



TRANSPORT FOR A GLOBAL ECONOMY

*Challenges and Opportunities
in the Downturn*

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PRIZE FOR INNOVATION IN TRANSPORT AND LOGISTICS

BAXTER International Inc.

TRANSPORT OF HEALTHCARE PRODUCTS BY INLAND NAVIGATION

(Original text furnished by Baxter International Inc.)

COMPANY FACTS

- Country : USA; global enterprise
/ European distribution activity
- Sector : Healthcare
- Company size : 46 500 employees
USD 11 300 M annual turnover

Core business : Development and production of healthcare products.

Baxter International Inc. is a global healthcare company which, through its subsidiaries, assists healthcare professionals and their patients with the treatment of complex medical conditions, including haemophilia, immunity disorders, kidney diseases, cancer, trauma and other conditions.

PROBLEM DESCRIPTION

Transport reliability is one of the main concerns for Baxter in its worldwide healthcare business. Baxter was facing a long-lasting problem in the uncertainty of delivery times from large European ports such as Rotterdam and Antwerp due to variations in service availability at the ports, and road congestion beyond the port area. The port in Antwerp is 111 km from the Baxter European distribution centre at Lessines and 215 km from Rotterdam. The roads involved have a high risk of congestion, especially close to the ports and around Brussels.

This situation was making it very difficult for the company to ensure reliable deliveries from the deep sea ports to the distribution centre in the hinterland. Delivery times could vary between eight hours and three days. At the same time, congestion on roads and around the ports made it difficult to deliver to the ports for export, and to be on time for departing ships used in the company's distribution of products from the European distribution centre in Belgium to its distribution centres in other parts of Europe and the world.

THE SOLUTION

In searching for more reliable transportation solutions in Europe, Baxter looked at inland navigation alternatives around the Netherlands and Belgium, where it carries considerable quantities of products to and from its European distribution centre (EDC) in Lessines. The inland navigation alternative was chosen once relations were established with the right service providers in the area.

Baxter now uses inland waterways to transport many of its medical and biotechnical products in Europe instead of traditionally using road transport. It introduced the use of inland waterways from the deep sea ports of Antwerp and Rotterdam in the mid-1990s, and counts today more than 1,000 containers shipped from the ports each year to the European distribution centre in Lessines.

The inland navigation solution includes barge transport from the deep sea port areas, where the barges are loaded, to the Avelgem Container Terminal, located 34 km from the EDC. The delivery time from Antwerp and Rotterdam is, respectively, 18 and 14 hours, which gives an opportunity for 24-hour service on average. The containers are transported from the Avelgem Container Terminal to the EDC by trucks.



THE BENEFITS

The solution has turned out to be a success in several ways. Cost savings of 40% compared to earlier solutions have been realised. At the same time, reliability of delivery has increased as variation in delivery times has gone down.

Environmental benefits are clear, as barges only consume 20% of the fuel needed to transport each kilo of freight, compared to average truck road transportation. One ship can carry on average as much freight as 120 trucks with a 40-foot container load space, eliminating many trucks from roads.

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