REPORT ON:

MOTORWAYS OF THE SEA
(Norway-Scotland) WORKSHOP

Held at:
Rica Hotel Kristiansund
Storgaten 41
NO-6508 Kristiansund

Friday 18th August, 2006

Reported by Møreforsking Molde, Norway
Lage Lyche

Annex 2.3.2 to the Final Report

September 2006

MØREFORSKING
Molde AS
PREFACE

This workshop report has been written as part of the SUTRANET project (Work Package 2: Motorways of the North Sea). SUTRANET (‘Sustainable Transport Research & Development Network in the North Sea Region’) is a project within the framework of the European Commission’s (EC’s) Interreg IIIB North Sea Programme.

The report describes the user group workshop organised by Moereforsking and held in Kristiansund, Norway on 18 August 2006.

SUTRANET, June 2007

Jorgen Kristiansen, Aalborg University, Denmark
1. **AIM OF THE WORKSHOP**

A workshop was held at the Rica Hotel Kristiansund, Storgaten 41, NO-6508 Kristiansund on Friday 18th August, 2006. The workshop/user group related to Work Package 2 of the SUTRANET project concerning *Motorways of the North Sea*. The aim of the workshop was to bring together interested parties to explore possibilities and potentials for the development of a **Ropax Motorway of the Sea from Mid Norway to Scotland with link to Belgium as an alternative to long-distance road transport**.

Invited persons attending the workshop included representatives/experts from transport and logistics firms, seaports, shipping service providers, government, and from the research community. Similar workshops are to be held in several other European countries bordering the North Sea as part of the SUTRANET Project.

The workshop began with a series of presentations describing the state of the art in terms of a project called Mid-Norway – Rosyth ropax service (MINORO). I. a. there was a presentation of an ongoing market analysis for a boating route on the distance. This was followed by a workshop session that allowed attendees to explore how such initiatives might be taken forward and implemented. The workshop programme is attached as Annex I, with the list of attendees as Annex II.
2. THE SUTRANET PROJECT

SUTRANET (Sustainable Transport Research & Development Network in the North Sea Region) is a project funded under the EC Interreg IIIB North Sea Programme. The vision of SUTRANET is to improve the knowledge-base for developing efficient and sustainable transport networks in the North Sea Region.

SUTRANET consists of the following ten partner organisations, and which includes many of the main transport and logistics research institutes in Europe:

- Aalborg University (AAU) – Lead Partner
- FDT – Association of Danish Transport and Logistics Centres
- Institute of Shipping Economics and Logistics (ISL), Bremen
- Institute of Transport Economics, Oslo
- SINTEF Civil and Environmental Engineering, Norway
- University of Applied Sciences, Kiel, Germany
- Møreforskning Molde, Norway
- IVL Swedish Environmental Research Institute, Gothenburg
- Napier University Transport Research Institute, Edinburgh
- Erasmus University, Rotterdam

The SUTRANET project consists of 4 work packages:

- North Sea Transport Research and Development Network
- Motorways of the North Sea
- Transport and Logistics Centres
- Training Programme Development

For further information on the SUTRANET Project please consult the website: www.sutranet.org
3. WORKSHOP PRESENTATIONS

Lorentz Boxaspen the project leader of the MINORO-project outlined what the project was about and explained the work that was being done. It all started with the Newtron Line in 1998, which was a planned RoRo service between Trondheim and Newcastle. After some analysis the project was rejected.

In 2004 the project was revitalized by the INTERREG IIIB program The Northern Maritime Corridor (NMC). In the programme it was claimed that it is possible to reduce the transport movements (in tons-km) on roads dramatically by introducing a two-leg RoRo ferry service between Mid Norway – Rosyth (Scotland) and Rosyth – Zeebrügge (Belgium). See figure 1.

The Rosyth-Zeebrügge Superfast ferry service has been in daily operation since May 2002, but a direct ferry connection between Mid Norway and Rosyth is missing today and was one of 14 prioritised projects in the NMC programme. The connection was named MINORO. The project was presented for the Møregruppen in Kristiansund, who took the responsibility to make plans for the service.

The main arguments to establish a new ferry connection from Mid-Norway to Scotland.

- Møre and Romsdal is the second largest export county in the country
- There are today no international ferry connections north of Bergen
- There are a relative large population that belongs to Mid-Norway and also on the other side to the Edinburgh area.
- Markets for both freight and passengers can be Mid-Norway, North-Norway and Mid Sweden.
• The magazine “National Geographic” elected Norwegian fjords as the best travel destination in the world last year. At the same list Scottish highland got in place 6 and in place 2 for Europe.
• Superfast IX and Superfast X, which operate on the Scotland – Belgium route, was in January 2004 voted as “Best” ferry overall among 15 ferries operating out of the UK by "Holiday Which?" magazine, the publication of the British Consumers' Association.
• There are potential for much cargo, oil and gas. I. a. there is weekly sea transport service of cargo between Kristiansund and Aberdeen.

The ferry travel will take 26 hours between Kristiansund and Rosyth and 18 hours between Rosyth and Zeebrugge. The whole journey from Kristiansund to Zeebrugge will take 46 hours and this can complete/compete with road transport through Oslo.

The MINORO service project was presented for Attica Enterprises which are the company that runs the Superfast ferries between Rosyth and Zeebrugge, in October 2004 and they were very positive to the idea.

Temporary it is some government assistance in the project. I. a. Møre and Romsdal county authority has come up with funding in the planning of the project. Hopefully Scottish local authorities will do the same. There will be a meeting about the project in Scotland in Sept/Oct 2006. It is also funding from local business and industry in Mid-Norway.

A committee chaired by Møregruppen is established to make plans for and to hopefully implement the MINORO ferry service. The primary goal for this committee is to elucidate a decision basis for participants in the ROPAX market to establish an international ferry connection between Kristiansund and Rosyth. Evaluate and select an operator for the ferry service.

Jan Erik Nilsen Netter from Norconsult displayed the temporary results from an ongoing market research. The survey is based on interviews with approximately 100 cargo owners, forwarders and road hauliers in Mid Norway in July/August 2006. It is also based on existing freight statistics. The next step will be a survey on passenger transport potentials.

The survey shows there is an imbalance between export and import. There are 2,5 times more export than import. France, UK and Germany are the biggest export markets from Mid-Norway. These are also Mid-Norway’s biggest import markets. 2/3 of the proprietors of goods indicate growth from 2-30 % in the future. This growth is mainly caused by new markets. Only one company suggest decrease and the other 1/3 believes in no change. So far Norconsult has concluded that Scotland is a correct target but they propose that port of call in Rosyth maybe should be combined with calls in some other ports. They also propose season adapted sailing schedules. When it comes to vessel, they propose minimum 1600 lane meter, but this topic will be further developed.
This initial session of presentations was then followed by a workshop in which specific questions were addressed by the attendees, the latter comprising experts representing a wide range of sectors, both private and public. Specific questions considered included the technical, operational and organisational requirements for a motorway of the sea from Mid-Norway to Scotland, and following on from this the question of how such a service might best be implemented. The discussion was divided into freight and tourism.
4. CHALLENGES AND POSSIBILITIES RELATED TO FREIGHT TRANSPORTATION

A particular issue is related to trade imbalances for the Norwegian market. Norwegian export traffic to UK and the continent is stronger than the inbound market. How could a Norwegian/Scottish Motorway of the sea (MoS) best tackle the freight imbalances?

One way proposed to overcome the trade imbalance issue was to introduce a triangular service. A clockwise service such as Kristiansund-Stavanger-Rosyth was proposed to effectively address the imbalance issue. When it comes to the oil and gas industry nearly all supply chain goes via Stavanger. There is a goal to establish more of the deliveries directly to Kristiansund. But if this is possible it will take time. A direct ferry connection just between Rosyth and Kristiansund is hardly of any benefit for the oil and gas industry in Mid-Norway.

Car import was also discussed, but here one seems to have little influence. The distribution is determined by the producers. Today Drammen in Norway and Malmø in Sweden are hubs for the distribution in Scandinavia and Baltikum and it is hard to turn this distribution network.

There was a discussion in the workshop that dealt with who is taking the decision about what kind of carrier to use, the cargo owners or the transporters/forwarders. The conclusion was that in most cases it is the transporters. For instance when it comes to subsea modules in connection with offshore transportation it is a point to get rid of the wage costs to the driver. In such cases the forwarders if it is possible would use a ferry service for the trailer. The workshop also dealt with feeder solutions and infrastructure as important conditions to take into account.

In the market survey it is already done many interviews with relevant actors. In the workshop session it was stressed out that one have to put more effort on finding even more informants.

The freight session concluded that there is much potential freight between Mid-Norway and UK.
5. CHALLENGES AND POSSIBILITIES RELATED TO TOURISM

The Tourism leader for Destination Kristiansund and Nordmøre introduced the session by talking about the time before and after the Scottish ferry. He meant that such a ferry connection will be very important for the tourism in Mid-Norway.

It is necessary to analyse the tourism markets on the both sides, in Norway and in Scotland. In the last years it is a trend to nature based holidays and a ferry will establish a connection between regions with such offer.

It is also useful with an experience analysis from other ferry connections like Larvik-Line. Sailing time and travel behaviour will be central in such analysis. It is interesting to compare travel time and travel possibilities via Kristiansund-Rosyth-Debugged in stead of Oslo-Kiel, Larvik-Hartsdale, Kristiansand-Hirtshals or Oslo-Fredrikshavn to reach the continent.

Generally international ferry connections are important for the car tourism in Norway. Today it is no service north of Bergen and so a new connection between Kristiansund and Rosyth probably will be of big usefulness. It is also interesting for people in Mid Scandinavia to have a possibility to travel to UK the straight way over the North Sea. In order that car tourists will use the ferry service it is a necessary assumption that the offer is well marketed. The competition with other routes and means of transport, require a certain comfort on the vessel. For the tourism segment it is important that the travel time is not too long. A direct connection with no transit will maybe be the best solution. A triangular service via Stavanger will probably take too long time for the tourism segment, but maybe one has to touch at Ålesund to get enough passengers. To make adventure travels maybe it is interesting to go via Lerwick at Shetland Islands. A further discussion on tourism adventure contra sailing time and number of stops is required.

It is very important with strictly interviews with potential passengers to define what kind of service one have to order. Season based sailing frequency can be a solution. One has to map the size on the Scottish skiing market and the possibility to arrange conferences on board. The weather circumstances in relation to type of vessel are also an important analysis to do. The hinterland infrastructure is a considerable challenge. It is important to propose a schedule as soon as possible. Here it is important to take into account the sailing- and arrival times. When the ferry arrives at the evening the tourists have to stay over night. That means a stay at a hotel or other accommodation in the Kristiansund area. Otherwise if the ship arrives in the morning the travellers will in many cases live the region very soon.

New ferry start-ups can involve slow development and this adds to the financial risk. The European Commission transport programme Marco Polo and other schemes are
designed to help new service-start-ups develop. Maybe the MINORO service may qualify for such grant.

5. SUMMARY

The following items add up the main points in the workshop discussion about a ropax Motorway of the Sea from Mid Norway to Scotland with link to Belgium.

- In the further work it is useful to make concepts over different scenario, and analyse the goal conflict between passengers and freight service.
- It is important to look at other international ferry connections and try to learn from experiences.
- Further work is required on identifying needs for both the passengers market and the freight market. For the freight market it is an ongoing market analysis.
- Feeder solutions and infrastructure are important conditions to take into account.
- It is important to get in touch with national authorities and authorities in Scotland with the plans.
- It is also important to cooperate with ship owners
- When it comes to tourism it is necessary with large effort on marketing both in Mid Scandinavia and UK.
- Maybe it would be useful to get in touch with the National transport plan (NTP) – process to get more thrust with the ferry service plans.
- Further work will be required to establish optimal sailing and arrival times.
- New ferry start-ups can involve slow development and this adds to the financial risk. The European Commission transports programme Marco Polo and other schemes are designed to help new service-start-ups develop. Maybe the MINORO service may qualify for such grant.
ANNEX I

MOTORWAYS OF THE SEA (Norway-Scotland) WORKSHOP

PROGRAMME

1000  Background/state of the art  Lorentz Boxaspen, Project leader of MINORO
1100  Marketing analysis  Jan Erik Nilsen Netter, Norconsult
1200  Lunch
1300  “Brain Storming”
1500  Summary and end of programme  Lorentz Boxaspen
ANNEX II

List of Attendees

Lorentz Boxaspen, Project leader of MINORO and marketing manager at Waage Transport AS Kristiansund

Jan Erik Nilsen Netter, Norconsult AS Trondheim

Lars Haug, NorSea Group Vestbase AS Kristiansund

Arild Oterhals, Norcargo AS Kristiansund

Rolf Einar Sæter, Norske Shell Kristiansund

Jan Olav Bjerkestrand, Harbour master, Kristiansund Harbour

Eyvind Raanes, The council of Kristiansund

Harald Hjelle, Molde University College

Odd Einar Folland, Chairman of the board of MINORO and Bank director Sparebank1 Nordvest, Kristiansund

Arild Fuglseth, the County Authority of Møre and Romsdal

Joachim Weisser, Møreforsking Molde AS

Lillian Sørheim, the County Authority of Møre and Romsdal

Lage Lyche, Møreforsking Molde AS

Roar Lervik, Møreforsking Molde AS

Roar Harsvik, Tourism leader Destination Kristiansund and Nordmøre

Robert Vik, the County Authority of Møre and Romsdal

Rolf Kåre Sæther, Bank director Sparebanken Møre, Kristiansund

Asmund Kristoffersen, Member of the Norwegian Parliament