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## The BPO Chairmanship should be taken by one of the eastern ports

*An interview with CHRISTEL WIMAN, retiring chairman of the BPO*

■ *Can you sum up your term in office as chairman of the BPO board? What do you consider your greatest achievement?*

We have been, and still are co-travellers on the journey towards a market-driven economy, enlargement of the EU and the trade growth of the internal Baltic Sea Region. All Baltic countries and all ports are investing and planning to meet the growing Baltic trade.

To be chairman during such a period is just fortunate. We approached ESPO and started a fruitful cooperation in EU matters. The greatest challenge though is to meet the environmental threats and still accept growth of trade and transports.

The Nordic countries have been very dominant in the Baltic Sea. Today we are aware of the change and that economic dominance and growth rates are moving east/south bound of the Baltic Sea. It is about time that also the chairmanship passes over to one of the eastern ports.

■ *There has been one successful merger of port operators in the Baltic Sea – in Copenhagen-Malmö. There were similar plans for other ports like Stockholm, Södertälje, Oxelösund and Norrköping. The same with some Finnish ports. Why does the process move so slowly? Is BPO interested in supporting such actions?*

You forgot to mention the successful merger of Kapellskär, Stockholm and Nynäshamn in the beginning of the 1990s.

Usually, mergers in the port sector not only deal with financial questions. The ports are usually owned by local communities, therefore, it has to do with politics as well. It is also well-known that ports are as important as economic driving forces. Development of cities and regions are heavily dependent on ports and/or other types of efficient infrastructure. When there is a need for costly investments in port development, some mu-

nicipalities will be aware of the costs and will therefore try to find ways to cooperate.

Cooperation always ought to be driven by business and markets, not by political aspirations. It takes some time to change from political orientation to more business orientation.

■ *How do you feel about the fact that the biggest port in the Baltic Sea – Primorsk, is not a BPO member? St.Petersburg and Kaliningrad don't seem to be active members in BPO, either.*

The best situation would be if all commercial ports were members of the same organisation. It would strengthen the voice of the Baltic ports. When the chairmanship is taken by one of the dominant eastern ports, it may be a good opportunity to approach the ports that aren't members of BPO.

■ *On the Eastern Baltic coast politics dominate transport policy. Russia is determined to use its own ports in favour of the Baltic Countries' ports. The Russian minister of transport Levitin says that Moscow even prefers to use Murmansk instead of Estonian, Latvian and Lithuanian ports. It means less cargo on the Baltic Sea and a lower turnover in the eastern Baltic ports. Can BPO do something about it?*

It is not unusual that countries or cities want to dominate the ports they are dependent on. The same also goes for all the municipalities with a port in Sweden. What is more alarming for the ports for Russian transit cargo today is that the impact of Russia is so great. Russia's choices of transport routes and ways to cooperate has an impact on all countries and their economic development in the Baltic Sea. It is therefore important to continue the BPO work and the efforts to cooperate with all countries around the Baltic Sea.



■ *What's your opinion on the state of security in the Baltic ports? Do you think that the threat of a possible terrorist attack is real?*

It is always wise to take the worst possible into consideration. We might not need to consider actions from the same groups that are active in the US and England but our region has its own problems. Port security has developed rapidly since 2001. In the future we will probably have the same level of security as airports. That also means a better security regarding theft and other types of crimes, also. In Stockholm we found out that we have a better general "law and order" in the port.

■ *Thank you.*

Dariusz Szreter

*In line with the Baltic Sea traffic*

# Lübeck port builds-up



**The Lübeck Hafen-Gesellschaft (LHG), which manages the port of Lübeck, reported that cargo throughput has increased to 14.6 million tons during the first half of 2007, a 10% growth over the previous year's period.**

**T**he cargo volume handled at the entire port, which also includes terminals of private operators, jumped 8.5% to 16.2 million tons. The Lübeck port portrays itself as the central logistics hub between Europe's major industrial centres and Scandinavia, Finland, Russia, the Baltic States and Poland. Indeed, Lübeck port offers more than 150 departures per week to all the important Baltic ports.

But Lübeck also offers other advantages that are to be found in its three-lane motorway connections, railway access, modern terminal for combined traffic, conventional and mixed block trains to European industrial centres, links to the European inland waterway network via the Elbe-Lübeck-Canal, and container traffic between Hamburg and Lübeck.

## The well-connected port

The LHG makes a pitch for Lübeck as the focal point of the German logistics industry, offering access to 60,000 companies generating a

collective annual revenue of more than 150 billion euros. With the gradual shifting of Europe's geographic distribution centre from the Benelux states to Germany following the latest EU expansion, the German logistics and distribution sector became the largest single industry within Europe. Indeed, in Western Europe, Germany now accounts for 25% of all revenues in this segment.

But, Lübeck's two main features as a location are its unique position as Europe's most southwestern Baltic Sea port, in close proximity to Hamburg, and its land, sea and air infrastructure. Well-connected by road to Scandinavia, Poland and even to St. Petersburg, Lübeck is separated from Hamburg by some 65 kilometres. Lübeck is connected with the rail network of the Deutsche Bahn with large industrial and docks networks, integrating the city's industrial and business parks. According to the LHG, Lübeck is the only Baltic Sea port to have docks in direct proximity of the German autobahn, railway and Europe's inland waterway network (via the Elbe-Lübeck Canal). The company says that a total of some 560 million euros has

been earmarked, between 1995 and 2010, for port development projects, including dock expansion (primarily at the Skandinavienkai quay), installing state-of-the-art equipment, storage and dockside business parks.

## An increasingly international character

Manfred Evers, the LHG chairman, underlines the importance of Lübeck port for shipping traffic with the Baltic Sea. "Lübeck is Germany's biggest Baltic Sea port and recorded a throughput of some 30.5 million tons in 2006, accounting for more than 40% of cargo volume of all the German Baltic Sea ports," he says in an interview with the Baltic Transport Journal.

The LHG points out that Lübeck is connected with almost all the partner ports in the entire Baltic Sea region through an intricate system of connections. "Indeed, with some four million tons of paper shipment, Lübeck is one of the biggest forest-product shipment ports of Europe. Added to this is the volume of 800,000 trucks, 200,000 new cars and over 200,000 TEU containers," he says.

But Evers also plays up Lübeck's increasingly international character beyond its attributes as a Baltic Sea port: "Because of its proximity to the international port of Hamburg, Lübeck is also becoming an increasingly important site for container traffic, for example, from Asia and America. Through its 60-kilometre long land connection with Hamburg, containers are now increasingly transported via Lübeck to and from the Baltic Sea."

## The crucial role of the Baltic Sea

Lübeck's future depends on traffic with the Baltic Sea. Indeed, the LHG sees the Baltic Sea as the "most dynamic growth region" in Europe. "Around 7% of the world's sea traffic flows through the Baltic Sea. The cargo volume handled in almost all the Baltic Sea ports has been continuously rising for years. This boom will continue in the future as well, particularly because of the positive development of the Eastern European states," Evers maintains. The LHG chairman believes that this will translate into good business for Lübeck port. "For Lübeck this will mean, on the one hand, that trade will have to further grow with its classical trad-

# infrastructure

ing partners Sweden and Finland, which account for some 90% of the cargo traffic, while on the other, markets in Eastern Europe will find in Lübeck port a reliable and customer-friendly partner,” Evers says.

Comparisons have often been made by German shipping experts between the Baltic Sea and Central and Southern European regions. But the LHG has stressed that the Baltic Sea region assumes a “crucial role” in the inter-European traffic. “Look at it this way,” says Evers. “You have some 100 million people living directly along the coast of the Mare Balticum, with a total of some 300 million people if you include countries with access to the Baltic Sea. These countries are characterized by an already high export and import capacity, and are inherent with a high potential for development, particularly with the inclusion of the emerging states of Eastern Europe. The Baltic Sea

has evolved from a marginal sea at the time of the ‘Iron Curtain’ to a Central European interior sea,” Evers argues.

## Request for equal support

Most North German ports, particularly Hamburg and Bremen, have been engaged in expanding their capacity by further building up and modernizing their infrastructure. But Lübeck is not going to be left behind in the race as far as new measures and investment projects in port development are concerned. An investment volume of more than 500 million euros earmarked for the expansion and further development of its ports has created “highly-modern facilities for ships, special halls for storage of paper products, and also industrial areas for companies to set up offices and other operations near the port. “At the same time, the port is being further developed in close

coordination with its customers. Any measures aimed at expansion, and new projects are directly coordinated with the customers and oriented towards them,” Evers claims.

But Evers also says that Lübeck port does not receive “equitable support” from the federal government. With its location in the north of the country, which is heavily dependent on shipping, the port and, indeed, the entire state of Schleswig-Holstein rely on sea trade with the Baltic region.

“It’s not just a question of getting support from the state government of Schleswig-Holstein but also support programmes from the Federal Government and the European Union. You see a clear inequity here. On the one hand, the Baltic Sea ports in Germany, for example, still receive much more support than Lübeck port. But there are also serious imbalances at the European level where other states consistently use every possibility to maintain the cargo traffic in their ports in an as price-competitive manner as possible, for example, through low diesel-oil taxation for port vehicles. We are, consequently, asking for equal support throughout Europe and a Europe-wide transparency as to where the subsidies are flowing,” he says. ■

*Manik Mehta*



## What's new in the ports?

The **Port of Hafen-Entwicklungsgesellschaft Rostock** finished the expansion of cross quay Berth 10. The new berth is located along the south side of port basin C.

The port introduced new facilities at BERTH 10 to enhance the handling of heavy and unwieldy cargo, up to five tons per square meter. Equipped in crane rail the quay encompasses an area of around 5,000 square meters. Berth 10 is capable of accommodating ships with a length of up to 130 meters and a draft of approximately seven meters for the loading and unloading of cargo.

The construction of Berth 10 began in November 2006 and entailed costs of 2.5 million Euros. A new road was constructed to connect the cross quay with the main road-traffic artery of the seaport, Ost-West-Straße.

The **Port of Aalborg** has a new Managing Director. Since June this position has been taken over by Claus Kim Holstein Nielsen, a former Director at Det Danske

Seafood Center in Glyngøre. He has also held management positions at several companies in Northern Jutland – including Phillip Jesson ApS, Active Sports Wear A/S and Wrist Group A/S.

The Swedish Sea Rescue Society (SSRS) has decided to station their vessel, *Rescue Ragnhild*, at the **Port of Södertälje**. The port welcomed the opportunity and decided to make some necessary adjustments at the quay where Rescue Ragnhild is berthed, free of charge. It also offered some additional services such as use of the office.

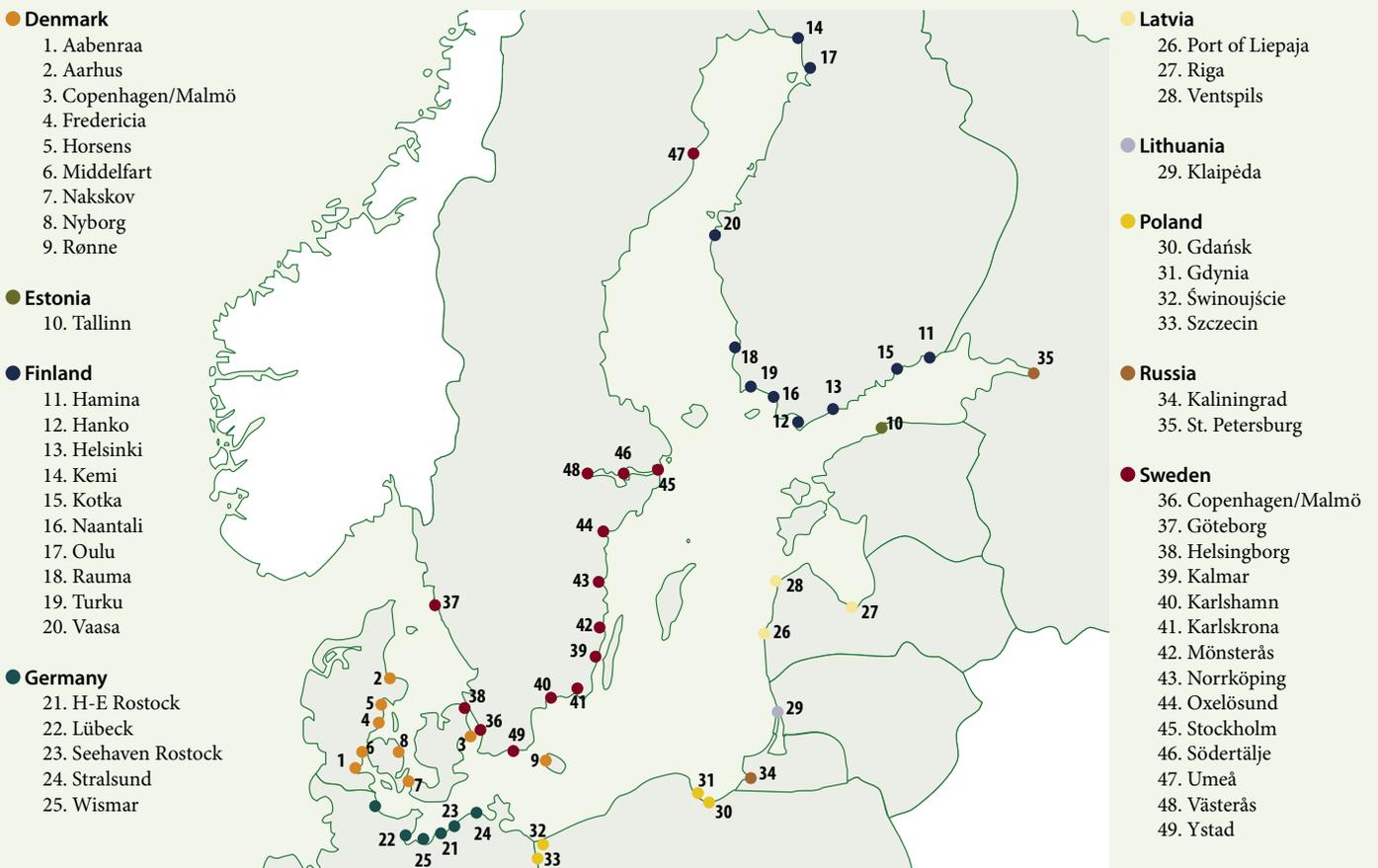
"We are very happy for this and welcome SSRS to our port," says Erik Froste, MD of the Port of Södertälje. "We really respect SSRS and their work, and highly appreciate to have been nominated by them."

SSRS is a non-governmental Swedish voluntary institution, last year it carried out approximately 70% of all rescue missions in Swedish waters.

In the first half-year of 2007 the **Port of Gdynia** has maintained a high dynamics

of cargo turnover growth. During the six months the total turnover averaged 8,125.3 tons and this includes the firms within the structures of the equity group. It means that comparing to last year's results, the company noted a 24% growth in this discipline. The transshipment of bulk cargos has doubled since last year (204%) and reached 1,584.9 tons. As for the port's most important cargo group, piece goods, the transshipment reached 5,031.7 tons, which is 118.7 % of the result of 2006 first half-year.

The private owners in **Norrköping Port** and Stevedoring Company sell their shares in the company to Norrköping Municipality. The Port of Norrköping is operated by the Norrköping Port and Stevedoring Company since the beginning of 1990. The company is jointly owned by Norrköping Municipality (40%), Holmen AB, Lantmännen, Unér Shipping AB and Jönsson Nova Holding AB. After the agreement between the municipality and the private owners, the municipality will be 100% owner of the company. Both parties agree on that the activities will continue as before.



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