

# Easter Bunnies in October?

## Current Situation in Maritime Container Traffic in the Harbors in the Hamburg-Antwerp-Range

Since months considerable problems exist in the processing of maritime container traffic to and from the seaports Antwerp, Rotterdam and Hamburg. This is due to many very different reasons and there are also very many market participants in one overseas transport from or to Switzerland. In discussions with contact persons from these seaports and meetings at harbor events it has become clear in the past months that neither in the short term nor from the view of the next few years, any perceptible and sustainable improvement of the situation is to be expected. Continuing globalization, decentralized production and increasing integrated world trade leads to the situation that in the mentioned harbors constantly expanding manpower, infrastructure and connections must continue to absorb at the same time still stronger growing volume in the traffic of goods.

The SPEDLOGSWISS Section Shipping and Shipping Company Agents, the Groupement Fer (GF), the Swiss Association for Shipping and Harbor Trade (SVS), Section Container and the Swiss Shippers' Council SSC have therefore decided to prepare a report on the actual situation which points out the perceptible effects for the Swiss economy and therewith also for the freight forwarding-logistics branch.

## General Situation in the Seaports in the Antwerp-Hamburg Range

Big ships bring also big problems. The world-wide volume of containers to be transported has enormously grown within the last ten years – according to prognosis this boom will continue. In part the volume problems will then be aggravated by strikes. At the same time controls have additionally been increased by the customs authorities because the requirements of transport safety & security continue to grow. It must therefore be expected that additional security measures, in particular direction USA, will be initiated and therefore will inevitable lead to delays.

Container ships of the newest generation with a load capacity of over 13,000 TEU and the generally booming volume of goods transported present new challenges for handling operations, freight forwarding companies and the operators active in hinterland traffic. In addition to problems connected with work shifts and stowage, transport by truck or rail with the existing infrastructure will be processed in an even less timely manner. As a result containers miss their planned connections from various harbor wharves.

The welcome large percentage of rail traffic with the seaports leads to the situation that for new or short-term demands there are hardly any slots available for the loading onto trains. Due to this, there are no buffer times for the transport participants in the event of delays from the seaports or to the railways. In addition, rail capacity is extensively utilized which is again and again confirmed by the press regarding the lack of train personnel and cartage material. The staging time for containers from ship to rail loading (or reverse) have in the meantime sustainably consolidated on a higher level. Predictions and studies figure on a doubling only for the traffic in goods by rail until 2015.

### **Situation Antwerp**

- Rerouting per truck in harbor area to terminal Hupac problematic  
Transshipment to inland terminal Hupac partially delayed
- Construction measures to tracks (connection over wharf 1000) in process and impedes rail rerouting traffic
- Due to overloading of stevedores, departures of Rhine shipping is connected with cost consequences such as congestion fees
- Due to overloading of stevedores, there are increasing errors in loading and mix ups for LCL/FCL mandates.

### **Situation Hamburg / Bremerhaven**

- Construction measures to the rail equipment in harbor area are not yet completed and will lead also in the future repeatedly to traffic interference.
- Rerouting by truck in harbor area causes larger scheduling problems (connection to main route after the hinterland, resp. to ship departure for export).
- In order to resolve the capacity limits in rail traffic, a master plan especially for rail removal and supply was developed in 2007 in cooperation with all of the German seaports. The amount of the measures provided in this master plan are themselves at the moment the subject of negotiations and discussions in Germany. When these improvements will be utilized cannot be predicted.

### **Situation Rotterdam**

- Defects in flow and management of information within the harbor lead repeatedly to problems
- Imperfectly functioning interfacing between the individual systems of customs, ECT, shipping companies and rail is one reason why individual containers are not always transferred timely from seaport terminal to rail terminal (or vice versa).
- An additional reason for the non-loading of containers on a planned shuttle is that the terminals occasional implement the given rerouting requests too late.
- An additional challenge in Rotterdam is the spread of the harbor over a total of around 40 kilometers as well as the differing interfacing to individual terminals which unfortunately does not allow a uniform data format or uniform loading and transport processes. This leads to the fact that still in a few constellations notifications of deviations are posthumous.
- Due to the overloading of stevedores, there are increasing errors in loading and mix ups for LCL/FCL mandates.

## Rail Traffic

Rail traffic has seen enormous improvements in the last few years in passenger traffic. Whether this is a disadvantage to goods traffic is repeatedly a matter of discussion. The fact is however that the structures for goods traffic in regard to the rail lines and track quality are in part still in a condition which was considered modern 40 years ago. The restoration of rail sections such as for example those to the north of Basel cost correspondingly a lot: for these sections, costs of CHF 1,5 to 2 billion EUR are planned.

The reduction of personnel and the missing availability of transport material contribute to the fact that in critical situations train departures and time slots cannot be complied with. Priority treatment for passenger traffic on the rail network requires that the traffic in goods is concentrated during the night time. The transport time available for this is more and more booked out and the so-called „night's throw" (transport between Switzerland and seaports during a night) is becoming a term from the past. It is today no longer able to be realized. This leads as a result to the well-known delays to destinations which then have a negative effect on delivery schedules or another planning which requires the same.

## Swiss Inland Terminals (Container Transshipment Centers)

The situation regarding the inland terminals in Switzerland must be considered at present unsatisfactory. Long overdue expansions and renovations constantly fail due to political obstacles. This leads to the fact that alone for an air distance of even 90 kilometers there are six different dispatch locations. They are today

- Basel Weil
- Basel UBF
- Frenkendorf
- Rekingen
- Niederglatt
- Zurich Freight

None of these terminals would be in the situation to alone process all traffic flow. This leads to the situation that only a certain portion of the traffic volume can be allocated to each of these terminals. The consequence of this is an exceptionally costly traffic management and processing with too many triage steps which again negatively affect the transit times. This condition does not correspond to a modern optimally organized industrial area such as Switzerland and must be reduced to a few modernly equipped locations capable of performing.

## Rhine Shipping

Rhine shipping likewise suffers under the structural problems in the seaports. There are too long waiting times for the unloading or loading of Rhine ships (see container ships and their amount of respective problems for transshipment in the terminals). The incompatibility for import and export traffic leads intermittently to overbooking of the Rhine ships for export. In addition, the costs for charter boats have extremely risen in the last few years. That leads to the fact that such ships can seldom be utilized in container traffic.

The sea terminals make available for the transshipment to river barges too little capacity in the form of cranes and wharves which inevitably leads to cost intensive delays.

## Shipping Companies

The demand for always quicker transit times as well as cheaper freight has led to the fact that the shipping companies use a variety of measures. Mainly we see here the following points:

- Striking of various external harbors from the direct travel schedule of ships and their connections to main junctions (sea hubs) by means of feeder services. The problematic with this is that the timeframes in the hubs due to the large demand by ship owners are becoming narrower and therefore delays by feeder ships lead to a non-loading of the containers.
- Enlargement of ship capacities in order to be able to correspondingly efficiently serve the hubs. Along with this is also the development in travel speed in order to shorten transit times. As a result more and more larger ships arrive in shorter time intervals at the unloading and loading harbors which again will initiate enormous upgrading programs in order to keep pace. Unfortunately however the improvement of the structures lags behind the development in traffic.
- Seasonal bottlenecks lead to backlogs of non-shipped containers in the sea hubs and therefore large delays in delivery to destinations
- Heavy 20 foot containers in import impair the total freight capacity and balancing out of ships and leads to a shortage of output and increase in the price for this container type
- The imbalance of empty container supplies in the Far East raises the costs of the positioning of equipment in the so-called exterior regions (North China, etc.)
- Due to missed time slots, long time spent in front of the harbors or the strain on the unloading capacities in seaports (additionally made worse by the absence of cranes, strikes, etc.), the shipping companies are forced short-term to change the rotation and travel schedules of their ships.

The unchanged trend of a climbing price curve in the oil market has already caused the shipping companies to reduce the speed of their ships in favor of less consumption. Such measures of course then are of a disadvantage for transit times.

## Depots

Swiss depots are full of empty containers. More ship owners then proceed to either no longer accept hinterland depots in Switzerland or to immediately order the empty containers back to the harbors. This is primarily on the Rhine.

## Result

Easter bunnies in October? No one wants that. In order to ensure the timely world-wide supply of goods of all types, enormous efforts of many participants are necessary. The timely delivery of goods will become more difficult because world-wide trade and therefore transport volumes increase. The transit times from Chinese harbors to Switzerland have for example – due to the above-mentioned delays – dramatically increased. More even: a generalized length of time cannot be given, the planning of the logistical chain requires therefore more attention. In any case the time span between China and Switzerland is clearly more than 30 days. Should one count in addition the pre-route to the Chinese loading harbor with the delays and problems there, a transit time of about 40 – 45 days is reached. This is the reality today.

For the Swiss economy the extra costs which arise due to the insufficient capacities or non-realized expansion projects are substantial. They increasingly burden both the export as well as the import economy of our country and affect all participants in the traffic of goods equally.

Only through the acknowledgement of these facts and amiable cooperation between shipper, freight forwarder and freight carrier, resp. agent, will it be possible in the future to plan as exactly as possible the international transport of goods by sea. The longer transport times compared to the past between departure and destination as well as any delays in the harbors and before and after the transport must be included in the calculation. Easter bunnies on Easter!

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