

Coastlink members call for greater collaboration

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At Coastlink's fourth annual conference held recently in Gothenburg, Sweden, subjects under discussion by speakers and delegates representing all aspects of the maritime transport community including shippers, forwarders, ports and ocean, shortsea and intermodal carriers, were:

- Rising prices and changing regulations pertaining to bunker fuels, which threaten the competitive position of shortsea shipping
- The need for shippers, ports and transport operators to create an open environment for dialogue between all parties in order to find better, more cost effective and more environmentally-friendly transport solutions

Following a series of workshops, delegates concluded that, while the rising cost of bunker fuels does pose a threat to shortsea shipping in the Baltic, North Sea and English Channel sectors, especially in Sulphur Emission Control Areas (SECA), it also presents opportunities that might actually outweigh the threats.

In particular, it was noted that the rising cost of fuel was impacting even more strongly on road transport operators, who also faced rising taxation levels and labor costs. Road pricing measures, notably the German Maut system; stricter enforcement of the European Working Time Directive, including the requirement to use digital tachographs; and the increasing shortage of longhaul truck drivers will increase the tonne/mile cost of road haulage and encourage shippers to seek new ways of moving their goods.

The trend towards developing 'sustainable supply chains' was also on the agenda, with delegates seeking to establish whether there was real substance behind the PR hype. Those of a more cynical nature were doubtful, noting that, despite their companies' public commitments to reducing carbon footprints, few shipping managers - and those to whom they report - are prepared to pay even one cent extra for greener transport solutions.

On a positive note, some shippers are perhaps more willing than before to consider new ideas such as shortsea or intermodal transport. However, they insist that such alternatives must tick all the boxes including price, flexibility and reliability. Several shippers related bad experiences when trying rail-based solutions, and wanted to be sure that shortsea and intermodal could deliver a much higher standard of service.

Transport operators and shippers exchanged views about who exactly was supposed to develop these new ideas. The former claimed that it was usually impossible to present alternative ideas to shippers as tenders were too often precisely drawn up, leaving no room for discussion, with the outcome solely determined on price.

All agreed that greater collaboration involving all parties was desirable.

If shippers want frequency, reliability and low cost, then they should be prepared to sit in the same room as other shippers, including their competitors, to identify how volumes can be concentrated onto specific routes, so enabling frequent sailings to be provided on a commercial basis.

Likewise, carriers need to collaborate with each other too if the thinner routes are to become viable transport arteries.

One speaker expressed exasperation with the progress being made towards finding solutions, noting that so many conferences and seminars go over the same ground year after year but nothing seems to advance. He challenged Coastlink to make things happen by bringing together a select number of shippers, ports and transport service in one room to develop new strategies that could be presented to delegates at the next Coastlink conference in Spring 2009.

Coastlink has taken up this challenge, but recognizes that one of the greatest difficulties that will confront it is the regulatory authorities' attitude to such collaboration.

Coastlink's chairman, David Cheslin, explains: "We will need to find a way of bringing the right people into one room without contravening existing anti-competition law. It's not just a matter of enabling

service providers to convene together; we know that many large shippers, be they manufacturers or retailers, are wary of discussing their shipping requirements in the presence of their competitors for fear of reprisals from the competition authorities.”

He added that if the industry is to deliver what governments say they want – i.e. more sustainable methods of transport – it will require the cooperation of the relevant EU departments, and Brussels will be the first port of call