

IMAGE OF SHORT SEA SHIPPING¹

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¹ The content of this fiche does not necessarily reflect the opinion of the individuals or entities submitting them, nor do they prejudge their position in any way.

A BOTTLENECK IN DOOR-TO-DOOR SHORT SEA SHIPPING (SSS) AND A POTENTIAL SOLUTION

Fiche Submitted for consideration by DG TREN in 1999 (updated 2005) and the Dutch SsS Focal Point and Dutch SPC (2000).

Description of the bottleneck:

In general Short Sea Shipping has a very positive business image. However, some shippers and forwarders continue to consider it as not having full integration into the intermodal chain; having long transit times and costing more than land based modes.

Hampering effects of the bottleneck:

This negative perception, thought not the reality and held only by a limited number of market players, is detrimental for the sector. Furthermore, a lack of awareness creates a situation where some shippers, forwarders and hauliers do not even consider SSS as an option for their needs.

Measures towards a solution (if available):

It is primarily up to the industries involved to prove that the reality of SSS does not correspond to the old image any longer. SSS must fulfil - and be perceived to fulfil - the user requirements in terms of **speed** (including speed at sea), **reliability**, **flexibility**, **regularity**, **frequency**, **cargo safety** and **attractive cost levels**. It should demonstrate a modern and dynamic image, fulfilling service parameters and offering door-to-door service, through one-stop shopping, and that image should be conveyed to the transport users so that they can make reasoned choices of the transport mode based on facts instead of an image of the past. In this context the European Commission is examining the possibility of a study on comparative benchmarking of performance across modes from the perspective of transport users.

However, fundamental changes in logistic concepts of shippers and forwarders are also needed. As an example, the Dutch Ministry of Transport and The Dutch Shippers Council carried out a successful research programme 'Shipper Scans', which determined possibilities for modal shift from road to short sea, inland shipping or rail. Further initiatives of this type can heighten awareness to shippers of the advantages of using short sea shipping.

In addition to the need to maintain SSS on the political agenda, continuing publicity information needs to be disseminated outlining its potential. Campaigns promoting greater awareness of SSS can, and have, made a significant contribution. SSS Focal Points in the EEA States and accession countries and Short Sea Promotion Centres are contributing significantly to this work.

Online information services providing up-to-date information on short sea services all over Europe might also be beneficial so that potential customers could easily find information on available door-to-door SSS services. SSS operators can select prospective customers, commodities and approach these potential customers (people who make decisions on transport in companies). These approaches can also take place at the

higher management level to initiate more project-oriented and wider logistics approaches.

Operators and customers alike should have an open mind on innovative logistics and transport solutions, including technical, organisational and commercial aspects. A close co-operation from the beginning of planning between all parties involved is a key. SSS should provide customer-oriented door-to-door package solutions with a high level of service, regularity and frequency in a just-in-time logistic environment.

The shipowners, transport companies, agents and logistics companies etc. might also wish to convey a new, more flexible image of SSS to customers, in particular, by not burdening the ultimate transport user with bureaucracy. Instead, one-stop shops should consider taking care of formalities on behalf of customers. The European Commission is in the process of preparing a Communication on Intermodal Logistics (foreseen for May 2006), which will analyse and identify tools and areas that could be used to develop further the integration of short sea shipping, road, inland waterways and rail for the transport of freight in Europe.

With regard to the cost of Short Sea Shipping vis-à-vis other modes, this issue was studied as part of a Commission funded Research Project (Regional Action for Logistical Integration of Shipping across Europe 'REALISE') in order to provide a basis for accurate price comparisons across the various transport modes. Based on evidence collected for the study, an absolute conclusion could not be reached. Instead, it could be noted that "Short Sea Shipping within multi-modal chains is cheaper – on many European corridors and segments – than unimodal transport solutions". Nevertheless, the study pointed out that price competitiveness might not be a sufficient condition to encourage a substantial shift away from road-only transport towards intermodal chains involving Short Sea Shipping. Such conditions include the port and port hinterland functions, system, and services.

Parties needed to be involved in the solution (and their roles):

All the parties concerned: Shipowners/transport and logistics companies/agents (to provide and advertise door-to-door services, to convey a new image to their customers at different levels, to approach these customers), ports (to offer a flexible reality-based image of their operation as intermodal connection points), transport users/shippers/forwarders/transport agents (to have an open mind to innovative transport solutions, to seriously consider SSS as an alternative that can offer advantages, to forget the past image of shipping, to provide and use door-to-door services involving an SSS leg), Member States (including their SSS Focal Points), and the Commission (to streamline administrative procedures, to provide and disseminate information on SSS and its potential, to keep SSS on the political agenda and show that words are converted into deeds). Short Sea Promotion Centres (to promote, in practical ways, the use of SSS).

Any available best practices related to this bottleneck:

The work of Short Sea Promotion Centres; these centres have been set up in the Netherlands, Greece, Denmark, Finland, Belgium, France, Germany, Ireland, Italy, Lithuania, Malta, Portugal, Spain, Sweden, Poland, UK, Bulgaria, Croatia, Turkey and Norway (www.shortsea.info).