



# Executive Summary

## Governance and Conflict Resolution in Dryport Planning

A study by the Institute of Labour and Economy (IAW)  
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# Executive Summary

## If 'dryport' is the answer, what is the question?

*'A dry port is an inland intermodal terminal directly connected by road or rail to a seaport and operating as a centre for the transshipment of sea cargo to inland destinations. In addition to their role in cargo transshipment, dry ports may also include facilities for storage and consolidation of goods, maintenance for road or rail cargo carriers and customs clearance services. The location of these facilities at a dry port relieves competition for storage and customs space at the seaport itself.'*

The concept of dryports, and the benefits they can offer within the supply chain, is spreading across Europe, gaining interest from logistics operators, shippers, ports and others looking for efficient, cost-effective, low-carbon alternatives.

Dryports can optimise the distribution of goods by accelerating transport flows, rationalising logistics chains and improving the coordination of traffic infrastructures and locations.

The most relevant element of the dryport concept is the direct link to a seaport; many seaports are increasingly suffering from congestion, with little space to expand and restrictions on growth because of local and environmental pressures. A well-organised dryport can ease some of these pressures.

However, the term 'dryport' encompasses a confusing variety of logistics hubs, inland terminals, distribution parks, freight villages, etc., with different characteristics and different functions.

Equally, the creation and operation of a dryport faces a variety of challenges and difficulties; this is not always a simple solution to growth pressures faced by a seaport.

## Bremen/Bremerhaven

**The City of Bremen (about 60 kms south of Bremerhaven) and the City of Bremerhaven (at the mouth of the river Weser) are locations of seaports run and managed by the public enterprise Bremenports. The stevedoring company Eurogate has operations at both locations. While the Ports of Bremerhaven are one of the main ports in Europe, ranking among the top five in cars and containers, the city-ports of Bremen are important for bulk and conventional cargo.**

Two facilities in the City of Bremen could be looked at as 'dryports': the Neustädter Hafen, which is strictly speaking a wet port for ships with some characteristics of a dryport; and, directly adjacent, the Güterverkehrszentrum (GVZ), a modern freight village, with road and rail connections, where a large number of forwarders and logistics-related companies are concentrated.

The report examines the structure of the Bremerhaven/Bremen extended gateway and the way in which these two 'dryport' facilities are integrated here and also how they might serve the new deepsea port of Wilhelmshaven.

## Gothenburg/Falköping

**The Skaraborg Logistics Centre (dryport) in Falköping was built in 2006. The container terminal extends over three hectares and the associated logistics park has another 70 hectares.**

In 2006 the container terminal Skaraborg/Falköping became part of the Port of Gothenburg's Railport network, which consists of 24 inland terminals linked by rail shuttle to the seaport. However, in 2008, because of the global financial and economic crisis, the shuttle train between Skaraborg/Falköping and Gothenburg was ceased. In July 2011, the container terminal operations of Skaraborg were taken over by TBN Akeri AB, a logistics operator for trucks. Nevertheless, the container turnover is still limited and, at the moment, the economic basis for Skaraborg is largely centred on the timber business.

The report examines Skaraborg's dependence on the seaport of Gothenburg, its potential to operate as an extended gateway for a seaport or for a distribution/packing centre, the advantages of being situated next to the main rail track from Gothenburg to Stockholm, and the site's potential to serve a new market once the Fehmarn Belt bridge is built, providing a new fixed link to Germany.

The IAW study set out to establish how and under what conditions dryports can be successful; under what conditions dryports can work efficiently as a complementary partner for seaports and as a reasonable option for future-oriented and sustainable logistics.

The report considers dryports in the context of:

- Spatial and environmental issues
- Functions and services and how they are combined and integrated
- Competitive issues and the economic dimension
- Governance issues and how an all-winners result can be achieved

### Geographical focus

The IAW study was carried out within the EU's North Sea Region Interreg IVB Programme, covering case studies in four partner regions of the project 'Dryport – a modal shift in practice'. Interviews and research were carried out in order to compare the process of dryport implementation at:

- Bremerhaven/Bremen
- Felixstowe/Haven Gateway
- Gothenburg/Falköping
- Zeebrugge

### The key points:

- Description of the specific local situation
- Stakeholder constellation and relations between stakeholders
- Actual process of planning, implementing and operating the dryport
- Forms of governance

### Bremen/Bremerhaven conclusions:

- The implementation of the promotional body VIA Bremen demonstrates that the requirement for more intensive communication, cooperation and coordination between public and private actors is well understood in the region;
- With the Neustädter Hafen and the GVZ (including existing expansion space), there is an excellent potential for dryport operations;
- All of the involved private and public companies and institutions increasingly understand that they can meet future challenges more successfully if they are acting as the Bremerhaven/Bremen extended gateway rather than as a conglomerate of diverse – and sometimes even competing – players and interests;
- Some networking tools and mechanisms for efficient coordination and regulation of the activities of the logistics cluster exist and could support internal arrangements concerning the division of tasks between different locations and actors as well as the extension of dryport functions;
- The stage is set – but in reality, making use of the opportunities will depend on economic development and business calculations. More investments in dryport activities will not happen before there is the expectation of a clear benefit for a majority of the participants in the existing networks.

### Gothenburg/Falköping conclusions:

- The Skaraborg Logistics Centre and the Port of Gothenburg have only a very loose connection. While the seaport does not need a near dryport at the moment, the dryport depends on the seaport for export/import traffic.
- It is conceivable that the Skaraborg dryport could become part of the inland network of its former container terminal operator and, with the prospect of a more efficient railway connection to continental Europe, competition between seaports could be stepped up, which would also increase the importance of inland terminals.
- It is clear that the interests of seaport and dryport differ at present.

# Haven Gateway/Felixstowe

The Haven Gateway is a sub-region in the East of England that includes Felixstowe, the UK's biggest container port, as well as the ports of Ipswich, Harwich International and others. The Haven Gateway Partnership is a public/private sector body focusing on cooperation and economic promotion in the sub-region, with a particular focus on ports, shipping and logistics.

The most important port relevant for dryport connections is the Port of Felixstowe, which handled 3.4 million TEU of container throughput in 2010, and completed the first phase of a major deepwater expansion in 2011.

Two possible dryport sites have been identified by the local authorities in the district of Babergh, within close reach of Felixstowe and the other Haven Gateway ports: a former British Sugar site on the edge of Ipswich, with developable land of 36 hectares and its own access to the A14 motorway; and a 20-hectare site at the Brantham Industrial Area, near Manningtree, with the railway line running alongside.

## Zeebrugge

The Port of Zeebrugge is one of the fastest growing ports in the Hamburg-Le Havre range, developing from a pure transit port to a logistics platform. In 2010, the port handled 2.5 million TEU, almost tripling its throughput in ten years. There is a regional cooperation with the ports of Ostend and Antwerp.

Zeebrugge is well suited for international companies to organise their European or worldwide distribution and quite a few companies have invested in logistics centres, where they add value to their cargo before distributing throughout Europe.

The 120-hectare Maritime Logistics Zone (MLZ) was set up in its present structure in 2009. It is directly attached to the seaport of Zeebrugge. The distance to the Port of Antwerp is approximately 136 km. There are direct rail and inland waterway links between the Port of Zeebrugge and the Port of Antwerp. The MLZ has a direct rail terminal, whereas cargo for inland barges has to be transhipped by lorry from the seaport.

The first company starting operations at the MLZ was a coffee merchant which set up its Seabridge Logistics Centre for the handling and distribution of green coffee in 2009.

### Haven Gateway/Felixstowe conclusions:

- The Port of Felixstowe reports that it has no shortage of capacity inside the port and thus has no need or interest in investing in a nearby dryport to shift containers to external areas.
- The initiative for a dryport in the Haven Gateway/Babergh District is essentially politically motivated.
- A dryport development might be possible when logistics companies can be found for investing in a container drop and additional services site with a better cost-benefit relation than in the seaport.

### Zeebrugge conclusions:

- The clear focus on logistics functions at the Port of Zeebrugge, reinforced by the investments since the 1970s, has facilitated a mixed economic pattern.
- The recent focus on "green logistics" at the dryport attracts investments and long-term lease contracts and also facilitates cooperation with the neighbouring Port of Antwerp, to mutual benefit, and generates cargo for the seaport.
- The complex and developed networking capability of the port cluster is a factor contributing highly to the competitiveness of Zeebrugge port and may sustain this position on a durable basis.
- Regulations and perceived conflicts of use are resolved for both for the seaport and dryport and there are stable labour relations.

## Similarities and differences across the four cases

The study identifies and summarises the spatial, economic and functional dimensions of the dryport concept, considering how different combinations of these functions are in place.

- Dryports as part of an extended gateway
- Dryports as a 'functional satellite'
- Dryports as hinterland hubs
- Exclusive multimodal cargo terminals

### The dimension of governance

The process of planning, launching and operating a dryport is, or at least should be, embedded into the process of integration and implementation of the involved stakeholders. Stakeholders include not only economic actors such as forwarders, shipping companies, truck owners and other clients, but public administration on local, regional and national level and residents, too.

This coordination and sometimes conflict-solving tasks will primarily be given to and fulfilled by the different bodies of the public administration; the role of the state in planning, launching and operating a dryport depends very much on the status of the operator of the respective dryport.

**Bremen-Bremerhaven:** The state is acting as "facilitator"; public bodies support both the port community and the logistic operators to have an environment in which they can cooperate and establish commercial cases.

**Gothenburg-Falköping:** The drive to establish a dryport was a successful political initiative which, however, due to low commercial interest or impact, has not yet led to a fully functioning dryport.

**Haven Gateway/Babergh [Felixstowe]:** Local politicians were using to a certain extent the "dryport" concept for their aims regarding a specific site.

**Zeebrugge:** The state can be regarded as "entrepreneur". This is facilitated by low to zero conflicts between residents and commercial interests.

**Study conclusions:** Conditions and prospects for successful dryport development.

The process of planning, implementing, building and operating a dryport is a process of multiple integration:

- Integration into the logistics chain (the spatial and functional dimension)
- Integration into single companies' strategies (the economic dimension)
- Integration into intra- and interregional structures (the governance dimension)

If a combination of all three factors is achieved, there is a good chance that in cooperation with the corresponding seaport a dryport can be implemented and operate successfully.