

Faroe Islands' leading transport and logistics company, Faroe Ship, has been vitalized by a merger with Icelandic rival Eimskip, with cargo liner services linking the Faroes to North America in addition to traditional routes in northern Europe—and direct access to the group's subsidiaries in 13 countries, including China.

FAROE SHIP, the dominant supplier of transport and logistics services on the Faroese market, has scaled up its business endeavour during the past year to become part of the largest freight networks in the North Atlantic. Following its merger with Eimskip, a well-established Icelandic company with a strong international presence, Faroe Ship's services infrastructure has been revamped with new liner services added and the company's business capacity expanded.

Meanwhile, the Dutch company Eimskip Reefer Logistics was formed to coordinate international freight forwarding of frozen and chilled seafood and the introduction of a permanent office in the Chinese fishing industry centre, Qingdao.

"In 2004, we saw consolidation in many industries," said Tórheðin



Jensen, Faroe Ship's sales and marketing director. "However, we have had great advances in several areas, and I think our position is stronger as we align our services to the increased business resources that have been realized for our customers."

Since its founding in 1919, Faroe Ship, perhaps more than any other company, has been deeply rooted in the Faroese community. Also known

by the slogan 'The Faroese Supply Chain', Faroe Ship has been popularly perceived as the essence of Faroese shipping business. Its services have included weekly routes linking the Faroe Islands to the United Kingdom and continental Europe provid-

Tórheðin Jensen, Faroe Ship's sales and marketing director; container and break bulk freighter Lómur (bottom left); container vessel Godafoss (top right); loading cargo at Runavík (bottom right).

A NATIONAL SHIPPING ICON TURNS INTERNATIONAL

ing door-to-door services, as well as port agency, forwarding, stevedoring, inland and continental haulage and logistics services.

According to Mr Jensen, the merger with Eimskip serves to enhance both the scope and the quality of services offered, and should be seen in the Faroe Islands as an extension of Faroe Ship's business opportunity base. Whereas the company's liner services to Denmark and Scotland have been in operation for many years—and the company's share of domestic import and export cargo has long exceeded 50 percent of the market—the Netherlands, England and United States liner services added by Eimskip could, along with other advantages of direct access to the group's extensive network, help boost business.

"We're as Faroese as ever, more international than ever," Mr Jensen said. "The customer gets an improved service, the company is stronger and more capable of delivering its services; we are even more flexible now in offering both container and break bulk transport. As far as the company is concerned, the possibilities for continued development of services for our customers have multiplied and we have likewise been able to rationalize operations by eliminating redundant capacities; compared to the situation before the merger, we are saving approximately DKK 45 (EUR 6 / USD 8) million on an annual basis."

"We are known as a company with a Faroese culture and we will keep that identity in the future," Mr



Jensen added. "Still, in a global business environment, change and development is very much the order of the day. What we offer is a strengthened domestic and international transport chain and more advanced logistical solutions than ever before; effectively, we now have offices in 13 countries including China."

A new Eimskip office was opened in China in late 2004 as part of the ongoing development of Eimskip's worldwide transport network for seafood products. Located in the port city of Qingdao, a major fishing, fish processing and seafood trading post, the office will initially be operated as a branch of one of Eimskip's subsidiaries in the Netherlands, Eimskip Reefer Logistics. In 2004, Faroe Ship made significant improvements to its domestic services infrastructure, rebuilding warehouses to ensure an unbroken refrigerated chain, and improving the flow line.



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Shipping, domestic and international transportation and logistics services.

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Said Mr Jensen: "From the large cold storage facility in Fuglafjørður to its smaller counterpart in Tórshavn, to our big cargo hotel, to our state-of-the-art central warehouse, optimised for fish and seafood in transit -- we offer complete logistics solutions with a wide range of services with transport by land and sea, as well as air for express door-to-door courier service."