

ANALYSIS OF POTENTIALS AND STAKEHOLDERS OF BUSINESS PARK FALSTER

Business Park Falster

TENTacle Activity 2.1.7.

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Dansk sammenfatning

Guldborgsund Kommune har planer om at udvide erhvervsområdet Business Park Falster ved afkørsel 43 Nørre Alslev på E47 / E55 og har som led i dette arbejde bedt Rambøll om i foråret 2017 at udarbejde nærværende potentiale- og interessentanalyse. Analysen har til formål at skabe et fundament for kommunens videre strategiarbejde og beslutningstagning vedrørende området.

Analysen baserer sig på resultaterne fra Rambølls forudgående trafikanalyse, rapporteret i det tekniske notat "*Traffic Analysis, Business Park Falster - TENTacle Activity 2.1.5*", på desk research af relevante rapporter, analyser og webartikler, en workshop for lokale interessenter afholdt i maj 2017 i Nykøbing Falster samt interviews med 14 interessenter.

En central "baggrundsvariabel" fra den gennemførte trafikanalyse er, at den samlede mængde lastbiler mellem Danmark og Tyskland forventes at stige med 36 % frem mod 2028 og 68 % frem mod 2038 i forhold til 2016. Desuden peger analysen på en stigning i efterspørgslen efter fleksible fragtløsninger - en fleksibilitet, som kan leveres af lastbiler til en relativt lav pris.

Nærværende potentiale- og interessentanalyse viser, at Business Park Falster har en relevant placering både relation til de nuværende færgeforbindelser mellem Danmark og Tyskland og den fremtidige Femern Bælt forbindelse. Analysen viser også, at Business Park Falster imødekommer en efterspørgsel efter erhvervsarealer fra en bred vifte af virksomheder, bl.a. inden for transport- og logistikområdet samt fra produktionsvirksomheder med stort transportbehov.

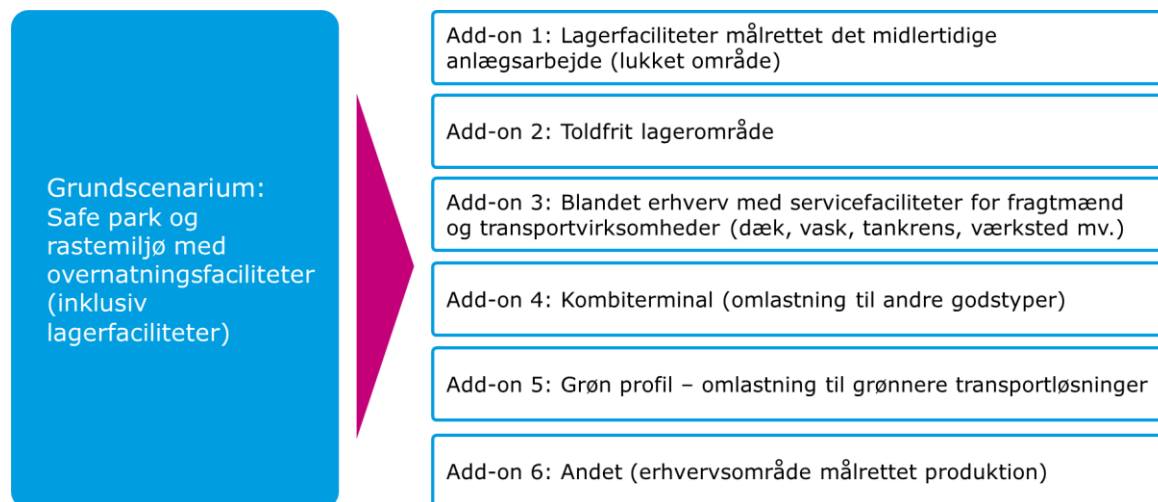
I øjeblikket ses der imidlertid ikke *generelt* et bredt behov for erhvervsområder målrettet transportintensive virksomheder. Enkelte virksomheder kan have særlige umiddelbare behov, men analysen peger ikke på en bredere øjeblikkelig efterspørgsel. Lokale virksomheder peger imidlertid på en potentiel efterspørgsel efter erhvervsarealer ved afkørsel 43 på længere sigt, givet at der opstår en større "kritisk masse" (produktion) i kommunen og dets opland.

Da analysen ikke peger på et bredt og øjeblikkeligt behov hos lokale virksomheder, tyder analysen på, at faciliteter målrettet sikker opbevaring ("safe park") inklusiv overnatningsfaciliteter for lastbilchauffører på kortere sigt vil være den mest relevante profil for Business Park Falster.

Tre vigtige drivkræfter taler for, at der inden længe vil være en stigende efterspørgsel efter et sikkert opbevarings- og rasteområde for chauffører: *For det første* har nogle EU-medlemsstater i løbet af foråret 2017 indført et forbud mod at chauffører afholder deres regulære ugentlige hvil på 45 timer i lastbilens førerhus eller i nærheden af køretøjet. Et tilsvarende forbud forventes i Danmark i den kommende Folketingssamling, og dette taler for, at der vil opstå nye behov for overnatningsfaciliteter for lastbilchauffører langs motorvejene i Danmark. *For det andet* synes der at være stigende problemer med langturschauffører, der parkerer ulovligt på eksisterende rastepladser eller i villakvarterer rundt omkring i Danmark i nærheden af de centrale transportkorridorer. *Endelig* giver flere interviewpersoner udtryk for, at der over alt i Europa ses tendenser til et stigende antal røverier, stjålne køretøjer og især tyverier fra parkerede lastbiler, og nogle købere af transport med værdifuldt gods presser på for mere sikre parkeringsløsninger.

På dette grundlag foreslår vi i denne analyse en model for Business Park Falster, der indeholder et grundscenarie kaldet "Safe park og rastemiljø med overnatningsfaciliteter (inklusiv lagerfaciliteter)"

og en række relevante add-on tilføjelsesscenarier, der kan udvikles som byggesten i løbet af en tidshorisont på 3-5-10 år. I denne periode forventes en stigning i antallet af lastbiler, der dagligt passerer Business Park Falster, hvilket må forventes at materialisere sig i en stigende efterspørgsel efter yderligere tjenester hos Business Park Falster.



Samlet set peger analysen på en situation, hvor den forventede stigning i efterspørgslen efter lastbilfragt endnu ikke har fundet sted blandt de lokale virksomheder på Lolland-Falster. Men når stigningen på sigt sker blandt lokale virksomheder, vil erhvervsområdet ved Afkørsel 43 være et meget relevant tilbud for lokale virksomheder.

Det er således analysens konklusion, at Business Park Falster i øjeblikket er et område, der er klar til en efterspørgsel, der kan forventes at materialisere sig inden for de kommende år, og at erhvervsområdet på dette tidspunkt vil kunne tilbyde meget relevante muligheder. I de kommende år bør erhvervsområdet indrette sig, så det bliver attraktivt i forhold til de umiddelbare krav om faciliteter til sikker opbevaring og overnatningsmuligheder for lastbilchauffører.

Summary in English

Guldborgsund Municipality is planning to expand the business centre Business Park Falster near highway Exit 43 Nørre Alslev on the highway E47/E55. This report covers a potential-and stakeholder analysis made of Ramboll on behalf of the Guldborgsund Municipality. The purpose of the analysis is to provide a foundation for the municipality's further strategy work and decision-making regarding the area.

The findings of the analysis are based on the results from Ramboll's prior traffic analysis, reported in the technical note "*Traffic Analysis, Business Park Falster – TENTacle Activity 2.1.5*", desk research of relevant reports, analysis and web-articles, a workshop for local stakeholders held in May 2017 in Nykøbing Falster and interviews with 14 stakeholders.

An important 'background variable' from the Traffic Analysis to this potential- and stakeholder analysis is that the total amount of truck freight between Denmark and Germany is expected to increase 36 % by 2028 and 68 % by 2038 compared to 2016. Furthermore, the analysis points to an increase in the demand for flexible freight solutions – a flexibility which can be provided by truck freight at a relatively low cost.

The analysis shows that the business area has a relevant location both with regards to current ferry connections, and the future Fehmarn Belt Fixed Link. The analysis also shows that the business area can meet the demand from a broad range of companies, including companies within the transport- and logistics industry as well as companies within production with a large need for transport.

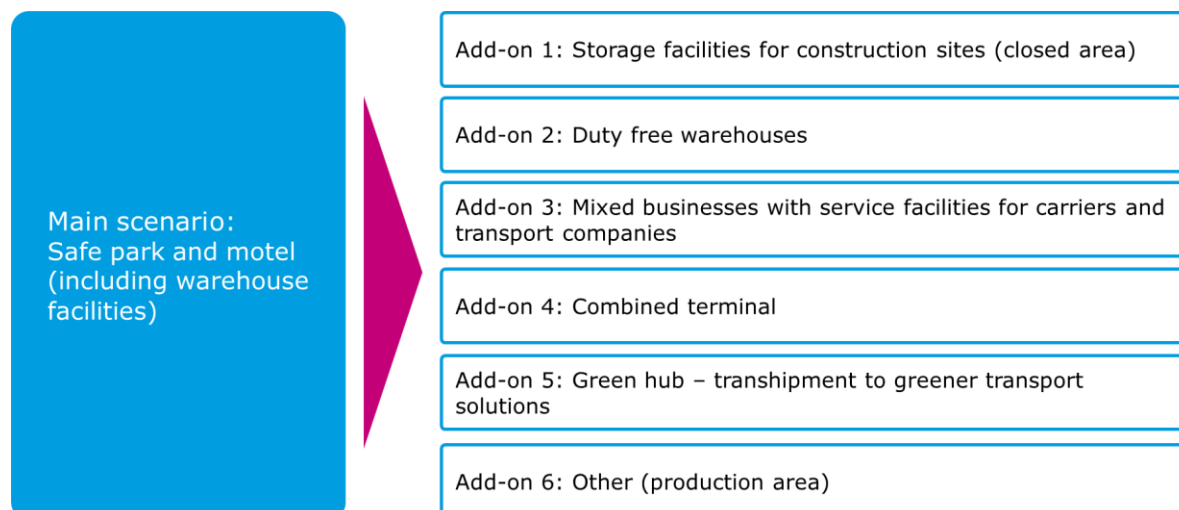
However, local companies do not *generally* have any broad and immediate needs for a business area aimed at transport heavy industries. Individual companies may have specific immediate needs, but the analysis does not point to a broader immediate demand. However, local companies do point to a potential demand on a longer term, given that the area at that time can offer more "critical mass" (production) in the municipality and its hinterlands.

As the analysis doesn't point to a broad and immediate need among local companies, the analysis suggest that facilities related to safe storage ('safe park') and rest time ('motel') for truck drivers will be the most relevant profile for the business area in the short run.

Three important driving factors speak for an increasing demand for a safe storage and rest time areas for drivers within a short period of time: *Firstly*, some EU Member States, have during spring 2017 introduced a ban on drivers holding the regular weekly rest of 45 hours in the cab of the vehicle or nearby the vehicle. A similar ban is expected in Denmark in the next parliamentary session, and this speaks for new forms of accommodation for the truck drivers. *Secondly*, there seems to be increasing problems with long-haul drivers, who park illegally in existing rest places or in residential neighbourhoods everywhere in Denmark's central transport corridors. *Finally*, an increasing number of robberies, stolen vehicles and, in particular, thefts from the parked trucks, is experienced all over Europe, and some buyers of transport with high-value products are pushing for more secure parking solutions.

On this basis, we suggest a model with a basic scenario called "Safe park and motel (including warehouse facilities)" and a couple of relevant add-on scenarios that could be developed as building

blocks during a time horizon of 3-5-10 years, where an expected increase in demand for truck freight will materialize, leading to an increasing demand for additional services at Business Park Falster.



In sum, the analysis points to a situation where the expected increase in demand for truck freight has not yet materialized among local companies. However, when the increase has materialized among local companies, the business area at Exit 43 provides very relevant opportunities for local companies.

It is thus the conclusion that the business area currently provides a supply for a demand that can be expected to materialize within the coming years, and that the business area at this time will provide very relevant opportunities. In the years to come, the business area may be targeted at relative immediate demands for facilities related to safe storage and rest time for truck drivers.

1. Introduction

1.1. Background and purpose

Guldborgsund Municipality is planning to expand the business centre Business Park Falster near highway Exit 43 Nørre Alslev on the highway E47/E55. This report covers a potential- and stakeholder analysis made of Ramboll on behalf of the Guldborgsund Municipality.

The main purposes of the analysis are partly to assess the potentials of developing Business Park Falster and partly to assess which steps that are required to take in order to create this development.

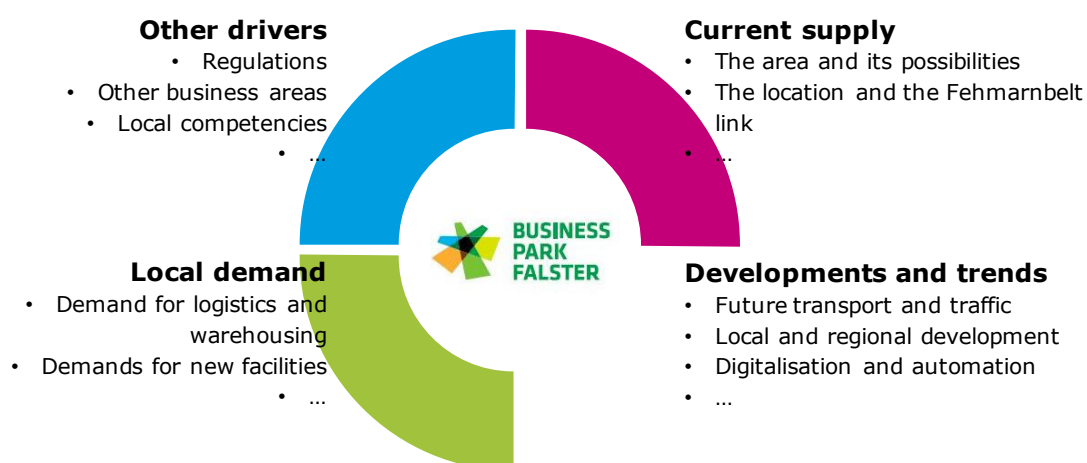
The findings of the analysis are based on:

- The results of Ramboll's traffic analysis, reported in the technical note *"Traffic Analysis, Business Park Falster – TENTacle Activity 2.1.5"*
- Desk research of relevant reports, studies and web-articles
- A workshop for local stakeholders held in May 2017 in Nykøbing Falster
- Interviews with [14] key stakeholders.

1.2. The analytical framework

A series of factors determine the potentials of developing Business Park Falster. The assessment of the potentials of developing Business Park Falster is thus based on an analytical framework that includes a set of elements, related to supply, demand, trends and other drivers. The analytical framework is illustrated in the figure 1 below. Each element is briefly touched upon below. More in-depth descriptions can be found in chapter 2.

Figure 1 – Analytical framework



As illustrated, the analytical framework departs from the perspective that the potentials of developing Business Park Falster are related to **the current supply** covering the size of the business area, the possibilities as defined in the municipal development plan, the municipal planning strategy and the local plan. In addition to this, the current supply covers elements concerning the location of the area both in a local/regional context, but also in a broader national/cross-national context.

The potentials of developing Business Park Falster are also related to broader **developments and trends**, including facts about future traffic and insights on current and future transport-demand from industries. Further, the broader local and regional development, regarding job-growth, population etc. is a part of the basis for assessing the possibilities. Finally, megatrends such as digitalization and automatization are important elements to include in the assessment.

Naturally, **local demand** plays an important role in the assessment of the potentials of developing Business Park Falster. In this study, local demand includes insight on current and future demand for logistics and warehousing among local and regional industries, as well as the demands for new facilities.

Finally, the assessment of the potentials of developing Business Park Falster are based on **other drivers** including new regulation regarding driving and rest times for truck drivers, developments in other areas close to Exit 43 and local culture and competences

1.3. Structure of the report

In addition to this introduction, the report contains the following:

- In chapter 2, we present the basis for assessing the potentials for developing Business Park Falster, including the current supply, broader developments and trends, local demand and other drivers.
- In chapter 3, we assess the scenarios by proposing a model with a basic scenario and a couple of relevant add-on scenarios.
- In chapter 4, we give a short description of the methods used in the analysis, including a list of interviewed stakeholders.

2. Potentials for developing Business Park Falster

In this chapter, we present the basis for assessing the potentials for developing Business Park Falster. As described in the introduction, a series of elements determine the potentials for developing Business Park Falster, including the current supply, broader developments and trends, local demand and other drivers. Following the analytical framework, the following thus includes a presentation of our findings on each of these elements.

2.1. The current supply

The analytical framework departs from the perspective that the potentials of developing Business Park Falster are related to the current supply covering the size of the business area, the possibilities as defined in the municipal development plan, the municipal planning strategy and in the local plan. In addition, the current supply covers the elements concerning the location of the area both in a local/regional context but also in a broader national/cross-national context.

2.1.1. The business area in brief – location, facts, prices and planning

Business Park Falster is located near exit 43 on the E47 / E55 motorway, on Falster, where the Western European traffic corridor of the E47 meets the E55 Eastern European traffic corridor – with close access to Hamburg, Berlin, Copenhagen, Malmö and Oslo.

Figure 2 – Illustration of Business Park Falster



Source: www.businesslf.com, picture by Bay Arch

Further, Business Park Falster is located next to Transport-Center CARGO SYD with a short distance to railway and the harbour in Orehoved. The business park expands the existing business area with 625,000 m² providing a total business area of 1.2 million m².

The area is located 100 km from Copenhagen, 50 km from the ferry-connection between Rødby and Puttgarden (and thus 50km from the Fehmarn Belt fixed link), and 40 km from the ferry connection between Gedser and Rostock.

Currently, Transport-Center CARGO SYD includes 16 companies primarily within the business sectors of production, service, transport and logistics. The business area of Business Park Falster is primarily aimed at transport of heavy industries, i.e. companies within the transport- and logistics industries as well as companies with production facilities with a large demand for transport, which often require large and tall buildings. A minor part of the business area allows for service facilities related to transport and logistics, including service stations, motels etc.

The area has local planning permission for units up to a height of 30 meters, providing possibilities for storage, manufacturing, refrigeration/freezing etc. The price of building plots varies from 95 DKK/m² excl. VAT for plots farthest from the motorway, to 135 DKK/m² excl. VAT for the plots close to the highway.¹

With its location near exit 43 on the E47 / E55 motorway, Business Park Falster will be positioned centrally in the coming traffic corridor facilitated by the Fehmarn Belt Fixed Link, connecting Scandinavia and the rest of Europe. With the tunnel under the Fehmarn Belt and the infrastructure upgrade on both sides, the Fehmarn Belt Fixed Link will function as a cross point and as a localisation magnet for companies benefitting from the improved infrastructure and lead to the creation of new jobs, a better regional economy etc.

The new Fehmarn Belt Fixed Link between Denmark and Germany will create an entirely new region of Europe. The new regional centre will link southern Europe with Scandinavia, the Baltic Region and Eastern Europe while also providing direct access to a well-educated workforce and more than 9 million consumers within a range of 250 km along the Fehmarn Corridor.²

2.2. Broader developments and trends

In addition to the current supply, the potentials of developing Business Park Falster are related to the broader developments and trends, including facts on future traffic and insights on current and future transport-demand from industries. Further, the broader local and regional development, regarding job-growth, population etc. is a part of the basis for assessing the possibilities. Finally, megatrends such as digitalisation and automation are important elements to include in the assessment.

2.2.1. Future transport and traffic

Some European studies show expectations of a **general increase in freight rates in Europe in the future** – predicting up to 50 percent growth by 2030. These numbers are of course surrounded by some uncertainty: We cannot yet predict how new business models (3D print, robot technology, withdrawal of production, driverless modes of transport, etc.) will affect these predictions. All

¹ Source: http://www.guldborgsund.dk/da/Erhverv/Grunde_ejendomme/Business_Park_Falster_afkoersel_43.aspx

² Source: Business Opportunities on Lolland-Falster, March 2015, https://issuu.com/171188/docs/blf_prospekt_uk_march2015

prognoses, however, point to the fact that we, in general, will experience more freight transport in the years to come, not least due to the establishment of the Fehmarn Belt Fixed Link.

Road

Currently, 81 % of all truck freight between Denmark and Germany passes through the boarder in Jutland. The establishment of the Fehmarn Belt Fixed Link is not expected to shift the share of trucking freight passing through Lolland-Falster. However, the Fehmarn Belt Fixed Link is expected to generate an increase in the total amount. In the traffic analysis, reported in the technical note *“Traffic Analysis, Business Park Falster – TENTacle Activity 2.1.5”*, it is thus estimated that the number of trucks passing by Business Park Falster will increase with 36% by 2028 compared to 2016, and with 68 % by 2038 compared to 2016.

In addition, several of the organisations interviewed for an analysis, that Ramboll is currently conduction for The Confederation of Danish Industry (about the costs of delays in goods transport) note that flexibility is becoming ever more important in freight demand. Several organisations note that truck freight can provide such flexibility at a relatively low cost, while railway cargo freight is generally seen as highly inflexible.

Rail

Currently, the majority (56 %) of cross-border Danish railway freight transport passes over the Danish-German border in Jutland. The establishment of the Fehmarn Belt Fixed Link and the appertaining railway line will decrease the distance between Hamburg and Copenhagen by 160 km. Once operational in 2028, this development is expected to significantly alter the railway transportation patterns in Northern Europe.

The total amount of railway freight in Denmark is expected to increase towards 2038, however mainly in transit freight. In 2016, 8 % of international cargo to and from Denmark travelling by railway comes from or is bound for Region Zealand. This is expected to increase by 55 % by 2038.

Sea

Sea transport to and from the Lolland-Falster area is dominated by ferry carried truck freight. The amount of trucks traveling by ferry between Denmark and Germany has tripled in size since 1990, especially following the opening of the Oresund Bridge. The future positive development in ferry transport is expected to increase along with the upward trend in truck freight.

The development of other sea carried freight is more uncertain. Currently the docks in Guldborgsund Municipality only receive equivalent of 6 % of what the ferries carry by truck. Because of this relatively small share, it has not been possible to make future prognosis of the development of this.

2.2.2. New technologies, digitalization and automation

In addition to the elements described above regarding future transport and traffic, a set of broader trends may influence the potentials of developing Business Park Falster, including not least the development of new technologies, digitalization and automation. For many years, the development of new technologies has been a key aspect of the development within a long range of industries and sectors.

Currently, new technologies are moving into the transport- and logistic-industries. As an example, driverless trucks are expected to change large parts of the transport- and logistic-industries as we

know it today, affecting efficiency, the role of the employee, security etc. Another example is 3D-printing, which makes it possible to produce the product on demand and at the place of consumption. The need to transport the product can therefore be replaced by a 3D printer located close to the customer, which may mean a significant rationalisation of warehouse and logistics.

According to several researchers, the significant distribution of cross-continental goods taking place today can thus be replaced by electronic shipment of files to 3D printers that can print the product close to the customer's address, as well as physical stocks can be replaced by electronic databases with 3D -modelled files of particularly technical complex goods. Research thus shows that 3D printing could potentially cause a significant decline in transport of physical goods and a decrease in the total number of goods at distribution centres.

2.2.3. Local and regional development

In addition to scenarios of future traffic and current trends such as digitalization and automation, the broader local and regional development, regarding job-growth, population etc. influence the potentials of developing Business Park Falster, should also be considered.

Lolland-Falster is set to become Denmark's growth centre over the coming years and visions for the area are monumental in scale. A massive local public investment programme to the tune of €11 billion has been approved to ensure the best possible public service facilities – including fast, sustainable train connections, modern highways and easily accessible industrial business sites.

Currently, the Lolland-Falster area comprises about 9.000 registered companies, including companies within the sugar production industry, metal works, plastic compounds, tourism industry, food and agro products and the logistics sector. Lolland-Falster is also home to numerous major international companies, although local companies typically have less than 10 employees and are personally owned.

Entrepreneurial activity on Lolland-Falster is flourishing, with an appreciable increase in the number of start-ups. Furthermore, Lolland-Falster is one of the most prominent Danish areas for growth.

Lolland-Falster enjoys a prominent position within renewable energy production and the establishment of a sustainable future. The municipalities of Guldborgsund and Lolland are committed to providing a sustainable environment for residents and businesses alike. Renewable energy supplies all of the area's needs and electricity exports from non-fossil fired generating units are 5 times local consumption.

There are close ties between educational institutions and businesses on Lolland-Falster, which helps to create and maintain an enviably well-qualified workforce for the area. Moreover, the workforce on Lolland-Falster has a reputation for being both highly motivated and stable. On average, absence due to illness is 20 percent lower on Lolland-Falster compared to the national average. Among others, the benefits of the workforce on Lolland-Falster include low absenteeism, most stable workforce in Denmark and on average lower wages.

The long-term population prognosis for Guldborgsund Municipality is predicted to be both declining and ageing. The municipality has however experienced a net increase of 244 inhabitants in 2016, but with local disparity between declining rural areas and increasing urban areas.³

The population development in Guldborgsund municipality has influenced the housing market, which on average has below national and regional square meter prices. Since 2016, the housing market has however been recovering rapidly in terms of number of sales, indicating a bettering of the local economy.⁴

Another relevant trend to cover is the labor market in Guldborgsund municipality. The unemployment rate has fallen in recent years in Guldborgsund municipality. There has been a slight increase in employment in agriculture, in contrast to industry and trade and transportation, which has fallen slightly. Tourism has been growing significantly, with a 14 % increase in number of nights slept at hotels in the Lolland-Falster area between January and May 2016, compared to the same period the year before. This makes Lolland-Falster the biggest tourist destination in Eastern Denmark, except for the capital region, with continued growth.

Despite decreasing unemployment and blossoming sectors, the Lolland and Guldborgsund area is faced with several challenges compared to the rest of the country. The area has one of the country's lowest shares of high productivity companies and a high share of low productivity companies.⁵ Another challenge is the low number of export-oriented companies in the area. A positive note is that the area's share of growth-oriented companies is on par with the national average.

In order to overcome some of these shortcomings, The Danish Ministry of Business and the municipalities of Guldborgsund, Vordingborg and Lolland have created the 'Lolland-Falster-Vordingborg growth initiative', with the purpose of attracting skilled labor, venture capital and create an accelerator environment, to boost economic growth in the area.⁶

2.3. Local demand

Naturally, local demand plays an important role in the assessment of the potentials of developing Business Park Falster. In this study, local demand includes insight on current and future demand for logistics and warehousing among local and regional industries, as well as the demands for new facilities.

As a part of the analysis, a workshop with representatives from local interests and companies has been arranged in May 2017 and a series of interviews with local companies have been completed in order to obtain insights on the current and future demand for logistics and warehousing among local and regional industries.

The workshop with representatives from local interests and companies pointed to relatively immediate needs which are related to changes in regulations regarding driving and rest time for truck drivers, to demands for facilities for safe storage, and to current inappropriate parking in local areas, roadsides etc. Further, the workshop pointed to the long-term need for service-facilities, such as service-stations, motels etc.

³ Vækstvilkår 2017 Lokal erhvervsstruktur og vilkår for vækst i Guldborgsund, Center for Vækstanalyse, Væksthus Sjælland

⁴ Konjunkturbarometer: Fjerde Kvartal 2016: Lolland og Guldborgsund Kommune, 2016, IRIS Group

⁵ Lolland-Guldborgsund: Erhvervsfremme under lup – Fakta, effekter, og benchmarking med andre kommuner, 2016, IRIS Group

⁶ Read more at http://www.guldborgsund.dk/da/Nyt/2016/dec/PresseM_vækst.aspx

However, the interviews with local companies do *generally* not point to any immediate needs. Individual companies, such as Nordic Sugar and Melitek, may have specific immediate needs, but the interviews do not point to a broader immediate demand among local companies for a business area aimed at transport heavy industries, i.e. companies within the transport- and logistics industries as well as companies within production with a large need for transport. The interviews with local companies points to a potential demand in the long-term, given that the area at that time can offer more “critical mass”.

2.4. Other drivers

Finally, the assessment of the potentials of developing Business Park Falster are based on other drivers including new regulation regarding driving and rest time for truck drivers, developments in other areas close to Exit 43, and local culture and competences.

2.4.1. (Expectations of) new regulation

Belgium, France, the Netherlands and most recently Germany, have all enforced regulations imposing new requirements for driving and rest time, forbidding professional drivers to spend the weekly rest in the vehicle. ITD assess – on the basis of talks with transport politicians from the Danish parliament – that similar regulation will be adopted in the upcoming parliamentary session 2017-18. It is expected that there will be a parliamentary majority in favour of this.

According to the Confederation of Danish Industry (DI) the ban imposes significant costs for the majority of all transport companies with international transport in Europe, resulting in a significant decline in both flexibility and mobility. In addition, DI expects compliance with the new requirements to be difficult, as the current supply of accommodation is insufficient.

The issue was also discussed at the workshop with representatives from local interests and companies. At the workshop, the participants envisaged that this regulations will create a relatively immediate demand for facilities and services regarding accommodation, secured rest areas etc.

2.4.2. Local culture and competences

In addition to new legislation, the local culture and local skills and competencies have been identified as a possible driver. As mentioned above, the workforce of Lolland-Falster has a reputation for being both highly motivated and stable. On average, absence due to illness is 20 percent lower on Lolland-Falster than the national average.

Furthermore, resident staff on Lolland-Falster is more loyal than elsewhere in Denmark. On average the local staff members here have served their companies for a much longer time than in most other areas of Denmark – thus, companies located on Lolland-Falster benefit from a higher throughput and efficiency as well as from lower costs for the introduction and training of new staff.

Also, the entrepreneurial environment on Lolland-Falster is flourishing, with an appreciable increase in the number of start-ups. The analysis thus points to local culture and competences as important drivers for attracting investments and companies to the area and thus also to Business Park Falster.

2.4.3. Developments in other areas close to Exit 43

Lastly, several municipalities along the transportation corridor in South-East Denmark, whom will all be influenced by the Fehmarn Belt Fixed Link, are currently developing or planning the development of business parks, terminals and transportations like the Business Park Falster. An example of this is the proposed combi-terminal in Køge, currently being assessed by the Fehmarn Belt Development Foundation.⁷ Development of such a project, and similar projects in the near region, would significantly influence the level of competition for Business Park Falster.

2.5. Summary

In this chapter, we have presented and analysed the basis for assessing the potentials for developing Business Park Falster, including the current supply, broader developments and trends, local demand and other drivers.

The analysis shows that the business area has a relevant location, both with regards to current key points such as the ferry-connection between Rødby and Puttgarden as well as between Gedser and Rostock, and the future Fehmarn Belt Fixed Link, which has been pointed out as “a key component in the main north-south route between central Europe and the Nordic countries”. After the completion of the project, the travel time between Copenhagen and Hamburg will be reduced by approximately one hour and for rail freight transport by approximately two hours.

The analysis also show that the business area can meet the demand from a broad range of companies, including companies within the transport- and logistics industries as well as companies within production with a large need for transport.

The workshop with representatives from local interests and companies pointed to relatively immediate needs which are related to changes in regulations regarding driving and rest time for truck drivers, to demands for facilities for safe storage, and to current inappropriate parking in local areas, roadsides etc. Furthermore, the workshop pointed to needs on longer term for service-facilities, such as service-stations, motels etc.

However, the interviews with local companies do generally not point to any immediate needs. Individual companies may have specific immediate needs, but the interviews do not point to a broader immediate demand among local companies for a business area aimed at transport heavy industries. However, the interviews with local companies do point to a potential demand on longer term, given that the area at that time can offer more “critical mass” (more production etcetera).

As the analysis does not point to a broad and immediate need among local companies, the analysis suggest that facilities related to safe storage (“safe parks”) and rest time for drivers will be the most relevant profile for the business area.

As mentioned above, the total amount of truck freight between Denmark and Germany is expected to increase 36 % by 2028 and 68 % by 2038 compared to 2016. Furthermore, the analysis points to an increase in the demand for flexible freight solutions – a flexibility which can be provided by truck freight at a relatively low cost.

⁷ *Analyse af behovet for en kombiterminal ved Køge, 2017, Realise for Fonden Femern Belt Development*

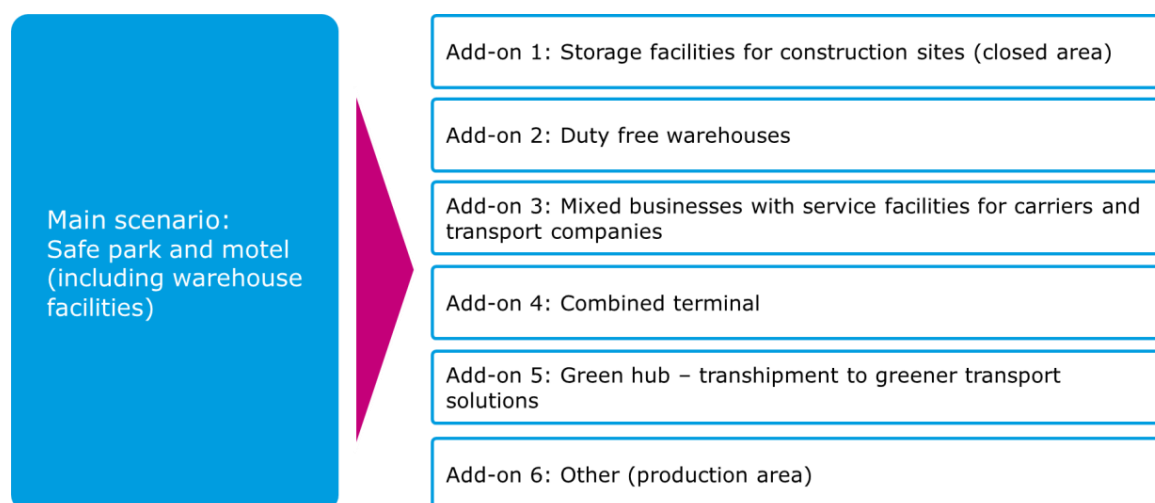
In sum, the analysis thus point to a situation where the increasing demand for truck freight has not yet materialized among local companies. However, when the increase materializes among local companies, the business area at Exit 43 provides very relevant opportunities for local companies. It is thus the conclusion from this part of the study, that the business area currently provide a supply for a demand that can be expected to materialize within the coming years, and that the business area at this time will provide very relevant opportunities. In addition, this part of the analysis concludes that the business area may be targeted at relative immediate demands for facilities related to safe storage and rest time for drivers.

3. Scenarios for Business Park Falster

On the basis of the analysis in chapter 2, we assess that the most likely and recommendable scenario for Business Park Falster – in the short run – is a business area targeted at the relative immediate demands for facilities related to safe storage and rest time for truck drivers. In the longer term we expect to see an increased demand for truck freight being materialized in demand for additional services at Business Park Falster.

On this basis, we suggest a model with a basic scenario called “Safe park and motel (including warehouse facilities)” and a couple of relevant add-on scenarios that could be developed as building blocks during a time horizon of 3-5-10 years. The scenario-model is presented in figure 2:

Figure 3 – The overall scenario model of the analysis



In the following sections, we will describe the different scenarios in more depth – its prerequisites, facilities, functions and what it requires to establish. Since most of the interviewees have only had overall consideration about Business Park Falster and its future function, the description about the different add-on scenarios should, however, primarily be considered as ideas and attention points to be investigated more in depth.

3.1. Main scenario: Safe park and motel (including warehouse facilities)

Currently, EU Member States are not obliged to offer safe parks, and the analysis does not show any clear incentives for drivers to pay for safe parks today. On the contrary competition is hard and it seems important for transport and logistics companies to reduce costs as much as possible.

This means that none of the interviewed companies demand a safe park today, but they acknowledge a need for this in the future and stress that especially some buyers of transport are pushing for more secure parking solutions (producers of products like tobacco, liquor, medicine and electronic goods are mentioned).

On the other hand, there are some important drivers that speak for an increasing demand for a safe storage and rest time areas for drivers within a short period of time:

1. Some EU Member States (Germany, Belgium and France) have during the spring of 2017 introduced a ban on drivers holding the regular weekly rest of 45 hours in the cab of the vehicle or nearby the vehicle. The ban includes all drivers staying/driving in the concerned countries. At the same time, a set of initiatives regarding mobility and transport in Europe ("Europe on the Move") presented by the EU Commission in May 2017 include a suggestion for a similar ban.⁸ According to some of the interviewed stakeholders, it must be expected that this development further increases the demand for safe parks and accommodation for truck drivers.⁹ As mentioned above, ITD assess that there seems to be a political majority in favour of a similar ban in the Danish parliament. In addition to this, The Confederation of Danish Industry (DI-Transport) notes that the Danish Minister for Transport has already given the impression that similar legislation is also on its way in Denmark. In the event that this legislation is introduced, it will significantly increase the demand for low-priced sleeping facilities, which at the moment is in short supply (The major Danish transport centers in Køge and Vejle do not currently offer such services) - *"If the drivers have to leave their truck and sleep in a hotel, their freight needs to be stored safely."* (Danish Freight Forwarders Association /Danske Speditører)
2. The Danish media has in the first part of 2017 reported several cases of increasing problems with long-haul drivers, who park illegally in existing rest places or in residential neighbourhoods. This trend has also been seen in Nr. Alslev. The seed company DLF Trifolium have on several occasions experienced drivers who stay in the parking lot during weekends. In Kolding, the increasing number of incidents related to illegal parking, became a politically debated topic, as the transport company Contran requested that the municipality constructed facilities in the vicinity of their domicile, in order to accommodate foreign long-haul drivers, in order to combat the problem of illegal parking in the area¹⁰. The municipal council was deeply divided on this issue, but a small majority voted in favour of allowing the facilities to be built.
3. Finally, several of the interviewees, which Ramboll has been in contact with, have experienced robberies of high-value products like electronics, from parked trucks. This type of theft is often not reported to the authorities – but as previously mentioned – a growing number of transporters of high-value products are pushing for more secure parking solutions.

Currently, there is no EU legislation requiring EU Member States to install secure truck parking areas, but the EU Commission has prepared guidelines for safe parks that include definitions and descriptions of different security levels and ways to get the safe parks certified. The EU Commission recommends safe parks established at every 100 km on the Core TEN-T network including a full ITS (Intelligent Transport Systems) connectivity of truck parking areas.¹¹ The guidelines should incentivize parking area operators to enhance safety and connectivity. There is, however, currently

⁸ https://ec.europa.eu/transport/modes/road/news/2017-05-31-europe-on-the-move_en

⁹ <http://transport.di.dk/SiteCollectionDocuments/Foreningssites/transport.di.dk/hvil%20i%20f%C3%B8rhus%20i%20Tyskland.pdf>

¹⁰ See for example <http://www.jv.dk/kolding/V-og-K-trumfer-hvilehus-til-udenlandske-chaufforer-igennem/artikel/2499890>

¹¹ <http://eur-lex.europa.eu/legal-content/DA/TXT/PDF/?uri=CELEX:32013R0885&from=EN>

no available EU co-funding for the purpose, and the implementation in European Member States has so far been slow. But – after all – an increasing number of safe parks are being established around Europe these years (often by gas- and service stations) and they are being certified by private operators (national or international companies like G4S) according to ITD. In addition to this, other interviewees stress that experience from other European countries is that when the safe parks are established, they are also being used.

Denmark's first secured and monitored car park for trucks and busses is located right next to Circle K in Padborg. The area is a member of ESPORG – the European Secure Parking organization¹², and it possesses the international ESPORG certification. According to ITD, the safe park is being used, but it is rarely fully occupied. Under the current circumstances and regulation, it takes time to get customers to use the facility, but the abovementioned driving forces are, by most interviewees, expected to change this.

On the background of this, the main argument for Guldborgsund Municipality to promote an establishment of a safe park at Business Park Falster is to be a **first mover** in East Denmark to solve a challenge that is expected to rise during the years to come.¹³ More interviewees assess that Business Park Falster has a good location for drivers on their way from Germany to Sweden, and they assess that Business Park Falster will be able to establish a safe park and motel facilities that are more reasonable priced than business parks and transport centres closer to Copenhagen.

In addition to a safe park, we recommend the establishment of warehouse facilities in a smaller scale (look, however, also into add-on scenario 3). Warehouse facilities are currently being demanded by DLF Trifolium, but not by the other big local companies Nordic Sugar and Hardi. Some interviewees, however, mention warehouses for pharmacist products and food (cold storage) as an opportunity that could be relevant to investigate further, not least due to the green energy profile on Lolland-Falster.¹⁴

Also transport companies see some potential in using Business Park Falster as a freight collection hub that can be sent north or south. It is, however, a potential more than an explicit demand.

Assessment of the main scenario

As described above and in chapter 2, the analysis suggests that facilities related to safe storage and rest time areas (motels) for drivers, will be the most relevant profile for the business area in a short term perspective.

To be a relevant facility, a safe park needs to be located in a relatively low-priced area in order to be attractive for drivers and their employers. This is part of the reason why many interviewees point to Business Park Falster as an obvious place for a safe park in the eastern part of Denmark.

At the same time, some companies propose that Guldborgsund Municipality should work on establishing an attractive location for drivers to rest. This could be in the form of a motel with

¹² Read more about ESPORG at <http://www.esporg.eu/who-are-we/mission/>

¹³ Guldborgsund Municipality already have some relevant experiences to draw on: In 2009, Transport-Center CARGO SYD, the local business council and a private advisor had plans to establish a safe park at Transport-Center Cargo Syd, partly financed by the former Danish Prevention Fund, which emphasized the building of a safe rest area that not only increased drivers' safety but also their health (in terms of facilities such as exercise, health, diet and advice on ergonomics). The safe park, however, was not established, partly due to contracts with security companies or other international operators.

¹⁴ Business LF(2014): EUR 11 Billion – Business Opportunities 2014-2023 on Lolland-Falster, Denmark

sleeping, bathing, restroom, Wi-Fi as well as cooking and other leisure facilities. Such facilities could supply the demand for rest time facilities, in line with expected national and EU regulation on this. Such facilities could benefit from providing the opportunity to book parking, rooms and service facilities etc. online in advance of arrival.

To keep down the costs, a relevant set-up could be camp solutions like the ones known from the construction of the metro city circle line in Copenhagen. The camp in Copenhagen is operated by Copenhagen Metro Team, who has chosen to set up the camp as an opportunity for the many subcontractors who employ workers from far away. The agreements regarding use of the camp concluded with the different companies varies. For some companies, the camp is part of their Copenhagen Metro Team contract; other "tenants" are allocated to individual beds for their employees. The camp consists of barrack-like buggies that contain 8-square-meter or 6-square-foot rooms. The residents of the camp receive three daily meals at the canteen, room cleaning and changing of bed linen. For recreation there are a couple of fenced football goals, a TV room and a small temporary cinema.¹⁵

It could be relevant for operators from a safe park with motel to gather inspiration from the camp in Copenhagen, since this solution is both easier to set up og cheaper to install than an ordinary hotel/motel solution (it could also be a temporary solution to test the demand).

Possibilities and synergies

A safe park needs to be guarded, and interviewees point to the fact that there could be established good synergies with the state prison that is situated nearby Business Park Falster. This is a relevant argument for operators and/or security firms interested in the task.

Furthermore, establishing a safe park where trucks are parked in several days could also make it relevant to investigate the needs – on a longer term – for service-facilities, such as service-stations, workshops and some smaller reloading facilities (both for goods that needs to be stored with or without added safety).

According to one interviewee, international operators have earlier shown interest in the establishment of safe parks in Denmark. However, all interviewees assess that it will be necessary with some kind of public funding if the safe park are to become reality within the years to come. A solid business case must point out the possibilities, but some interviewees point to possible external funders like Trygffonden, Danish pension funds and Region Zealand (EU regional funding).

Barriers/threats

In this section, we point to some possible barriers mentioned by the interviewees:

- The time horizon of the interviewed local companies seems to be short. It is important for Guldborgsund Municipality to show activeness over the next six months.
- The companies are still uncertain about the Fehmarn Belt Fixed Link: What is the time horizon of the construction? Will it be built? Will the prices of passing the connection be reasonable?
- A few companies don't find that the locality of Business Park Falster is ideal. They find that it will be more relevant with safe parks either closer to the end destination of most transports (often Copenhagen area) or closer to the ferries in Rødby or Gedser. On the other hand, drivers

¹⁵ Information about the camp from <http://www.arbejderen.dk/fagligt/det-er-jo-ikke-luksus>

are currently allowed to drive the distance from the ferry to Business Park Falster if a safe park is established there, because they have had a 45 minutes rest at the ferry.

- A reservation in accordance to the motel function is that we do not know yet whether the transport companies, instead of using the accommodation facilities, will introduce new models of changing drivers when they are to have their weekly regular rest.

Next step

Most interviewees stress the importance of Guldborgsund Municipality to be proactive and present a solid business case, in order to signal active and readiness.

Next steps could be:

- Seek inspiration from the safe park in Padborg and through its member organization ESPORG – the European Secure Parking organization.
- Gather the right stakeholders in an advisory board. Decide who should run the project. The advisory board should involve local enthusiasts, regional stakeholders, professionals from the transport sector and representatives from companies in Lolland and Falster interested in Business Park Falster. The role of the advisory board should partly be sparring, partly being ambassadors for the business park for other potentially interested users.
- Dedicate a person to the task (fulltime or part time) who knows the market and has the right network – the transport centres in Køge and Vejle both have significant leaders that have been important driving forces for the development of the two centres.
- Investigate possible (regional EU) funding or funding from philanthropic funds or pension funds. Several philanthropic funds are interested in relevant pilot project to solve different kinds of challenges in society like the one with safe parks.
- Draw up a solid business case.

3.2. Add-on scenario 1: Facilities related to construction works

The base point for the construction of the new Storstrøms Bridge is in Vordingborg. None of the interviewees point to Business Park Falster as having a strategically advantageous in terms of the construction work.

On the other hand it is a relevant point of notice, that there will be a need for an area where materials can be stored securely during the establishment of the new bridge. In some cases it is necessary that the products are placed in a locked area. It could be products with long delivery times, which must be in stock in good time, high value products or products that are not (yet) CE-marked.

This means that a safe park could be relevant for the Danish Road Directorate or Banedanmark during the construction period to come. Therefore, it could be relevant to contact them and discuss this scenario.

After the construction period, the area could be transformed into a regular safe park.

3.3. Add-on scenario 2: Duty free warehouses

An important add-on scenario, highlighted by some of the interviewees, is the establishment of a duty free warehouse with included customs clearance facilities. One example of a company with an interest in this is Melitek. Currently, Melitek uses warehouse facilities in Hedehusene. Their freight comes from Hamburg to the Free Port of Copenhagen by ship. From Copenhagen it is brought to Hedehusene (30 km. west of Copenhagen) by truck. For Melitek it could be interesting to have this freight brought directly from Copenhagen to Nr. Alslev. This case, however, seems primarily relevant for Melitek after the Femern Belt Fixed Link is established, but it could be relevant to other companies in a shorter term due to congestion and space constraints in the popular warehouse facilities closer to Copenhagen.

Volume and price is important for Melitek, and the company stress that Hedehusene is not a strategic important place for them.

3.4. Add-on scenario 3: Mixed businesses

In this scenario, the area of Business Park Falster will include a broader mixture of functionalities than safe park facilities, meeting various demands, including facilities related to warehousing, distribution and service facilities. The “mixed business”-scenario thus takes a starting point in the same demands and facilities as in the “safe park-scenario” (main scenario), but expands the facilities to include facilities related to (more) warehousing and distribution and service facilities.

A mixed profile for Business Park Falster will be relevant for a broad group of companies:

- Facilities related to **warehousing and distribution** is relevant for companies with local production, whom currently distribute goods from other points. For instance, goods from Nordic Sugar and Melitek are currently distributed by containers from the Free Port of Copenhagen, which (for Nordic Sugar) involves logistical issues related to the transport of sugar from factories in Nakskov and Nykøbing Falster to Copenhagen. Furthermore, the shipping company that Nordic Sugar is using, no longer unloads in some of the ports where the large customers of Nordic Sugar are located. Companies like Nordic Sugar are therefore interested in possibilities for increasing their usage of road freight transport – possibilities which will be improved significantly with local distribution facilities at Business Park Falster.
- **Service facilities**, including services related to trucks i.e. tires, car wash, tank cleaner, international workshop etc.
- More **dining options** to supply a more varied selection of catering.

The mixed businesses will also be relevant for various local service providers and freight forwarders. One of the local truck companies see some potential in Business Park Falster if mixed and common facilities are situated here, in order to promote more cooperation or even a sort of cluster cooperation among the local transport companies.

3.5. Add-on scenario 4: Combined terminal

As mentioned in chapter 2, interviews with local companies, generally does not point to any broad immediate logistical needs. One company, however, showed a clear interest in a combined terminal at Business Park Falster (truck and train). Thus, it could be interesting for Nordic Sugar to send their

products directly from Falster to Hamburg (from where they are shipped to Greece) instead of from Falster to the Free Port of Copenhagen by truck and after this by ship to Hamburg. So far, Nordic Sugar has been the only company interviewed, showing concrete and actual interest in a combined terminal. According to a company like DSV the most important factor in the location of logistic terminals is economic growth in the immediate vicinity – and price:

”Companies are not local patriots when it comes to transport and logistics – it is all about price and international network”. (DSV)

The interviewed companies are of course aware of the potentials of Fehmarn Belt, but – as mentioned above – some of them are also of the opinion that there is still a significant uncertainty associated with the connection. *”A big hole needs to be dug before companies believe it”*, as one company puts it.

According to Business LF the price of establishing a combined terminal is 20-30 million DKK.

3.6. Add-on scenario 5: Green hub - transshipment to greener or innovative transport solutions

Some of the transport companies (BWS and HCS) stress that currently one of their biggest challenges is congestion on the Danish road network, especially in the Greater Copenhagen area and on parts of the highway in East Jutland. The answer to this challenge could be both greener transport solutions and/or new innovative technologies.

Currently, new technologies like driverless trucks and 3D-printing are expected to change large parts of the transport- and logistic-industries as we know it today, affecting efficiency, the role of the employee, security etc. as described in chapter 2. The interviewees point to several “green hub” scenarios for Business Park Falster that could be relevant to investigate more deeply together with the transport sector. For example:

- Distribution from large trucks to smaller green transport solutions (electric vehicles)
- Charging points (Lolland-Falster is an obvious choice for this due to its the green energy profile).
- Testbed for driverless trucks

In addition to this, both DLF and Danish Freight Forwarders Association (Danske Speditører) suggest a Business Park Falster that makes sure to provide facilities to handle and prepare driverless trucks. Furthermore, some interviewees are interested in more awareness of the implications for Business Park Falster of new intelligent software solutions in the transport sector (this means not only the “hardware” part as parking facilities, warehouse facilities etc.). Digitalization of the sector and collection and exploitation of big data are topics that are currently being deeply discussed in the transport sector.

A relevant partner to this scenario could be STRING, which has significant experience from the Green String Corridor Project.¹⁶ In addition to this, ITD has in our interview expressed that they would like to have a dialogue with Guldborgsund Municipality about future developments and demands regarding driverless trucks, testbeds and suchlike.

3.7. Add-on scenario 6: Other (production area)

As a final point of notice, Melitek find Business Park Falster very attractive as production area because of its price of land, its space, its geographical location and the qualified, stable and hardworking recruitment base in the local area. According to Melitek a strategy for Guldborgsund Municipality could be to promote Business Park Falster more profoundly as a production area visible from the motorway.

Part of this scenario could be attracting co-packer companies (companies that manufacture and package foods or similar products for their clients), mentioned by some workshop participants.

More production could solve some of the problems according to volume and critical mass described above.

¹⁶ Read more at <http://www.stringcorridor.org/>

4. Methods

This analysis is conducted in March-June 2017. The findings of the analysis are based on:

- The results from Ramboll's traffic analysis, reported in the technical note "*Traffic Analysis, Business Park Falster – TENTacle Activity 2.1.5*"
- Desk research of relevant reports, analysis and web-articles
- A workshop for local stakeholders held in Nykøbing Falster in May 2017
- Interviews with the following [14] local and national stakeholders (in alphabetic order):

NAME	TITLE	COMPANY/ORGANISATION
Allan Munk	Group leader	Moe
Anders Jessen	Chefkonsulent	ITD
Flemming Werner Jensen	CEO	Danske Fragtmænd (from Sax-Trans A/S)
Henrik Ibsen	Local chair	DTL (from Storstrøms Vognmandsforretning)
Jens Hellesøe	Operations Manager	DLF Trifolium
Kim Laursen	Owner	Melitek
Martin Aabak	CEO	Danish Freight Forwarders Association (Danske Speditører)
Michael Bang	CEO	CELF (Center for Erhvervsrettede uddannelser Lolland Falster)
Ole Bolm	General Manager	HCS A/S Transport & Spedition
Rene Krogh	Packaging Manager	Nordic Sugar
Rune Noack	Senior Consultant	DI-Transport
Simon Galsgaard	MD Danish Road Activities	DSV
Sten Kjelstrup	President	Hardi
Søren Stougaard	General manager	Blue Water Shipping/BWS

The interviews were conducted by telephone following the same interview guide. The participants who were interviewed were selected by Rambøll and Guldborgsund Municipality in order to cover both local, regional and national stakeholders.