

Atlantic ro-ro line ACL goes global Grimaldi subsidiary develops European transshipment service

TRANSATLANTIC ro-ro line Atlantic Container Line has gone global.

For many years, the New Jersey line focused almost exclusively on the trades between North America and Europe, moving not only ro-ro cargo, but also containers and cars on its fleet of five unique multipurpose ships. But with so few direct ro-ro services from the US, ACL is now handling cargo for destinations around the world. Even ro-ro cargo bound for South America may be carried on ACL vessels and transhipped in Europe. Australia, Southeast Asia, India, Pakistan, the Middle East and Africa are other markets for US ro-ro exports that ACL is now able to serve.

ACL started to build up its transshipment business after the company was bought by Italy's Grimaldi Group in 2007. That opened up new opportunities in markets already served by Grimaldi such as the Mediterranean and Africa, but ACL is not confined to co-operative agreements with its parent company.

Ro-ro cargo will be transferred in Europe to car carriers, multipurpose vessels, other ro-ro ships and even containerships.

What attracts shippers are ACL's weekly sailings to Europe, from where there are likely to be regular departures to most ports round the world. The choice from the US is far more limited. That is why customers in the US with ro-ro freight for Brazil or Argentina, for example, may prefer to send cargo across the north Atlantic and then back again via the south Atlantic. The longer routeing may in fact be quicker.

Transshipment is usually handled in either Hamburg or Antwerp, with cargo consisting of a broad range of shipments from construction and farm machinery to large crated items such as factory assembly line equipment.

The new markets opening up for ACL could not have come at a better time, give the sorry state of European demand.

"The eastbound ro-ro market is dead, there is no spending in Europe," says ACL's chief executive Andrew Abbott. "If it were not for transshipment cargo, our (eastbound) ro-ro decks would only be 25% full," he estimates. The situation is somewhat better in the other direction where much-needed infrastructure improvements are finally beginning to happen. "The transatlantic westbound ro-ro trades are showing signs of life," Mr Abbott says. "They are not booming, but business is gradually starting to pick up. I am reasonably optimistic about the fourth quarter and into next year."

More construction equipment is being shipped from Europe to the US, where major road-building projects form part of the economic stimulus efforts.

But there is one line of business that is very slow right now. Leisure boats, traditionally a good trade for ACL in both directions, is a victim of the recession and cutbacks in discretionary spending on each side of the Atlantic

Longer term, ACL is planning for expansion.

The niche player has been saying for some time that the five ships in its core fleet, the biggest of their type in the world and built in 1984 and 1985, will soon have to be replaced.

Plans to order a new generation are said to be moving forward, with the line indicating earlier this year that it was considering designs with twice as much container capacity and 25% more space for ro-ro cargo.

Once newbuildings are delivered, the current fleet will either be scrapped or possibly sold to the US military.

More immediately, ACL is taking the lead on a matter that concerns all operators of ro-ro ships. With their ramps to load wheeled cargo, such vessels are relatively easy for stowaways to access.

Press review

This is a problem that is getting worse, warns Mr Abbott, but which the police in most European countries seem reluctant to tackle even when some of these uninvited passengers turn violent and threaten the crew.

So ACL is converting five 40 ft containers into temporary detention cells that will be installed on each of its ships. Each container will be divided into four cabins where any stowaways found on board will be housed under lock and key until they can be handed over to the authorities.

ACL is also working closely with the European Community Shipowners' Association to persuade the European Commission that action must be taken to curb the problem of stowaways. Otherwise, warns Mr Abbott, the US could target ships arriving from Europe if there are suspicions of security gaps at some ports.