

The BPO Newsletter is prepared by the Baltic Transport Journal
www.baltictransportjournal.com

Baltic ports need more lobbying in Brussels

For the first time, BPO organized a debate for Members of the European Parliament (MEPs) and the European Commission.

The debate was held in a building at the European Parliament – the heart of the EU decision-making centre. Mrs. Anne Jensen, a Danish MEP and member of the Transport Committee, officially hosted the event.

As it was indicated by Bogdan Oldakowski, Secretary General of BPO during his introductory presentation, the Baltic transport market is developing rapidly. Last year there was a 15 percent growth in container turnovers in the Baltic ports. With rapidly growing economies and trade with Russia, the Baltic States and Poland are the main factors stimulating the growing transport market. As a consequence, the high trade growth rates boost the investment in port infrastructures (container terminals, logistic services). There is no doubt that the future port capacity should accommodate international trade (last year the trade grew by 8 percent in all Baltic countries). The worries are rather in hinterland connections, not in ports as such – said Bogdan Oldakowski. Summing up his presentation, he listed a few challenges that the Baltic transport market will face in coming years. In his opinion, the most important are: the future structure of container shipping and distribution in the region, the growth of shipping in the Baltic Sea and environmental concerns.

Marc Vanderhaegen from the maritime transport policy unit (DG TREN), recalled the European Commission's processes of its EU policies promoting SSS and Motorways of the Sea. He indicated that to apply for Motorways of the Sea projects, there must be two (or more) partners (e.g., ports) from at least two EU member states. The next call for MoS projects is planned for December 2007. He also underlined that the number of Marco Polo projects in the Baltic region is insufficient. New projects are very welcomed. The total amount of the Marco Polo fund is 450 mln Euro for the period 2007-2013.

The Port of St. Petersburg, one of the fastest growing ports in the Baltic, is facing capacity problems – said Yury Orlov, Deputy Head in the port authority during his speech. The trans-shipment of containers the city is slow due to the pure road conditions. The Port of St. Petersburg invested in a new waterway to the port as well as in a ferry/cruise terminal. New ports around St. Petersburg are developing very fast (Ust-Luga, Vyborg, Vysock) and rather these ports will handle future trade with Russia.

A debate moderated by Anne Jensen concentrated on the questions of money from EU funds for port investments and hinterland connections. At the end, Anne Jensen called on the delegates from the Baltic ports for more visible actions and more lobbying to promote the Baltic ports and regions as such in Brussels, as other European regions are doing.

The debate was entitled: Transport Development in the Baltic Sea Region – Future Challenges and was held on 11th April 2007 in the European Parliament in Brussels. The seminar was attended by representatives of Baltic ports, Members of the European Parliament, representatives of the European Commission and European transport industry organizations. The program and the presentations are available on the BPO website: www.bpoports.com.

Focus on Central & Eastern Europe

It is time to book your dates for the 2007 BPO General Assembly. It will be associated with a conference entitled: Relations between the Baltic Region and Central and Eastern European Countries.

This time the assembly will not take place in a port town but in the wonderful spa resort of Sopot. It is a kind of compromise between Gdańsk and Gdynia, two important Polish ports that border Sopot from the north and south. The assembly will also give participants an opportunity to learn about Baltic and CEE relations, enjoy a spa and experience the BPO Golf Tournament (for beginners and advanced players).

The place of the event is the newly renovated, historic Grand Hotel by Sofitel, just a few meters from the beautiful beach on the Gulf of Gdańsk.

Draft program

Thursday, 6 September, 2007

- 9:00 – 12:30 • BPO and UBC Workshop on the Port and City Environment as a follow-up to the Intereg III B New Hansa Project
- 12:30 – 14:00 • Lunch
- 14:00 • Official opening of the General Assembly Official speeches
- 14:30 • Conference: Relations between the Baltic Region and Central and Eastern European Countries
- SESSION I: CEE Outlook
(including Economies, Trade, Environment, Culture, doing business in CEE countries)
- 20:00 • Gala dinner

Friday, 7 September, 2007

- 8:30 – 9:30 • BPO Board Meeting
- 9:30 • Conference continues: Relations between the Baltic Region and Central and Eastern European Countries
- SESSION II Transport and Logistics in CEE
(including infrastructure development, Baltic-Black Sea corridor, West-East corridors, main transport and logistic sector challenges)
- 12:00 • Conference summary
- 12:30 – 14.00 • Lunch
- 14:00 – 16.00 • General Assembly according to the By-laws
- 16:00 – End of the BPO General Assembly and free time

Saturday, 8 September, 2007

- 10:00 • BPO Golf Tournament (Sierra Golf Club)
- 11:00 • Golf Academy for beginners
- 15:00 • End of the Tournament
- 15:00 – 16:30 • Grill Party and Prize Ceremony

For updates, please, visit: www.bpoports.com

A connection of the ports of Vyborg, Vysock and Ust-Luga under the Maritime Port Administration of the Port of St.Petersburg is planned for 2007

Welcome to St. Petersburg

In the last couple of years an intensity for navigation in the Russian part of the Gulf of Finland has risen.

It is connected with the fast development of the oil Port of Primorsk and the Port of Ust-Luga. 2006 was the first year when Primorsk handled more cargo than the Port of St. Petersburg. The specific thing about Primorsk is that it is exclusively an oil handling port.

Table 1. Cargo turnover in Russian ports on the Baltic Sea in 2006 (in million tonnes)

Primorsk	65.9
St. Petersburg	54.2
Kaliningrad	15.1
Vysock	13.3
Ust Luga	4.5

Table 2. Cargo turnover in the Port of Primorsk

2006	65.9
2005	57.3
2004	44.6
2003	17.7
2002	12.4

Primorsk, with a 65.9 million-tonne turnover, became the biggest port in the Baltic Sea. It is an extreme growth compared to the 12.6 million tonnes recorded in 2002, the first year the port was in operation. With the beginning of the construction of the new terminals in the Port of Primorsk on shipments of mineral oil, this spectacular trend is set to continue.

In 2006 the Port of St. Petersburg handled 54.2 million tonnes of cargo, 3.2 million less than the previous year. The small decrease is explained by the fact that the port was closed for one week in connection with carrying out the G-8 Summit in St. Petersburg. Containers account for the largest share of throughput – 28%, followed by oil products with 24% and metals with 11%. Chemicals account for 9% of the total while refrigerated cargo for 7% and coal ore and timber equal for 5%. The port also handled a smaller amount of general cargo, grain, foodstuffs and break-bulk.

The high rate of container handling in St. Petersburg is due to a dynamic growth in

production and the export of paper products in the Russian Federation. In the last six years, export of containerized paper products via St. Petersburg has increased in numbers four-fold. Other containerized materials handled there are: building/construction materials, oil products, timber, chemicals and metals.

In the last five years, the cargo turnover

Table 3. Cargo turnover in the Seaport of St. Petersburg during the last six years

2006	54.2
2005	57.5
2004	51.2
2003	42.0
2002	41.3
2001	36.9

Table 4. Yearly total ship turnover in St. Petersburg

2006	26,502
2005	29,183
2004	27,251
2003	22,794
2002	22,468
2001	22,125
2000	19,796
1999	18,011
1998	16,037
1997	14,871
1996	11,039

Table 5. The number of passenger-vessel calls at the port of St. Petersburg

2006	349
2005	416
2004	442
2003	296
2002	210
2001	221

in St. Petersburg Port has increased almost 1.5 times to 54 million tonnes.

Principal causes for the growth in cargo turnover were the actions undertaken by the St. Petersburg branch FGUP “Rosmorport” and the commercial structures of the port. They were aimed at the reconstruction, modernization and construction of new terminals and on an overload of various kinds of cargoes. Between 2000 and 2004, the following reloading complexes and objects in transport infrastructure were constructed and put into operation:

- In 2002 reconstruction of Berth Nr. 29 for general cargoes and Berth Nr. 83 for container cargoes was finished;
- Construction of a complex for the overload of mineral oil (Berths 3 and 4) Joint-Stock Company “Petersburg Oil Terminal”, where a berth capable of overloading 9.2 million tonnes of mineral oil was completed in 2004;
- Construction of a new reloading complex for reloading mineral fertilizers with a capacity of up to 5 million tonnes was completed;
- Development of the container terminal; for example, at the end of November 2005, a through berth at the container terminal was completed where a million containers are overloaded.

The Port of Primorsk is a branch of St. Petersburg Maritime Seaport Administration. The General Plan for 2007 intends to connect the ports of Vyborg, Vysock and Ust-Luga under St. Petersburg Maritime Seaport Administration, too. It would raise the efficiency management of the seaports in the Gulf of Finland.

The calling of cruise ships to the port of St. Petersburg is one of the most important branches of the city’s tourism business. Tourism secures approximately 10% of the city’s income. Since 1996, the calls of cruise and passenger

Table 6. Number of passengers (in thousands) visiting the Port of St. Petersburg

2006	319.8
2005	319.9
2004	286.3
2003	218.6
2002	142.3
2001	163.0



Photo: St. Petersburg Maritime Seaport Administration

In 2010 St. Petersburg will be in the top five of the most frequently visited cities in the world

vessels to the port of St. Petersburg have been steadily increasing. In 1995, the port was visited by 144 vessels with 64.9 thousand people as passengers. In 2006, the figure was 349 vessels with 319.8 thousand passengers on board.

According to forecasts for 2010, St. Petersburg will be in the top five of the most frequently visited cities in the world and that means that the number of visitors coming aboard cruise vessels will also grow.

There is a Russian government project called

“Morskoy Fasad” which is designed to create a passenger terminal on the Vasilyevsky Island. The beginning of the construction of “Morskoy Fasad” is planned for 2008.

The main fairway of the Port of St. Petersburg consists of the Kronstadt Ship Fairway and the St. Petersburg Sea Channel. One of the most important and strategic tasks that stands before St. Petersburg Maritime Seaport Administration is the recon-

struction of the Main Fairway from Kronstadt up to the closed part of the channel which currently only services one-way traffic of large-capacity ships.

The general length of the fairway from the St. Petersburg Sea Buoy up to the internal water area of the port is 55 km (29, 6 miles). The declared width of the fairway in its opened part is 100 meters. On some sites of the opened part of the St. Petersburg sea channel, the width reaches 140 meters. The width of the enclosed Fairway (the part protected by dams) and in the internal water area of the port is between 80-100 meters. The declared draft of the ships on the fairway is 11 meters.

The current reconstruction of the waterway is in 3 stages:

1. A deepening of the waterway for ships with a draught up to 12.5 m (2006-2008)
2. A deepening of the waterway for ships with a draught up to 13 m (2008-2010), expansion of the channel to 140 meters.
3. The opening of, and in parallel to the main fairway, a new Fairway for the movement of vessels (basically river) with a draught of 5-5.5 meters.

Another task is the construction of a channel to the sea-passenger terminal on the Vasilevsky island (Morskoy Facade) for passenger ferries and liners with a length of more than 200 m. St. Petersburg Maritime Seaport Administration also plans the development of a controlling system for the movement of ships and an introduction of new systems of posting to guarantee the safety of navigation in the Port of St. Petersburg.

*based on a presentation by Yury Orlov,
Deputy Head*

Table 7. Enter data for vessels

St. Petersburg: length – 260 m, width up to 40 m, draught up to 11 m (on fresh water)

Primorsk: length – 307 m, width – 55 m, draught – 15.5 m

Vyborg: During daylight time: length – 135 m, draught – 6.5 m

During dusk time: length 125 m with draught 6.0 m or length 105 m with draught 6.2 m

Vysock: length – 200 m, draught – 9.3 m

Ust-Luga: length – 160.7 m, draught – 12.2 m

In the river: length – 115 m, draught – 3.5 m

The Saimaa Channel: length – 88 m, beam – 11.8 m, draught – 4.35 m, height of masts from the water level – 24.5 m



Photo: St. Petersburg Maritime Seaport Administration

In 2006 Primorsk port had the biggest turnover on the Baltic Sea

How did it start?

Tsar Peter I (1672-1725) was the founder of the city of St. Petersburg at the mouth of the river Neva. It was possible after he won the war with Sweden thereby gaining Russian access to the Baltic Sea coast. The city was founded in 1703 and only a few months later, the Tsar gave the decree to start building a seaport.

The port was located in Kronstadt on the Kotlin Island 27 miles from the city. In 1874 an engineer and businessman, Nikolay Putilov started working on the project called Morskoy Canal – a sea channel connecting Kronstadt with St. Petersburg. Due to some intrigues, financing from the state treasury was stopped so Putilov had to invest his private money to go on with the construction of the sea channel. This project exhausted the business of Putilov. He went bankrupt and died in poverty. The first berth in the Port of St. Petersburg was opened on May 15th 1885.

What's new in the ports?

During 2006, a total of 6.2 million tons of bulk was handled via the **Copenhagen Malmö Port**. Various commodities, VGO, Jet-fuel, Chemicals, Gasoline for the domestic market and other Petrochemical products passed via the two terminals – Prøvestenen in Copenhagen and Olje Hamnen in Malmö. CMP has invested EUR 9.5 million in upgrading the two terminals. The quays at Olje Hamnen in Malmö have been renovated and upgraded. The Port's fairway is being widened, making access easier and enabling even larger vessels to call. Existing quays at Prøvestenen have been renovated. In January a large upgrade of quay capacity was commenced. A new pier is under construction that will supplement the existing Ocean Pier.

The **Port of Turku** has started work in the Pan-sio harbour area to considerably expand the car import areas. The quality will be improved by replacing the gravel surface with asphalt. In the train-ferry harbour, an area for 3,000 new cars will be asphalted. For better efficiency, the car areas will be marked with paint and suit-

able facilities will be reserved for car assembly and truck loading and unloading. The work will be carried out by the autumn of 2007.

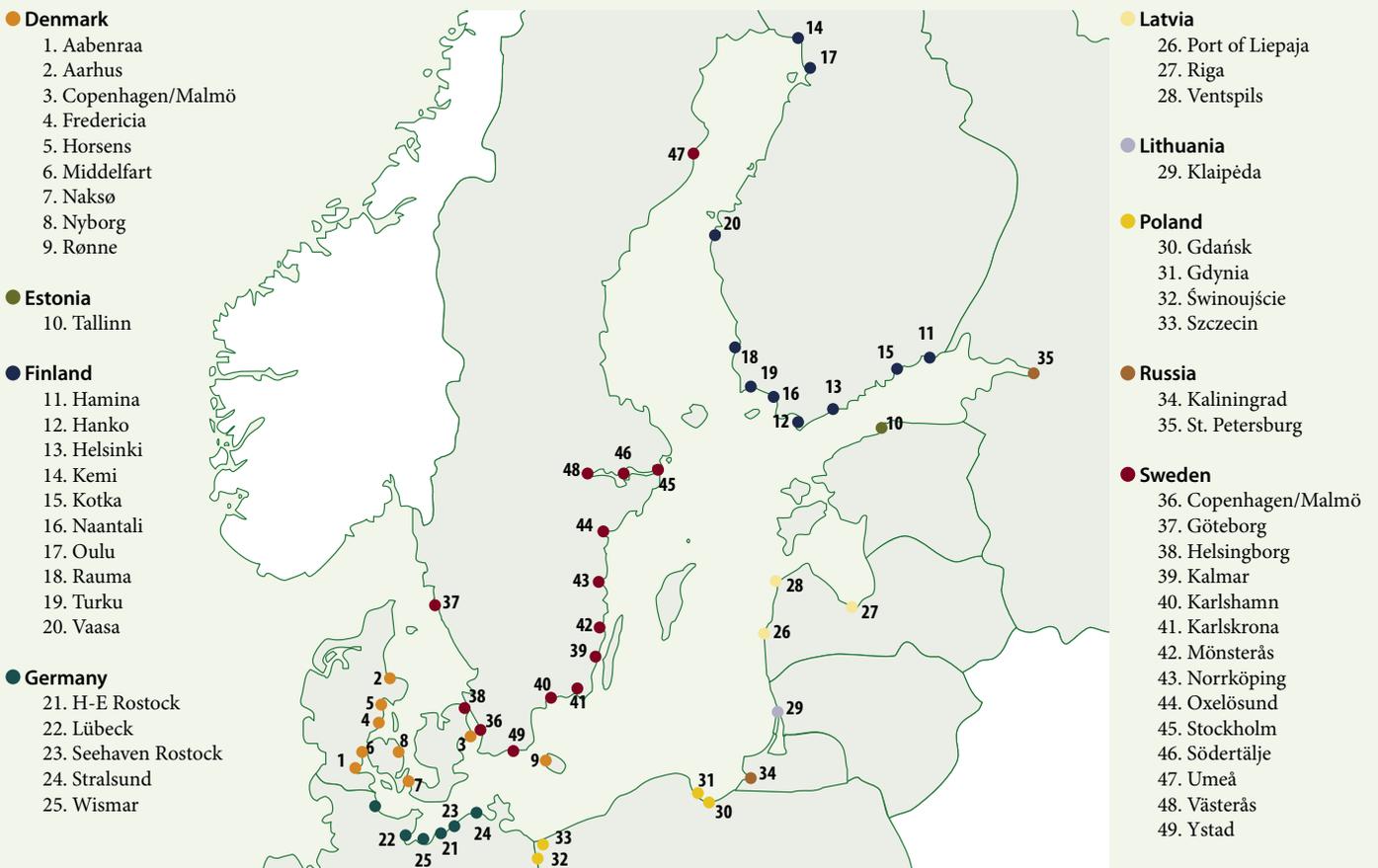
The Premier of the Federal German State of Schleswig-Holstein, Peter Harry Carstensen, has formally opened **Kiel's** new Ostseekai Cruise Shipping Terminal. Dr Dirk Claus, terminal owner and MD of the Port of Kiel (SEE-HAFEN KIEL GmbH & Co. KG) said at the inauguration ceremony that it was "a great day for the Port of Kiel. The new passenger terminal means we are now very well equipped for the future and will continue to cement our position as Germany's leading cruise shipping port", he said. Claus added: "the new terminal is one of the most efficient of its kind in the whole of northern Europe. We have here laid down new benchmarks for handling quality". The star guest at the inauguration was AIDA Cruises' flagship *AIDAdiva*.

Finland's first logistics centre for multimodal traffic is completed. The new logistics centre in the Ovako area was partly in use already early March. The centre with a floor area of 22,000m²

was completed on April 1st and handed over to Schenker Cargo Oy. The inauguration of the logistics centre was celebrated on April 17th.

The first three months of 2007 show an increase in the handling of intermodal units at the **Port of Göteborg**. Containers increased by 12 percent to 211,000 TEU, while ro/ro units reached 175,000 units, also a 12 percent increase. The comparison is made against the first quarter of 2006. Cars were up four percent, to 84,000 vehicles, between the two quarters. Oil was unchanged at 5.1 million tons which is on par with last year's record-breaking level.

During the first quarter of the current year, 5,8 mln tons of cargoes were handled in the **Freeport of Riga**, which is 2,8% less than during the respective period of last year. The largest increase was at the general cargo sector, reaching a 9,8% increase compared to the previous year. The amounts of general cargoes were 1,278,700 tons. At the same time, the largest decrease was at the bulk cargo sector – 7,6% less than in the first quarter of the previous year.



BALTIC PORTS ORGANIZATION

Secretariat Office – Actia Forum Ltd.

ul. Pułaskiego 8, 81-368 Gdynia, POLAND, ph.: +48 58 627 24 67, fax: +48 58 627 24 27

e-mail: bpo.office@actiaforum.pl, bpo.gs@actiaforum.pl, <http://www.bpoports.com>