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# Forecasting Cross-Channel Freight Traffic

IMPACTE FINAL CONFERENCE,  
London, 25 September 2008

Chris Rowland, MDS Transmodal

# Why forecast port traffic?

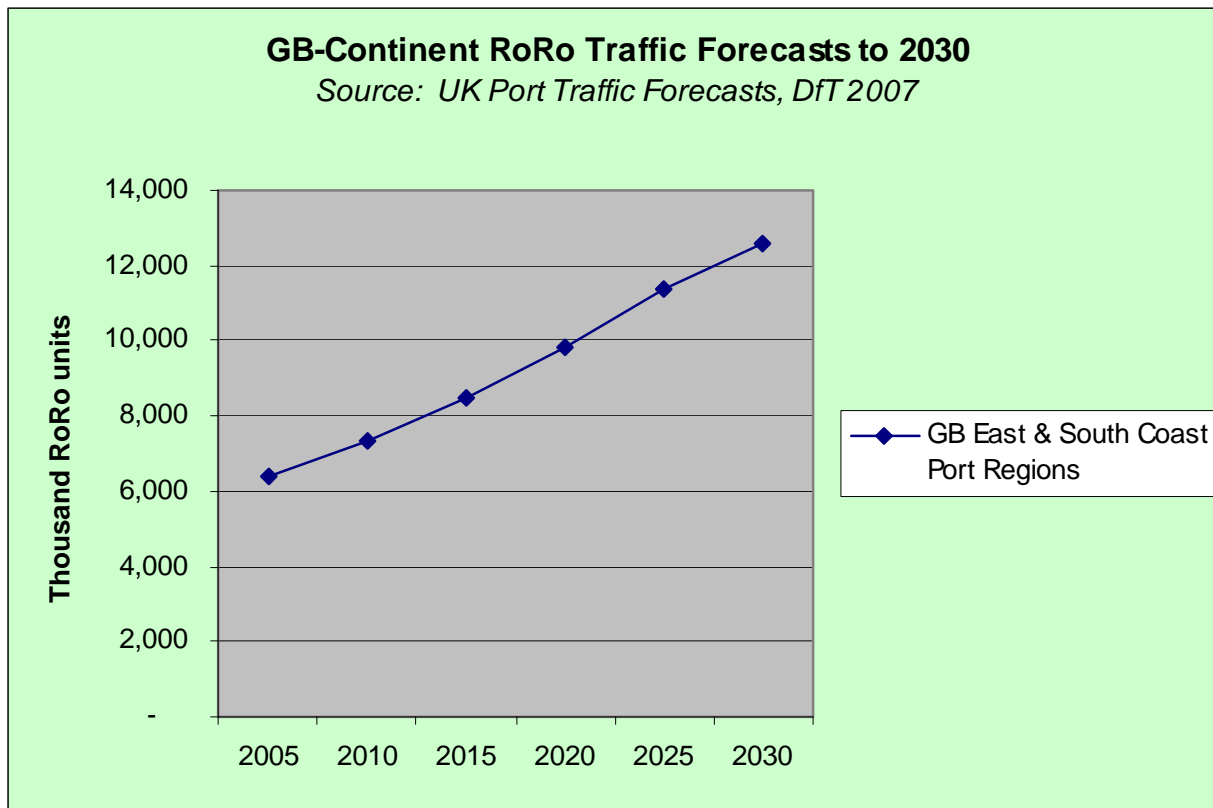
*“The only function of economic forecasting is to make astrology look respectable” (JK Galbraith)*

## **UK National Port Traffic Forecasts to 2030:**

- To inform planning & decision-making by Government at a national level
- To provide national view of need for additional port capacity (EU Habitat Directives)
- To provide “benchmark” for ports when producing Master Plans

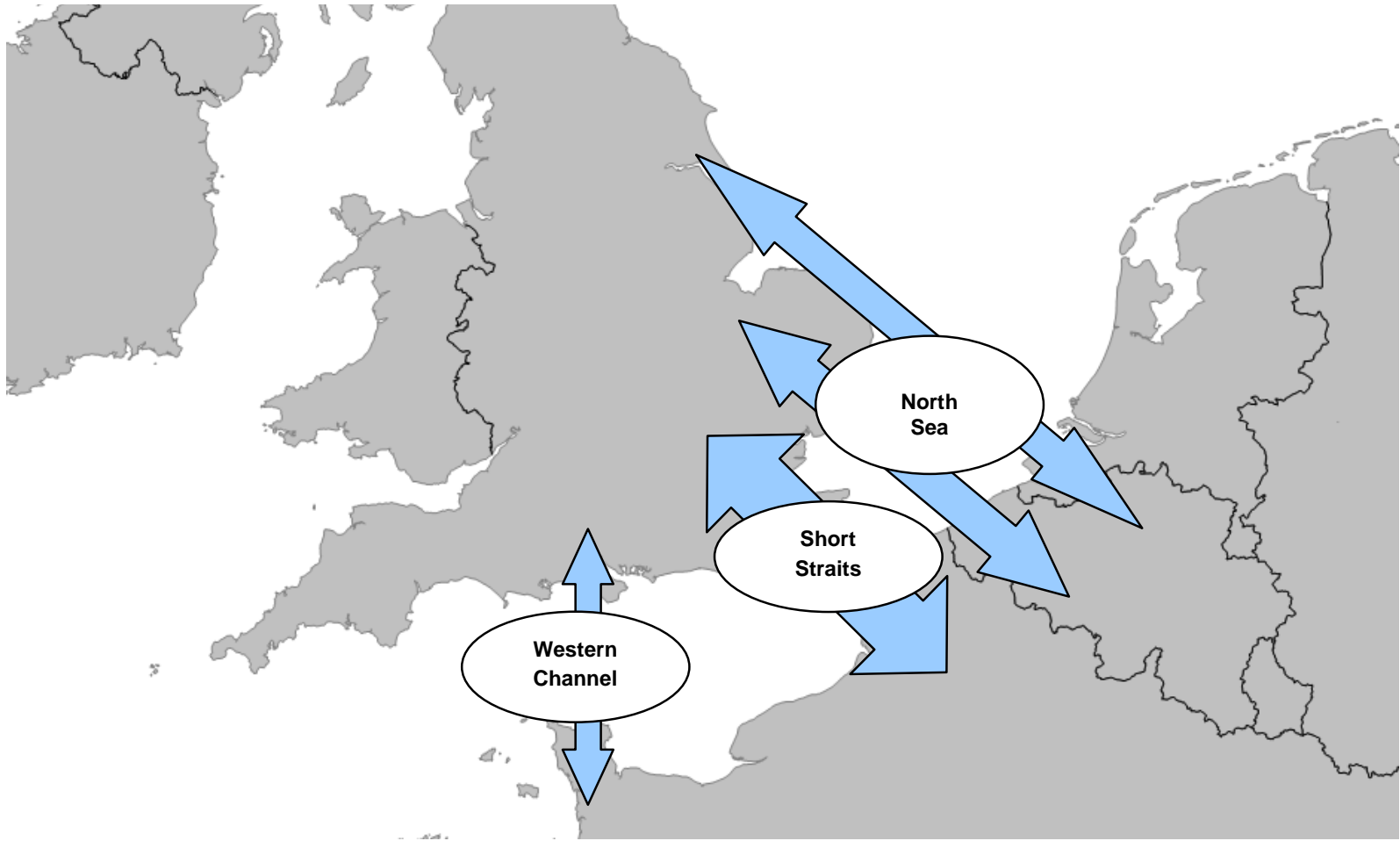
# Forecast total GB-Continent traffic growth to 2030

***"The best qualification of a prophet is to have a good memory" (Marquis of Halifax)***



# The geography: the cross-channel corridors

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# The ships: Short Straits versus North Sea



## Pride of Burgundy

Operator: P&O Ferries

Route = Calais-Dover

Freight capacity = 1,925 lane metres

Passenger capacity = 1,400

Main mode: *accompanied* RoRo

## Tor Humbria

Route: Rotterdam-Immingham

Operator: DFDS Tor Line

Freight capacity = 2,150 lane metres

Passenger capacity = 12

Main mode: *unaccompanied* RoRo

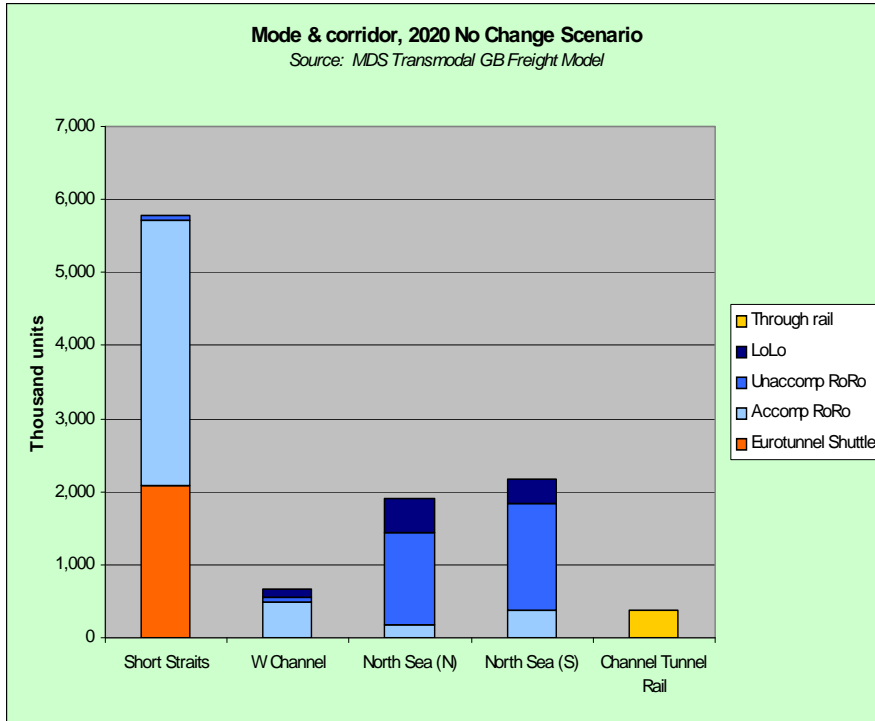


# Scenarios for growth by corridor and mode to 2020

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- Modelling traffic flows by corridor & mode using freight demand model
- “2020 No Change Scenario”
  - No change in road freight costs
- “2020 Road Pricing Scenario”
  - Pan-European road pricing system
  - Harmonisation of fuel tax rates between UK & continental mainland

# Results of scenarios to 2020

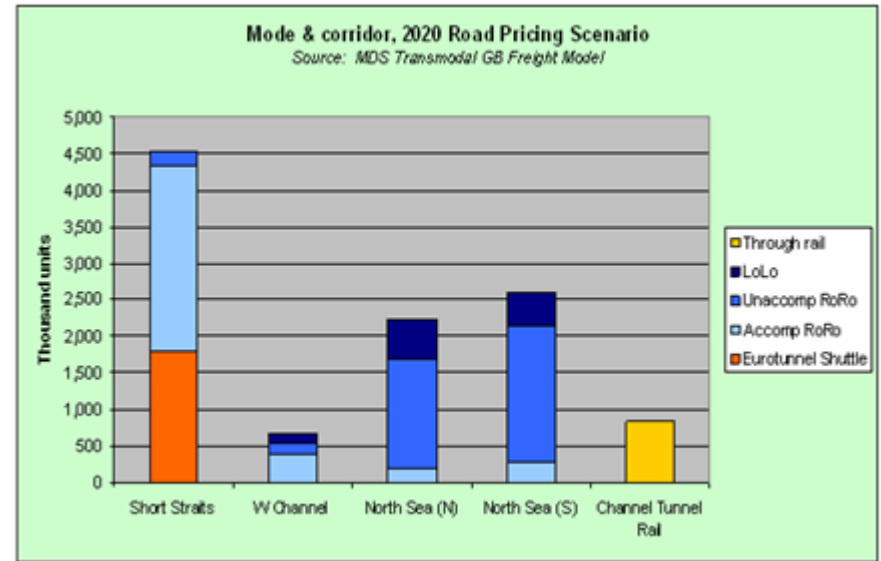


## “No Change Scenario” market shares:

Short Straits = 53%

Other ferries = 43%

Channel Tunnel rail = 3%



## Road Pricing Scenario market shares:

Short Straits = 42%

Other ferry corridors = 51%

Channel Tunnel rail = 8%

# Recent developments: high fuel costs

*"If you can look into the seeds of time, and say which grain will grow and which will not, speak then unto me."* (William Shakespeare)

- Variable costs (per kilometre) of road haulage increased in 2008
- Should lead to some switch of traffic from Short Straits to longer distance routes
- Ferry services also affected:
  - Slower steaming to save fuel
  - Emphasis on larger ships, providing economies of scale
  - Fleet renewal = opportunity to secure greater fuel efficiency

# Recent developments: economic slowdown

<b>OECD short term GDP forecasts</b>	June 2008	Sept 2008
Eurozone GDP growth 2008	+1.7%	+1.3%
UK GDP growth 2008	+1.8%	+1.2%

- Port traffic on Short Straits still growing to end Q2
- Long-term growth is what matters – will always be fluctuations

# Forecasting & port master plans

- UK DfT recommends to “ to all major ports that they produce Port Master Plans...”
- Purposes:
  - Clarify port’s strategic planning for medium to long term
  - Helps regional & local authorities in their planning
  - Inform stakeholders
- Role of forecasting:
  - UK national forecasts provide a “benchmark” & inform national policy-making
  - Ports need to start plans with their own traffic forecasts
  - Individual ports can disagree with national forecasts, but need to explain why!

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