

*The BPO General Assembly has voted Julian Skelnik as their new chairman*

## Baltic ports look at the Black Sea region



**On 6-8 September 2007, the Polish resort of Sopot hosted the General Assembly of the Baltic Ports Organization [BPO].**

**T**he Assembly gathered over 80 executives from all major Baltic ports and port-related industries. They elected a new chairman of BPO, Mr. Julian Skelnik, Vice-President of the Port of Gdańsk. He replaced Christel Wiman, Port of Stockholm's CEO, who had chaired BPO since 2002.

"Nordic countries have a well-established position on the economic map of the Baltic Sea," commented Ms. Wiman. "Now a chance in the regional economy has been made, dynamic growth moves in eastern and southern directions so it was the highest time for somebody from the region to become the chairman. I'm convinced that Julian Skelnik will do a great job."

As Central and Eastern Europe is the natural hinterland for the ports of the southern Baltic Sea, no wonder that most of the discussion was focused on the problems of that region. Many speakers representing governments, politics, academia and transport sectors took part in the conference entitled "Relation

between the Baltic Region and the Central and Eastern European Countries", which dealt with the economic growth and trade development in CEE countries as well as with transport infrastructure and the state of the logistics sector. Over EUR 45 billion from EU funds will be engaged in the transport sector of the 10 EU CEE countries. Half of that sum goes to Poland and the Baltic states. Most of it will be invested in road projects but ports will also have a significant share. Paweł Szaciłło from PricewaterhouseCoopers presented key transport infrastructure projects in those four countries as well as the main threats and constrains.

The organizer of the conference invited some representatives from the Black Sea ports. It is an extremely interesting region with economic potential as well as having two new EU member countries (Romania and Bulgaria) and Turkey as an EU candidate.

The importance of the ports on the western coast of the Black Sea has been growing significantly since the congestion in the Bosphorus

and Dardanelles Straits. From the Romanian side, Cristiana Racautanu presented the role of Constanza port in the Black Sea region and its hinterland links. Constanza gained free port status in January 2007. Its total turnover in 2006 was 57,138,000 tonnes. During the last decade, Constanza Port efficiently served cargo flows going to or coming from Central and Eastern European countries including: Austria, Hungary, Germany, the Czech Republic, the Ukraine, Serbia and Croatia. Its development programme plans to increase the handling capacity of the container terminal up to 2,000,000 TEU per year over the next two years. That would double the number that was handled in 2006 in the Bosphorus and Dardanelle Straits.

In his rather unconventional presentation, Angel Zaubrtov, the Deputy Director General of Bulgarian Ports Infrastructure, referred to the situation of seaports in his country. Bulgaria has two big seaports – Bourgas and Varna. But river ports on the Danube also play an important role in the country's transport infrastructure. All ports are administrated from one headquarter in the capital, Sofia, situated some 300 kilometres from the sea coast. In 2005 Bulgarian seaports handled 25 million tonnes of cargo. Although some investments were made, especially in Bourgas, most of the infrastructure badly needs modernization.

Representatives of Trabzon port introduced it as a commercial gateway for the Caucasus, Middle East and Central Asia with almost a 2,000-year history. It lies on the historical Silk Road connecting two continents and three sea basins. The Port of Trabzon was under the possession of the state until November 2003; then through privatization, it was transferred to the private sector.

"That was the first, but certainly not the last, occasion for our members to become acquainted with the achievements and problems of the Black Sea ports," said Bogdan Oldakowski, BPO Secretary General. "There will be more and more contacts between our regions in the coming years."

# BPO is a perfect communication

*Interview with Julian Skelnik, the new Chairman of the Baltic Ports Organization, Vice-President of the Port of Gdańsk.*

Photo: ZMPG SA



Julian Skelnik was born in 1954 in Gdynia. He graduated from the Gdańsk University where he earned a Master's Degree in Economics at the Faculty of Economics of Maritime Transport. While he was working in the financial sector, he gained experience in maritime trade. In 1992, he founded the Gdańsk Pomeranian Development Agency. For years now, he has been involved in social activities and, in 2003, he was awarded the Golden Cross of Merit for cultural activities. He has been Vice President of the PGA SA Board of Directors and port Marketing Director since 2005. Since 2006, he has been a member of the BPO Management Board and the Gdańsk representative to the European Sea Ports Organization (ESPO). He is also the honorary consul of Denmark in Gdańsk.

■ **Is it important for south-east Baltic ports that the new Chairman of the Baltic Ports Organization comes from this region?**

A new chairman is a result of a certain situation rather than its cause. I think this choice stems from appreciating the significance of this region, in particular, the hinterland of these ports for the development of maritime transport on the Baltic Sea. The progress on this Sea within transport will be stimulated by the developing hinterland, namely Poland, Western Ukraine, Byelorussia, the Czech Republic and Slovakia. Moreover, the Black Sea factor has to be closely watched, with its dynamically developing ports in Odessa and Constanta.

■ **Does the growth dynamics in this part of the Baltic Sea, which is much higher, deepen the differences of interests between Baltic ports?**

To some extent Baltic ports have always competed and will compete. However, the organization I have the privilege to chair is a voluntary association of ports; they find it to be a platform for exchanging ideas and technical data and to articulate common problems towards external players, particularly the European Union. This is our priority. Of course at times when conflicts do occur BPO is not the right forum. Then the market decides.

■ **What will be the priorities during your term?**

Let me start by saying that the key aims I propose will have to be accepted by the Board and some of them by the General Assembly. In the near future I would like to increase the number of members. We have been contacting several ports, trying to make

them join. Our formula accepts the membership of companies and new members are joining us from this side. The second major issue is the cooperation with the Baltic Development Forum. In my opinion BDF, where the strategic thinking about the region originates, should be strongly interrelated with the port sector. It is of key importance for the regional economy. Ports and the port economy should aspire to voice their problems and needs in this forum in the course of formulating the strategy. At present we have the status of a BDF observer, however, I would like us to become its member.

■ **Talking about extending the membership base, do you think of the new dynamically developing Russian Ports in the Gulf of Finland?**

That is right. Russia is introducing new elements by the fact that so much is being built there. Therefore, there is a certain geographical shift in cargo transport in the Baltic Sea Region. I mean primarily crude oil, after the completion of the investment in Primorsk.

■ **What conditions have to be fulfilled by the ports that want to join BPO?**

They have to pay a membership fee, although it is not too high. In return we offer a good platform for the meeting of executives, exchanging ideas and shaping the policy towards Brussels and other players.

■ **However, Russia is not a EU member.**

And, therefore, Russian ports need BPO membership more than any other port. First of all they have less communication channels. For them this is a perfect place to monitor the strategic and tactical plans and elements of the European vision within port economy. Please note that BPO is a place for exchanging professional information. Russians have things to say to EU countries, but so do we. After all this organization was established in the early 1990s as a response to the aspirations of the south Baltic Sea countries that had recently regained their independence. The point was to help these EU candidates "learn about Brussels" within standards.

■ **Has this process been completed as regards the southern Baltic Sea ports?**

I am astonished to conclude that this goal has almost been achieved. The southern Baltic Sea ports have very quickly joined the group of the "old" Union. Technical and safety standards are practically identical. The only gap is within ecology. Nordic countries have set very high standards in this field. For other countries this is a question for the fu-

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ture and they will have to adapt. However, frankly speaking, we will soon be investing more than Scandinavia.

■ **If the situation is so good in this regard, what is left to be done?**

At present we are involved in information exchange concerning available public funds and formulating European instruments. We have started joint scientific research. The point is to structure databases statistically, in order to avoid mistakes. For the southern Baltic Sea ports such modelling of the technical, economic and organizational achievements of the Nordic states is a very good strategy.

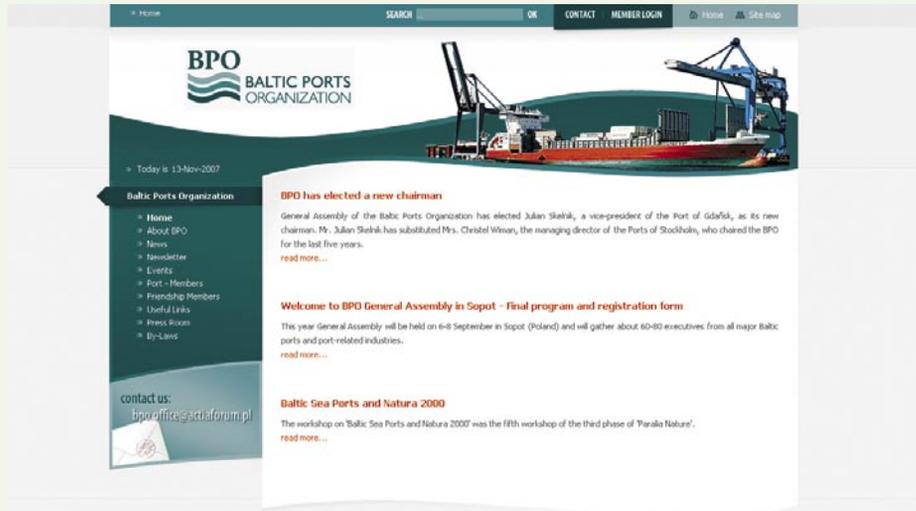
In Scandinavia there has been an interesting phenomenon, namely the merger of the ports in Malmö and Copenhagen under one administration. This is unprecedented on the Baltic Sea. Not only on the Baltic Sea but worldwide. This has been a brand new idea. During the very long preparation there were a number of analyses for and against this concept. Finally, they concluded that it was the right thing to do, as they were united with a strait. After all, cooperation between southern Scania and Denmark has been long rooted in history. And, at present these regions are joining forces in many fields, such as joint ventures within sciences and building campuses. Neither of the two countries has a large population, so this strategy makes sense for both of them.

■ **Do you think this could be the beginning of a new trend? The Port of Gdańsk, where you are Vice-President, is only 20 kilometres away from another large port in Gdynia. Both cities form one agglomeration. The question of a joint administration of the two ports keeps coming back like a boomerang.**

As seen from the sea, Gdańsk and Gdynia create one economic body. However, in my opinion the idea to connect both ports is abortive. As a result of a fusion, an artificial creation would be established that would need additional costs for its maintenance and the actual impact would be insignificant. The position of the CEOs in both ports is so strong that I cannot imagine a new factor controlling them effectively coming into existence. However, a certain form of cooperation has developed. We do not act against each other. The basic parameters and tariffs are the same. We try to compete for our customers with the quality of our services, and the results are different.

■ **Thank you**

Dariusz Szreter



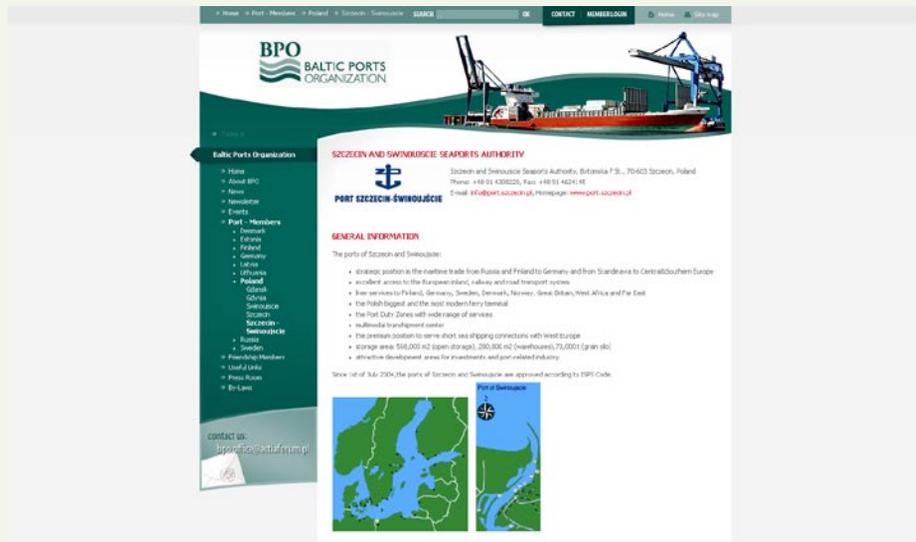
## BPO goes with the spirit of the times

A new look was launched in November for the Baltic Ports Organization's website. It projects a more up-to-date design and an improved navigational structure. The site is intended to be a showcase for the BPO's latest news and events. It also offers an interesting source of knowledge on port-members.

The website was created with all standards of "web usability", which guarantee users an easy way to find interesting information. The menu on the left-hand side of the site is easy to browse and, for example, contains such topics as news, newsletters, events and port-members. Other features include a search engine, placed in a very visible place on the top by the contact button under the menu section.

Significant emphasis was placed on the lucid structure of the website and on the attractive design. The web page has been designed and constructed in accordance with W3C technical standards so that it is compatible with any web browser.

A new version of the site was made in keeping with the Baltic Ports Organization's brand identification. Commenting on the new website developed by SmartMedia, Olgiert Mrozik, IT Consulting Director of the company said: "Our idea was to use typical shapes referring to the sea and waves, and connecting them with photography in the subject of sea ports as a main BPO activity." The website is available at [www.bpoports.com](http://www.bpoports.com).



## What's new in the ports?

**Ports of Stockholm** are handling more containers today than at any other time in their history. Imports and exports between January and July have risen by 25 percent compared with 2006. In absolute figures, the number of containers handled was 26,768 TEU, the standard measurement for container capacity. Ports of Stockholm are the largest ports group in the Baltic area, with ports in Kapellskär, Stockholm and Nynäshamn. A new container and RoRo terminal is planned at Nynäshamn on Norvikudden. The group has around 250 employees and a turnover of SEK 658 million in 2006.

The new Cruise **Terminal Ostseekai**, located in the city centre of Kiel was opened on October 7th. It is one of the most modern terminals in Northern Europe. It offers generous facilities for some 3,000 passengers. The German Port of Kiel is already attracting more than 100 cruise calls with 150,000 passengers per season. The ports of Lübeck expect to handle

between 32m and 33m tonnes of cargo in 2007. This would be a new record compared to over 30m tonnes in 2006. In the first seven months of 2007, the ports saw a cargo volume increase of 7%.

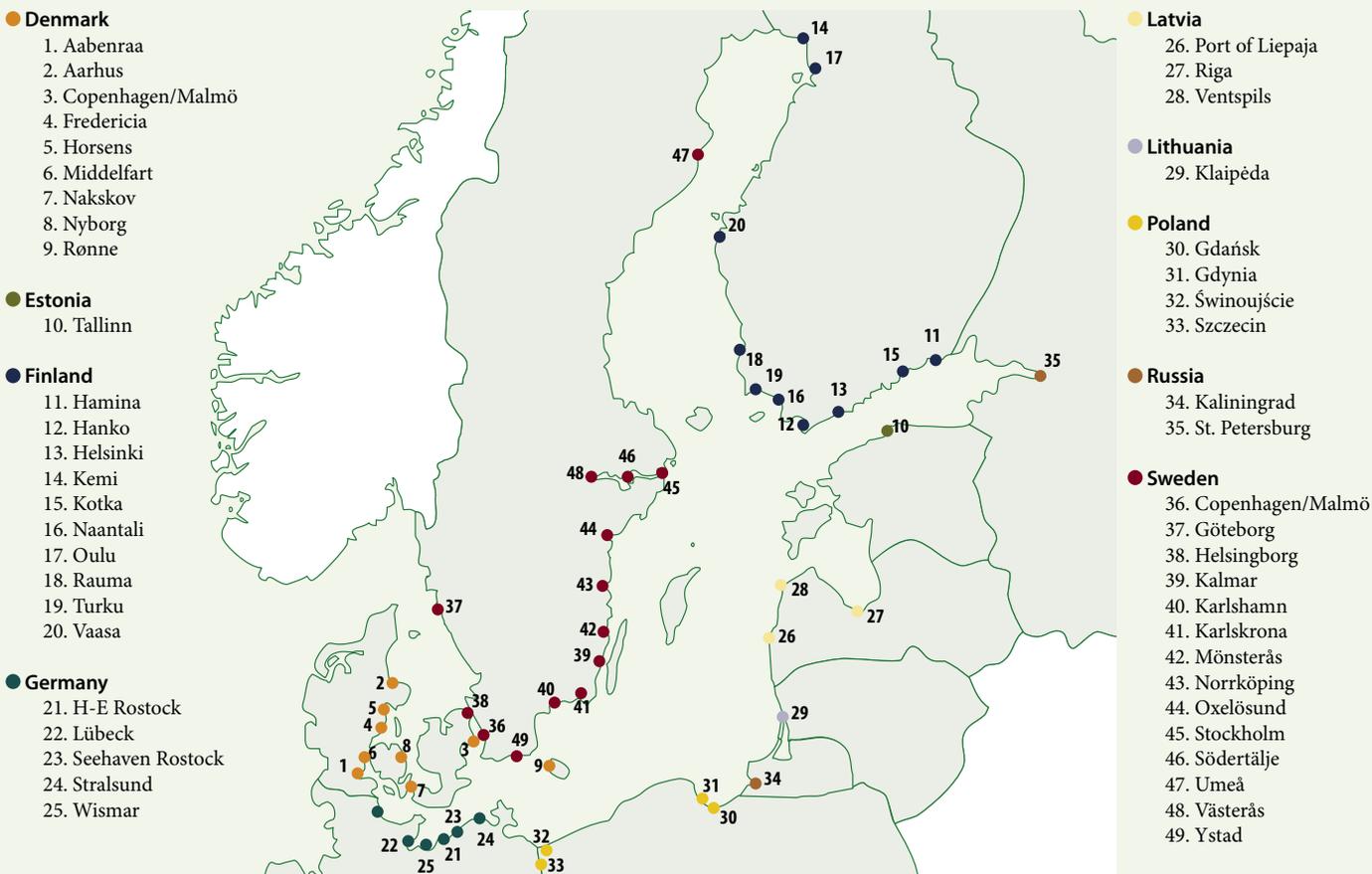
The amount of units transported by rail to and from the **Port of Göteborg** in September increased by 17 percent compared to September last year. The increase is a result of new shuttles as well as more frequent departures on existing shuttles. Cargo volume transported by rail to and from the Port of Göteborg is now 35 percent. There are 22 shuttles that connect the port with local terminals throughout Sweden and Norway.

At the end of October, the latest vessel newly acquired by the shipping carrier Wallenius Wilhelmsen Logistics arrived at the **Port of Gdańsk** on its maiden voyage from Japan to Europe. Mv. "Fidelio" is a car carrier of the newest generation, operating regular services to the Port of Gdańsk. It is the second vessel in a series of five-car carriers

with a capacity of 8,000 units, built to the orders of Wallenius Wilhelmsen Logistics at the Korean Daewoo Shipyard and Marine Engineering. Mv. "Fidelio" has been equipped with state-of-the-art environmental protection technologies in terms of safety matters, radiolocation equipment and a wide range of devices reducing the negative environmental impacts of the vessel.

During the last summer season, the **Port of Helsinki** hosted over 260,000 passengers, representing a total of 142 countries. With 237 calls Helsinki was one of the busiest cruise destinations in the Baltic Sea region. The largest ship which called at Helsinki had more than 3,000 passengers aboard. North-America accounted for the largest number of passengers, though the number of Europeans increased considerably.

**Copenhagen** scored a record high turnover in cruise liners this year with 291 cruise liner calls and half a million passengers. It is 12 calls more than last year and seven more than the previous record of calls in 2005.



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