

TESTING LOGISTICS THROUGH THE NORTHERN SEA ROUTE BY GROCERY RETAILER

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The Magnit retail chain was the first Russian grocery retailer to launch logistics testing via the Northern Sea Route. Six forty-foot containers with consumer goods were shipped from China on the Russian Arctic container ship «Monchegorsk» directly to the port of St. Petersburg.

According to the network's press service, the planned travel time will be about 30 days. It is expected that, taking into account the high workload of the port of Vladivostok, the delivery time of goods from China via the Northern Sea Route will be 10 days less than when using multimodal logistics, and the cost reduction for the retailer due to the launch of a new direction at current transport tariffs can be up to 15%.

As part of the test, Magnit will evaluate the economic effect of launching a logistics corridor and work out the necessary operational processes. After arriving at the port of St. Petersburg, the products will be shipped to the retailer's warehouse hub in the central part of Russia.

If the pilot route is found to be effective, the company will begin regular deliveries via the Northern Sea Route starting at the end of spring 2023 and will carry them out in spring, summer and autumn. Potentially, Magnit can send a significant volume of non-food products from China and the countries of the Asia-Pacific region along the new corridor and distribute them to its large logistics complexes in central and southern Russia.

In the conditions of violation of many usual logistics routes, logistics on Russian ships through the Northern Sea Route is of great importance as an alternative transport artery, an opportunity to diversify its import logistics.