



Irish Freight & Logistics Monthly

May 2006

In this issue

Upcoming Events

[All the way for Marco Polo II](#)

[Commercial Vehicle Rental On The Rise](#)

[Stena cuts back on HSS sailings](#)

[Celtic Link to add Dublin-Liverpool](#)

[Samskip and Geest sail into Gothenburg](#)

[DHL Exel launches Westlink Consolidation Service](#)

[GLS reports record revenues](#)

[Cathay Pacific sees cargo volume rise 3.8pc in April](#)

Upcoming Events

TOC2006 Europe
Conference & Exhibition
30 May-1 June 2006

Dear Garvan,

Welcome to the May edition of Irish Freight & Logistics Monthly.

You have been included within our mailing list because we consider you to be a valuable contributor to the industry.

We are aware of the communities need for an electronic platform for company announcements and press releases. We invite you to forward details to us for consideration in the next edition.

We hope you enjoy the newsletter and will strive to enhance it, so please send any feedback and suggestions to editor@logiskills.ie

Please feel free to forward this to any interested colleagues who can register to receive it from our home page at www.logiskills.ie

• All the way for Marco Polo II



If no action is taken, total road freight transport in Europe is set to grow by more than 60% by 2013. Parliament therefore adopted, by a large majority, the report by Reinhard RACK (EPP-ED, AT) on the Marco Polo II programme. This programme for 2007- 2013 aims at shifting the average yearly increase of international road freight towards short sea shipping, rail and inland waterways. The adoption of this first reading report concludes the procedure and means that it will enter on 1 January 2007.

The environmental performance of the freight transport system is expected to improve substantially by Marco Polo II, which has a budget of €400 million. The Commission had proposed €740 million, but this amount was reduced to €400 million following an agreement between Council and Parliament.

Although the Commission proposals were warmly

Hamburg, Germany

The 8th European Supply Chain & Logistics Summit
26th and 27th June 2006
Prague, Czech Republic

SITL South China
Logistics Exhibition 28 -
30 June 2006 Guangzou,
China

Auto Logistics & SCM
World China 2006 Event
for the China's auto
industry. September 6-8,
Shanghai, China

Logistics Ireland 2006,
6th October 2006, Dublin,
Ireland

SCM Logistics World 2006
October 16-19, 2006
Singapore

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welcomed, the House adopted a range of compromise amendments tabled by EPP-ED, PES, ALDE, Greens/EFA and UEN groups aimed at strengthening the effectiveness of the programme. The reduction of the eligibility thresholds, for instance, should be reduced and SMEs should have better accessibility to Marco Polo II. The geographical coverage of the programme is the 25 EU Member States, the applicant countries, EFTA and EEA countries to the East such as Russia and Ukraine, the Balkan states as well as the Mediterranean region.

An important part of Marco Polo II is also traffic avoidance which involves encouraging the rationalisation of traffic, logistics and supply chains. The incentives have already been there for a long time in the industry. The EU's role here consists of providing encouragement and exchanging experience and best practice.

A new development is the introduction of the so-called Motorways of the Sea (MoS) action, which means any innovative action directly shipping freight from roads to short sea shipping or a combination of short sea shipping with other modes of transport. A proper use of the MoS should mean that traffic flows that normally go over land can be strategically diverted and brought closer to destinations.

The adoption of this first reading report in agreement with Council concludes the co-decision procedure after agreement was reached with Council and the Marco Polo II programme will enter into force on 1 January 2007 as planned.

• Commercial Vehicle Rental On The Rise



The use of rental as a long-term solution to commercial vehicle acquisition is increasing, with around 60 per cent of vehicles on rent now falling into this category, according to new research.

This represents a significant rise in rental vehicles being taken for periods of longer than six months compared to the company's last research into this area two years ago.

The flexibility of rental - the ability to hand the vehicle back the moment that the need for it ended - was a major part of the appeal to long term renters.

Fleets are using rental to satisfy their vehicle need largely for jobs like fixed term contracts. They might eventually retain a rental vehicle for a year or longer but

al Freight Association
• **Irish Exporters Association**

as soon as the contract ends they can hand it back with no penalties. This is seen as an intelligent use of rental as an acquisition method.

• **Stena cuts back on HSS sailings**



STENA Line has cutback on the sailings of the HSS Discovery on the Harwich, UK-Hook of Holland, Netherlands route and the HSS Explorer which links Holyhead, UK with Dun Laoghaire, Ireland as reported recently bt

Fairplay.

On the North Sea route a normal schedule of two round trips a day will be maintained on Friday-Sunday but on Monday and Thursday there will three crossings a day and two each on Tuesday and Wednesday between October and early December.

"This is the first action coming out of the fleet review in response to the continuing high oil prices," a Stena Line spokesman said. "It is likely these will stay." He indicated that other measures were being taken for the Belfast HSS service, such as bunkering changes that have reduced fuel consumption by around 5% and leaving early and travelling at slower speed but still arriving on time. He added that "other changes will be coming in the future such as the two new ships for the Killinghome service, the first of which should be in service in July."

• **Celtic Link to add Dublin-Liverpool**



CELTIC Link Ferries, the Irish operator that began last year with sailings from Rosslare to Cherbourg after P&O pulled out, is soon to expand its operations with a service from Dublin to Liverpool. For this the operator is understood to have chartered two ro-ro ships, the 11,000-gt

Greek-owned Northern Star and the 22,000-gt LISCO-operated Klaipeda.

The move will place Celtic Link in direct competition with P&O and Norfolkline. The company is also reported to be taking delivery in July of a Stena Searunner-class vessel that will be deployed on the Dublin route, probably replacing one of the other ships.

- **Samskip and Geest sail into Gothenburg**



Geest

In a move to strengthen and improve Samskip and Geest's presence in the Swedish market, Samskip AB is to open a branch and sales office in Gothenburg on June 1, 2006.

Represented there will be all of the relevant activities of Samskip including its Icelandic container services, the intra-European services of Geest North Sea Line and Van Dieren Maritime plus various agency activities.

In the Swedish market, Geest operates a weekly container service linking Hull and Rotterdam with Helsingborg and Varberg. Bilbao in Spain and the Irish ports of Cork, Dublin, Drogheda and Belfast are served via transshipment in Rotterdam. Destinations in Germany, Switzerland, Italy, the Czech Republic, Hungary and France are served through Geest's extensive intermodal network.

The Samskip/Geest container pool consists of 13,000+ containers, ranging from 20ft to 45ft pallet- wide high cube containers including reefer, curtain- sider and flat-racks. Together, the two lines have 24 vessels in the fleet with four newbuildings coming into service later this year.

- **DHL Exel launches Westlink Consolidation Service**



DHL Exel Supply Chain, the global leader in supply chain management, in association with CBI Northern Ireland has launched a new initiative aimed at easing congestion on Belfast's Westlink. The Westlink Consolidation Service which has been developed by DHL in consultation with CBI Northern Ireland, will see inbound deliveries consolidated at DHL Exel Supply Chain's distribution centre at Mallusk and delivered to their city centre destinations via DHL's specialist consolidated service.

DHL Exel Supply Chain's Freight Consolidation Service concept has already been successfully implemented for the BAA at the award-winning Heathrow Consolidation Centre serving London's Heathrow Airport. DHL consolidates and delivers inbound goods to the majority retail and catering brands at the airport. Since the operation went live in 2001, 80% of retailers and catering brands at the airport have joined the

collaboration project. As a result freight movements have been reduced by an average of 65% across the site.

In Bristol - working in partnership with Bristol City Council, DHL Exel Supply Chain works with more than 50 retailers and is now consolidating deliveries destined for the city centre - reducing the number of vehicles required to support these retailers' deliveries by over 70%.

Michael O'Donoghue, Managing Director, DHL Exel Supply Chain, Ireland said, "Sustainable Transport Solutions are a top priority for DHL. Our experience in other markets where DHL Exel Supply Chain already manages consolidation platforms on behalf of its customers has enabled us to take a leadership position in this area. We are pleased to be in a position to make our expertise and experience work in a positive manner, adding value to the businesses we serve in this market. Belfast is a thriving city but one that faces significant issues in terms of traffic congestion and the subsequent impact on business competitiveness. We hope to continue our collaboration with all key stakeholders with a view to finding effective solutions to these challenges."

• **GLS reports record revenues**



General Logistics Systems B.V. (GLS), the European parcels, express and logistics service provider continues to grow strongly.

GLS Group's revenues increased by 13.5 per cent to 1.5 billion euros – an increase of 180 million euros. The strength of its European network is demonstrated by the 26 per cent growth in international shipments.

Volume growth together with continuing efficiencies contributed to a 37 per cent increase in Earnings Before Interest and Tax. During 2005/6 GLS increased capital expenditure to over € 60 million to support its growth with the focus on expanding and modernising the physical network infrastructure and on developing and enhancing IT systems.

GLS has ambitious plans for 2006/7: revenues are targeted to grow further to 1.6 billion euros. Over 100 million euros will be made available for capital expenditure to support the continued expansion. Significant investments in hubs and depots are planned in Germany, France, Denmark, Hungary and Poland. GLS will also continue to strengthen its networks in Italy and Spain.

- **Cathay Pacific sees cargo volume rise 3.8pc in April**



CATHAY Pacific's traffic figures for April 2006 reflect continued cargo and passenger growth, with the airline carrying 96,663 tonnes of cargo in April, up 3.8 per cent from the same month last year.

The increased cargo volume in April corresponds to a 1.4 per cent rise in capacity, measured in terms of available cargo/mail tonne kilometres, the carrier said in a statement.

Cathay Pacific director and general manager for Cargo, Ron Mathison, said: "Easter is always slower for cargo, yet outbound freighters were still good, with continued high demand from China exporters. Regional markets such as Vietnam and Sri Lanka have grown fast and will be ones to watch in the future as well. Fuel costs tended upwards through April and continued to rise in early May, adding further negative pressure to the bottom line."