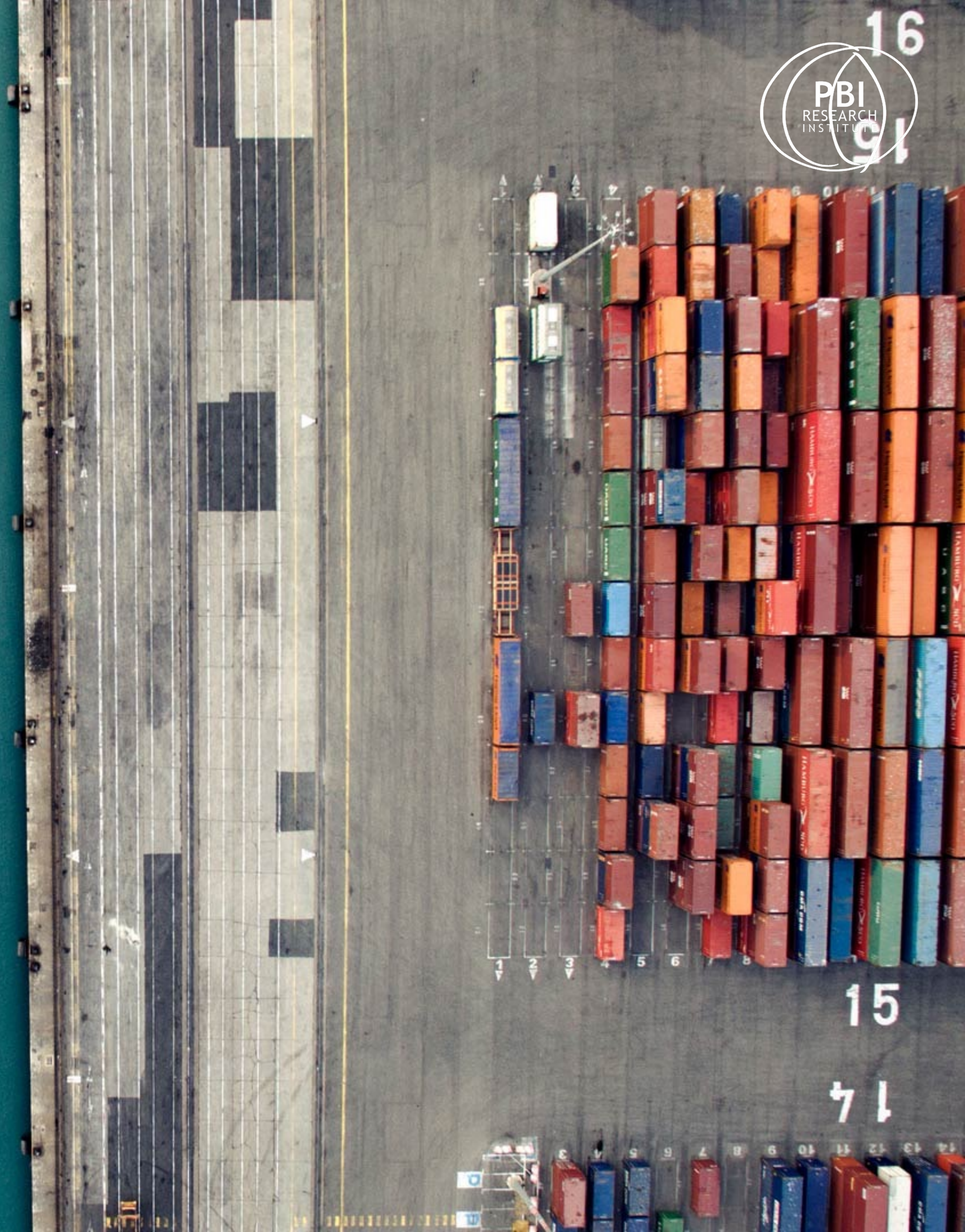


# Competitive advantage from green corridors

Dr. Magnus Gustafsson  
Partner PBI Research Institute





# The Decatrip Project

---

The Decatrip project aims to develop solutions that make the sea route between Turku and Stockholm carbon neutral, turning it into a "green corridor".

Decatrip is a joint project between Rauma Marine Constructions (RMC), Viking Line, Kempower and Åbo Akademi University. The project has received funding from Business Finland and the Government of Åland.

PBI Research Institute will coordinate the project. Fuel for the zero-carbon transport is planned to be manufactured locally in Southwest Finland.



**VIKING LINE**

**+ KEMPOWER**

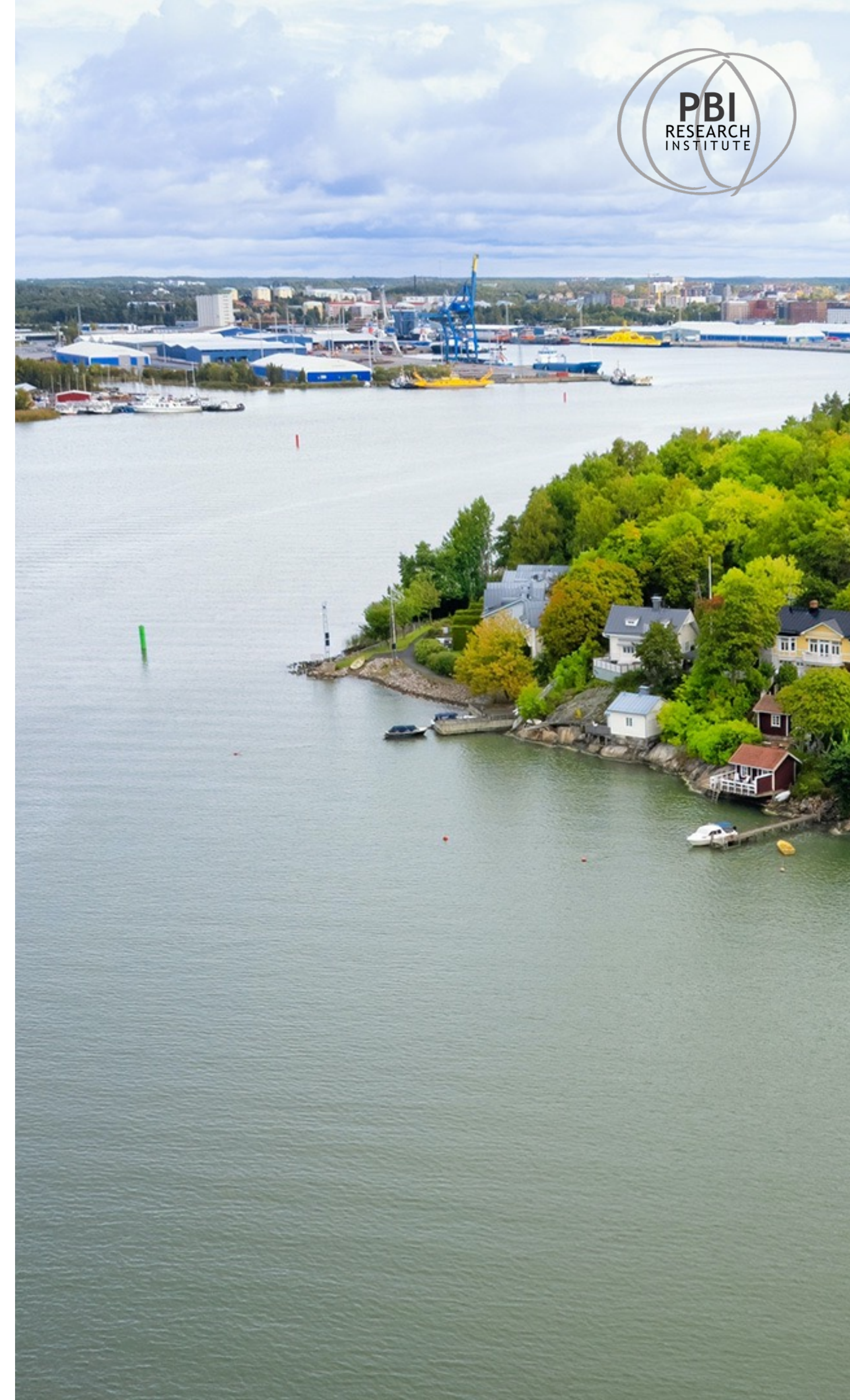




# Reducing emissions in shipping is a challenge

---

- Renewable fuels are much more expensive than conventional fossil fuels – costing up to three times more
- This leads to a freight cost increase – possibly 100 %
- ETS and CII will reduce the gap to some extent, as the freight costs for using fossil fuels will go up





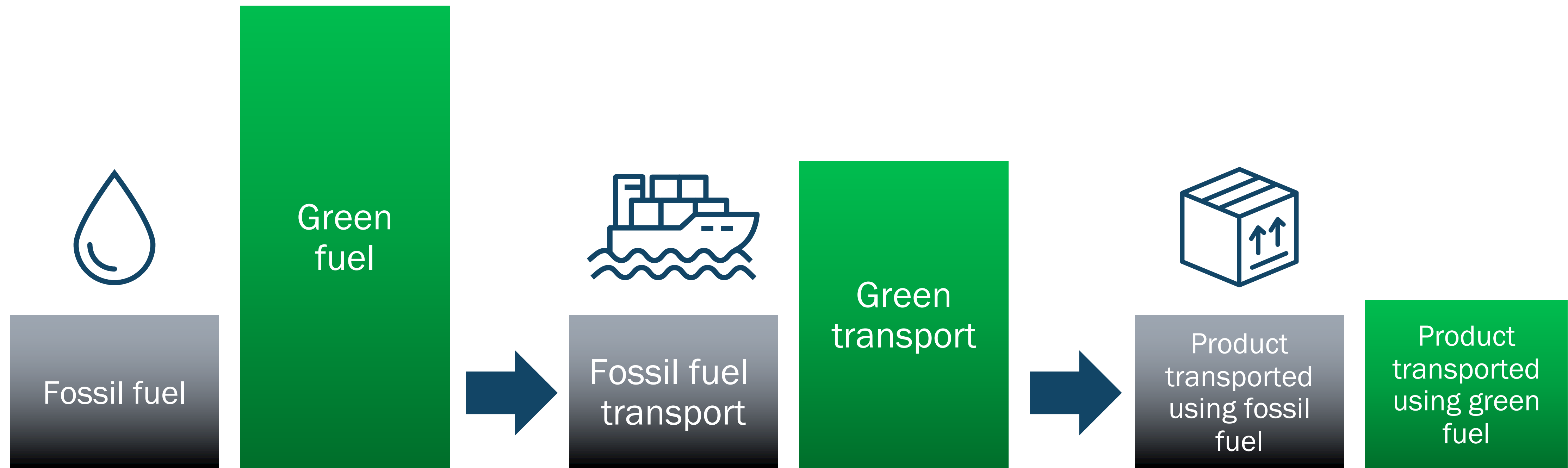


# How much more expensive are green transports?

---



# Final price difference relatively small



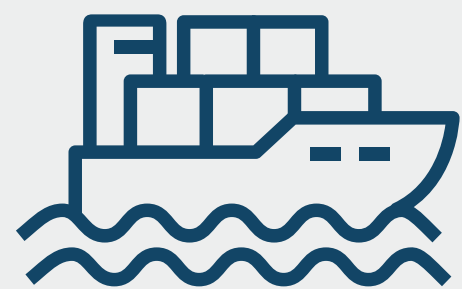


# Well-to-wake

Product price



MDO

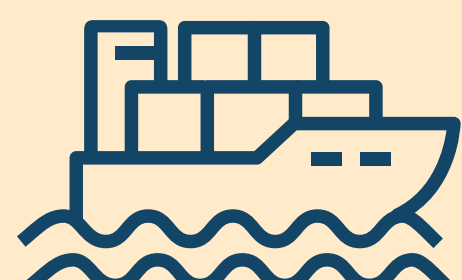


1,41  
g CO<sub>2</sub>e/product

1 €



Vegetable oils  
HVO



0,14  
g CO<sub>2</sub>e/product

*Almost carbon-  
neutral*

+0,003  
€/product

=

1 €

Sea leg 346 km

  
Stockholm



  
Turku



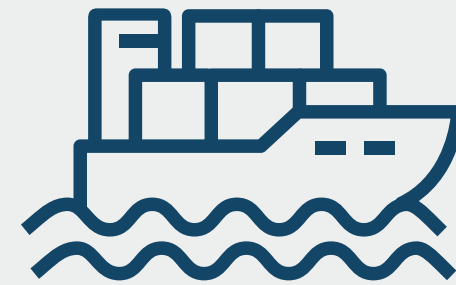
# Well-to-wake



## Product price



MDO

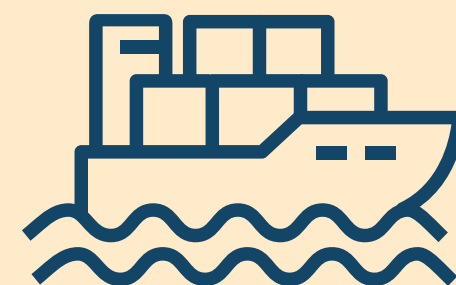


14,07  
g CO<sub>2</sub>e/product

22,99 €



Vegetable oils  
HVO



1,36  
g CO<sub>2</sub>e/product

*Almost carbon-  
neutral*

+0,03  
€/product

=

23,02 €

Sea leg 346 km

  
Stockholm



  
Turku





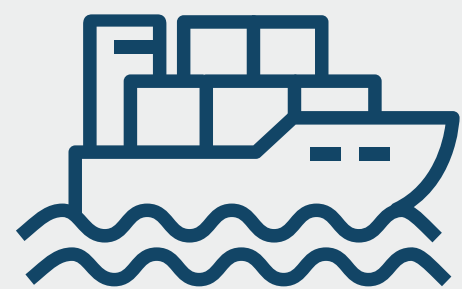
# Well-to-wake



Product price



MDO

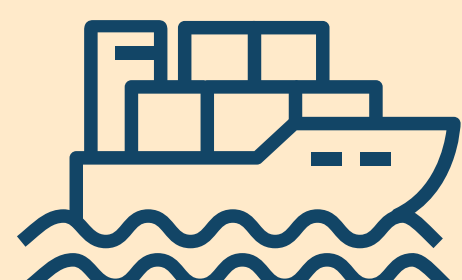


0,49  
g CO<sub>2</sub>e/product

899 €



Vegetable oils  
HVO



0,05  
g CO<sub>2</sub>e/product

*Almost carbon-  
neutral*

+1,09  
€/product

=

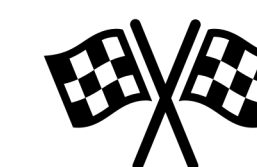
900,09 €



Sea leg 346 km



Stockholm



Turku



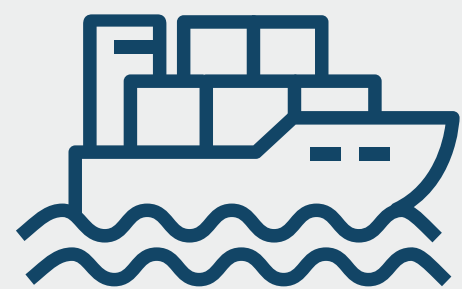


# Well-to-wake

## Product price



MDO



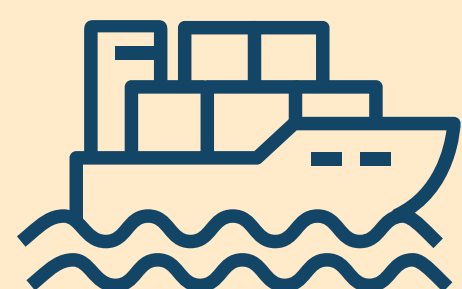
7,03  
g CO<sub>2</sub>e/product

Fossil-free  
steel

~1000  
€/ton



Vegetable oils  
HVO



0,68  
g CO<sub>2</sub>e/product

*Almost carbon-  
neutral*

+15,64  
€/product

=

1015,64  
€/ton



Sea leg 346 km



Stockholm



Turku

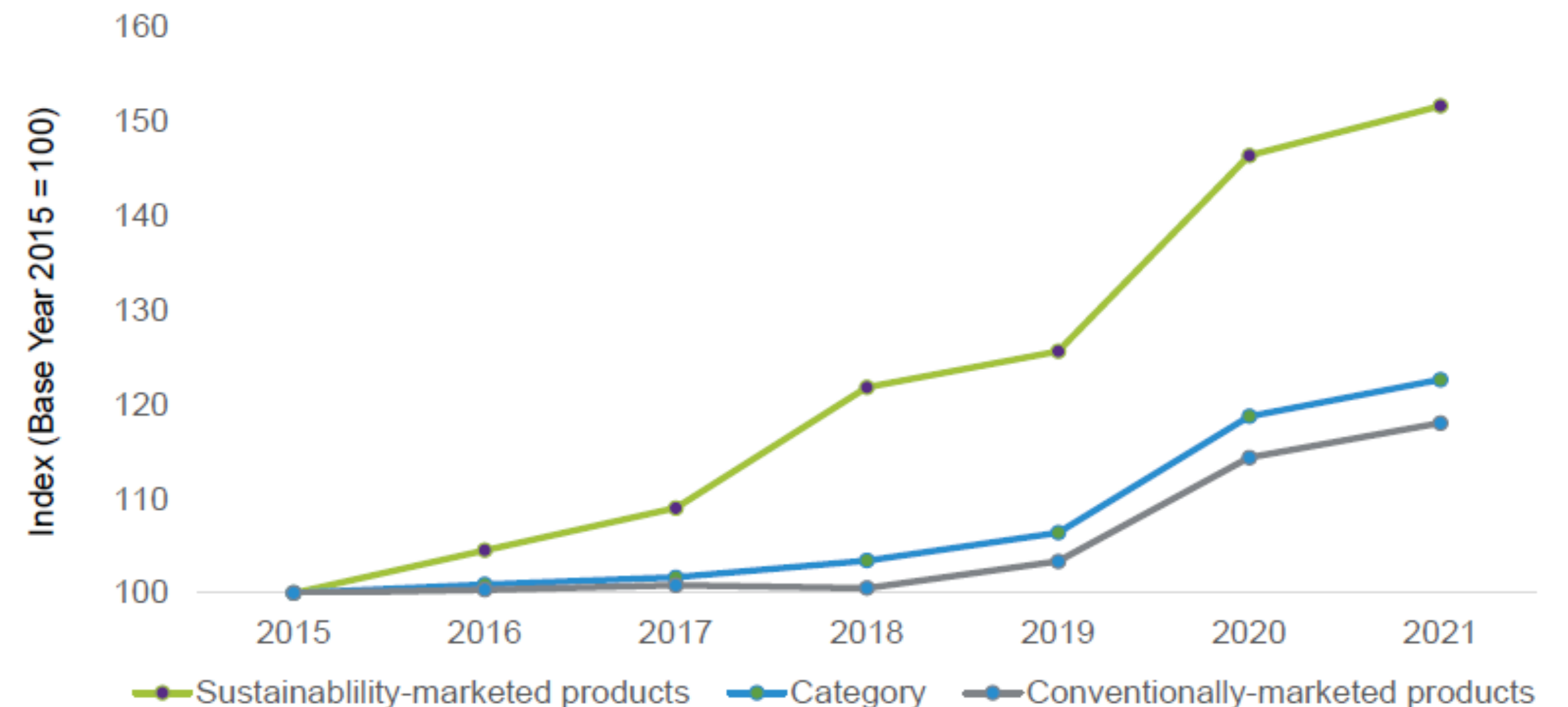


# Sustainability brings competitive advantage



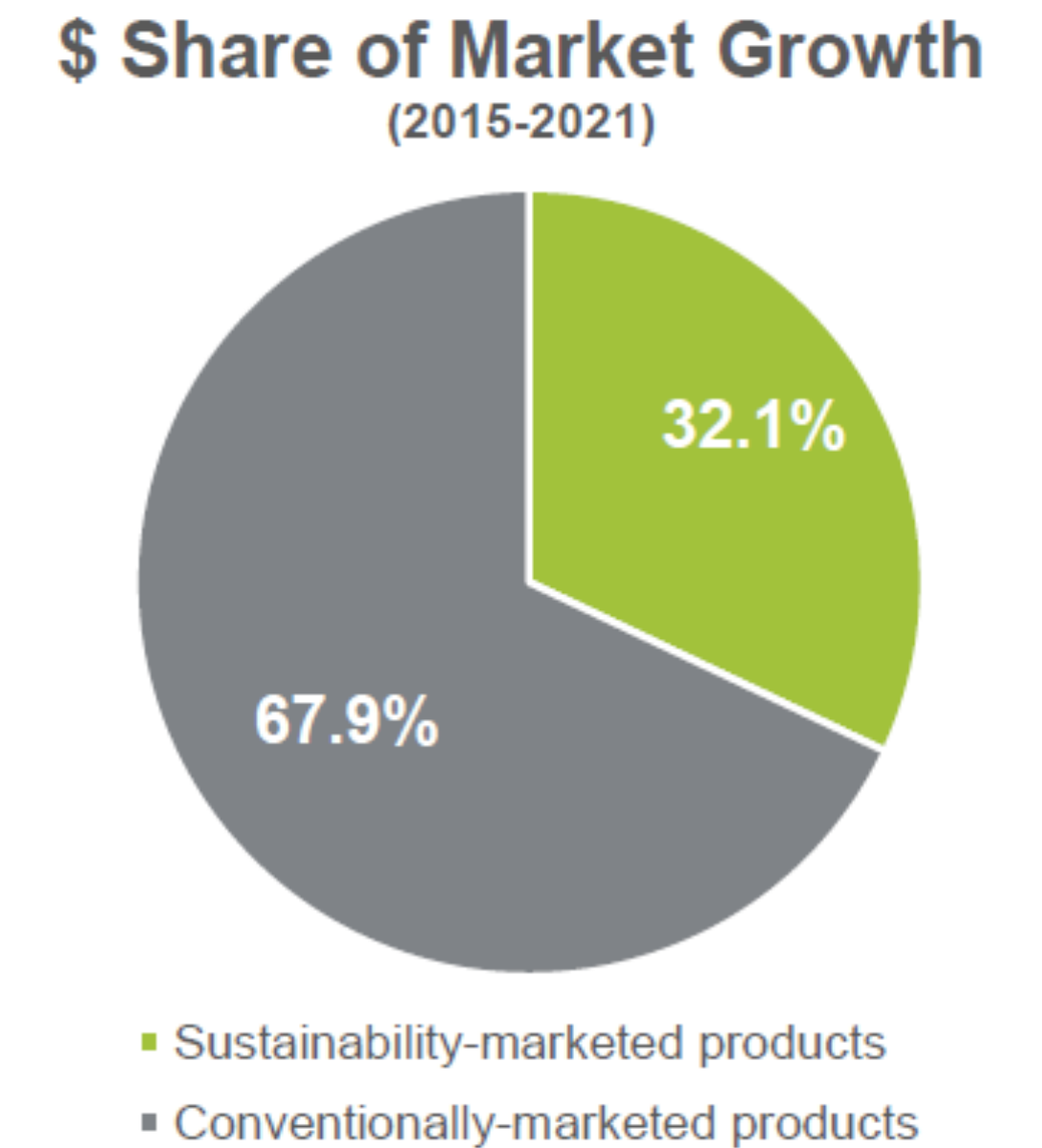
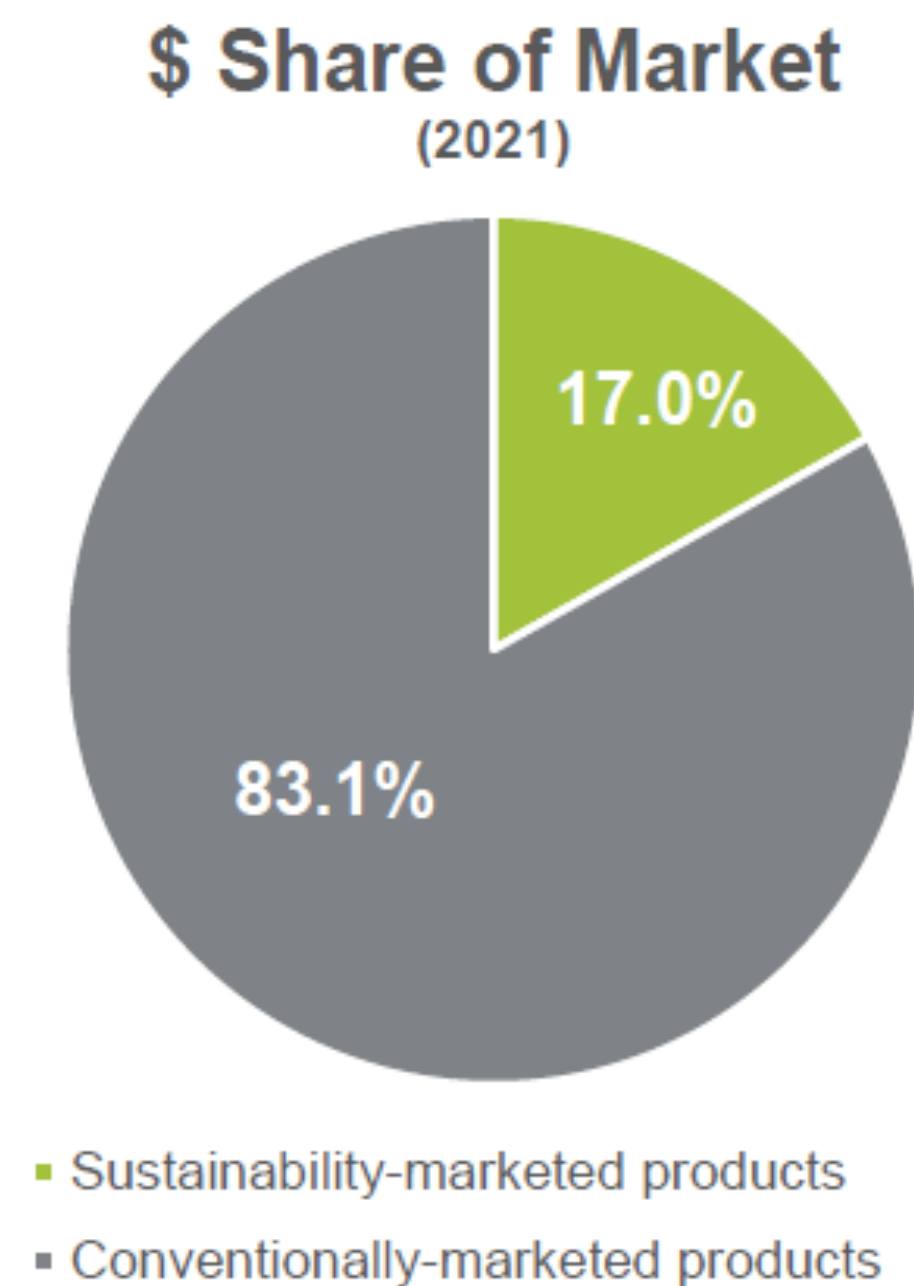


- An analysis of 40 % of US consumer packaged goods sales figures show **significant demand for sustainably branded products**  
(NYU Stern Center for Sustainability)
- The average Compound Annual Growth is 7,5 %
- Products marked **sustainable** grow **2,7 x faster**





- The average price premium is 28 %
- Sustainably branded goods are less price sensitive
- The fewer the differences, the greater the benefits of sustainability claims
- All sustainability claims must be validated

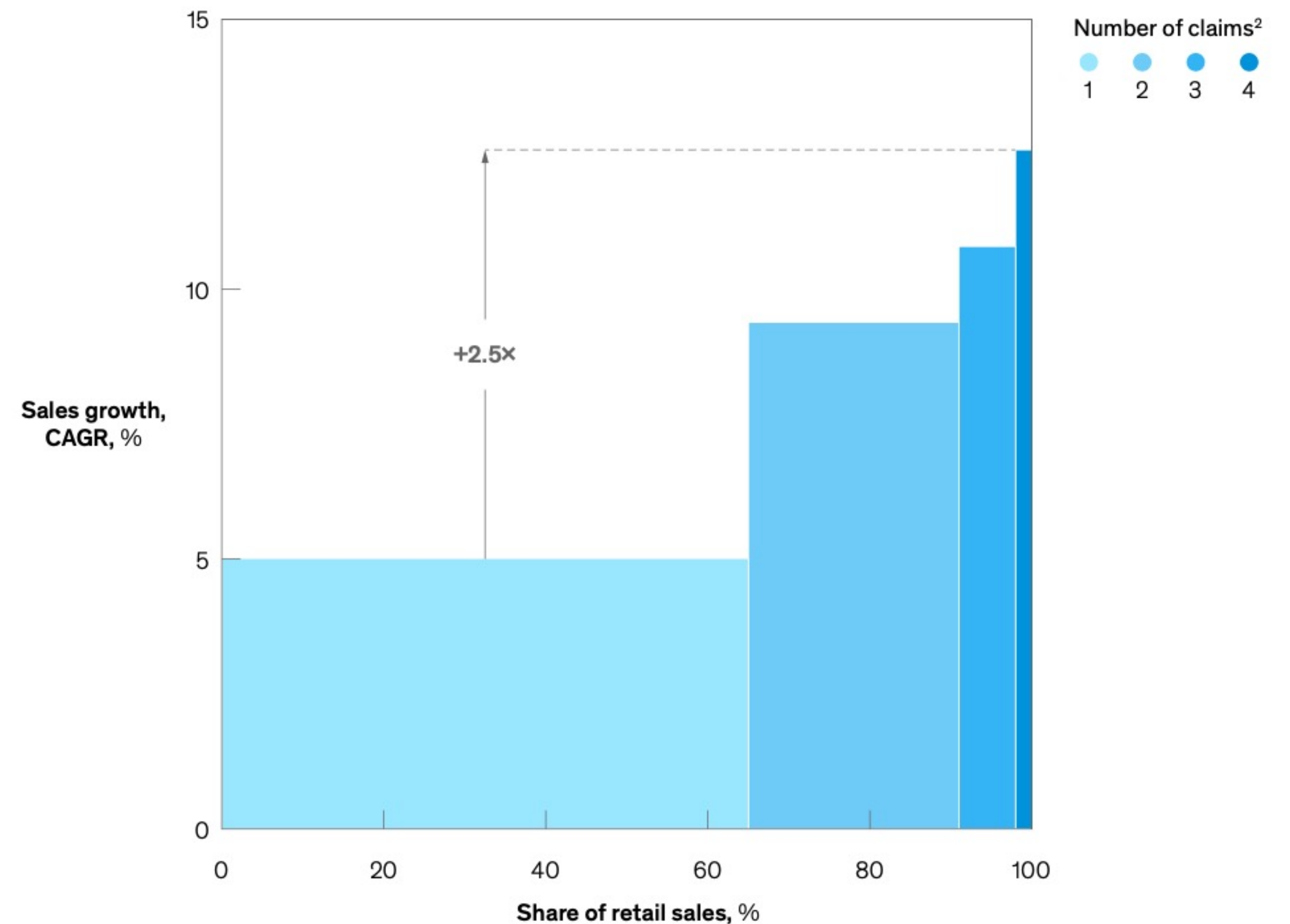




# Multiple sustainability claims lead to bigger growth

- The McKinsey analysis shows products with a sustainability claim have bigger growth – and making multiple environmental, social and governance-related claims leads to even higher growth
- Less-common claims tend to be more effective

Sales growth vs share of retail sales by number of ESG<sup>1</sup>-related claims made by a product, US, 2018–22





# A green corridor is a business challenge – *not* a cost challenge

---

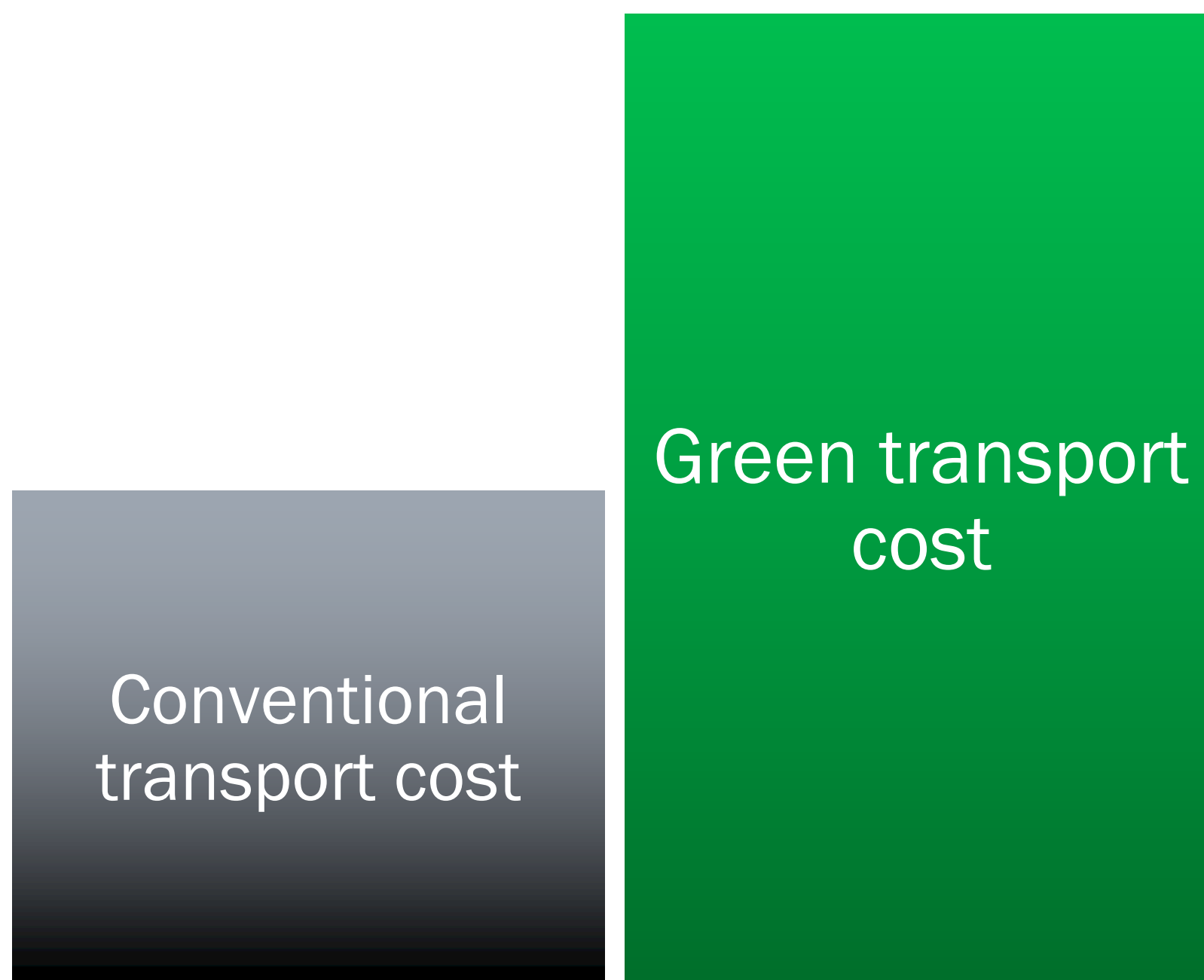




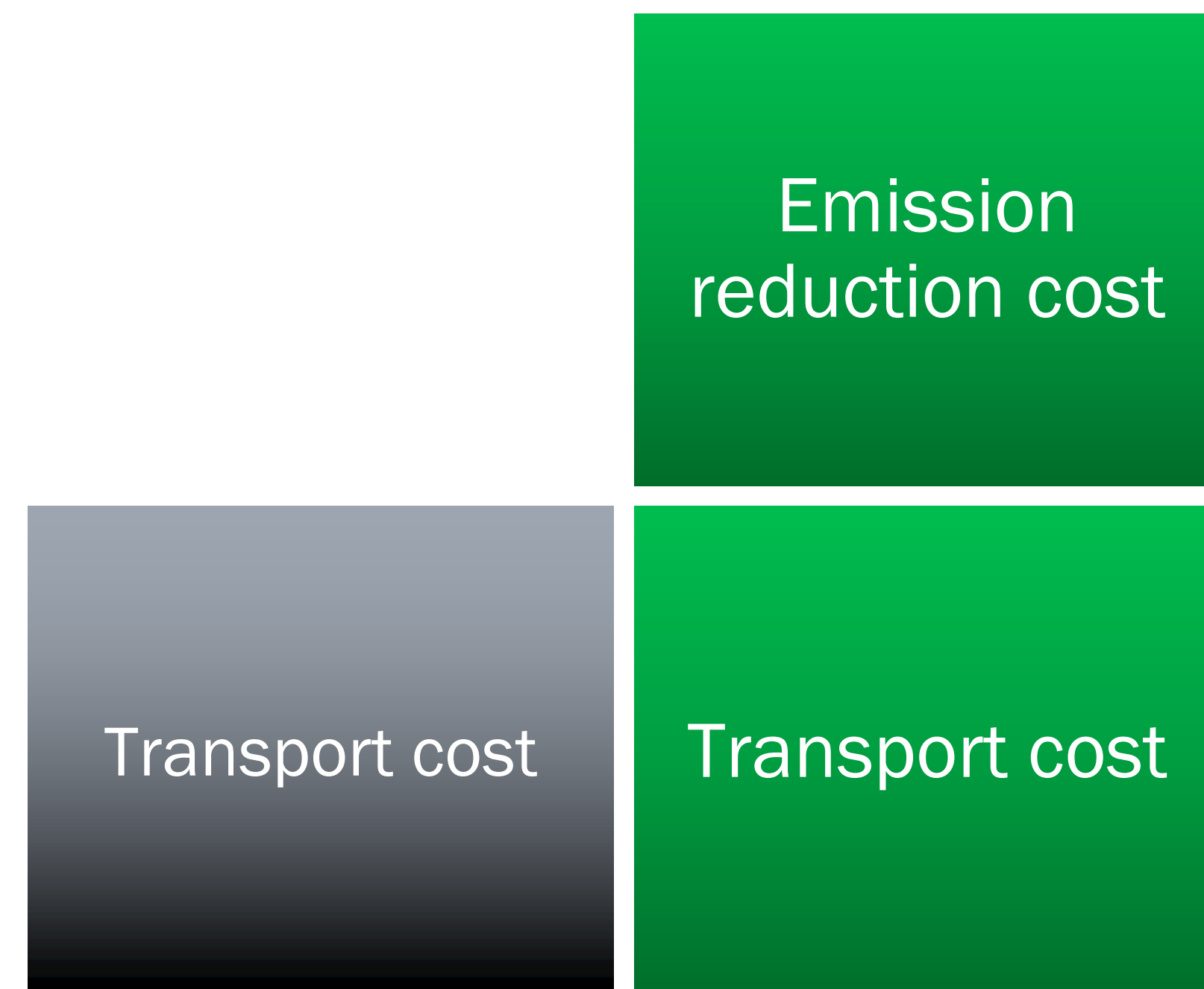
# Time to rethink:

---

Don't compare  
green transports with  
conventional transports



Instead focus on the  
**the added value**  
from green transports





# Secure the information flow

The ship owner shares information about their **sustainable fuel** to the sales department.



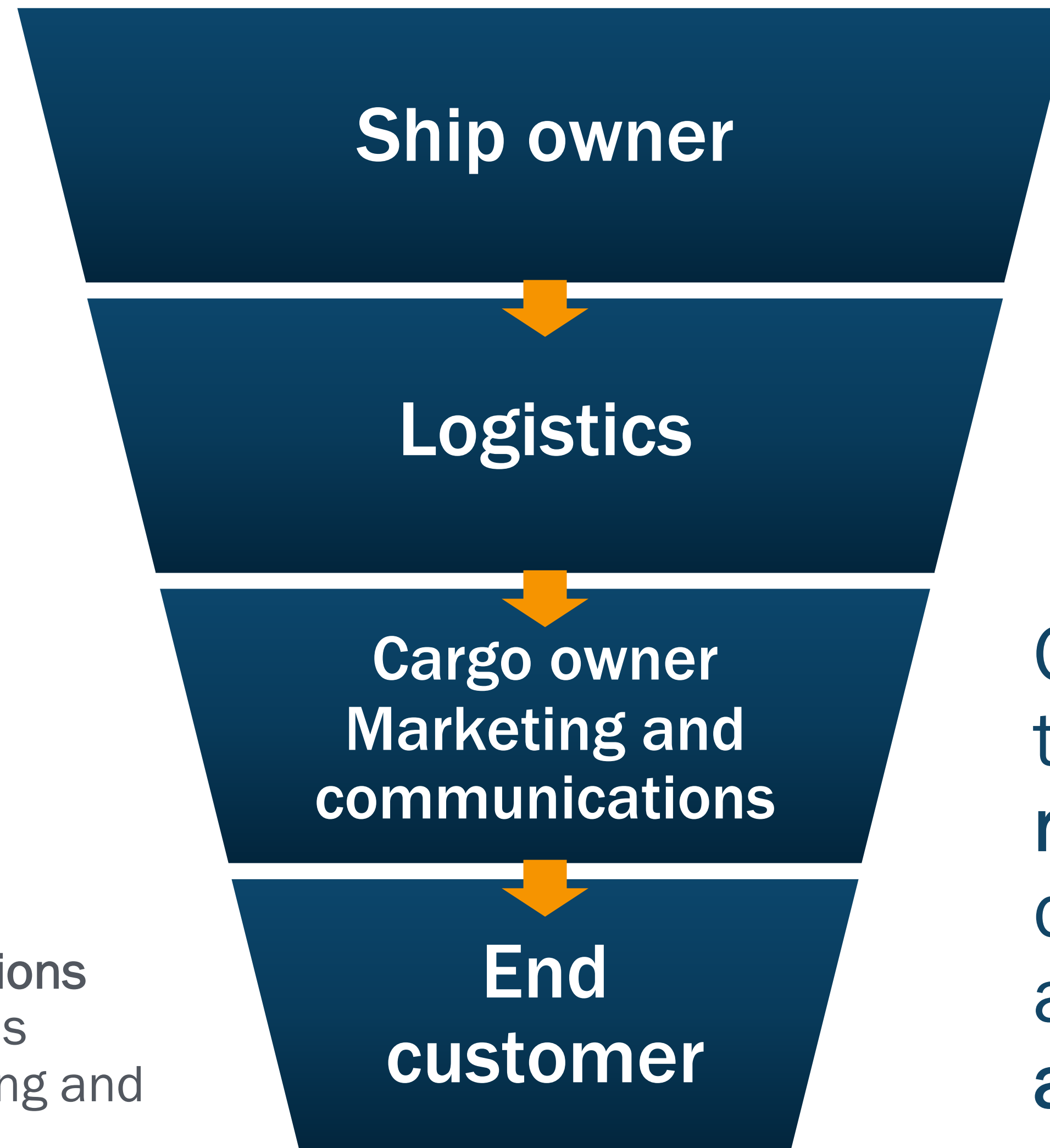
They inform the **logistics company**, which in turn informs the **cargo owner**.



The cargo owner can now guarantee a sustainable transport option for the **end customer**.



Information about fossil fuel emissions and the **additional cost** of emissions should be shared to sales, marketing and communication.



Only then the **benefits of reducing emissions** can be used as a **competitive advantage**.



# Green corridors are an opportunity

A solid orange horizontal bar located directly beneath the title text.



# How to create a green corridor?

---

1. The right partners who can capitalize on low emissions
2. Establish the right business, sourcing and pricing model
3. Ensure reliable, cargo-specific, on-time reporting, through the whole logistics process -- to reach the end-customer.





# Green Maritime Corridors conference

## What?

Conference on reducing greenhouse gas (GHG) emissions in the shipping industry, by focusing on one maritime corridor at a time

## When?

31.8.–1.9. 2023

## Where?

Turku (Europe Forum at the Sigyn Hall & Scandic Hotel Hamburger Börs)

The conference is arranged in connection to Europe forum.

See you in Turku!

## DISCUSSION THEMES

- How to capitalize on green freight
- How to capitalize on sustainable tourism
- How to organize the logistics operations and digitalization
- How to handle the investment needs
- How green corridors act as technology drivers



# Contact information

[magnus.gustafsson@abo.fi](mailto:magnus.gustafsson@abo.fi)

[magnus.gustafsson@pbi.fi](mailto:magnus.gustafsson@pbi.fi)

+358 40 554 0507