Intermodal Transportation from North Sea Hub Ports into Poland and CIS Countries

by

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Founded on December 17th, 1991, Polzug Intermodal GmbH today is a joint-venture of the following companies:

• **PKP Cargo S.A.**, Warszawa	33,3%
• **HHLA Intermodal GmbH**, Hamburg	33,3%
• **Stinnes AG**, Berlin	33,3%

POLZUG Intermodal **today is the market leader in regular rail container services between North Sea Hub Ports and Poland**

Intermodal Transports

- Several times per day container train departures from Hamburg/Bremerhaven to Poland, Lithuania, Ukraine v.v., twice-weekly from Rotterdam (RSC and Maasvlakte) v.v.
- Oncarriage by rail to Russia, Moldowa, Caucasus, Central Asia, Mongolia, Afghanistan
- inner-Polish rail transportation between Polish inland terminals/depots and seaports,
- rail transportation between *POLZUG Intermodal* terminals/depots and terminals in Czech Republic, Slovakia and v.v.

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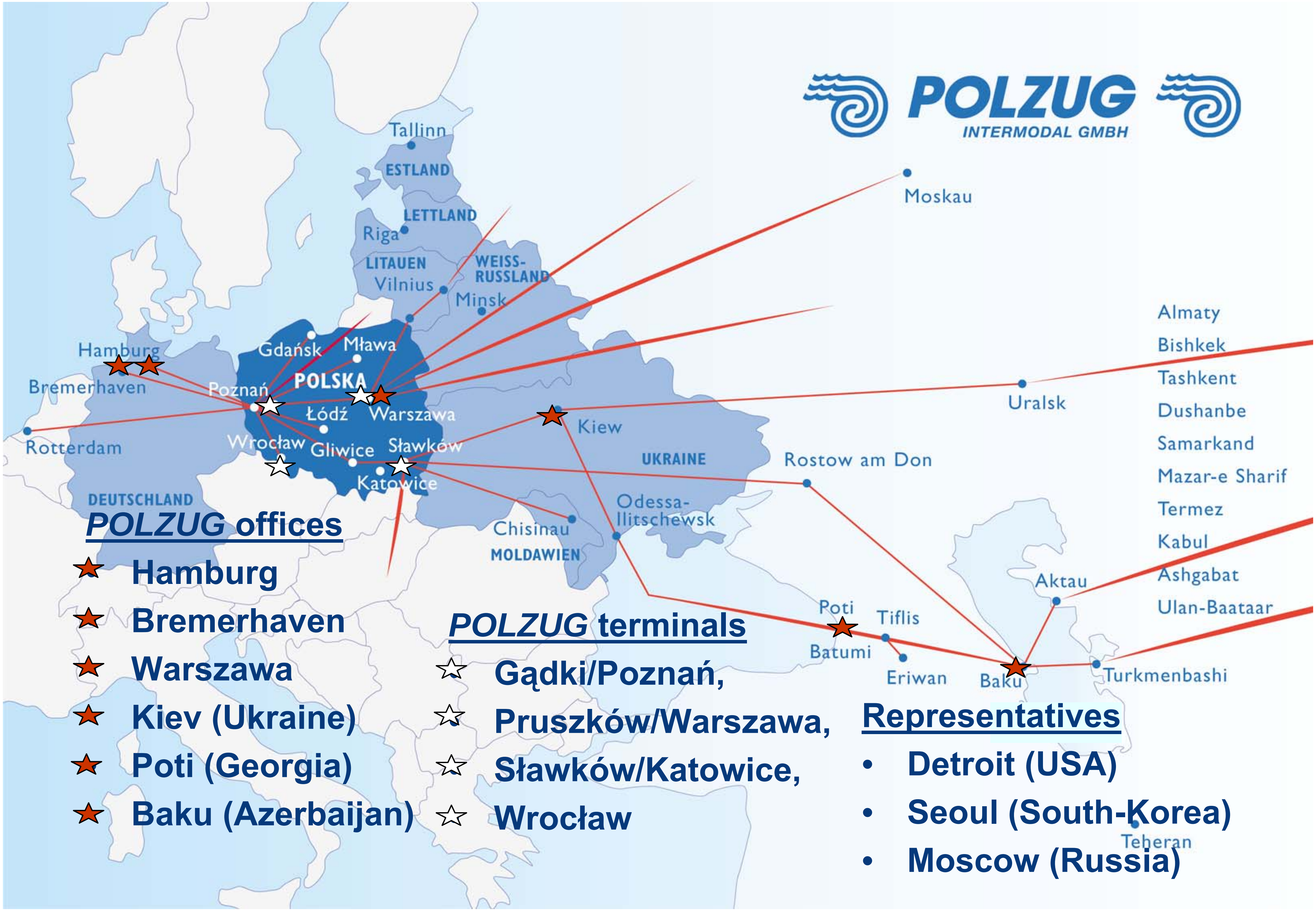

POLZUG offices

- Hamburg
- Bremerhaven
- Warszawa
- Kiev (Ukraine)
- Poti (Georgia)
- Baku (Azerbaijan)

POLZUG terminals

- Gądki/Poznań,
- Pruszków/Warszawa,
- Sławków/Katowice,
- Wrocław

Representatives

- Detroit (USA)
- Seoul (South-Korea)
- Moscow (Russia)

POLZUG INTERMODAL Polska Sp. z o.o.

- Depots for storage of containers, swapbodies inc. EDI reporting
- Truck delivery from terminal to customer, railage to CIS
- State Customs offices and Customs agencies on terminals
- Reefer plugs
- Repair of minor container damages
- Delivery of dangerous goods by ADR trucking companies
- Special chassis and container rental on demand

Geographic & economic preconditions

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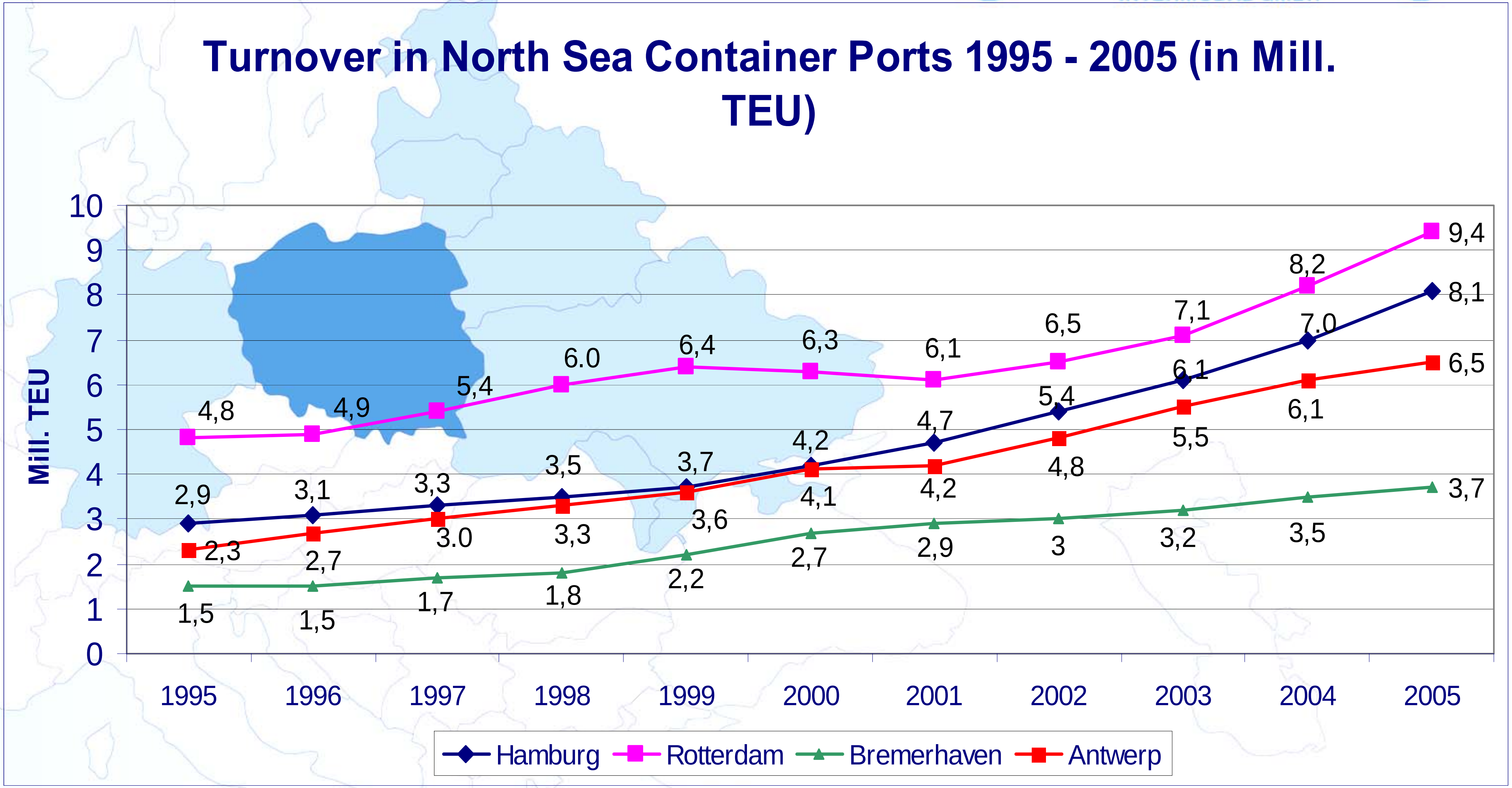

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Perspectives of Polish Container Market

- In the medium-term, the Polish logistics and transport market is expected to show double-digit growth in the range of 10-15%. The Polish market for container transports is expected to grow at similar high rates.
- Containerisation of commodities is still low as compared to EU-15 standards but expected to catch up in the medium term.
- Investments in Poland during past years have considerably strengthened fast growing light/consumer industries which are integrated in global supply chains, e.g. automotive, furniture.
- The integration of the new Member States into the European internal market will strengthen Poland‘s role also as transit country for Southeast Europe and the CIS.

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Good Perspectives for Rail Transport

- Increasing demand for container handling in North Sea ports leads to further quayside capacity constraints. Feeder vessels have to compete with overseas ocean carriers for berthing time and usually are forced to wait thus compromising their time schedules and negatively affecting their cost structure. Polish seaports are also working at capacity limit thus suffering from congestion.

- Many container terminals in the Hamburg-Le Havre have or are planning to modernise and upgrade their rail handling facilities in order to prepare for expected handling growth and relieve quayside congestion by offering efficient services to landside hinterland transport operators.

Good Perspectives for Rail Transport

- The EU financially supports reconstruction and (new) development of Polish intermodal terminals.

- Significant increases in road Maut tariffs in Germany as well as introduction of similar systems in other European countries may further enhance the attractiveness of containerised transport chains.

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Technological level of infrastructures

There is a demand for high-quality rail-based transport. This necessitates upgrade and improvement of

- rolling stock
- trackage
- EDP and EDI between national railways
- EDI between railway companies and customers, e.g. tracking and tracing

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Characteristics of Polish Container Market

- The majority of Polish import transports are controlled by Western European offices of international freight forwarders and shipping lines promoting a free competition between all hinterland modes.
- However, export transports are organised by Polish companies, who profit from the **traditionally very close (personal) relationship** between Polish forwarders/trucking companies and the Polish port economy.

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Characteristics of Polish Container Market

- Sales agents in overseas countries often are **<u>not sufficiently informed about options for hinterland transportation</u>** in Europe and do not consider the complete transport chain. They tend to offer a B/L Gdynia/Gdansk without taking into account the exact location of the final destination.
- Thus, sometimes customers are offered unnecessarily high transport chain costs via Polish ports as compared to a routing via B/L North Sea port with oncarriage by rail.

Investment and procurement strategies

In order to lift up intermodal transportation in Eastern Europe and CIS to international standards it is necessary to improve speed and reliability of rail transportation of containers and swapbodies:

<u>Speed can be improved by</u>

- upgrading the outdated signalling systems
- improvement especially of the cross-boder scheduling system to avoid long stand-stills at border stations.

<u>Reliability can be improved by</u>

- the building and modernisation of intermodal terminals
- the introduction of computer technology in operations and administration

Opening of national railway markets

The ongoing trend towards containerisation poses a chance for the development of intermodal activities.

In order to tap this potential the following measures should be taken:

- Opening of the Eastern European and CIS railway markets for joint-ventures and private railway operators
- Development of fast and financially attractive ways of bridging the gap between narrow and broad gauge
- Establishing of a competitive and flexible rail tariff system
- Building of a dense network of intermodal terminals with the help and knowledge of private operators.

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BEYOND BORDERS

intermodal and ecological