

Corridor planning for streamlined intermodal flows

Business plan to boost intermodal services in the ACE Green Corridor

The idea of establishing an eco-friendly and efficient corridor for intermodal transport of seafood, consumer goods and industrial products from Northern Norway to markets and processing industry in Continental Europe has been on the agenda for several years, and have also been an issue in several earlier Interreg projects. During work with the business plan as part of the TransBaltic Extension project, it has become evident that a direct railway service Bodø–Trondheim–Hallsberg/Örebro–Alvesta–Karlskrona is the best alternative for the market – and is named the “Arctic Central European Green Corridor” (ACE Green).

In the south, the corridor connects to mainland Europe and the Mediterranean via the ferry link Karlskrona-Gdynia and the Baltic-Adriatic Corridor. In the north, to the planned sea link between Bodø to the Arctic and Barents areas – with further connection to Northern Sea Route to the Far East.

By the end of the project period, the result of extensive networking and discussions with commercial stakeholders indicates that the prospects for making this concept come true is closer than ever before.

CARGO POTENTIAL

The export of fresh salmon from Norway to the EU countries for the first 9 months of 2014 was 511 000 tonnes valued at 270 MEUR (+19 % since 2013). Poland is the largest market with over 17 % of the total, representing 13 000 tonnes in September 2013, and it is estimated that more than half of this volume is produced in the catchment area for the northern part of the ACE Green corridor. As all the salmon exported from Norway today, this volume alone represents more than 100 trailers pr. week that easily could have been shifted from road to rail.

However, the seafood industry is very price-quality oriented when it comes to procurement of transport and has so far taken advantage of low cost road hauliers from Eastern Central Europe. The seafood industry declares satisfaction with the present service supply, even though the operations are touching the edge of laws and regulations. There is also a scepticism to use rail for export until it is documented that service offers requested lead-time and reliability levels. So far, the railway operators have not managed to modernise old routines and standards to cope with the requirements from the industry, like more flexible and direct connections from producers to markets across national borders.

Consequently, the implementation strategy for such a service is to attract a base volume for such a service based on industrial products and consumer goods, mainly in the northbound direction, however with an operational design to attract the very important seafood industry in the second phase of implemen-



tation. On this background, focus throughout the project period has shifted from studying technical issues to streamline transport to identifying these other types of cargo that could make up a base for establishing intermodal service along the corridor – also meeting the requirements of the seafood industry. However, although working on motivating the seafood industry and other cargo owners, it has been noted that these normally use forwarders to organise the transport. It is therefore important to emphasise it is really the forwarders who are the most important customers to the service, and that they all may use the service within the main corridor on equal terms, so that competition between them is not distorted when it comes to offering door-to-door transports.

SOME MAJOR RESULTS

During the project period (2014), a number of results to support future traffic in the corridor has been found. Some main results,

mainly based on available information and discussion with stakeholders are:

- Considerable and growing interest for intermodal transports of industrial cargo from the north to South Sweden, Poland and other destinations in Central Europe – given shorter lead times than today.
- Increasing salaries for drivers, and increased restrictions and controls with “illegal” road transport will make rail transport more and more competitive towards road transport.
- Indication of growing interest from rail operators to change the route pattern towards more direct transport on long distances (block trains) – as requested by market.
- Seafood industry shows considerable increase in European markets, with great potential for transfer of transport from road to rail and sea. The industry expresses strong interest to use the service when it is up and running – and demonstrates competitive lead times, security for delivery and economy compared to road transport.

A major challenge for viability is balanced trade utilising the capacity of the load carriers on both direction. The result of a number of meetings and workshops with Polish stakeholders (Rail and road operators, terminal operators and forwarders) indicate:

- Very positive interest from major Polish truckers, transport operators and forwarders related to cooperation and involvement in identifying northbound cargo for development of the corridor.
- Large volumes of cargo from Central Europe should go directly to destinations in the north, and not be reloaded at terminals in the southern Norway.
- Semitrailers on train (“Piggy-back”) and sea legs (ferries) is the most efficient load carrier for cargo in both directions in this corridor.

All in all, the project has been very successful in the way private sector from involved countries has taken part in the project activities – both related to number of companies engaged, and with regards to deeper involvement from each company compared to earlier projects.

NEXT STEPS

As result of strong involvement of some commercial partners in project, it seems likely that transport may start up in part of the corridor in early 2015. For establishment of services in the whole length of the corridor, including the sea leg north of Bodø, the

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obvious solution is to establish a Corridor Management organisation (company) for coordination of business in the corridor. This includes procurement of services, negotiating slot times, marketing, and contact with authorities etc. The company could also apply for funding from Connecting Europe Facility (CEF) or other financial sources to reduce risk for investments related to start-up of new services. Owners of the company could be customers (forwarders) or other stakeholders, but not as such take on door-to-door transport to distort competition with existing forwarding companies.

The project has also revealed considerable interest for green- ing action, and has particularly looked into possible use of LNG as fuel in railway locomotives. A work group with participants from Poland, Sweden and Norway is set up to pursue this issue.