

The SHIFT Project

- Shifting cargo from road to sea -

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Even A. Holte, Research Scientist, MARINTEK AS
even.holte@marintek.sintef.no

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The SHIFT Project

- Start-up: April 2010
- Duration: 24 months
- Total budget: 7.2 Million NOK
- Main sponsor: The Research Council of Norway (The MAROFF Program)
 - Total Funding from NFR: 3.250 Mill NOK
 - Average funding per year: 47%
- Project Owner: Panalpina AS (Former Grieg Logistics AS)
- Project Leader: MARINTEK
- Partners:



EIMSKIP-CTG

logiteam
- håndplukket spisskompetanse

NOR LINES 

Elkem

SHORTSEA SHIPPING NORWAY

 **Forskningsrådet**

PANALPINA 
on 6 continents

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SHIFT

shifting cargo from road to sea

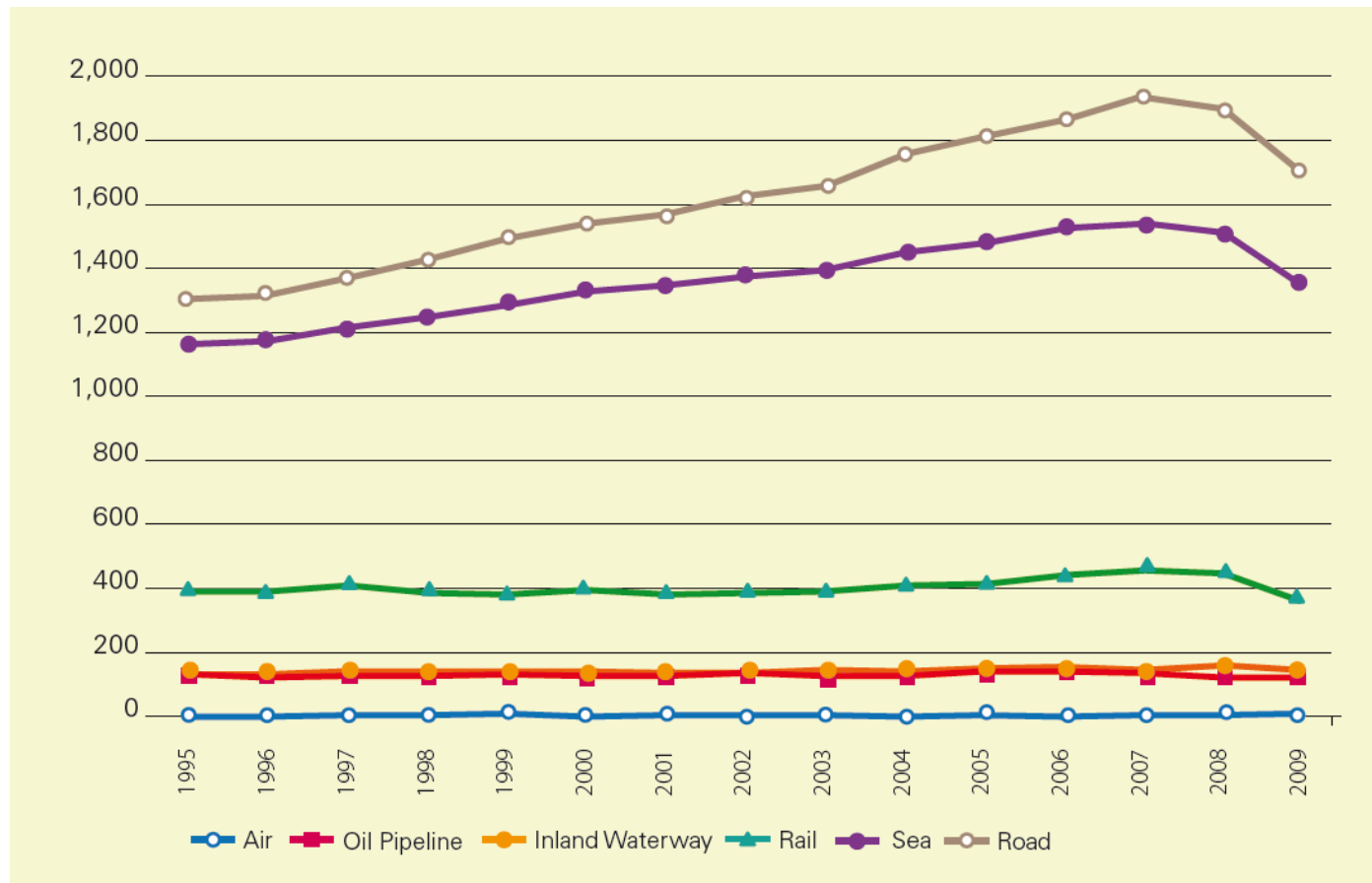
Main project objectives



1. Pave the way for successful new short sea shipping business initiatives
2. Contribute towards the development of more environmentally friendly and economically efficient transport operations

Performance by mode for inland freight transport in EU-27 - 1995-2009 (billion tkm)

- Despite political efforts and resources made over the last 10-15 years the stories of success are far between in terms of shifting transport of goods from road to sea



Source: European Road Statistics, ERF 2011

The lack of success has many and known aspects...

- Business practices (in the transport sector)
 - Still struggling with the "chicken and egg problem"!
 - Shift focus from making the piece of the cake bigger...to making the cake bigger!
 - Too little focus on end customer requirements
 - Little innovation within industry
- Characteristics of the service product (compared to road)
 - Frequency
 - Lead time
 - Flexibility of service
 - Economies of scale
- Infrastructure
 - Internal logistics at ports are not efficient enough
 - Differing accessibility to ports (differences in opening hours, etc.)
 - Old and inefficient shortsea fleet (slow moving modernization)
 - Few innovations within cargo handling technology
- Regulation and fee structure
 - Unbalanced market and fee structure between road and sea (lack of internalization of external cost).
 - Counteractive fees for new environmental initiatives (e.g. Nor-Lines new LNG vessel)
 - Cross-boarder traffic

Conclusions from the NyFrakt Project, 2009:

- Rail: 4 fees and dues
- Road: 8 fees and dues
- Shipping: 27 fees and dues



Case Activity



shifting cargo from road to sea

AS-IS & TO-BE description:

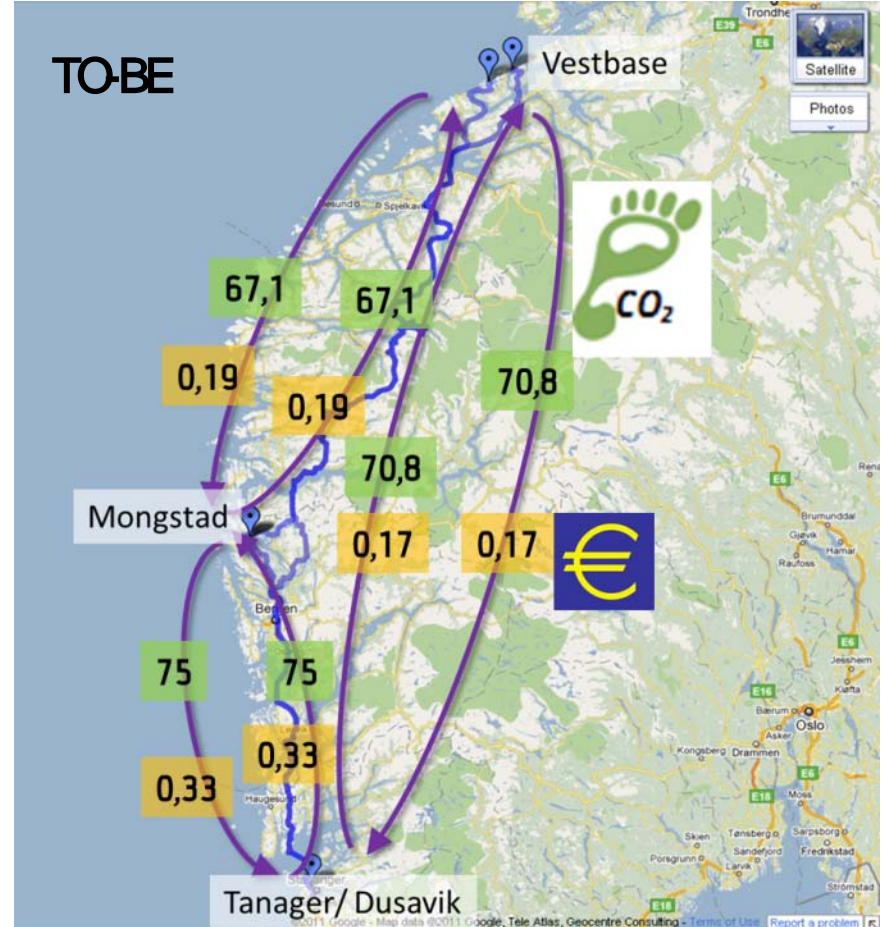
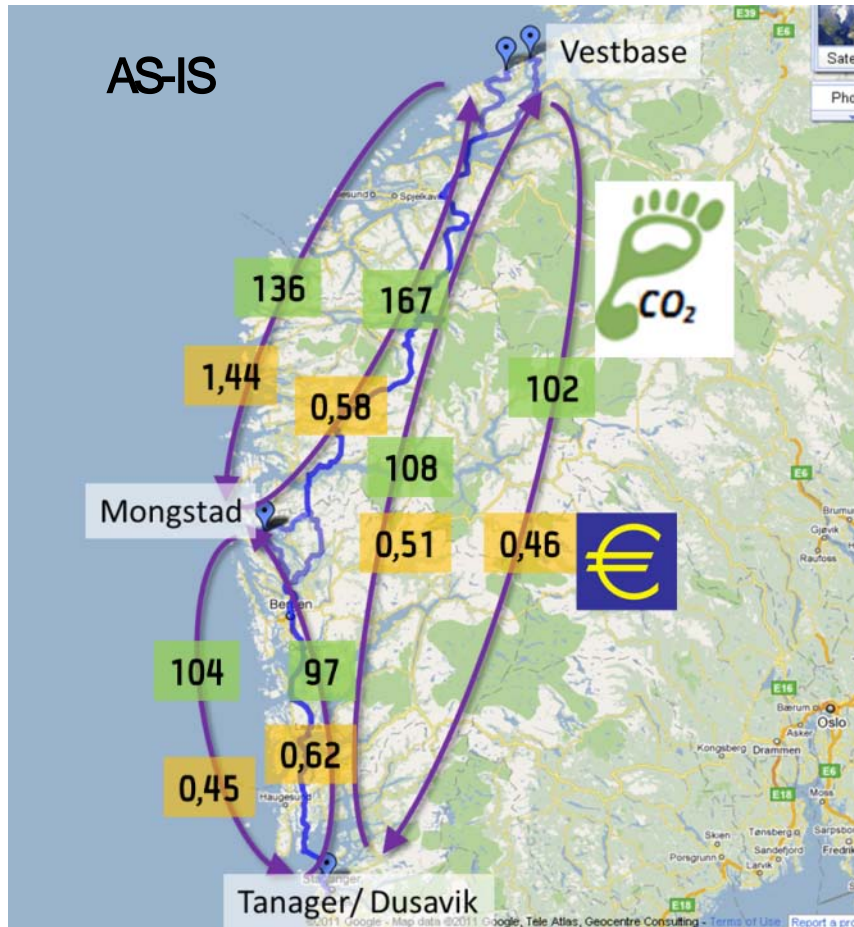
**Base-to-base transport,
west coast of Norway**

Base-to-Base transport; cargo flow (oil related equipment)



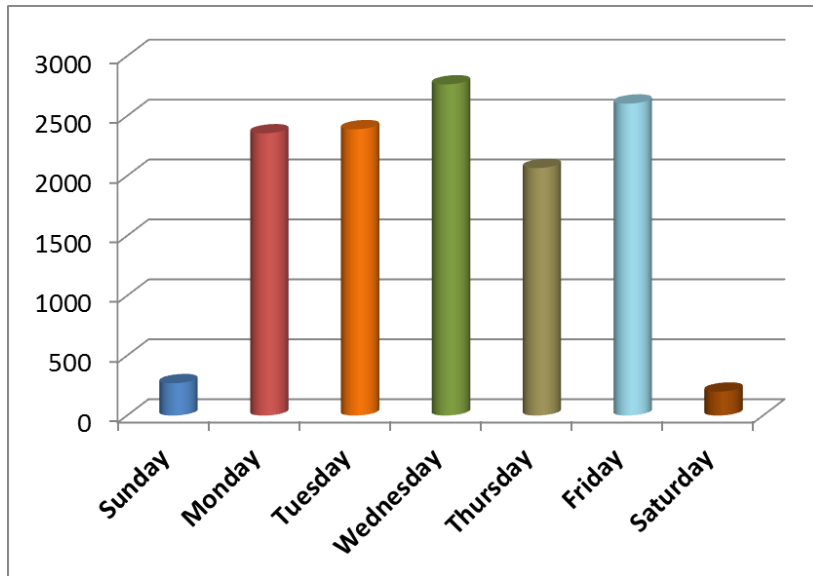
Representing about 15% of total base-to-base transport, (Panalpina AS)

AS-IS vs. TO-BE..



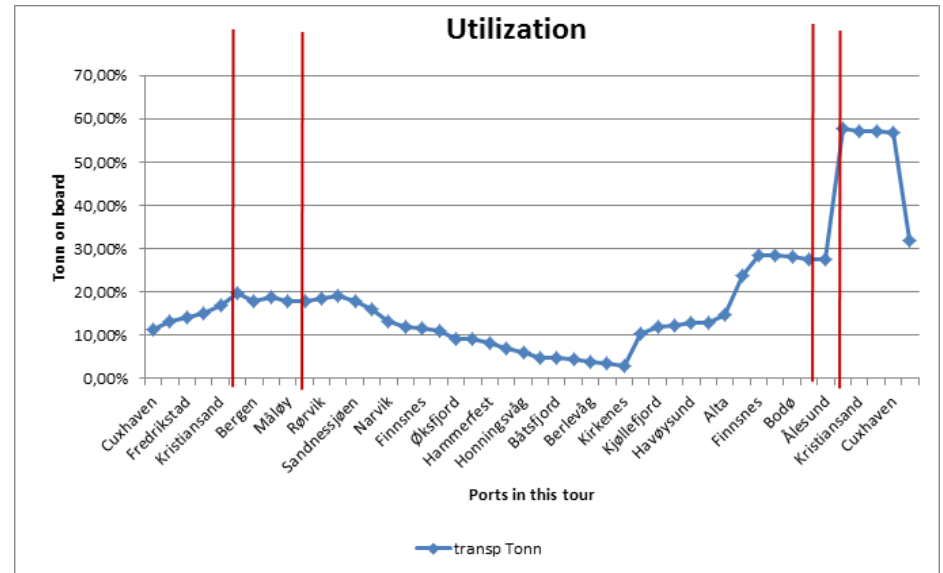
How to realise an actual shift...

- Ensure and prove frequency of service to customer!
- Document reliability!



Source; Panalpina AS













Distribution of transshipments per week
(i.e completed transport requests)















Nordkinn (dwt utilization)

How do ship schedules match transshipments?

- South bound

Arrival date / Base	Stavanger	Mongstad	Kristiansund
Monday			NOR LINES  (A-3)
Tuesday	NOR LINES  (P-1)		
Wednesday		NOR LINES  (P-1)	
Thursday	NOR LINES  (A-1)		NOR LINES  (P-1)
Friday		NOR LINES  (A-1)	
Saturday	NOR LINES  (A-3)		NOR LINES  (A-1)
Sunday		NOR LINES  (A-3)	

- North bound

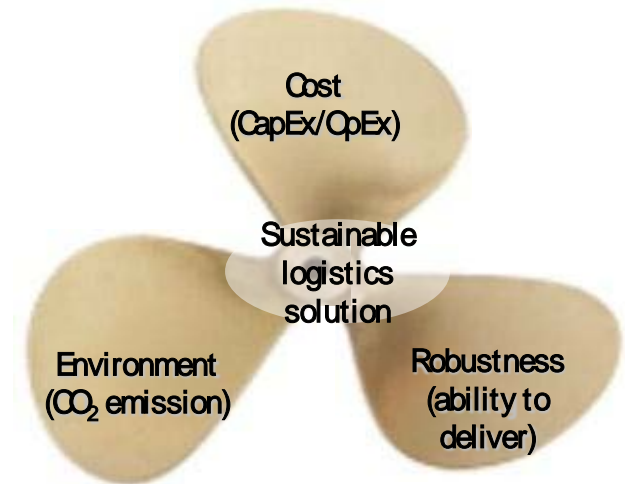
Arrivaldate / Base	Kristiansund	Mongstad	Stavanger
Monday			NOR LINES  (A-1)
Tuesday			NOR LINES  (P-1)
Wednesday			
Thursday			
Friday	NOR LINES  (A-3)		
Saturday	NOR LINES  (A-1) NOR LINES  (P-1)	NOR LINES  (A-3)	NOR LINES  (A-3) 
Sunday		NOR LINES  (A-1) NOR LINES  (P-1)	

Note:

- Vessels passing or berthing Oil&Gas supply bases, north and south bound
- Overall already good service frequency (one call every second day)

The way further for developing sustainable SSS solutions

- Support modernisation of shortsea fleet
 - Cost efficient operation
 - Flexible operation
 - Environmentally improved (E.g. NOx fund)!
- Supporting holistic R&D initiatives such as the Green Corridor concept
 - Commonly available methods and standards are necessary
 - Make transport solutions more accessible to all stakeholders (especially cargo owner)
 - Strengthen the supply chain aspect
- Ensure that ports/terminals become a more efficient node in the supply chain
- How can industry stakeholders become more focused on co-operation?
 - Private public partnership
 - Pure private
 - More open supply chains



supergreen



Thank you for your attention!

Questions?

even.holte@marintek.sintef.no

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