

Summary

Constant innovation and an increase in competition with other logistic services providers have their influence on the different modes of transport. External influences, such as an increase of strict regulations implemented by governments and the current rise of fuel prices make customers very careful in choosing for a certain mode of transport. These choices are often cost price-based. Stevedores of sawn softwood around Europe are experiencing fierce competition from each other and from other modalities of transport, in particular transport by truck.

Verbrugge Terminals is a stevedore of –among other commodities- sawn softwood from Scandinavia, the Baltic states and Russia. Based in Flushing and Terneuzen it has the advantage of being close connected to sea. Currently it is competitive within a radius of 500 kilometre, servicing mainly the west European hinterland. So far it has not experienced any serious competition from new modalities, but it remains watchful.

As the market triggers innovation, new and old alternatives are getting attention. The most serious tread to the conventional stevedores is posed by the reintroduction of an old form of shipping: sea-river shipping. Its concept is simple, but for many years it was unable to compete with the more established forms of transport (road, rail and short sea shipping). Today low transloading costs, oversupply of river barges, and a lack of good “wet” infrastructure (e.g. Regional Transshipment Centres) delay the reintroduction of these sea-river ships.

It is difficult to predict when sea-river shipping will experience its (re)introduction. As it has a few important advantages, namely its flexibility, speed and its capability to deliver (nearly) door-to-door service, which is unusual within the shipping sector. At this moment there are roughly 400 sea-river ships active on the European market, 80 of them being deployed by Dutch companies. As sea-river shipping gains market share, the radius in which the bigger stevedores can be competitive will be getting smaller.

Fortunately the sawn softwood market is growing. Consumption is growing with at least 0.8% per year (equivalent of 300,000 m³/year) and the stricter rules (FLEGT –agreement) imposed to ban illegal tropical hardwood from Europe will certainly give an extra impulse to the alternatives of durable hardwoods, such as modified or engineered softwood.

Although Europe is upgrading its waterways (investing in “wet infrastructure”, bypasses and Regional Transshipment facilities) and to meet future requirements, sea-river shipping experiences difficulties in penetrating the market. It is expected that in the coming 10-15 years at least 15-18 stevedores of sawn softwood in Western Europe can claim/rely on a volume of around 121, 500 m³a year, generally enough to keep a stevedore with the size of Verbrugge Terminals in business.

Although this transition phase which will eventually take place is still fairly far away, it might be necessary to find alternatives within the same branch. Verbrugge Terminals enjoys the benefits that come with its experience and its unique location.