

# Overcoming the Covid-19 crisis

Eager to capitalise on the demand for vacations close to home, ferry operators are resuming passenger services. *CFR's* Ferry Business expert Simon Johnson explores the state of the ferry industry

**T**he global ferry sector has proven itself to be extremely resilient over the years and the same has been true over the past 18 months, despite the Covid-19 pandemic being one of the biggest challenges it has ever faced.

In the short-term, the industry has become a disruption expert. Ferry lines have adapted their operations, flexed their fleets, managed their costs, comforted anxious customers and provided a valuable lifeline to the communities they serve.

Although the ever-changing travel restrictions, uncertainty and confusion remain, there are clear indications of strong pent-up consumer demand. Consequently, ferry operators are recognising the need to be prepared to

seize the moment when people want to travel again and be in shipshape condition.

From our interviews with executives from Brittany Ferries and Interislander in the following pages, it's clear that operators see a big opportunity on the horizon for the rebirth of ferry travel and the chance for the sector to surpass other travel modes. Both Brittany Ferries and Interislander have dealt with the here and now, but they have also kept one eye firmly fixed on the future to prepare to welcome customers back. Their vision paints a picture of an exciting time when we will be able to experience a new modern, efficient, greener and most enjoyable form of travel with our loved ones. **CFR**



“Operators see a big opportunity on the horizon for the rebirth of ferry travel”



## Leading the industry revival

Christophe Mathieu shares how Brittany Ferries is making its business more resilient in the wake of the Covid-19 pandemic and shares his outlook for the future of the ferry sector

**E**ver-evolving travel restrictions, vaccine and quarantine requirements, and health and safety guidance have made it challenging for Brittany Ferries to operate its popular ro-pax ferry services between the UK and ports in both France and Spain since the start of the Covid-19 pandemic. Not only has the operator been forced to continually change its sailing schedules, but it has also had to reimagine its onboard facilities and services by implementing strict new rules and operational procedures to keep passengers and crew safe and healthy.

However, despite the unprecedented difficulties caused by the unforeseen

pandemic, Brittany Ferries has remained dedicated to delivering the best possible customer experience. Consequently, passenger demand for its services remains high.

“Demand itself hasn’t necessarily changed – in fact there’s probably more latent demand than there was before the pandemic because people are looking for safer travel alternatives to airports and aeroplanes,” says Christophe Mathieu, CEO of Brittany Ferries. “Of course, there is a big difference between people aspiring to travel on our ferries and being prevented from doing so by all the rules and restrictions. Post-pandemic, we hope and expect passenger numbers to return to

pre-pandemic levels quickly. We anticipate that 2022 will be our comeback year but it may be 2023 before we see ferries as full as they were in 2019.”

Over the past 18 months, Mathieu and his team have gained valuable insights and experience that will enable them to make Brittany Ferries stronger and more agile, efficient and resilient for the future.

“We have learned to work remotely, although this was not done by choice,” says Mathieu. “Most importantly, we have discovered to be a lot smarter about how and when we spend money. For example, there’s no point in Brittany Ferries investing to heavily promote a ferry service if there is no clarity about



Photo: Brittany Ferries

Brittany Ferries has chartered two new hybrid-electric ro-pax ferries, which will begin services between the UK and France in 2024 and 2025



Travel restrictions between the UK and France were relaxed for summer 2021, allowing Brittany Ferries to offer more services from Portsmouth again

whether we will be able to provide it. Similarly, there's no point in buying new ships if we can achieve an effective fleet renewal by chartering vessels instead. It's a more cost-effective approach that we have adopted by signing a charter agreement for two new hybrid LNG-electric vessels from Stena RoRo."

Expected to join the fleet in 2024 and 2025, the two new hybrid LNG-electric ferries have been leased for 10 years as part of Brittany Ferries' fleet renewal plan. One vessel will replace Normandie on the route between Portsmouth, UK, and Caen, France, while the other will supplant Bretagne on the service between Portsmouth and St Malo, France. They will operate on LNG fuel while at sea but will switch to running partially or completely on battery power while in port and in the English Channel. When berthed in port, the vessels will also be able to connect to shore power facilities

to recharge the onboard batteries and generate power for systems like air conditioning, heating and lighting, thereby eliminating funnel emissions.

Both vessels will offer additional cabins and bigger parking garages than on Normandie and Bretagne, enabling Brittany Ferries to increase passenger and freight capacity on night crossings.

Armed with new charter agreements and a five-year, post-Covid recovery strategy, Mathieu is optimistic for the future of both Brittany Ferries and the global ferry industry.



"We could be about to see the renaissance of ferry travel," he predicts. "Social distancing comes as standard on a large ship, and ferry companies serve destinations that are a world away from the daily norm, but not too far away from home. That gives us a big competitive advantage, and it's one that Brittany Ferries is capitalising on thanks to the introduction of our cleaner, greener vessels. Our new ships will truly make the journey part of the passengers' holidays, rather than just serving as a bridge to their final destination." **CFR**

"We could be about to see the renaissance of ferry travel"

## A vital lifeline

Walter Rushbrook explains how the crucial role Interislander played in New Zealand's emergency response to the pandemic has helped to cement its future in the ferry industry

When the Covid-19 pandemic struck in March 2020, New Zealand's Prime Minister Jacinda Ardern encouraged the nation to come together as a 'team of five million' and enter one of the world's strictest lockdowns to swiftly suppress cases and stop the spread of the virus.

State-owned transport operator KiwiRail and its ferry brand Interislander played a crucial role in the country's emergency response, transporting hundreds of key workers between the North and South Islands to ensure all New Zealanders had continued access to food, essential supplies and medical care.

"We very quickly worked to keep goods and people moving between islands, even during the lockdown," says Walter Rushbrook, executive general manager at Interislander. "We're really proud of how Interislander and KiwiRail came together to support Aotearoa New Zealand's 'team of five million' – it's highlighted the important role we play in supporting the nation's economy."

Since the lockdown lifted, Interislander's ferry services have remained in high demand with locals.

"We've seen more New Zealanders taking time to explore their own backyard while the restrictions on international travel have been in place," says Rushbrook. "This increased demand for domestic travel, including journeys across Cook Strait on Interislander, has also been driven by our own marketing efforts and those of the local tourism bodies. We hope – and would expect – to see New Zealanders continuing to enjoy all that our country has to offer even as our borders slowly reopen."

To ensure that Interislander's Cook Strait service remains a vital lifeline for passengers and freight customers long into the future, KiwiRail is constructing its first new purpose-built ferries in more than 20 years.

Designed by Danish naval architecture firm OSK-ShipTech, the two rail-enabled vessels will be built at the Hyundai Mipo Dockyard in South Korea and are expected to enter service in 2025 and 2026. They will be designed to operate using different energy sources but will initially rely on battery power when docking and local shore power facilities while berthed in port. This will make them more efficient than the three vessels they will be replacing



New Zealanders are returning to Interislander's ferries now that travel restrictions have eased



Interislander's first new ferries in more than 20 years will sail on the Cook Strait after their debut in 2025 and 2026

on the Cook Strait route, contributing to a 40 per cent reduction in Interislander's carbon emissions immediately and supporting KiwiRail's goal to be carbon neutral by 2050.

Interislander's newbuilds will be able to carry twice the number of passengers, double the trucks and vehicles, and 300 per cent more rail wagons than the ferries they are replacing. To accommodate the vessels, KiwiRail and Interislander will also redevelop and upgrade the terminal infrastructure at both Kaiwharawhara in Wellington and Waitohi Picton.

"Economic shocks provide an opportunity to reflect and prepare for an

uncertain future," says Rushbrook. "In our case, we focused our efforts on creating a future where new ships and terminals will enable us to provide a more resilient connection between islands. KiwiRail and Interislander aim to continue connecting people and markets across New Zealand in the decades ahead. We will do so while lowering the carbon impact of our services." Rushbrook is confident that the new ferries and terminals will offer an ideal opportunity for Interislander to attract new passengers and turn loyal customers into brand ambassadors.

"We always love welcoming new customers to our terminals and ships,"

he says. "No matter whether it's their first or hundredth trip across the Cook Strait, we aim to provide passengers with the great services and experiences they have come to expect from us. Interislander's new ships and terminals also give us a chance to introduce a range of new and improved services over the coming years. We're looking forward to sharing more information with everyone soon and we certainly hope the vessels increase interest in the future of our rail-integrated ferry service."

In the meantime, Rushbrook is focused on ensuring the ferry service is prepared for the inevitable return of mass travel once restrictions are lifted. "Travel will continue to be limited over the coming months, and many predict it may take several years to return to passengers flowing freely across borders," he says. "However, the entire Interislander team is optimistic about the future, especially when you consider the special role we play in connecting Aotearoa New Zealand's people and communities." **CFR**



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