internet platforms, electronic communication standards, multi-criterion optimisation methodologies, load consolidation tools as well providing security of sensitive data in the Internet tools are especially important for freight transport decision makers. Thus, despite several bottlenecks, implementation of the Internet tool optimizing modal choice is becoming more realistic due to progress in ICT and the new trends in the transport industry.

International intermodal transport

How to improve transnational intermodal traffic?

TransBaltic's Task 5.5 (Rail transport solutions for North-South and East-West flows) addresses the problem of a very low share of rail transport in international freight operations from Norway east- and southbound to countries on the opposite side of the Baltic Sea. The Intermediate report WP 5.5 authored by Railconsult covers a survey of bottlenecks and hindrances against increased rail freight traffic. Bjarne Ivar Wist from CargoNet points out several issues concerning the Norwegian intermodal industry, especially in the scope of the impending in 2015 IMO stricter regulations on sulphur content in ships' fuel. The full study can be found *here*.

Bjarne Ivar Wist
CargoNet's Director of Information and Strategy

- **In what way may the Norwegian railway network, and volumes carried via it, change after the SECA regulations in 2015 come into force, when some cargo flows are potentially rerouted via Norwegian ports located outside the SECA zone, e.g. Narvik, Trondheim?**

Photo: Port of Gothenburg

> "To get new railway concepts up and running, the railway companies need volume commitments from the industry, and volumes and prices that are in line with the risk taking. So far there have been a lot of good initiatives, but no real business case.

Regarding the potential use of the ports in Trondheim and Narvik, CargoNet sees future opportunities. The challenge has, however, been the poor economy in these potential new solutions. To get new railway concepts up and running, the railway companies need volume commitments from the industry, and volumes and prices that are in line with the risk taking. So far there have been a lot of good initiatives, but no real business case. Norway has Europe's largest market share for intermodal transport, but mostly high value cargo for the big forwarders on the south-north route. So far the best solution is using Oslo as a hub for transport to Trondheim.

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