The Baltic Sea encompasses a rich mixture of tradition-laden shipping that has hitherto led the world in terms of ferry and ro-ro design, quality standards and to a large extent, profitability. It was not always so however.

In the beginning

The Southern Railways steam turbine cross-channel ferry Dinard, was built in 1924 by Denny on the River Clyde. She was 99 metres long, 19 knots, GT 2,294, sported 354 berths and carried 1,300 passengers. Dinard operated the night service between Southampton and Saint Malo and distinguished herself in the Second World War at Dunkirk and Normandy. The demand for the transportation of cars to France was increasing, so Dinard was rebuilt as a car-ferry, re-entering service in June 1947 between Dover/Folkestone and Boulogne with a reduced capacity of 363 passengers and 70 cars. At this stage the cars were still crane-loaded, but in 1953 Dinard received modifications to her stern, allowing cars to board and leave over a ramp, inaugurating the drive-on, drive-off service between Dover and Boulogne, the route Dinard remained on until withdrawn in 1958.

Instead of scrapping, Dinard was sold to become the first ship of the now mature Viking Line, whose operations began on the first of June 1959 for Åland owners Gunnar Eklund and Henning Rundberg. They renamed her Viking after further modifications to her car capacity and appearance. Whatever the alternative view on the origins of ro-ro, few vessels if any had such an interesting, impressive and international career as the Viking, spanning a total of 49 years.

Viking Line was soon head-to-head with the Silja brand but it would be too simplistic to describe what transpired as history. It is true that these two leviathans grew into very significant businesses with ships that any ferry operator would be proud to be associated with. It is also the case that these two organisations defined standards so high that it was to be several decades before they were challenged and that they also coined the phrase ‘cruise ferry’, a classification since shared, without provenance, by Greek ferry operators and others. Silja was taken over by Sea Containers in 2002 after progressive share purchase although at the end of 2005 the parent company, which had undoubtedly struggled with the Finnish subsidiary, decided to exit the ferry sector and Silja was offered for sale, later announcing the sale in June 2006 to the Estonian AS Tallink Grupp. Tallink now operates an impressive fleet of 11 vessels linking Sweden, Finland and Estonia with growing patronage that in 2011 exceeded 9 million passengers. Tallink’s direct competition comprises Viking Line and Eckerö Line, the latter business having recently acquired the 2001 Daewoo built Moby Freedom for its Helsinki-Tallinn route. The 27-knot vessel, which is a near sister to Tallink’s Superstar, is due to enter service later this year replacing the much slower, 31-year old Nordlandia ex Olau Hollandia. Rederi AB Eckerö’s chairman is Jukka Suominen, past Group Chief Executive of Silja Oyj Abp, so it comes as little surprise that the vessel will be renamed Finlandia, a name used for Silja Line’s first cruise ferry in 1981.

The Baltic contribution

So what has the Baltic done for shipping in general and the ferry sector in particular? Well, at a time when the industry at large is scrambling to find workable solutions to emission control regulations we should spare a thought for m.s. Selandia, the world’s first large diesel-powered ship, built by B&W (now MAN) for the Danish East Asiatic Company in 1912. The diesel engine, invented by Rudolf Diesel was said at the time to be two or three times more efficient and cleaner than steam power. Ironically, 100 years later we are searching again for a cleaner solution and in the spirit of tradition it seems highly likely that the optimum cure will be found once again in the Baltic region. Spare a thought also for Silja Symphony and Silja Serenade, two iconic cruise ferries that gave us the atrium, a concept since borrowed in large measure by the cruise industry and used more or less ever since in the design of some of the world’s most impressive vessels. The Baltic was also the scene of one of the worst peace time ferry disasters on 28 September 1994 when the Estonia ex Viking Sally ex Silja Star sank with the tragic loss of 852 lives. A certain amount of mystery still surrounds the cause of the vessel’s loss, but nonetheless, along with other ferry tragedies the legislators have been busy creating hardware solutions to what are more likely to be instances of human error.

The Baltic’s rich shipping diversity stretches from the leisure-related captive audience of overnight cruise ferries, where on board revenue is a very significant factor, to the more intense infrastructure provided by the likes of Scandlines with a route network to die for. Having recently divested the company of its long distance freight routes which had always been out of character with the core triangle of more interesting, voluminous routes, the main focus is on Puttgarden-Rødby, Gedser-Rostock and Helsingør-Helsinki.

The so-called Volgafluglinie, which translates to something close to a ‘bird’s flight line’ reflecting a crucial 45-minute sea passage in the direct path linking Copenhagen and Hamburg, is nothing short of impressive with a timetable to set watches by, clever automated mooring and three shore ramps controlled from the double-ended ships bridge. Despite earlier concerns, the Fehmarn Belt Bridge, which as from December 2010 was destined to become a tunnel, is not now forecast to be completed until 2021 leaving some headroom for earnings meantime. The company’s secondary strategy, a change of focus to the Gedser-Rostock route...
has been disappointingly tainted by shipyard delays affecting two newbuilds, the Copenhagen and Berlin, both of which are subject to late delivery by the builders, P+S Werften of Stralsund, Germany. One of the problems associated with key, volume routes is their susceptibility to talk of fixed links and Gedser-Rostock has been no exception although Scandinavians EUR 230 million investment in vessels and infrastructure should fend-off any thought of a bridge or tunnel.

Scandlines impressive ‘magnet’, the Border Shop in Puttgarden

Where only ‘ferries’ dare

The Baltic markets served by ferry operators (large and small) are not vast, a factor that nevertheless staves off the advance of dense population hungry low-cost airlines which have taken their toll of surface operators elsewhere in Europe. Equally important is the ‘city centre to city centre’ geography and for overnight services the opportunity to turn A2B travel into an enjoyable leisure experience with a range of facilities that often surpass those on offer ashore. Where the increasing importance of freight has underpinned downward pressure on passenger ticket prices elsewhere in Europe, on board sales, both retail and food and beverage, supported by Åland Island duty free calls, more than make up for lower freight demand in the north Baltic’s overnight cruise ferry sector.

Tab. 1. Main market population, Denmark, Estonia, Finland & Sweden

<table>
<thead>
<tr>
<th>Main markets</th>
<th>Population (mln)</th>
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<tbody>
<tr>
<td>Denmark</td>
<td>5.6</td>
</tr>
<tr>
<td>Estonia</td>
<td>1.3</td>
</tr>
<tr>
<td>Finland</td>
<td>5.4</td>
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<tr>
<td>Sweden</td>
<td>9.5</td>
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Source: Various

Another long standing, more freight orientated ferry operator, Finnlines, which is part of the Grimaldi Group, operates a fleet of around 25 vessels with a network of over 20 ports of call in regular Baltic and North Sea liner services. The Finnlines Group recorded revenue totalling EUR 605.2 (561.1) million, an increase of 7.9% compared to 2010. Of this figure, shipping/sea transport services generated revenue of EUR 563.3 (513.7) million and port operations EUR 67.7 (72.3) million. The company’s result before taxes (EBT) was EUR -5.4 (3.7) million, reasons for which are cited as a port strike and ice conditions earlier in 2011 and increased energy costs.

One of Finnlines claims to fame was its prestigious but largely uneconomical addition to the fleet of Finnjet (or Jetti as some would call her). Built in 1977 she was the largest, longest and fastest car ferry of her day, with Pratt & Whitney gas turbines developing 55,000 kW driving her at over 30-knots and cutting the Helsinki-Travemünde route from 36 to 22 hours. Burning around 300-tonnes of fuel for a single trip was neither good economics or environmentally sustainable, talking of which the race for scrubbers, dry or wet is on in the industry’s attempt to find the most workable and cost-effective solution. With nearly as many preferences for a way forward as there are ferry operators, ranging from LPG through to use of even heavier and cheaper heavy oil with added purification or something closer to ‘do nothing’ by converting to MGO at the last minute if nothing else seems suitable, the jury is still out.

With wet scrubber installation costing about USD 1.8 million per 15,000 kW the pressure on an already challenged industry is considerable and may push some too far. Others will doubtless attempt to pass on increased operating costs to passenger and freight clients which might in turn convert some, where practically possible to overland. What price environmental solutions then?

Alas Jetti is no more, the route years later is pld by Italian built ro-pax vessels of the so-called Star Class, each with capacity for 550 passengers and an impressive 4,200 lane metres of vehicle deck space. At 25-knots the journey now takes 28 hours. In summary, Baltic services are a traditional way of life fashioned originally by impressive shipping leviathans such as Johnson Line, Effoa, Bore, Svea and others, for convenience, reliability and quality service, hallmarks of an efficient and valued infrastructure that users respect and reward with reciprocal loyalty and repeat bookings. Baltic ferry services are inspirational, innovative and for the most part, indispensable.

Bill Moses

Bill Moses has had considerable experience at senior management and board level running large passenger and freight shipping businesses including high profile services operated by Hoverspeed, Sealink, Stena Line, Sally Line and Olau Line. He is now responsible for Drewry Shipping Consultants’ Ferry & RoRo division providing advisory services globally to governments, commercial undertakings and financial institutions. Bill was awarded a M.B.E. medal by Her Majesty the Queen in 2008 for services to shipping business and charitable work and gained a PhD from the University of Greenwich in 2011 for his thesis entitled The Commercial & Technical Evolution of the Ferry Industry 1948-1987.