

ARCTIC ROUTE:  
CHALLENGES AND OPPORTUNITIES

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8.30 AM - 10 AM



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# The Northern Sea Route - Scope



20% Faster

40% Shorter; 12.800km vs 21.000km

Currently 2-3 months per year ice free

Icefree by 2050

Harsh environment

Fragile ecosystem

Oil & Gas Resources e.g. Yamal

..... Northern Sea Route      ..... Existing Route

SRM

INTESA



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# The Northern Sea Route – Belt and Road Initiative



Major Chinese Interest

3rd Silk Road connection

Opening up of territories along the route

Rich in resources in Oil & Gas

COSCO

SRM

INTESA



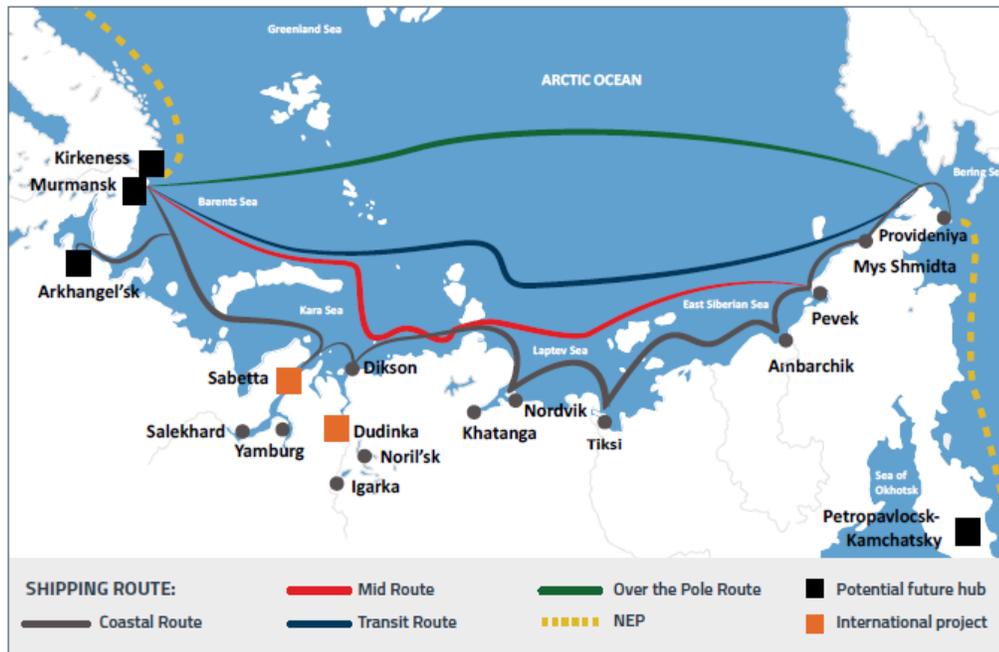
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# The Northern Sea Route – Geopolitical and Territorial Issues

The Northern Sea Route runs partly through the Exclusive Economic Zone that extends 648km/350miles out of the coast, extended to the Outer Continental Shelf.  
Fuel for a Russian Spratly Islands scenario???



# The Northern Sea Route – Antwerp Perspective - Reactions

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Northern Range Ports are geographically located in a good position to exploit potential benefits deriving from the opening of the Arctic Route.

MSC Antwerp focussed on the research of big players of new routes and their different geographical perspective of the world

The University of Antwerp underlined the small size of the vessels and that containerhips need a stable regular service

Antwerp Port remarked upon the Chinese vision, that there is also a secondary aspect to consider: creating an alternative route

IAPH observed that the zone around the NSR is nowadays deprived of good nautical services and advanced infrastructure.

IAPH observed that the NSR is a long-term challenge and that the arctic could be considered significant as a destination

MSC Antwerp underlined how they care for the environmental and sustainability policies, and not use the Arctic Route

# The Northern Sea Route – Antwerp Perspective - SWOT

But... Logistic goes where the cargo flows...

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• Reduced transit time</li><li>• New energetic resources</li><li>• Planning of major investments in infrastructure, and in services in support of cargo</li><li>• New opportunity for business in new areas</li></ul>	<ul style="list-style-type: none"><li>• Presence of ice and passages possible only with icebreakers most of the year</li><li>• Area of transit and not area of destination</li><li>• Regional passage</li><li>• Services for shipping to be implemented</li><li>• Lack of manufacturing activity in the Area</li></ul>
Opportunities	Threats
<ul style="list-style-type: none"><li>• Container traffic growth</li><li>• Development of activities related to transshipment which originates revenues and creation of new jobs</li><li>• Development of new trade, especially in the energetic field</li><li>• Using LNG for bunkering in the Arctic region</li><li>• Development of cruise tourism</li></ul>	<ul style="list-style-type: none"><li>• Environmental issues</li><li>• Lack of internal connections</li><li>• Lack of reliable scheduled container services</li></ul>

# The Northern Sea Route – Antwerp Perspective – Current

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Some of the outcomes of a SWOT analysis

No year round access. Increasing temperatures allow for longer periods of ice free passage. Will take decades for all year.

For bigger ships, ports and anchorages have limited depths. Ships services are insufficient for cargo handling, navigation and rescue.

Shorter sailing distance allows for less fuel burn and shorter transit times. This increases frequency and increases capacity.

Navigating the NSR is hazardous as not all has been charted or is commercially available.

Harsh environments, changing ice conditions and poor ships services. Repairs would need lengthy diversions to ports like Murmansk.

Ships will still need strengthening and/or will have to be accompanied by ice breakers. Weather conditions are unpredictable.

# The Northern Sea Route – Antwerp Perspective – 3 scenarios

What is the possible impact of container lines sailing through Arctic Routes on the HLH range port, and the Port of Antwerp in particular in the period 2030-2050?

SSR remains the main link between Far East Asia and Europe

NSR as the main link between Far East Asia and Europe

NSR as a supporting role

# The Northern Sea Route – Antwerp Port Perspective - SWOT

## Strengths

- Serves a consumption-heavy region
- Key driver to local economy
- Global supply chain
- Container handling productivity
- Flexibility of labour pool
- Diverse warehouses
- Intermodal transport hub

## Weaknesses

- Accessibility (access via river, pilot is needed)
- Limited growth opportunities for rail connection to hinterland

## Opportunities

- Attractiveness to other industries
- Reposition itself in HLH range as a first port of call for France
- Hinterland connection into the main land of Europe

## Threats

- Competition from other ports (i.e. Port of Hamburg & Port of Rotterdam) which have a shorter sailing distance for the NSR route.
- Additional competition might be expected from the Belt and Road Initiative

# The Northern Sea Route

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Thank you for your attention  
Thanks for organizing



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