

Small and medium-sized Baltic ports

Kemi's new master plan

Although located in a remote European area, Kemi has exceptional logistics connections and bright visions along with growth perspectives within the mining and energy industries. 2012 was a historic year for the port, as it began operating as a limited company.



Photo: Port of Kemi



Photo: Wikimedia Commons

Situated along a range of favourable logistics routes, the Port of Kemi in the Bothnian Bay serves as a gateway to the northern areas of Finland, Sweden, Norway, and the Murmansk area in Russia. An efficient fleet of state-owned icebreakers ensure year-round, safe navigation for ships travelling between the Barents Region and the rest of the world. Being open to all cargo owners and types, Kemi acts as an excellent import and export harbour for various industries within the region. Raw materials to industrial plants in northern Finland and Scandinavia are supplied via the port along with a number of project cargos, machines and equipment destined for North-West Russia (NWR). Glamorous cruise liners dock there every summer, bringing hundreds of tourists to experience the midnight sun and enjoy the beautiful scenery. Moreover, according to a survey performed by the port and Kemi Shipping Oy, its core strengths lie in the personalized service, openness, fast response to changing customer demands and accessibility.

The port consists of the Ajos Harbour, located approx. 10 km south of the City of Kemi, which includes a separate oil harbour, and the Veitsiluoto Harbour, serving as an import station for raw materials on the route to the Veitsiluoto plant, operated by Stora Enso.

Last year's affairs

Kemi is the second municipal port in Finland, after the Port of HaminaKotka Ltd., to start functioning as a limited company. Last year it handled a total of 1.95 mln tonnes, which constituted an annual decrease of 7.2%. The largest reduction was seen in paper exports, while wood pulp achieved record volumes in a five-year period. According to the port's Managing Director, Reijo Viitala, the coming years are not envisaged to bring growth in the wood industry, as the advancements within electronic communications is followed by a downward demand for paper across Europe.

However, the past year was a busy one for Kemi. The port is keen to diversify its core markets and target new sectors. In preparation for the export of mining materials from northern Finland, NWR and Sweden, Kemi has finalized improvements to its railway connections. This investment can also bring along an increase in traffic from the Northern Sea Route.

At the end of 2012 Baltic Bulk began operations at the port's Ajos Harbour. The first deliveries from Kevitsa Mine in Sodankylä were unloaded into a new 3,000 m² interim storage warehouse. The copper concentrate shipments are expected to reach 50,000 tn per year.

Crane services at Ajos Harbour were taken over by Havator. The company went through a real baptism of fire, handling the delivery of components for 19 windmills, which were later delivered to the wind farm sites as installation progressed. The entire project at the port took 4 months and provided employment to the harbour operator, transport companies and crane specialists.

Last year the port also concluded a joint cooperation agreement with Arctia Shipping, stating that Kemi would purchase ice breaking and towing services from the newly formed Arctia Karhu, after completion of the escort tug with icebreaking capability. In

December 2012, the company arranged for the ship to be supplied in autumn 2014.

Challenges to be faced

Along with the already visible development in Kemi, there are wider plans to increase the port's volume growth and generate more traffic. The new master plan and the new port service offer the potential to increase it even to 20 mln tn annually. In order to do so, the port is continuously improving its infrastructure – the expansion of Ajos comprised of two new 178 m quays with stern ports. The port is proud of its new 13.5 ha area for storage, operations and container handling as well as a new 35,000 m² covered storage facility, located in the immediate vicinity of the quays.

However, as a result of the survey mentioned earlier, there are still things to improve at the port. This concerns the operational flexibility as well as more adjustments to the schedule of traffic. Moreover, increased focus is needed for appropriate tools and warehouses, including both renovation and maintenance as well as creating new ones. According to the port, there is a need to raise the ability to react toward customer inquiries quicker, more actively find new business as well as traffic which supports existing businesses. The port also wishes to take care of its visibility while keeping costs under control, all in order to increase its competitiveness. ■

Lena Lorenc



Photo: Port of Kemi



Photo: Port of Kemi

New challenges and a new strategy for Baltic ports

The BPO met in Lithuania at its annual meeting to discuss EU port policy, market changes and the consequences of the new environmental regulations. The conference took place in Klaipėda on September 5-6 in Hotel Aurora.



The key focus of the meeting was placed on the European Commission's draft regulation on ports, specifically two main sections: market access to ports and financial transparency in the use of public funding. According to the Commission, among the benefits will be at least EUR 10 bln in savings and increased port investments, a reduction in hinterland congestion and vast job creation. As Dimitrios Theologitis, Director General for Mobility and Transport, informed, "it is a part of structure reforms that the EU needs to confront the ongoing economic crisis." He added that the first step should be integration of ports in the TEN-T corridors. The representatives of the Baltic ports presented their view on the

proposed port policy, being in general in favour, although slightly afraid of overregulation of the port market and excessive control of authorities regarding port pricing. Global trends, market conditions and the situation in the Baltic economies were presented by Gitanas Nausėda from SEB Lithuania. His prediction for the eurozone in 2013 is not very optimistic, as it remains the weakest part of the global economy; but, luckily, next year is supposed to bring an improvement in real GDP. In the European Union the fastest growth is still being noticed in the Baltic Sea region. A port market outlook was presented by industry experts and operators. According to a presentation given by Steve Wray of Ocean Shipping Consultants, the container market is expected to witness strong and sustained growth within the Baltic region until 2025. An increased number of direct calls, expansion and

accelerating tendency to switch to larger vessels are the major trends characterizing the development of the global fleet. The outlook for the BSR's ro-ro sector, however, isn't as positive. The network's density is most likely going to continue to decrease and all the effects of the new SECA regulations still remain unknown.

The conference was held jointly with the XVI General Assembly of the Baltic Ports Organization. BPO members accepted its new strategy for the years 2014-16. The two days were attended by almost 150 people, among them representatives of the Baltic ports, the EU Commission, governments and the shipping sector. ■



New European infrastructure policy

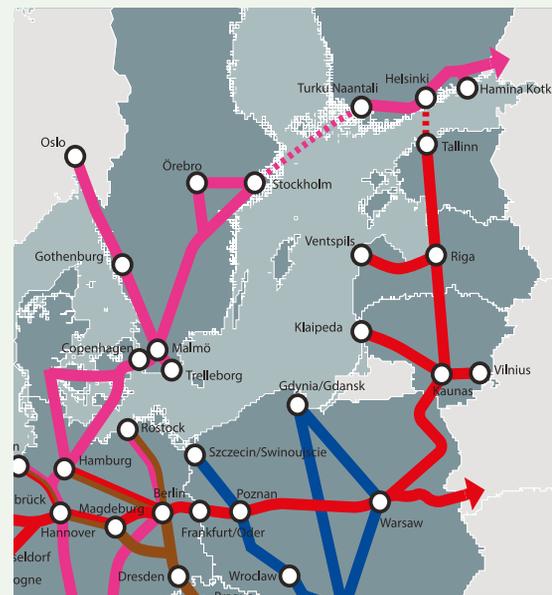
Realization of the Trans-European Networks Policy is aimed at upgrading infrastructure and streamline cross border transport operations within the EU. The newly presented core network will form the backbone for transportation in Europe's single market.

The new EU infrastructure policy re-focuses transport financing on a tightly defined new core network and triples the funding to EUR 26 bln for the period 2014-20. Its implementation will be pushed ahead by the setting up of nine major transport corridors that will bring together Member States and different stakeholders. Each out of the nine corridors (two North-South, three East-West; and four diagonal corridors) includes at least three transport modes, three Member States and two cross-border sections.

In the new European Commission strategy for a European TEN-T core network, seaports constitute a strategic access point for multimodal networks. There are four corridors, which include Baltic ports as their core nodal points

– Baltic Adriatic Corridor (Gdynia, Gdańsk, Szczecin/Świnoujście), North Sea-Baltic Corridor (Helsinki, Tallinn, Riga, Ventspils, Klaipėda), Orient/East-Med Corridor (Rostock) and Scandinavian-Mediterranean Corridor (Hamina/Kotka, Helsinki, Turku/Naantali, Stockholm, Malmö, Gothenburg, Trelleborg, Copenhagen, Rostock).

Moreover, EU transport ministers and the Eastern Partnership's countries have adopted a declaration concerning the set up of joint TEN-T infrastructure, including the Commission's recommendation to expand the TEN-T transport network across states involved in the Eastern Partnership (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine). The Eastern Partnership is an EU initiative initiated



by Poland and Sweden, aimed at providing a venue for discussions of trade, economic strategy, travel agreements, and other issues between the EU and its eastern neighbours. ■