

**PORT OF TALLINN**  
The Port of Good News

# Port of Choice in Integrated Supply Chain



# SUCCESS FACTORS

Success of a firm in the international market depends on the following major factors:



- a) cost-based advantage in the production of relatively standardized products and
- b) product-based advantage in the development of differentiated products.

*Michael Porter,  
The Competitive Advantage of Nations*



# PORT OF CHOICE?



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# WHAT TO COMPARE?

- Port infrastructure
- Terminal facilities
- Port environment
- Country of port's location
- Transport corridor
- Supply chain



# KEY DETERMINANTS

## Macro

- Government policies
- Political stability
- Investments in human and physical infrastructure
- Etc

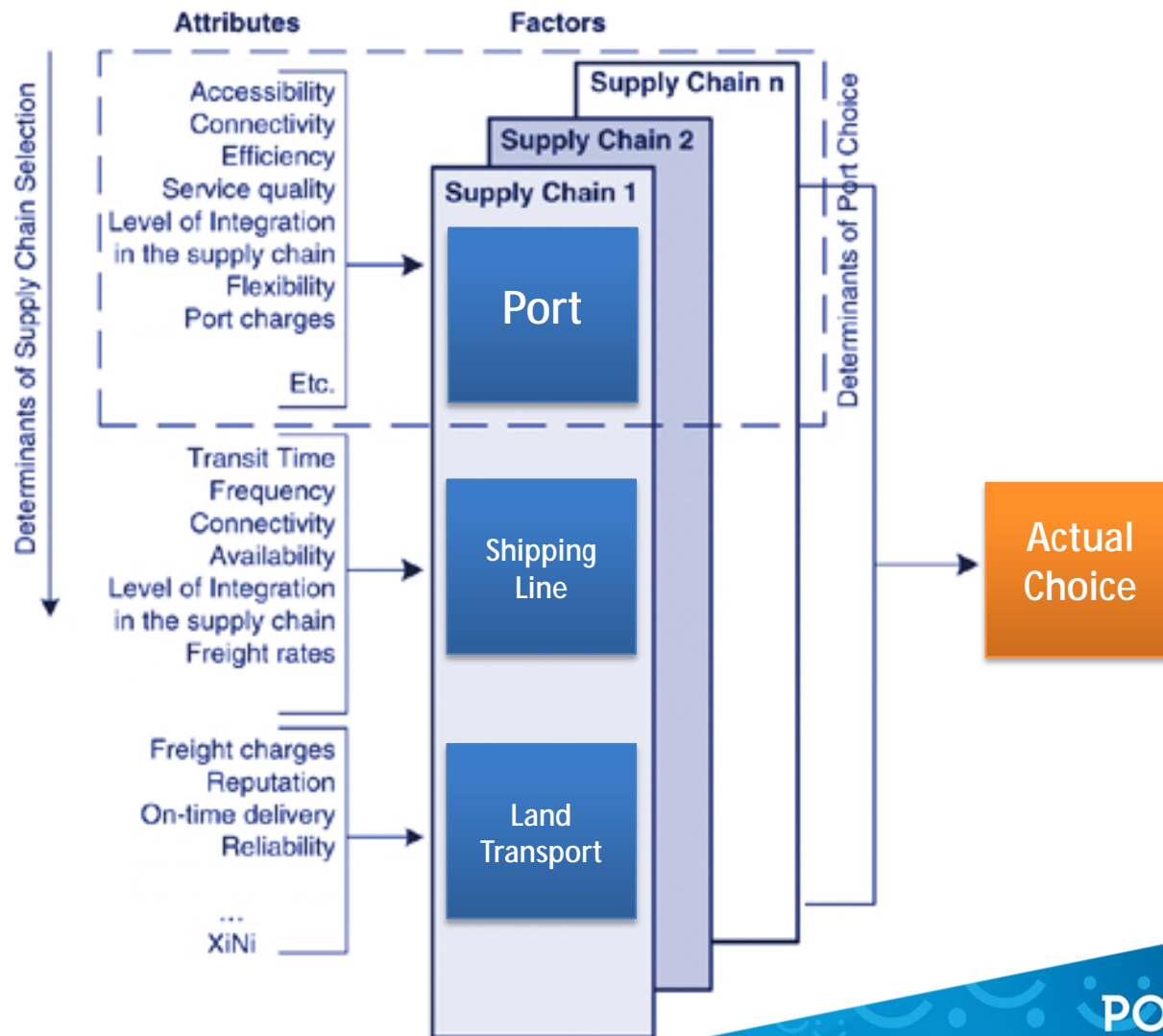


## Micro

- Costs
- Speed
- Quality



# DETERMINANTS OF SUPPLY CHAIN SELECTION



# RANKING

## OF PORT CHOICE FACTORS

### Freight Forwarders Perspective:

1. Efficiency
2. Shipping frequency
3. Adequate infrastructure
4. Location
5. Port charges
6. Quick response to port users' needs
7. Reputation for cargo damage



# 1. EFFICIENCY

## TIME / COST

- Transport chains integrated into production systems
- The shorter the transit time, the lower the inventory level
- Capacity utilization – most convenient 60%
- Berth occupancy – optimum 50%





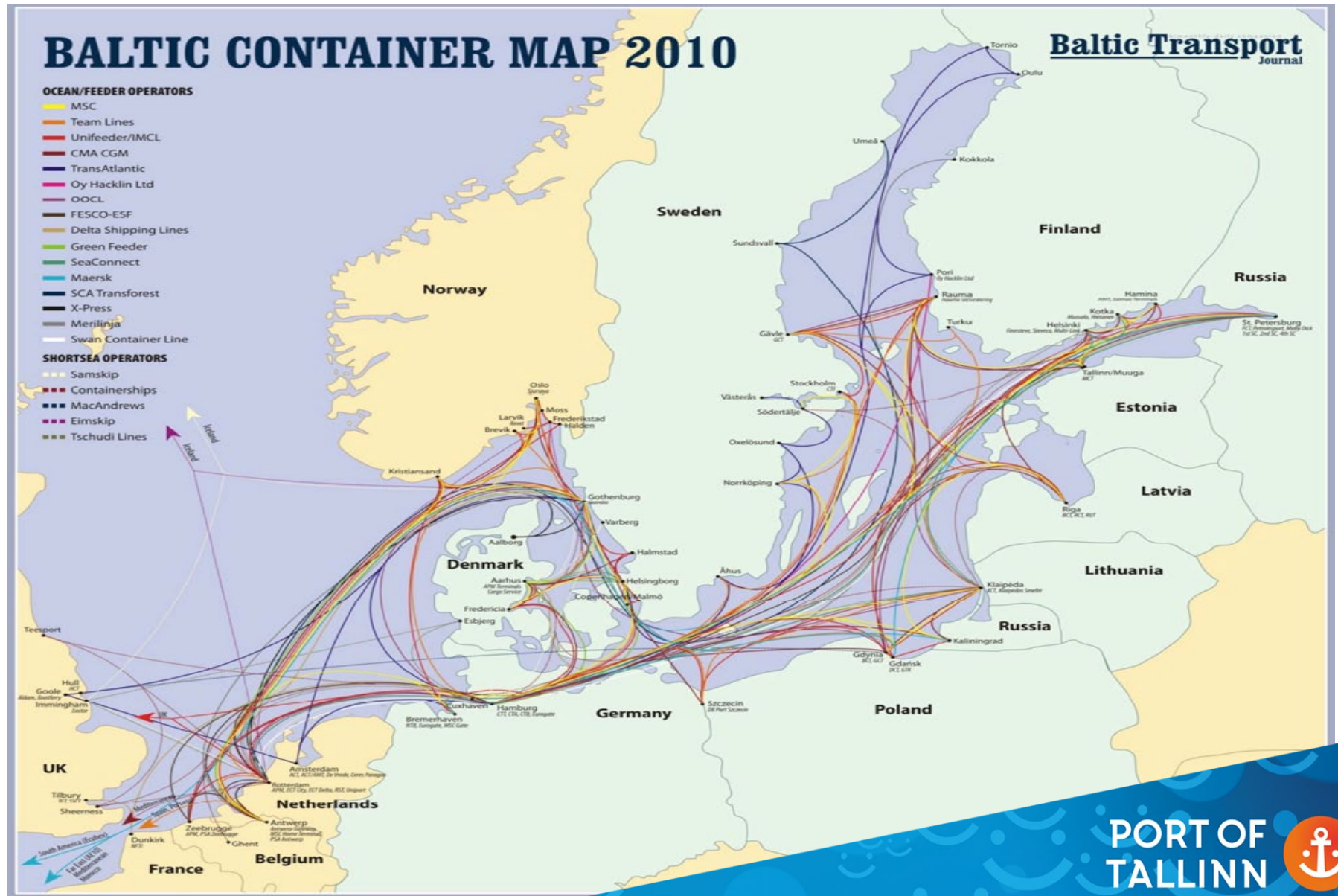
# EFFICIENCY

## PORT OF TALLINN

- Quick access, no channel, no river mouth
- Regional record loading/unloading speeds
- Large shipments – economies of scale
- Large storage capacities
- Containers:
  - Truck in/out – ca 30 minutes
  - Railway loading station
  - Intra-port competition
  - Railway station within free zone

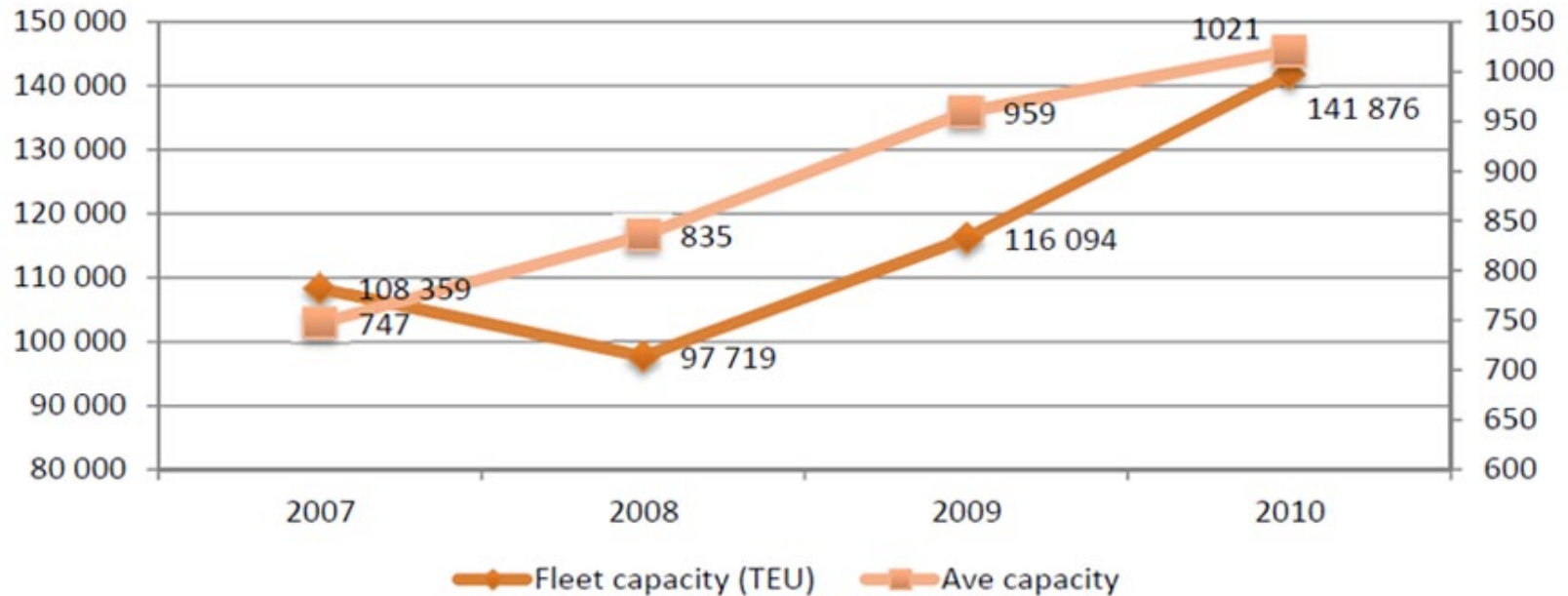


## 2. SHIPPING FREQUENCY



# SHIPPING FREQUENCY

## AND FLEET CAPACITY



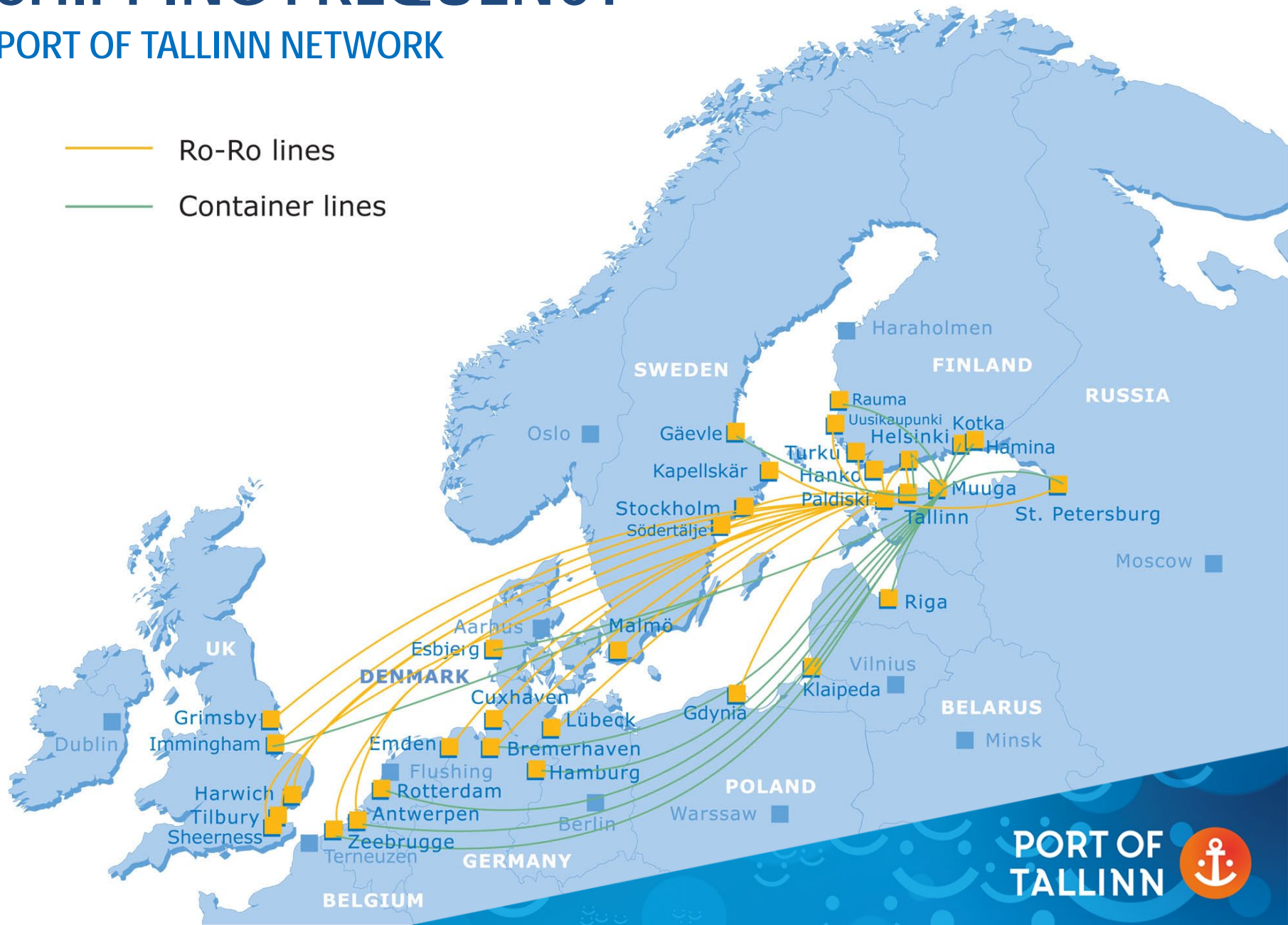
Source: Baltic Container Outlook 2011

20 Lines in Baltic service with 139 vessels.  
Unifeeder, MSC and Team Lines operate 60% of the capacity



# SHIPPING FREQUENCY

## PORT OF TALLINN NETWORK





# 3. INFRASTRUCTURE

64 ha

TOTAL NEW QUAYLINE 2030 m

TOTAL NEW TERRITORY 137 ha

27 ha

Existing container terminals' quay length  
1300 m, draft 12,5 – 14,5 m

All terminals connected to rail network, short  
and uncongested access to state highways  
and Tallinn ringroad

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# LOCATION

## DETERMINANTS

- Hinterland connections
- Modal accessibility
- Supporting logistic services
- Market
  - Demand & Needs
  - Volumes, growth & Commodities

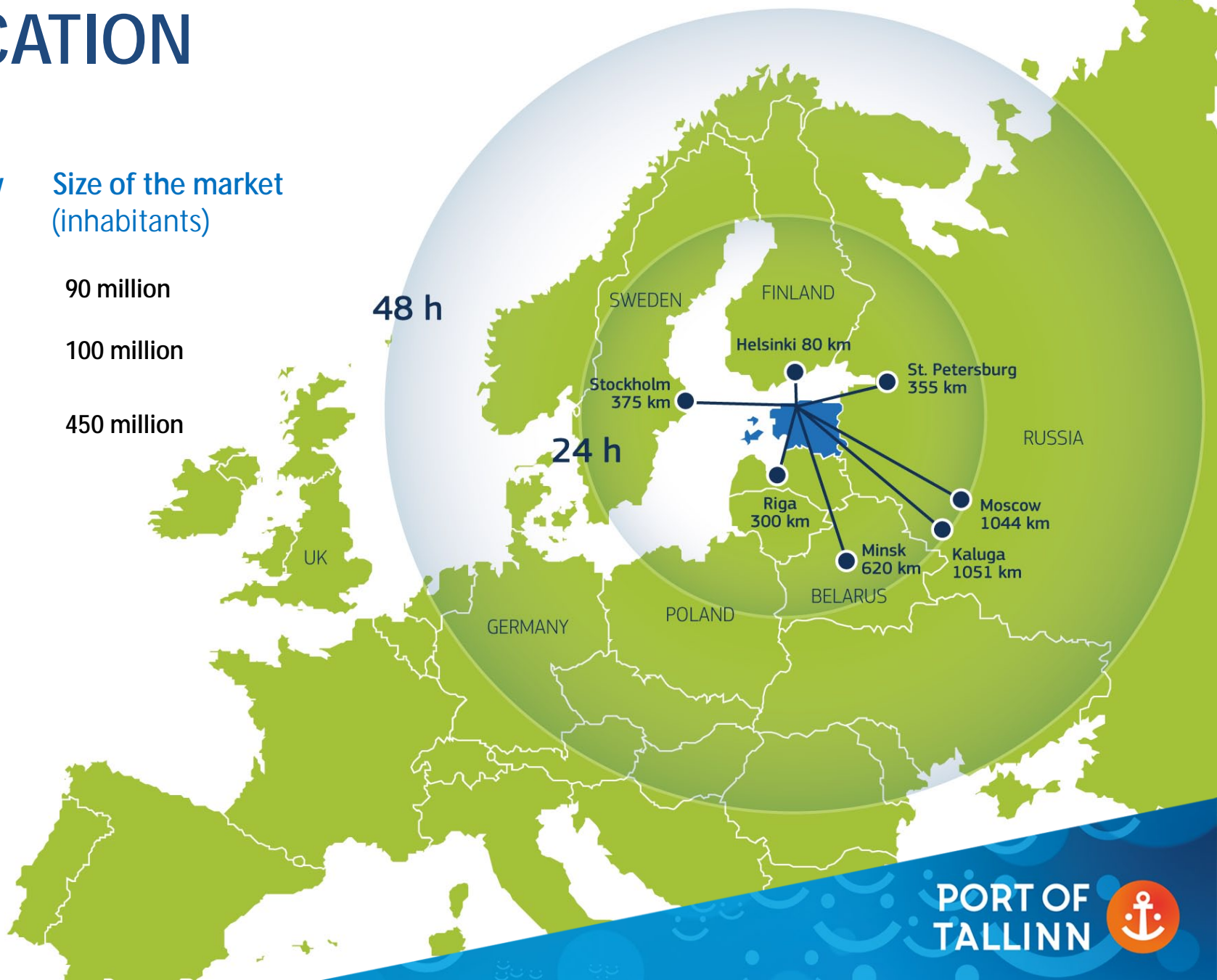




# LOCATION

Delivery time      Size of the market  
time                      (inhabitants)

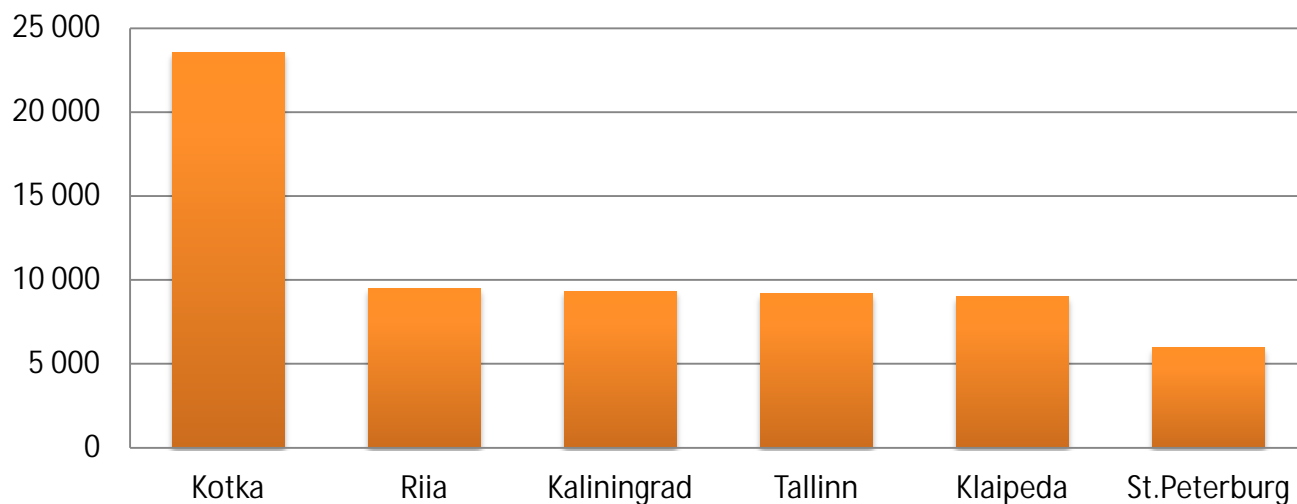
24 h	90 million
48 h	100 million
72 h	450 million



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## 5. PORT CHARGES



- In transport chain the proportion of direct port charges marginal (e.g. 2% in Rotterdam – Moscow transport costs)
- No hidden fees, no “surprises”







# The Port of Good News



Thank You!

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