

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

Dear BPO members and partners,



The date of the BPO General Assembly is approaching. This year the BPO General Assembly will focus on Central and Eastern Europe. Some people say it is the new Europe, however, this part of Europe has always belonged to the Old Continent. Central and Eastern Europe is now facing very fast economic growth. International companies locate their production centres in countries like Poland, Slovakia, Romania, and Bulgaria. It is due to the high qualified work force and still lower wages. Also, the consumption rise following the economic growth. As a consequence,

international trade is growing in the region creating a lot of opportunities for transport and logistics sectors including Baltic ports.

To take a closer look at Central and Eastern Europe, their economies, trade, infrastructure and transport sector, we have invited speakers from the European Parliament, academia, international organizations, consulting companies, and transport businesses. The broad range of high caliber and qualified speakers ensures interesting discussions and I am sure that it will lead to constructive conclusions.

We have also decided to make a separate session for the Black Sea ports as they operate in a very similar region as the Baltic. Looking at the map, one may discover that there are a lot of business opportunities for ports and transport companies connecting the Black Sea and Baltic Sea markets through the territory of other CEE countries.

While staying in Sopot you will also have the opportunity to enjoy the spa attractions in the best-known Polish summer resort. On Saturday you are kindly invited to choose between a trip to the Hel Peninsula (with beautiful sandy beaches) or the Golf Tournament at the Sierra Golf Club.

The whole program, registration forms and other information is available at www.bpoports.com

I am looking forward to seeing you in Sopot.

*Bogdan Oldakowski,
Secretary General Baltic Ports Organization*

What's new in the ports?

The integrated ports of Denmark and Sweden which now function as **Copenhagen Malmö Port (CMP)** were recently named the best example of a successful merger between companies. The author of this statement, doctor Peter W. de Langen of the Erasmus University in Rotterdam, conducted a study in which he analyzed the international trend for ports all over the world to opt for various forms of partnerships in a market known for its fierce competition. He mentions CMP as the best example of integration in a complete merger between two companies and their management. The study lists a number of important reasons for the success of the merger, starting with having well-defined targets right from the outset and mentioning also sound commercial business deals, reduced political influence on the company, the fact that CMP does not differentiate between whether revenues are generated in Malmö or in Copenhagen. But that is not the only success that the company has been celebrating these days. CMP was also finally put on the elite list of the biggest European ports for processing cars. It was placed at no. 18.

CMP was also the fastest growing port on the list last year at 30%, bringing the total number of cars up to 440,000. The half-million mark is expected to be smashed this year.

Sergei Yastrzhembsky, the Kremlin's top envoy to the European Union, has said that the transit of Russian crude via Latvia's port in **Ventspils** was unlikely to return to previous levels when the Baltic port was the Soviet Union's second largest maritime export route. Speaking to Baltic journalists on June 22 Yastrzhembsky said, "I think there are many reasons for the Russian transit through Ventspils to have been exhausted. The transit is not likely to reach the previous level."

During the first six months of 2007, 12.594 mln tons of cargoes and 7.296 mln tons of bulk cargoes were handled at the **Freeport of Riga**. This means that the port noted a decrease compared to the previous year when 12.851 mln tons of cargo and 8,050 mln tons of bulk cargo were handled. The good news is that the Freeport noted a significant increase in the number of serviced passengers – over 160 thousand, which is twice more than within the respective

period of last year. Also 2.512 mln tons of liquid cargoes were handled which is 8,5% more than within the first six months of last year, when 2.315 mln tons of these cargoes were handled. The turnover of general cargoes has increased by 12.1% reaching 2.786 MLN tons.

This year the **Port of Turku** noted a clear growth in sections of cargo volume (increased in January-May to 1.8 million tons, an increase of 9.6 per cent on the previous year), transit traffic volume (up by 26.34 per cent on the previous year), export (up to 1.0 million tons) and import (up to 0.8 million tons). The current cargo volume predicts a total of 4.3 million tons for this year. Unit load transport increased by 13.6 per cent. Growth in truck transport was most vigorous increasing by nearly 16.75 per cent on the previous year which means 10,000 trucks more were transported to Turku this year. Although the number of ferry passengers decreased by 1.2 per cent (the total amount in January-May was 1.3 million passengers) the passenger figure for the whole year is estimated to increase a little in comparison with 2006 totalling about 3.8 million passengers.

Program of General Assembly Baltic Ports

KONECRANES

X General Assembly September 6-8, 2007

Sopot, Poland Venue: Grand Hotel Sopot by Sofitel



Thursday, 6 September

BPO & UBC Workshop:
Port and City Environment
as a follow up of the NewHansa
Sustainable Ports and Cities Project
(BSR Interreg III B)

9:00
Welcome, presentation of partici-
pants and agenda

9:20
Presentation of Follow-up survey
findings:
• survey results in general
• comments on the general devel-
opment since signing the MoU

10:30
Coffee break

11:00
2 case presentations of successful
progress

11:30
Discussion on future New Hansa II
project:
• proposals and ideas from the
survey
• upcoming suggestion and ideas

12:15
Summary of workshop
*Note: There is no fee for the Seminar.
If you wish to stay for the whole BPO
event please, see the registration form.*

12:30-14:00
Lunch

14:00
OFFICIAL OPENING OF THE BPO
GENERAL ASSEMBLY 2007
Official speeches

14:30
CONFERENCE: Focus on Central and
Eastern European Countries
Chaired by **Bogdan Ołdakowski**,
Secretary General of the BPO
• Keynote speech: New Europe,
new times, new challenges
– **Hans Brask**,
Director, Baltic Development Forum
• Ports' role in the recent world
– **Christel Wiman**,
Chair of the BPO and Managing
Director of Ports of Stockholm
• Production recourse and international
trade of CEE countries
– PricewaterhouseCoopers
(to be confirmed)

16:00
Coffee break

• Doing business in CEE countries
– Scania case study
– **Tommy Sjöö**,
Former director of Scania Poland

17:30
Presentations of the Polish sea ports:
Gdańsk, Gdynia, Szczecin-Świnoujście

18:15
End of the session

20:00
Gala dinner

Friday, 7 September

8:15-9:30
BPO Board Meeting

9:00
Coffee reception

9:30
CONFERENCE
Chaired by **Julian Skelnik**, Member
of the BPO Board and Vice-president,
Director of Strategic Marketing,
Port of Gdansk Authority Co.
Keynote speech:
• Future of Transport
for 27-European Union
– **Anne Elisabet Jensen**,
Member of European Parliament
(Transport Committee)

10:00
Session II:
Transport and logistics in CEE countries
• The development of the European
port system: what place for Baltic and
Black Sea ports?
– **Bert Vernimmen**,
Senior Researcher,
ITMMA – University of Antwerp
• EU Port Policy – implications for port
business
– **Patrick Verhoeven**,
Secretary General, European Sea Ports
Organization

11:00
Coffee Break

11:30
• Transport infrastructure develop-
ment in CEE countries – main chal-
lenges
– **Paweł Szaciłło**, Vice-Director,
Transport Infrastructure and Public
Sector, PricewaterhouseCoopers
• Linking Baltic and Black Sea ports
– **Georgiy Tokman**, Executive
Director, Black and Azov Seas Ports
Association
• Constantza Port – the role of port in

General Assembly fee is € 244 (BPO members) or € 305 (non-BPO members). Registration form can be found

Organization

the Black Sea region and links with hinterland

– **Constantin Matei**, General Manager, NC Maritime Ports Administration SA, Constantza

• Bulgarian ports – recent status and development prospects

– **Angel Ziburto**, Deputy General Director, Bulgarian Ports Infrastructure Co

• Black Sea Ports of Turkey and the integration of Turkish Infrastructure with the EU Transport System

– Speaker to be confirmed

13:20

Conference summary

13:30-14:30

Lunch

14:30-16:30

General Assembly according to By-laws

16:30

End of BPO General Assembly and free time

Note: Program subject might change.

Saturday, 8 September

10:00

BPO Golf Tournament or Cruise to Hel Peninsula

11:00

Golf Academy for beginners
Visiting Hel Peninsula

15:00

End of the Tournament and Golf Academy Back to Sopot

15:00-17:00

Grill Party and Prize Ceremony

17:00

Bus leaves to hotels

on: www.bpoports.com

Nakskov – a harbour under transformation

In terms of their size, Danish ports are not among the most important in the world but, being situated at the gateway from the Atlantic to the Baltic region, they have an important role to play.

Access to the Russian hinterland and the inland waterways in northern and eastern Europe go through the Baltic; and access to the Baltic goes through Denmark. One port which is expanding its operations is Nakskov situated on the south-eastern island of Lolland.

The heart of Lolland

Nakskov received its town charter in 1266 and is still characterized by its history as a trading and seafaring town today. The tradition of shipbuilding in the town dates back to the 16th century when the naval yard was set up on Slotø. The centre of the town reflects the medieval town plan with the square and narrow streets leading to the harbour. The business life and service trade are concentrated here. Once the hub of the wealthy farmland region of western Lolland, Nakskov thrived on trade and industry. This situation changed gradually as overland traffic was enabled by the construction of railways to the neighbouring island of Falster in 1875 and from there to Zealand and the capital Copenhagen via the Storstrøms-bridge built in 1937. An industrial boom in shipbuilding ended after Denmark joined the EEC and subsidies were dismantled.

An industrial and yacht center

Nakskov Harbour was one of three harbours included in a new model which calculates how big an effect a harbour has on a region's economy and employment. The harbour has a huge impact on the town and its surrounding area. Nakskov Harbour is currently undergoing a large transformation. A report conducted by Syddansk University concluded that the harbour directly and indirectly is creating 1.700 new jobs. According to Steffen Rasmussen, president of the board of directors for Nakskov Harbour, the harbour also creates a total of DKK 1 billion per year. "It is very nice that some of the



industries that create local growth are connected to Nakskov Harbour. This primarily includes the sugar factory and those enterprises connected to it," Mr. Rasmussen said. Two other companies that are involved in developing the area are Men and Vestas. Today wind turbines are produced on a large scale in one of the former boatyards. Nakskov harbour is now a combined industrial and yacht harbour.

"We have always been proud of the harbour and were aware that it was an important part of the town's and the region's industrial development. But now we have concrete numbers and therefore a basis for how we should work and proceed with the further development of the harbour and those enterprises that use the harbour directly and indirectly", continues Mr. Rasmussen.

The harbour is located at a latitude of 54° 49' 56" N and a longitude of 11° 7' 25" E. Its superb location is only about two hours from Hamburg, four hours from Berlin, and has a very close proximity to Poland and the Baltic States. It has an average ship turnover of about 350 which has been steadily rising over the past years.

In 2004 the port submitted documentation to deepen its harbour and fairway. A hydraulic and sediment dispersion study of deepening the 9 km long access channel to Port of Nakskov was carried out using MIKE 3 FM and MIKE 21 FM MT models. The Danish Coastal Authority has just given its permission for the construction works to get underway. The western fairway will be extended to about 13,2 km and will be deepened to 8,5 m while the eastern fairway will be deepened to 7,5 m. The project had to guarantee that it was within all environmental regulations, including the protection of the EU habitats directive no. 158 and birds directive no. 88 areas.

Alison Nissen

Baltic Sea Ports cooperating during “Paralia Nature”

How to stay environmentally friendly

A Paralia Nature Workshop was held in Riga on May 10-11, 2007. The workshop was opened by Mr. Leonids Loginovs, CEO of the Freeport of Riga, and participants included experts from port authorities, environmental NGOs, local and national governments, administrators, port staff, and specially invited guests.

The event was the third phase of the “Paralia Nature” and was entitled “Baltic Sea Ports, and Natura 2000.” The goal of the workshop was the exchange of practices and general information dissemination regarding estuary management and coastal zone management for Natura 2000 in North West Europe and in the Baltic region. It was the first in a series to be organized in a New Member State with the intention of bringing the port authorities from these countries closer to the western counterparts and promoting interest in exchanging information, practical solutions, as well as building on previous experiences. It was organized by the Freeport of Riga Authority and the Institute for Infrastructure, Environment and Innovation. Twelve New Member States are still in the process of setting up the Natura 2000 network and the implementation of the directive is an absolute priority in the run up to 2010 if they are to have a chance of meeting their target of halting biodiversity loss in the EU.

Plans and goals

Paralia Nature seeks increased participation from NGOs, governments, and ports in Phase 3. Some of its specific goals include:

- To solve legal and organizational problems related to the development of management plans under the Habitats Directive and the corresponding requirements under the Water Framework Directive
- To deal with the implementation of compensatory measures and resolve immanent legal and administrative issues
- To provide an insight into what could be “EU proof” solutions by involving top ecological and legal experts
- To present EU policy developers the outcomes of EU policy at local and regional

levels in port areas and coastal zones

- To establish a level playing field between ports in North West Europe

As a result of the workshop, a program was initiated which in the coming years will specifically target methodologies for developing conservation objectives as well as methodologies for determining significance, assessment and discussion of systems for project-level monitoring and evaluation of project effects, mitigation and compensation measures.

Protecting the nature

The main starting issue is the loss of biodiversity occurring today. Biodiversity loss continues at an alarming rate and this loss threatens to undermine economic and social progress in Europe and worldwide. The threat is caused by increased land use and development as well as the increasing impact of climate change. The major pillar of biodiversity action in Europe is the Natura 2000 network, a combination of species and habitats protection. The Habitats Directive covers 56 million ha which adds up to approximately 14% of the EU territory while the Birds Directive covers 8% of the EU territory. According to François Kremer, Directorate General for Environment of the European Commission, Natura 2000 does not stop development, i.e., infrastructure, but acts to ensure sustainable use of nature through a healthy and intact environment. In order for a plan to be “Natura proof”, it should implement the following seven items: always choose the most environmentally friendly alternative; in case of doubt, apply the precautionary principle; increase the site’s ecological resilience; prefer mitigation to compensation; respect the social and cultural context; inform and involve the public; and, monitor effects and be prepared to correct the project where necessary.

Economy over ecology

A presentation detailing the development of the Natura 2000 network in Latvia was presented by Mrs. Vija Buša, Deputy Director of the Nature Protection Department for the Latvian Ministry of Environment. The main challenge stems from the changing property rights and their implications for protected areas. According to her presentation, “nowadays economic interests prevail considerably and the only way to stop decreasing nature values is to ensure protecting the most valuable sites, species and habitats.” With financial support from the Danish government, experts worked out 336 protected territories covering 11.9% of Latvia which were designated Natura 2000 sites. However, it was noted that two more Natura 2000 sites must be designated (wetland and dune). The commission underlined that it would be of interest that in the management plan for the Natura 2000 sites, also economic aspects are considered; the importance of integrative management plans also regulate economic activities.

Considerable discussion also took place regarding the designation of navigation channels. The norm goes that all navigational channels need to be designated when the surrounding area is designated as well.

In conclusion, it was agreed that a dialogue between partners is crucial for successful cooperation and avoiding problems and that the issue might not be as complicated as initially expected. The participants from the EU-15 learned that the problems faced by ports in the New Member States are similar to those faced by their counterparts. On the other hand, port authority representatives from the New Member States were glad and relieved that their problems were neither new nor unique and that there were cases to learn from and draw conclusions on. For example, it turned out that the implementation process for management plans in Latvia has progressed to the same points as their implementation in the Netherlands, Flanders and Germany.

The following is based on a summary written by Piotr Nowiński for the Institute for Infrastructure, Environment and Innovation.

Alison Nissen