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Program of the Baltic Ports Organization XI General Assembly

11-13 September 2008, Lübeck, Germany

Innovations in seaports: cargo handling, efficient terminal utilization, hinterland connections, climate change

Thursday, 11 September

Conference Chairman: Julian Skelnik, BPO Chairman

12:00 – Official opening speeches

- **Julian Skelnik**, BPO Chairman
- **Uwe Döring**, Minister for Justice, Employment and European Affairs of Land Schleswig-Holstein
- **Peter Sünnenwold**, Mayor of the City of Lübeck

Keynote speeches:

- Port of Lübeck – recent state and development strategy, **Hans-Gerd Gieleßen**, Managing Director of Lübecker Hafen-Gesellschaft mbH (LHG)

- Developments of German Ports: port efficiency and innovations, **Dr. Jens-Albert Oppel**, Managing Director, ISL-Baltic Consult GmbH

13:30 – Lunch

14:30 – Afternoon session, part I keynote speeches

- Launching a new concept – RailPort Scandinavia – shuttle trains development from/to port, **Arvid Guthed**, Business/Rail Developer, The Port of Göteborg
- Building a new terminal – efficient logistic solutions, **Kari Noroviita**, Vuosaari Harbour Centre Director, The Port of Helsinki
- Increasing terminal productivity – modern technology, Konecranes Plc (speaker to be confirmed)

16:00 – Coffee break

16:30 – Afternoon session, part II keynote speeches

- Efficient management of the large ro-ro terminal, **Burkhard Jäckel**, Terminal Skandinavienkai Director (LHG)
- Management of container terminal, (speaker to be confirmed)

17:45-19:15 – End of the session (back to the hotels)

19:30 – Gala dinner

Friday, 12 September

Conference chairman: **Bogdan Oldakowski**, BPO Secretary General

8:30 – Reception coffee

8:30-9:30 – BPO according to by-laws



Photo: Port of Lübeck

10:00 – Morning session keynote speeches

- Baltic Seaports Outlook – main outcomes, **Prof. Andrzej Grzelakowski**, Gdynia Maritime University

- Future look at the European seaports; innovations and environmental challenges,

Patrick Verhoeven, Secretary General, ESPO

11:00 – Coffee break

11:30 – Morning session, part II keynote speeches

- Seaports reaction to climate change. Outcomes of the Conference: world ports for the better climate, The Port of Rotterdam (speaker to be confirmed)

- Environment in the Ports of Stockholm 2.0, **Björn Neckman**, Head of Public Affairs, the Ports of Stockholm

- Climate change and shipping – effective ways to present a clear message to politics, **Magnus Ehrenberg**, CEO, Ehrenberg Kommunikation GmbH

Summary of the conference

13:30 – Lunch

14:30 – Bus tour through The Port of Lübeck

17:00 – Return to the city

Saturday, 13 September

19:00 – Rehearsal of EVITA musical in Theater Lübeck

The official conference program and the registration form are available at www.bpoports.com

Turku hopes for new train ferries and ro-ro quays

Having the whole of Finland



Photo: Port of Turku

Christian Ramberg, Managing Director of the Port of Turku

Although Finland has a 565-kilometre long land border with Sweden, it is hardly used for transporting goods or people. It's too far north in the beautiful, but wild and inaccessible, region called Lapland.

That's why most of the traffic between those countries goes via sea and the main port for Finnish-Swedish trade on the Finnish side is Turku, only a 10-hour travel time by ferry to Stockholm.

"Transportwise Finland is like an island," observes Christian Ramberg, Managing Director of the Port of Turku. "You have to come there by the sea. More than 80% of our foreign trade comes that way. The distance for rail or road transport is simply too long and much more expensive."

The Swedish market is the second most important for Finland, just after Germany and before Russia. But for Turku it's the most important one. With more than four million tons of cargo and almost four million passengers annually, it is Finland's leading harbour in Scandinavian traffic, and the second largest passenger harbour measured by total volume. It is also the second most important port for general and unitised cargo in Finland after Helsinki.

"Half of the cargo in Turku is Scandinavian," explains Christian Ramberg, "one third is German and the rest comes to and from the UK, Benelux, and other countries. Shipments to Russia are growing fast. Generally, goods are transported there by road and mainly by rail."

Scandinavian trade is growing steadily by two and a half percent per year. This growth should be followed by an increase in the capacity on the Swedish route. But it happened quite the other way.

After one of the ferries was sold last August, Turku faced a lack of capacity. Instead of six daily departures from Turku and Stockholm now there are only five departures per day, out of which one is a train ferry. There used to be two train ferries, but now the traffic is consumed by the neighbouring port of Nantaali.

The problem is that no train ferries are available on the market now. They all are very much used between Sweden and Poland or Sweden and Germany.

"We have a problem in this respect but I think the lack of capacity can be partly solved this summer," says Ramberg. "We will have a new vessel in July. Tallink Silja is replacing one of its ferries from Helsinki with a bigger one. The smaller one will be moved to Turku. It is not enough for us as we would need two new big ro-ro ferries in order to fulfil the market needs, but somebody has to take the decision to do it."

Keen on transporting new cars on wagons

Turku is the only train ferry harbour in Finland, which in practice means that the whole of Finland is hinterland for the Port of Turku. Although train ferry transport has decreased in recent years, it remains at a satisfactory level. Trains are used to carry mainly metal goods, construction materials, light volume goods and paper. Consumer goods are usually discharged at a terminal and then trucks are used for delivery. Industrial goods remain in wagons but there's a necessity to change the wheels of the train since the rail gauge in Finland is broader than in the rest of Europe. Thanks to modern equipment it takes only ten minutes to change the wheels on three wagons, so the operation is quite efficient. On the other hand, Finland has the benefit of having the same rail system as Russia, since trains from the Finnish ports can go all the way to the Far East without changing their wheels.

The possibilities are great but only now things are starting to work. VR Cargo, the Finnish state rail operator, has a weekly block train to St. Petersburg and Moscow. It gathers wagons from all the Finnish ports on the southern coast, including Turku.

"We already have at least three-four wagons with two containers to Russia per day," informs Ramberg. "It's a good start. We are also keen on transporting new cars on wagons. The Finnish state railway company has also invested in wagons to transport cars. They have ambitious plans to deliver 300,000 cars to Russia from Finland. Today these numbers are transported by lorries. That's a big change."

Import of new cars was the most significant growth in Turku's recent years handling, with volumes up to 20% in 2006. A total of 89,331 new cars were imported via the Port of Turku which is some 15,000 cars more, comparing to 2005. In 2008 the expected volume is about 100,000 cars. The growth comes both from the internal market demand and Russian import that goes mainly via Finland. Most of the cars come from Germany: Ford, Opel, Jaguar, Renault and Land Rover.

Around 80% of the total cargo volume in Turku was carried on ro-ro vessels but containers are also important for the port.

"We get our share and, I think in the future, as container cargo flow will grow very much in the Baltic Sea, it will also grow in our port," predicts Ramberg.

as hinterland

Turku has a capacity to handle 70,000 TEU but now it handles 25,000, so there is still space without great investments. The outgoing containerized cargo is mainly paper products and machines, although some granite blocks are also exported in boxes.

As for the containerized import, it's chiefly consumer and valuable goods, but also chemicals for the industry, components for shipyards and for a nuclear power plant that is being built in the Turku area.

If you don't prepare today, you will be late

As the traffic grows and vessels become bigger, the port of Turku faces the need to enlarge its facilities. "The depth of the fairway is not a problem," comments Ramberg. "Ro-ro ferries can manage with 10 m, but the problem is in the appropriate quay. Ferries require a lot of space in close connection to the ship in order to empty them quickly. If you look at Turku, we have a lot of space and we are now building two new ro-ro berths for wider and bigger vessels."

Christian Ramberg complains about the procedure of getting environmental permissions for new constructions. He cannot understand why it has to take one or two years to receive permission to build a new quay. And, he agrees that it's something that all the ports are facing.

"The European Sea Ports Organisation is one of the most important spokesmen for European ports. ESPO is talking a lot about a new ports' and maritime policy. In those policies it should be very clearly stated what is allowed to be done and what is not. Just to give the market the right kind of indication, so that we know how to build a new port or change operations in existing ones. Actually we are facing a very big challenge. In 20 years traffic will become twice as big as it is now. So if you don't prepare yourself for those changes today, you will be late. And if you look at the Baltic Sea Region, the sea is actually the main transport route here. And the ports are junctions and hubs in that transport system. Well, the sea is there. Now what we need are good efficient ports and very good hinterland connections."

In this respect the port of Turku is expecting some necessary investments. A new motorway to Helsinki will be opened this November. It will shorten the transport time by half an hour. There are also two other roads: one that is going straight up the coast and one going inland. Both of them need an extra lane in certain places where cars can pass and overtake each other. Especially when the lane is uphill.

As for rail access to the port, the existing railway has a carrying capacity of 22.5 tons per axle, while the industrial standard is 25 tons per axle, which enables to load 10% extra tonnage. For Turku, as a port with a heavy cargo railway service, this would be a great relief.

"That's something we're asking the government to invest in," admits Ramberg, "but so far they have not done it. The general rule is that the state invests in the main roads and railroad and the port and the community are investing in the port. So I think by preparing our port in the best possible way, we've done our part."

Dariusz Szreter

Governing 21st century ports

Authorities beyond the landlord function



Held 29-30 May in Hamburg, the ESPO 2008 conference gathered know-how from the European ports and academic experts on the strategies and tools that the port managers have at their disposal to respond to contemporary governance challenges. The conference was attended by Julian Skelnik, BPO Chairman.

Special attention was paid to strategies that stretch beyond the traditional landlord function, the management of port property, the match-making role of port authorities and port performance measurements. The main theme, titled: "Governing 21st Century Ports", was inspired by the Hanseatic tradition of Hamburg, and the fact that the ports along the North and the Baltic sea coasts were governed with a strong municipal influence, other than in Latin or Anglo-Saxon countries.

ESPO Chairman Giuliano Gallanti pointed out in his welcoming speech that the historical traditions were fading due to ports' reforming and reorganization programmes inspired by an ever-changing logistics environment. Hamburg, with its corporatised port authority since 2005, remains municipally owned but business-oriented, which can serve as the best example of being in line with main trends in Europe, where a strong desire to strengthen the commercial, financial and organisational autonomies can be noticed among the port authorities. Gallanti explained that the conference theme was chosen particularly because of ESPO wish to foster such processes of the port governance.

Naturally, EU policy was present on the agenda. The first issue discussed was the panel's general evaluation of the European Commission's new ports policy, whether it has managed to strike the right balance after the controversy created by the two ports packages. It was noted that there would be no new ports policy. The Commission has announced the long awaited state-aid guidelines for the ports. Differences in the opinions, however, still exist as to what should be considered as the state-aid. The Commission has also announced environmental guidelines to simplify planning and consent procedures for port development projects. However, the risk exists that these guidelines will simply contain a collection of the "best practices" and will have little legal value in the end.

This year's ESPO conference was organised in partnership with Hamburg Port Authority and Hafen Hamburg Marketing which guaranteed typical Hanseatic hospitality, flair and efficiency. The meeting took place in the splendid Atlantic Kempinski Hotel which was built in 1909 by the Hapag shipping line as a luxurious resort for its transatlantic passengers.

What's new in the ports?

The **Port of Tallinn's** Supervisory Board approved an investment of EEK 860m (EUR 55m) into the first stage of the eastern Muuga Harbour development, expanding the current part by 27 hectares of additional territory and a 400-meter long new quay-line. Neinar Seli, the Supervisory Board's Chairman, said that the container market forecasts indicate guarantees for handling up to 500,000 TEU in Tallinn, which gives a green light for the project. "Taking into consideration BSR international trade development, we must mainly concentrate on container transport and car transit," Seli noted.

Following the total cargo handling data of Jan.-Apr. 2008 delivered by the port authority, the **Port of Klaipėda** has left behind its close competitors, Tallinn and Ventspils, for the first time in the whole history of the independent Klaipėda port. According to the total turnover, with its 10.4m tons of all types of cargo handled in 2008 so far, Klaipėda has become the third busiest port on the eastern coast of the

Baltic just after the Russian ports (Primorsk and St. Petersburg), and the second largest port in container handling (after St. Petersburg only).

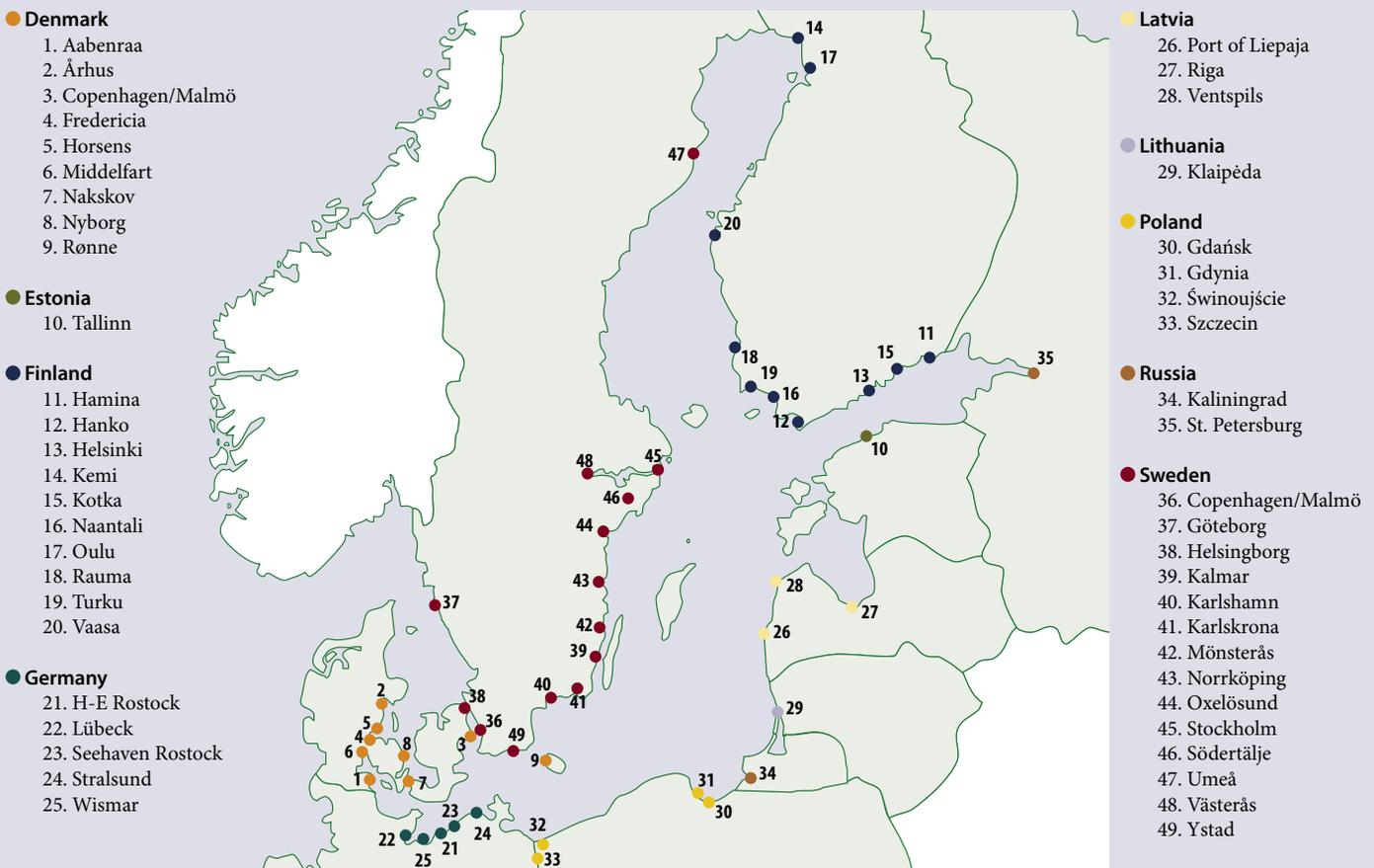
The **Port of Helsinki** encourages cruise ship companies to protect the Baltic Sea. This summer, cruise ships can leave their wastewater in Helsinki without a separate charge. The Port has built sewers and receiving bays at cruise ship quays. The volume of wastewater left will be monitored and the vessel itself, or the shipping company with the biggest increase in wastewater pumped onto shore will be rewarded at the end of the season. By law, wastewater can be discharged into the sea at a distance of 12 nautical miles from the shore.

The **Freeport of Riga** handled 11.969m tons of cargo during the first five months of 2008. This is 15.7% more than during the same period of last year. The most significant rise appeared in bulk handling (7.8m tons), which is 31.5% more comparing to 2007. The turnover of liquids has reached 2m tons, and general cargo brought the same level. Riga has also serviced

128,711 passengers so far this year, which means a 24.2% growth from last year's corresponding period.

The **Port of Kotka** has become the biggest container port in Finland, with as many as 570,880 TEU carried in 2007. In addition to the rapid growth in container traffic, the port is continuously developing and expanding as a full service port. Until the end of 2008, approx. 150 hectares of new logistics areas will be completed in the Palaslahti area at Mussalo for the growing needs of customers, says Kyösti Manninen, Administrative Director.

The **Port of Gdańsk** welcomed the biggest car carrier ever berthed at the WOC II Quay (The Port Free Zone) on the 26th of May this year. The vessel *Talia* operated by Wallenius Wilhelmsen Logistics, is nearly 20m long and 32m wide. It has a carrying capacity of 21,000 DWT and can take 6,400 motor vehicles onboard. *Talia* called at the Port of Gdańsk as part of a regular shipping service from Japan, bringing a load of 2,257 Toyota motor vehicles destined for the Russian market.



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