

Shipper Says Red Tape Offsets Route's Advantages

By [The Moscow Times](#)

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COPENHAGEN — Danish shipping company Nordic Bulk Carriers said it has saved a third of the cost and nearly half of the time in shipping goods to China by taking advantage of receding Arctic ice to sail north of Russia instead of via the Suez Canal.

As the climate warms up and ice melts, many shipping companies are eyeing the Northern Sea Route as a way to cut voyage times and costs in the future.

"We see great potential in this," Nordic Bulk Carriers director Christian Bonfils said. "When we save 22 days on transportation, it is very, very good business for us."

The company plans to make four to five such trips next summer, he said.

On Aug. 30, its Sanko Odyssey, the world's biggest ice-classed bulk carrier, set out from Murmansk along the Northern Sea Route to arrive in China on Sept. 23 after 23 days

at sea, which according to Bonfils is 22 days less than sailing through the Suez Canal.

It was the second voyage by a commercial bulk carrier through the icy sea lane.

Depending on the particular ports en route, the distance to China is roughly 30 percent shorter. Another Nordic Bulk Carriers ship made the trip in the summer of 2010.

The ship was carrying 70,000 tons of iron ore concentrate and was escorted by a Russian icebreaker through the Arctic. It arrived at the Chinese port of Jingtang.

"It is a good alternative to the Suez — especially for goods leaving countries like Norway, Finland, northern Russia or the Baltic countries," Bonfils said.

Cost cuts are particularly important now for dry freight ship owners, who have been struggling in recent months with weak freight rates due to a glut of vessels, which some analysts warn could extend into 2013.

Even if the Arctic route does become a feasible alternative, however, it is unlikely to get heavy traffic.

"This route will never be the Suez. It would be like having a Suez that was only open four months a year, and you didn't know which months those were because it depended on the weather," Bonfils said.

Those drawbacks are offset by the time and fuel saved, Bonfils said. In the latest voyage, its Japanese-built vessel saved 1,000 tons of fuel by taking the northern route.

The biggest obstacle in sailing the remote icy waters is not ice, but Russian bureaucracy, Bonfils said. Permission from the Russian authorities and at least one Russian atomic icebreaker as an escort are required to use the route.

"The biggest bottleneck is that tariffs, rules and regulations need to be settled on the Russian side," he said.

Negotiations for the 2011 trip were markedly easier than for the 2010 voyage, Bonfils said.

"Now we know the decision-making process — it just has to be sped up and simplified," he said, adding that Russia has promised to simplify the system.

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