



Stena Line

# Stena Line expand!

Stena Line had a good year in 2023 overall. The shipping company is well positioned in the Baltic Sea, the UK and Ireland. As a result of Brexit, Stena Line has not been able to record any losses, traffic between Ireland and the UK is stable and is increasing again somewhat. Stena's strategy is not to buy its customers, but to invest in ports and infrastructure.

**The family-owned company is currently building a new port in Immingham. Stena Line has ventured into the Mediterranean and bought a 49% stake in AML (African Morocco Link). Management has been monitoring the market for a long time and sees great potential for the future in the region. RoPax spoke with Niclas Martensson, CEO of Stena Line.**

**RoPax: How was the year 2023 and the start into 2024 for Stena Line?**

Niclas Martensson: 2023 was a quite good year. We saw volumes coming up in a decent level. From a customer perspective it was a good year. Stena line as all other companies were really fighting with higher costs. When it is coming to salaries, spare parts, and the total cost of the interest rates. It was a good market year but from a cost perspective most of us had tough times. It was the first time we really saw the full year effect of all prices increased of 2022.



Niclas Martensson, CEO of Stena Line

**RoPax: How was your company effected by the Ukraine war and the missing trade to Russia?**

Niclas Martensson: If we are looking into different areas for Stena Line, one of the toughest areas is the Baltic Sea. We see two reasons; the war is affecting the macro business in the world and the interest rates because people are not spending so much money. For example, the reduced activities in the building industry and the wood industry. We need a kind of different understanding, and we hope the market will be back in some years. At the same time the market is going down and we see other operators coming in and fighting for volumes with lower prices.

**RoPax: We got the information that some operators lost in 2023 between 7% and 5% volume between the continent (Germany and Poland) and Sweden. Can you confirm that?**

Niclas Martensson: We will not comment that it is the fortune we are not listed at the stock exchange and will not publish our traffic volumes. I think we see different parameters. With the investments we have done in Poland with "Stena Estelle" and "Stena Ebba" and keeping "Stena Spirit" there we have increased the capacity and frequency and of course that is a kind of driving the volume. Poland is a quite good area, even it is very close to the other Baltic countries. When it is coming to Germany 2023 there were both ups and downs. We have a very tough competition to and from Trelleborg. We also have products that others cannot really compete with because we increased our railway business. Our line between Kiel and Gothenburg is moving quite good.

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**RoPax: If we look at your business around UK and the new line between Liverpool and Dublin you are very successful and expanding your activities. Do you have no Brexit limitation in your business?**

Niclas Martensson: The entire UK we haven't seen that drop in the economy between UK and Ireland. Ireland has the highest GDP growth as a country, and it is mostly based on services. That brings them on a higher consumption. UK came out well after Brexit and the unemployment rate is going down which means it is even more expensive people earning more money and consumption is good. We have a quite stable market on a good level to and from UK. Yes, we have opened a new route between Dublin and Liverpool. Previously we had one logistic hub that was in Belfast there are three routes going in and out to Belfast. We operate seven vessels there. With the new route we have a logistic hub in Liverpool because we operate two routes there and we have a logistic hub in Dublin where we also operate two routes. We have now three logistic hubs instead only one

and that is creating massive improvement for our cargo customers to share the trailer and the cargo. We are very happy and proud to have another route in the Irish Sea. We have done huge investments in new ships, and we have also done very big position moves in investments in ports in UK. It is easy to say we are big, and we have a good market. We are doing impressive investments in the region. It doesn't come from alone you have to be in the forefront to invest and we have now a strong position in some ports in UK. We are building a new port in Immingham.



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**RoPax. You are moving from Kilingholme to Immingham with your lines?**

Niclas Martensson: We have done it partly. It is today our Europort service who is going to Immingham and Hoek van Holland line will also move there. We will have there another hub. Many competitors have invested in logistic companies in acquiring customers. We are more investing in infrastructure and then trying to be as attractive as possible to the customers they go with us.

**RoPax: If we look at your operation between Rosslare and Cherbourg where you operate a huge RoPax vessel and how do you see the market development, there?**

Niclas Martensson: I think we have been quite successful introducing "Stena Vision" into that market. However, the market for that ship is quite short from a time perspective because it is so much focusing on

"I think we have been quite successful introducing 'Stena Vision' into that market."

high season travel over the summer. She makes mostly sense in the summer and easter holidays. She is quite good we are happy with the good old ship and she is well maintained. But what happened in Rosslare from Brexit until now is just crazy. When everybody has seen the same kind of leading star. There we see overinvestment and over capacity and everybody thought they should be the most successful company. Quite interesting to see how kind panic movements the market did over short term. I mean we had three departures out of Rosslare before Brexit now we have five. They continue to build as the trend should continue. I am sure we will see other trends in short time. The complexity of customs clearance the market get use to it. There are 70 Mio. people in UK and 5 Mio. in Ireland. The consumer are more in UK as in Ireland. I think there is an overcapacity and I think we see some changes and it will not come back as it was.

**RoPax: What is your position for the future for green fuels and propulsion systems. Are you following the “Stena Electra” project?**

Niclas Martensson: There we have been very clear we are still very interested in “Stena Electra” but we do not know if she should sail between Gothenburg and Frederikshavn. We think that the society needs to invest in infrastructure for electricity. We moved it from strategy into a vision it is still there. I do not see that we will contract that ship in the next years. I think the date regarding future sustainability is so much focused on propulsion and the kind of bunker we should have. The biggest game we will have in the shipping industry to save the world, is to be more efficient in the way we are sailing. That are the low hanging fruits for all of us. Of course, we had our first methanol RoPax 2015 in service she is soon ten years we are we installed batteries on “Stena Jutlandica”. Now what we see is what is coming out with the new “Heyshamn Max” at

Heyshamn – Belfast which has a hybrid of Biodiesel, Methanol and Batteries. That is what we are doing for the moment. But to niche ourselves to say we go only methanol only x or only y that’s not our culture and not our DNA. There are too many invest-

“Morocco is doing fantastic investments when it is coming into infrastructure, freeports, highways and railways.”

ments, and we have not customers enough who are willing to pay for the green transition.

**RoPax: I think you are good positioned. You have not ordered for your fleet LNG vessels because it is fossil fuel.**

Niclas Martensson: It is a good intermediate fuel I do not think it is the future fuel. We see many ship owners who really do not know either, but they are marketing they are super green, but they are continuing to sail on fossil fuel.

**RoPax: You start a new business between Morocco and Spain with the purchase of shares in the company AML (Africa Morocco Link).**

Niclas Martensson: First, it is an interesting and future looking market for us. It has nothing to do FRS has sold or not. We have been monitored this market for many years. It has the potential for a new Dover – Calais connection. We do not have a Spanish adventure we have a Moroccan venture. For us mentally that is a huge difference. Because it is in Morocco it happens and therefore, we say we sail between Morocco and Spain and not between Sapin and Morocco that is an extremely important base for us because there are the big investments in Morocco in infrastructure. You see the big factories are moving from Asia to become the work bench of Europe. Morocco is doing fantastic investments when it is coming into infrastructure, freeports, highways and railways. Also, it is a country how can supply future energy solutions the amount of solar the amount of wind the have there it fits fantastic in our sustainability journey. Then of course with the huge investments there will be much more produced in Morocco than in Sapin. There is a community of 5.5 Mio Moroccans living and working legally in Europe wants to go down and see their family and friends there. The Gibraltar strait is so deep there will never been a tunnel or a bridge. Our vision says connecting Europe for sustainable future. Connecting Africa with Europe than we a living up to our vision to painting it at the side of our ship. I must say we have connected with a very competent and serious partner in the transportation company CTM, which is owned by Bank of Africa. CTM has been transporting people since 1909. I was down there, sailed on the ships and met our staff, and it is fantastic.

**RoPax: Do you plan a change in the fleet structure?**

Niclas Martensson: The vessels are very well maintained, and “Morocco Star” got a new engine and complete refurbished engine room. They are the best maintained vessel there. We will improve but not overnight. We take over our part end of this month April. Beginning of May we start the new route between Tangier Ville and Tarifa.

**RoPax: Thank you very much for the conversation.**



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Heinemann