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Bore's ro-ro vessel Estraden in a gale on the North Sea. Bore is one of the pioneers within ro-ro shipping and operates a fleet of 22 ships, including ro-ro vessels, car carriers, dry cargo vessels and an ice strengthened bulk carrier.

# Bore – New business areas complementing ro-ro

**When acquiring Bror Husell Chartering and Engship, the Finnish shipping company Bore was primarily looking for expansion in the ro-ro sector. As an extra bonus Bore got two interesting new business areas.**

Entering the fast growing market for car shipments was the primary objective when the Finnish shipping company Bore acquired the two shipping companies

Bror Husell Chartering Ltd and Rederi Ab Engship in 2005 and 2006 respectively.

Bror Husell Chartering had recently carried out a conversion of its ro-ro vessel Transgard, now renamed Auto Baltic, into a car carrier and entered into a long-term charter with UECC. Rederi Ab Engship had similar plans for its two sister vessels Heralden (now Auto Bay) and Serenaden (Auto Bank), and these plans were also later carried through by Bore.

“Already before the acquisitions of Bror Husell Chartering and Engship we had been in contact with the UECC about car shipments, but at that time we lacked suitable vessels,” Thomas Franck, Senior Executive Vice President of Bore, explains.

Bore is more than a 100-year-old shipping company and it is a part of the family-owned Rettig Group. At the end of the 1970's Bore decided to concentrate on

ro-ro shipping and closed down its other shipping activities, including one third in the Silja Line ferry company. Bore was the first shipping company in Finland to order a ro-ro vessel in the mid 1960's, which makes Bore one of the ro-ro pioneers also in a European perspective.

Today Bore is one of Finland's largest privately-owned shipping companies, with a fleet of 22 vessels.

#### New areas

The acquisition of the Åland-based shipping company Bror Husell Chartering Ltd included not only two ro-ro vessels but also a business area called Contracts of Affreightment (CoA).

*“We prefer to call the small container vessels multi-purpose vessels ...”*

“We did not have any experience at all of contract shipments with conventional cargo vessels, but we became interested in this segment as Bror Husell Chartering's former Managing Director Jhonny Husell continued to lead this unit in our employment as our Executive Vice President Commercial,” Mr Franck says. “It is about industrial shipping, which generates much closer customer relations than when operating as a TC-actor, so we decided to go for it.”

Rederi Ab Engship added further two new segments to Bore – small container feeder vessels and bulk shipments.

“We prefer to call the small container vessels multi-purpose vessels as they are also employed in other types of traffic,” Mr Franck clarifies. “Indeed, we had been active in container shipping for three years through our company RML, but these vessels were sold before the company expanded.”

Bore came into the container business when there was a weak market for ro-ro shipping at the beginning of the millennium. The intention was to expand within the container segment, but the booming traffic on the Baltic Sea led to strongly increasing newbuilding prices, and the intended order was never carried through. Bore sold its container vessels and acquired the two shipping companies instead.

“Then suddenly we were involved in sev-



Thomas Franck, Senior Executive Vice President of Bore, has launched a tonnage renewal program within the shipping company. He thinks that it is crucial to maintain a critical mass in the fleet.



Originally built for Rederi Ab Engship in 1997, Bore's ro-ro vessel Heralden was converted into the car carrier Auto Bay in China in 2007. She is on long term charter to UECC.

eral new market segments, and we had to decide what to do with them,” Mr Franck explains.

#### Close relations

The least interesting of them was the container business. Bore knew it quite well and the vessels were rather small. The increase of container feeder tonnage in the Baltic Sea increased the competition and kept the freight rates low.

“Our small container vessels were not competitive enough and last autumn we

sold two of them. We bought two newer dry cargo vessels for the CoA-business instead. We see growth potential within this segment, and we want to expand together with our customers,” Mr Franck says.

He says that the close customer relations within CoA make it possible to develop the business in a different way than when operating on a time charter basis.

“We are large enough to be able to offer our partners a variety of solutions. We are for example investigating the possible

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Bore's dry cargo vessels employed in the contract trade (CoA) are operated from the office in Mariehamn. The Nordgard is one of the four "compass-vessels" in the fleet, here pictured in the Kiel Canal on a voyage from Finland with a deck cargo of sawn wood.

advantages of replacing lo-lo with ro-ro to gain more optimised transport solutions for some of our customers in the CoA segment."

Mr Franck stresses the importance of a

constantly ongoing renewal process of the fleet. Modern and competitive vessels are a precondition for being able to offer the right transport solutions to the customer.

"The average age of the vessels in our

fleet is now about 15 years. By replacing older vessels with newbuildings or newer second-hand vessels the age is going to decrease further."

A renewal of the fleet by simply selling out older vessels without replacing them is not in the line with Bore's business idea.

**New situation**

The philosophy advocated by Mr Franck is to maintain a critical mass with a fleet of at least 20 vessels.

This is a huge difference compared with the situation before the acquisitions of Bror Husell Chartering and Engship when Bore had just four ro-ro vessels.

"Now we are active in many sectors but primarily focusing on ro-ro, car shipments and CoA. The bulk segment is also interesting for us as there is a limited supply of ice-strengthened tonnage. We have investigated the possibilities to order newbuildings or buy second-hand vessels, but due to the current price situation we have decided to renew the tank top on our bulk carrier Bravaden and receive a 30-year-classing for life extension."

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