



A SPARKLING SUCCESS FOR FREIGHT EUROPE ADVERTISING FEATURE

THREE years ago Freight Europe started off in the rail transport logistics business moving steel coils from Wales to Germany. Now the UK- based company, which transports goods between the UK and continental Europe via the Channel Tunnel, moves steel to nearly all the western European countries and has added a number of blue chip clients to its portfolio.

Now, not only does it move canned products from Italy to the UK's major supermarkets, it also specialises in transporting mineral water to the UK from France for companies such as Perrier, Evian, Volvic and Badoit. Freight Europe, which is a subsidiary of French national rail operator SNCF, has proved that moving goods by rail can be a part of a successful just-in-time operation.

WATER, WATER EVERYWHERE

No company is more aware of this than the French sparkling water provider Perrier which has been a dedicated user of rail since 1978.

The company exports 40 million of its famous green bottles a year to the UK, using Freight Europe to make the 1000 km journey from the water's source in Vergeze, in the south of France, to London. The weekly train leaves the St Martin de Crau terminal in France on Friday evenings and takes just over 48 hours to reach Wembley, where the 21 wagons are divided and sent on to Stratford, Gidea Park and Wakefield freight terminals.

Perrier's UK distributor, Coca-Cola/ Schweppes, then handles the local distribution. As with all just-in-time operations, the service needs to be reliable to keep outlets stocked with Perrier's range of nine products. Perrier's director of operations Len Leech said: "We have used rail for a number of years and in a growth market that is increasingly demanding we need a professional, flexible and reliable supplier - hence our partnership with Freight Europe".

SEASONAL DEMAND

For Freight Europe, part of the success of the operation is its ability to respond to peak demands, which typically happen when the temperature rises in the summer, and at consumer peak time at Christmas.

Sales manager Colin Richards said: "In the summer, demand can be immense, which causes considerable pressure on the supply chain. The flexibility of rail means that we can meet this demand."

Freight Europe is set to provide an extra train to cope with the expected increase in sales of the water created by the Wimbledon tennis tournament, of which Perrier is one of the key sponsors.

Rail is advantaged in that it is not subject to the weekend haulage restrictions which operate in France, sometimes seriously hampering the movement of goods by road. And laying on an extra train at short notice does not present the same sort of problem that providing the equivalent 35 trailers would pose to a road haulier.

ON THE BRAND WAGON

Freight Europe has a fleet of 500 diverse wagons at its disposal, and, as Mr Richards pointed out, if the company ever needs a specific resource, it can always approach its parent SNCF for assistance.

Where Perrier was, in some ways, a pioneer in using rail, its success is evident in the fact that other mineral water suppliers have since followed suit.

"Perrier has supported rail over all these years. It's an ideal solution for their product," said Mr Richards. And it is a trend that Freight Europe's general manager Duncan Gray believes has started spreading to other industries.

A measure of this is that Freight Europe saw an impressive 50% growth last year over 1997 - and the potential remains enormous.

In particular, there is an increasing drive by UK supermarkets to transport their non-perishable goods by rail. Freight Europe already moves canned vegetables from Italy to the UK and the company is about to lease more new, higher capacity wagons to add to its fleet to cope with this anticipated demand.

MORE THAN STEEL AND CLAY

The company is also looking to extend its business into other FMCG products, as well as paper and clay, and increase its market share in the steel business. Currently, the company moves steel for the automotive industry from the UK to France, Belgium, the Netherlands, Switzerland, Germany, Italy and Austria, and transports steel back to the UK from a number of these countries.

Mr Gray compares the handling of steel with that of eggs, in terms of the care needed. "The rail option delivers steel in pristine condition as it is fully protected."

Freight Europe's success was rewarded earlier this year when the company was voted a runner-up in the European Rail Operator of the Year category at the IFW Awards.

Closer to home, Freight Europe's parent SNCF has established further subsidiaries in Italy and Germany with more to come. This means Freight Europe has a growing network of resources to call on across Europe.

As Mr Gray said: "There are plenty of opportunities. There are more and more companies seriously looking at rail."

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■ Above right: the famous green bottled Perrier has been using rail since 1978.
 ■ Above: Freight Europe has 500 wagons
 ■ Below: the company's origins, moving steel

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Simple. Just give us a call on +44 (0)171 203 7020 with your questions or fax us on +44 (0)171 401 8778

