

April 2012 **Containerisation International**

North Europe-Eastern Mediterranean Trade

“Ocean carriers started getting together on this route...leaving Borchard Lines as the only independent...Another factor that is said to be playing into the hands of short-sea service providers is shippers’ greater need for schedule reliability. European retailers, in particular, are said to be increasingly raising penalties on their suppliers for non-performance, so putting greater emphasis on shippers to deliver as agreed. Road transport may be quicker, but it is less reliable.

The problem for shippers is that when carriers share services, as is now happening, too many eggs can end up in the same basket, so if a vessel is delayed, the consequences can be greater than would otherwise be the case.

Table 3 shows how schedule reliability of all intra-European services (not just those between northern Europe and the eastern Mediterranean) has changed over the past year, which aptly demonstrates the danger. With only around one in two short-sea vessels arriving on time, there is much room for improvement.

Table 3: Comparison of individual carriers’ schedule reliability between northern Europe and eastern Mediterranean

Carrier service	Borchard	MSC Main	MSC Aegean	Seago Aegean
Jan 12	100%	0%	0%	100%
Dec 11	100%	20%	75%	25%
Nov 11	75%	33%	80%	25%
Oct 11	100%	33%	100%	N/A
Sep 11	100%	50%	100%	N/A
Aug 11	100%	33%	0%	N/A

Notes: On time classed as same day as advertised, or day before. N/A = Not available
Source: Drewry Schedule Reliability Insight

That seems to play into Borchard Lines’ hands, particularly as its track record on schedule reliability is good (see table 3). The niche market player runs small vessels, which combined with the more decisive power of a family-owned company, usually enables it to maintain schedule better than those run by committee.

In summary, whilst the new vessel sharing arrangements in the northern Europe/eastern Mediterranean tradelane promise more secure services, they are not a win-win situation for both sides. Shippers have many downsides to consider before deciding which partner to support.”