

Thanks to ASDA, it's greener up North

Partners: PD Ports

In 2006, PD Ports, made land available for a significant investment into new storage facilities for retailing giant ASDA. They established an import centre at Teesport worth £20 million. This successful development means that 70% of ASDA's non-food imports now go directly to the North by sea, rather than by road from Felixstowe, saving ASDA more than two million road miles each year – the equivalent to four trips to the moon and back. As a result, ASDA's reputation, efficiency and environmental standing have improved.

Following ASDA's research into the movement of goods destined for its Northern consumers, the retailer found that lead times involved in road collection of containers from South East ports was not only affecting customer service but also the availability of general merchandise lines. This was resulting in unnecessary road miles and increased carbon emissions.

Part of ASDA's decision to establish a base at Teesport was based on PD Ports' plans to develop the Northern Gateway Container Terminal (NGCT) – a £300 million deep-sea container terminal. This major development will greatly reduce lead times for retailers (including ASDA) by enabling deep-sea vessels to call direct to Teesport. The need to develop an import distribution centre was generated by growing demand for imported products from the Far East, particularly China, and the need for a flexible way of routing these lines through the ASDA distribution network. The ability to get the containers collected from the port and processed through the import centre in very short lead times played a crucial role in the success of the facility.

ASDA opened its Import Deconsolidation Centre in March 2006. The whole activity around Teesport is a great contribution to the economic growth of the North East. It has created some 200 new jobs in the Deconsolidation Centre alone.

In September 2006, the report by the National Consumer Council, *Greening Supermarkets: how supermarkets can help make greener shopping easier*, stated that 65% of supermarkets' transport was made using roads, while goods moved on the sea equated to only 12% - marginally above air freight. The report commended ASDA on its initiative and stated that: "the arrival of ASDA at Teesport is a landmark deal for the industry. The new Import Deconsolidation Centre at the port is the largest, port-based import centre in the UK and there is available land for at least four more of these facilities."

Martyn Pellew, Group Development Director of PD Ports said:

"Not only has ASDA's arrival created much needed jobs in the region but has clearly demonstrated the benefits of using a Northern-based port to serve Northern consumers. This further strengthens our case to develop the

Northern Gateway Container Terminal and will help us to attract more deep-container shipping lines to deliver via Teesport.”

Simon Pearson, Head of Central Distribution Operations, Asda/WalMart said:

“The development of our Import Deconsolidation Centre at Teesport has enabled ASDA to make a step change improvement in the way we flow products, improving responsiveness and customer availability while at the same time supporting our sustainable transport strategy of fewer and friendlier road miles through a significant modal shift to sea.”

Moving goods by water is cost-effective, particularly over long distances which is reflected in the fact that 95% of UK imports come via the UK’s ports. Water is available and accessible now and in the UK the opportunity is limitless with more than 2,000 miles of rivers, estuaries and canals and 11,072 miles of coastline connecting to 300 ports.