

Direct Transport, Transshipment
Or Land Bridging?

Modes of Transport for Import and Export Products

The transport of import and export products from their point of origin to their final destination can follow a number of customised paths. The chosen path for a particular product can have a significant impact on costs, lead time, product quality and, ultimately, market competitiveness.

Whether air or sea transport is used, there are three principle ways that a product can be transported to, or from, an international market:

- **Direct**
Direct transport sees the product exported directly from point to point via the nearest air or seaport – for example from Port Botany, via container ship, directly to Los Angeles. This is not always geographically possible.
- **Transshipment**
Transshipment is a process that occurs when there are no direct services available. The product is shipped to an international “hub” port or airport, where there are many service options to the destination. For example, the product might be transhipped from Port Adelaide, via Singapore, to Los Angeles.
- **Land Bridging**
Land bridging occurs when there is no direct service to or from the nearest port or airport, but there is a service to, or from, another port some distance away. The product is transported by road or rail (“land bridged”) to the distant port/airport, before being transported to the final destination. For example, the product could be transported via rail from Port Adelaide to the Port of Melbourne before being loaded to a service that includes Los Angeles in its itinerary.

Factors Affecting Your Choice of Transportation

When there are no direct services available, a choice between transshipment and land bridging has to be made. But which is better?

The answer to this question depends on the product and its destination. A significant number of factors need to be considered in the decision making process:

- Cost

Cost is an important factor, however may be a secondary consideration, depending on your product and customer.

- Time

Longer transit times may mean increased inventory holding costs (for you or your customer, depending on terms of sale), increased order lead times and a lower responsiveness to your customer's changing needs. For perishable products (in particular food products) longer transit times mean lower shelf life, lower product quality and increased potential for spoilage.

- Chain breaks

Cold chain breaks must also be considered for perishable products. Damage occurs each time perishable products are out of a temperature controlled environment – whether it is loss of shelf life or increased food safety risks or both.

To fully analyse these factors it is critical to know your supply chain (allows informed decisions), know your customers needs (maximise the chance of repeat orders), and know your product (some products may not be suitable for a particular mode of transport).

A Guide to Transport Options

The following information is a guide only – you should investigate all options relevant to your company, product and most importantly – your customer.

Mode	Advantages	Disadvantages
Air	Fast, responsive	Relatively expensive, high environmental impacts, increased cold chain risks, passengers take priority
Sea	Affordable, environmentally friendly, reliable for cold chain, high volume bulk commodities	Comparatively slow, attendant inventory holding costs, non-responsive timeframes.
Road	Available door to door, cheaper for short distances, cold chain and delicate goods capable. High responsiveness	Higher environmental impacts than rail, more expensive over long distances, can be slower than rail (eg: Adelaide-Darwin)
Rail	Cheaper for long distances, environmentally friendly, Bulk products	Can only operate on rail network, scheduled services only, not suitable for delicacies (glass), limited cold chain capability.