

Offering the most comprehensive range of transport options on the market, Faroe Ship consolidates its leading position in the Faroes following its landmark takeover by Iceland's Eimskip—with two further acquisitions enhancing door-to-door services.

OFFERING NEW liner services and increased freight handling capacity, Eimskip's 2004 acquisition of Faroe Ship marked the beginning of a new era of transport logistics in the Faroes. Not surprisingly, Faroe Ship is reporting a significant rise in business revenues following the ownership change—further bolstered by Eimskip's acquisition of the leading trucking company in the Faroes, Heri Thomsen, which in March 2006 acquired Farmaleiðir, the road cargo division of public transport operator SL.

Eimskip CEO and president Baldur Guðnason said that Farmaleiðir, which is the name of the merged road transport company, “will offer comprehensive services in container transport, full truck loads as well as part loads, refrigerated transport, fresh fish, salt etc. These activities will become part of the international transportation network of Eimskip and Faroe Ship.”

Meanwhile, Faroe Ship is predicting an increase in domestic and international door-to-door transport. “Our services have been boosted dramatically,” according to sales and marketing director Tórheðin Jensen.



MARKET LEADER BOLSTERS SERVICES

Mr Jensen is not making an overstatement, considering the fact that the company has become an integrated part of the largest transport and logistics network of the North Atlantic. In addition to the weekly break-bulk/container services to Scotland and Denmark, there are now scheduled weekly container services on two routes between Iceland/Faroe and base ports in continental Europe, UK and Scandinavia; a fortnightly container service to North America and bulk/container services to the Mediterranean, Baltics, Russia and Asia.

This means Faroe Ship now offers exporters in the Faroes a choice of four weekly departures directly to Scrabster (UK); to Scrabster-Hirtshals

Faroe Ship managing director Árni Joensen, right, with Eimskip president and CEO Baldur Guðnason, at the Nordic House, Tórshavn, welcoming a business delegation of Icelandic and Faroese representatives.

(UK, Denmark); to Rotterdam-Hamburg-Gothenburg-Frederikstad-Aarhus (Continental Europe, Scandinavia); and to Reykjavík (Iceland, North America).

Through the Eimskip network, with offices in 13 countries, Faroe Ship offers worldwide container transport with strength in temperature-controlled logistics, warehousing, long-distance transport, airfreight and door-to-door service—a ‘one-stop shop’ concept.

Particular strengths on the domestic front include door-to-door delivery service, bulk transport and the Runavik supply base for the offshore oil and gas exploration industry.

“We have had a sharp rise in reefer container service to the Far East including Japan, China and South Korea,” Mr Jensen said.

“As to the offshore supply base, this summer and next are likely to see a lot

of action in connection with the drilling scheduled on the Brugdan and William prospects.”

According to Allan N. Hansen, sales manager export, shipments of frozen and salted seafood to the US have likewise increased substantially. As to short sea services, Mr Hansen said that clients appreciate the effectiveness of using Scrabster as a port of call in regard of the very short distance from the Faroes to the northern coast of Scotland.

“Scrabster is in fact the fastest way from here to the UK as well as to the European Continent,” he said. “Taking the cargo by truck from the terminal there southward and even across the North Sea and the English Channel goes faster than taking it by sea directly to England or Denmark.”

In land based transport, the recent acquisition of Farmaleiðir by Eimskip

Faroe Ship sales and marketing director Tórheðin Jensen with sales manager export Allan N. Hansen, centered, and office clerk Durita Johansen, left; Eimskip container vessel Godafoss (below).

through its subsidiary Heri Thomsen Transport Service was a deal that may fit perfectly with Faroe Ship's strategy, including plans to scale up door-to-door services in the home market.

Integrating road transport services into the Eimskip/Faroe Ship transport logistics system, the newly refurbished Faroe Ship terminal and warehouse in Tórshavn has become a nerve center of operations in the Faroes. With modern truck ramps, conveyor belts and computerized warehouse management, the facility is increasingly attracting the younger generations of Faroese importers, who for various reasons prefer to have their inventory management outsourced.

“The times are changing and we have a generational change in the Faroese business scene,” Mr Jensen noted.

For that matter, an imminent change of management at Faroe Ship is no secret, as Árni Joensen has announced he will step down after thirty years as managing director.

Mr Hansen remarked: “Many of the new generation of importers are discovering the advantage of using our warehouse facilities for inventory management. They save space and time and huge amounts of money as well, not least

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when it comes to merchandise items that have a short product life cycle.”

As a result of the revamped warehouse and terminal, Faroe Ship has become much better equipped to receive and redistribute goods, Mr Jensen said. “The improved conditions in the warehouse and terminal have greatly assisted our work with quality management, and we're getting more close to eliminating errors.”

He added: “Farmaleiðir may prove the perfect purchase for Heri Thomsen Transport Service to complement our domestic network. The land transport operation will be merged under the name of Farmaleiðir, which will become the biggest land transportation company in the Faroes.”

