



Corridor

Set up of a food corridor

Port of Oostende - Saint Petersburg

Definition of a corridor

Corridors are characterised by a connection between a region of origin and a region of destination. In the ideal situation a balance of flows in both directions is obtained. In the framework of Food Port, a **green** corridor is considered in a broad way. In terms of “sustainability” it combines on the one hand environmental and climate criteria and on the other hand economic (cost-efficiency) criteria. Setting up a corridor which is green in the (narrow) sense of being environmentally friendly, but not price competitive, will not be sustainable and could not be developed on a structural basis.

Map



Description

The overall goal is twofold:

1. To develop a balanced intermodal short sea corridor for food products between West Flanders and region Saint Petersburg;
2. To increase the market share of the Port of Oostende regarding this specific kind of cargo (potatoes, vegetables & fruits).

A short sea shipping solution with small conventional coasters (2000–4000 ton ships) directly from Oostende to Saint Petersburg is the most feasible solution based on INCO-term CIF Saint Petersburg. Classic euro or industry pallets are loaded directly via quay on the vessel and limited reefer capacity is possible (Deck: 36 FEU; Hold: 48 FEU).

General objectives

In a start-up phase a minimum of 60.000 tons is needed to be successful. During this phase, it is also important to create a mental shift: “Yes, short sea shipping via Port of Oostende is a viable alternative for road transportation regarding food products (focus on potatoes)” and it can be competitive regarding price, service and sustainability.

From a more structural perspective it is the ambition to strengthening the Port of Oostende as a niche player regarding specific food products (potatoes, vegetables & fruit flows) in smaller volumes.



Process

The pilot scope is to create a successful (minimal) 2-weekly corridor for potatoes & vegetables between Oostende and Russia for a minimum period of 6 months. The implementation plan is as follows:

1. Market consultation and exploration;
2. Logistic concept development;
3. Detect return flows – Northbound;
4. Development of a structural short sea transport scenario;
5. Initiating shippers' community food (West Flemish) traders. Discuss short sea transport concept;
6. Fine tuning business case – indicative calculations;
7. Pilot project time frame;
8. Initiating pilot;
9. Implementing the pilot;
10. In-depth analysis and evaluation of the pilot case.

Results

- Receiving insights in the potential (food) flows between Oostende and Saint-Petersburg;
- Elaborate an in-depth and solid sound business case taking into account different scenario's regarding volumes; sailing speed; handling of palletised goods and number of dock workers; competitiveness of short sea shipping in comparison to road transportation prices.
- A business case calculation tool has been developed, based on actual market information. It calculates the different potential scenarios and helps in the decision process of the Port of Oostende and the shippers.

Lessons learned

1. Setting up a new corridor (logistics short sea shipping service) is time consuming and extremely challenging;
2. A constant focus on the win for each stakeholder is of crucial importance;
3. Working out a balanced solution (combination of food and non-food flows) is recommended for anchoring the “structural “ character.

Case initiated by



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Full corridor report is available on www.food-port.eu/downloads