

The Baltic delivers results

by Przemysław Myszka



This year's annual meeting of the Baltic Ports Organization was held in the Port of Trelleborg. The venue was chosen not by accident, as the Swedish seaport was meant to best reflect the conference's main theme: going future-green by being tech-savvy. While numerous topics were discussed in great detail, one theme came through virtually in all presentations, namely the question of what to do in order to become future-proof amidst the fast changing landscape of economics, politics, technological advancements, and the way these domains sometimes unexpectedly interact with each other.

Times have indeed changed, observed Bo Petersson, Professor of Political Science and International Migration and Ethnic Relations at Malmö University, in his keynote speech. The idea of "Europe" is being heavily contested these days, with multiple challenges threatening to unpick the continent which went to great lengths after WW2 to make old adversaries into partners focused on jointly securing the wellbeing of many instead of only a few. New fronts of confrontation are now open following more or less recent events in Russia, Turkey, over the Atlantic, as well as within the European Union itself, Brexit being the most vivid one, along with counter-democracy movements in Hungary and Poland, as well as the protracted migrant crisis which itself points to other burning global issues. Today, Europe cannot be too self-contented, nor should it abandon its underlying values and virtues in the face of these threats. In this regard, Professor Petersson advised we pay attention to the canaries which signal problems in advance. Europe will have to be more vigilant in order not to play the second fiddle in the future.

One set of rules

The maritime industry in general, and ports in particular, must be on the alert, underlined Brian Simpson, the European Coordinator for Motorways of the Sea programme. In his opinion, the voice of the sector isn't heard loudly enough in the EU. Seaports in co-op with shipping must push their views up the TEN-T agenda, as well as within the Member States. It's disheartening, Simpson noticed, that so little of the Cohesion Funds goes to the maritime industry. Some countries are doing this on purpose to shift money for other investments, particularly rail. Moreover, Europe-wide collaboration is needed. The Baltic region is renowned for its devotion to developing the blue economy and tackling related issues, like pollution, and Southern Europe should in this regard talk more to the North in order to make its own business cases based on the North's trial-and-error experiences, as well as hit the common goal of e.g. reducing harmful emissions.

Konstantinos Rigas, representing the European Commission's Unit Ports

& Inland Navigation, agreed and highlighted the set-up of the European Ports Forum, of which BPO is a member, to break through the message to decision makers in Brussels that ports are key assets of the European economy and vital instruments in the Union's eco-strives. In her speech, Isabelle Ryckbost, Secretary General of the European Sea Ports Organisation, echoed the views of Simpson and Rigas. The maritime business is up for a big fight with other transport modes for money from the second edition of the Connecting Europe Facility (CEF). Ryckbost went even farther than Simpson on sea shipping, stressing that there needs to be a global solution on the level of the International Maritime Organization (IMO) regarding decarbonising the industry. Anything less is burdened with the risk of ending up with tools that are nowhere near being useful for addressing the climate change. Supplementing this thought, Patrick Verhoeven, the newly appointed Managing Director Policy and Strategy of the International Association of Ports and Harbors (IAPH), presented the Association's latest initiative – the World Ports Sustainability Program.

Bogdan Ołdakowski, BPO's Secretary General, brought up the Sulphur Emission Control Area as one of the most challenging issues the Northern Europe had to face not long ago. While the region tackled this issue more or less successfully in the end, new challenges are on the way, including the Nitrogen Emission Control Area or new rules on handling sewage from passenger ships. It is true that a robust clean-tech sector for maritime applications benefited from all of this, but transporting goods with the use of ships has also become more costly because of the new legislation. The BPO, therefore, has always been on the standpoint that Europe needs a non-discriminatory level playing field. "One Europe, one set of rules," Ołdakowski emphasised.

Buck the trend

Day 1 session II was opened by Professor Maciej Matczak from the Gdynia Maritime University. In his presentation, he put forward a synthetic round-up of the trends currently influencing the port and shipping markets, including decreasing world trade value; the more and more widespread implementation of

robotics and automation, powered by digitisation; the liner container shipping sector going deeper into merger & acquisitions and alliance forming in the hope of balancing demand & supply; as well as re-industrialisation. There's also the "political factor", Professor Matczak added, setting the hearth on transport and logistics, as reflected in the slogan "Made in America supply chain".

The following panel discussion took up the baton on these remarks. Hannes Conzen, Managing Director at TT-Line, agreed that re-industrialisation has a potential to add volumes to European cargo flows, but he also pointed to the tug-of-war Europe has with Russia and that this conflict has put on freeze a lot of shipments. Nevertheless, the main message delivered by Conzen was the need for the entire industry – ports, shipping lines, stevedores, and trucking companies – to understand that moving lorries and trailers is their common business. In the light of this, he continued, the involved parties should be smart about their investments by putting money into things which will be actually used and which will make freight flows as easy as possible. Policymakers, on their side, should focus more on supporting shifting these cargo streams from roads onto seaways, Conzen summed up. Michał Wykowski, Regional Director Baltic and Eastern Europe, Unifeeder, drew attention to the container market and the dominant trends here: consolidation, the introduction of mega ships, volatile freight markets, and digitisation. Bigger vessels and digitising transport and logistics are topping today's agenda also according to Valdo Kalm, the Port of Tallinn's CEO. Tougher competition, Kalm went on explaining, requires more flexibility and increased speed of operations. This can be achieved thanks to digitisation and automation; however, greater efficiency should not undercut sustainability and the care for the environment, since ports function as part of a greater society, Kalm stressed out. Kimmo Mäki, the Port of Helsinki's CEO, said that port investments have changed over the years. Nowadays, it's much more about executing specific, quite narrow projects. For instance, building a ferry terminal that is suited for a particular short-distance and high turnaround traffic in the hearth of a city. Also, Mäki added to Conzen's notions, partnerships through multi-party cross-border projects are instrumental if we seriously want to develop one's port, its services to other harbours, and the wider transport network that smoothly connects distant parts both within Europe, as well as

between the continent and its closest and more faraway trading partners.

Session III kicked off with Dr. Indra Vonck, Senior Port Expert at Deloitte Port services, presenting a vision of a future port. According to Vonck, three mega trends will shape how seaports will be transformed soon – increased complexity, pressure on revenues and costs, and energy transition. Technology will be critical in coping with these challenges. We will see the boldest ports blending 100% of their hardware with the software. This move will have, however, profound consequences for employment. Estimations speak of a 25% toll new technologies, especially automation, will take on the number of ports' workers. Then again, new posts will emerge, requiring new sets of skills. Future ports also won't act in isolation; data-led innovations will force them to co-op with each other in order to satisfy the society's greater than before demand for sustainability. Seaports will have to embrace the change toward alternative fuels, and in the long run figure out their role to play in an economy driven by renewables. Nevertheless, Dr. Vonck underlined, the maritime industry is sometimes too slow when it comes to grappling with tech-challenges. Cybersecurity, for instance, is one area where the sector is left far, far behind other businesses.

In the next speech, Henrik Roreger, the Port of Hamburg Authority, agreed with many of Dr. Vonck's remarks, adding that digitisation of ports also requires creating a digital culture in the workplace. It's not that technology will magically sort out all issues on its own. Port authorities must invest in training and encourage a mind shift, e.g. when it comes to data sharing. Ports must be adaptive – this was the key takeaway from the presentation made by Emeritus Professor Han Ligteringen, representing the Ports and Waterways department of the Delft University of Technology. He talked about adaptive port planning, where assumptions underlying a given investment are regularly monitored in order to swiftly react if needed. By way of example, Professor Ligteringen showcased a few innovative solutions of flexible infrastructure, like converting sea areas into port lands with the use of prefabricated blocks consisting of containers and concrete.

The conference part of Day 1 was most probably best summarised by Henrik Widerståhl, Deputy Managing Director, the Ports of Stockholm. While presenting three projects that have already or will in the near future next-gen-transform the seaports in Stockholm, Nynäshamn, and Kappelskär, he said without blenching, "Do or die."



After such a punchy ending, the event's participants had an opportunity to relax during one of BPO's famous networking dinners. The feast took place in the Viking stronghold Trelleborg, where real Vikings provided entertainment, including arm wrestling with the conference participants, swashbuckling, and epic songs and tales of big and small harbours. Tommy Halén, the long serving CEO of the Port of Trelleborg, received an ovation and a special gift in gratitude for his accomplishments and friendship toward the maritime industry. Having retired, Tommy will

because creativity is in the people, and particularly in those with burning ideas that inspire and motivate others to help with bringing them to life. However, it's not only about catching other people on fire – consistency over time is equally essential.

Afterwards, Session IV was inaugurated. Markku Mylly, Director of the European Maritime Safety Agency, talked in detail about the challenges the Agency is currently dealing with. He focused on drills concerning place of refugees; the availability of alternative fuels in general, and LNG bunkering, which will soon become

toward reducing emissions of greenhouse gas (GHG), and only after that at dealing with SO_x and NO_x pollution. As a result, the Baltic Sea region is now mostly concerned with the Nitrogen Emission Control Area, and then with GHG and ballast water. These approaches may contradict each other. For instance, lowering the levels of shipping-related SO_x emissions in North Europe led to ships' higher CO₂ emissions. There are also "political showcases", as Woodall called them, most notably LNG (still a fossil fuel) and cold ironing (which in certain cases may do more harm than actually benefit the



nevertheless stay in the port market, offering his know-how as a consultant.

Going through the changes

Addressing future adversities will require creativity, and Day 2 of the Baltic Ports Conference 2017 set off with a keynote speech on this topic, delivered by Mia Rolf, CEO, Ideon Science Park. First, the challenge needs to be defined by answering the questions of why? how? and what? Next, creativity – defined by some as intelligence having fun or connecting things anew – can be invigorated in several ways. Promoting a diverse workplace and creating a so-called customer journey map are some of the best ways of sparking it. Leadership is key, too,

a global issue, in particular; as well as on the European Maritime Single Window (EMSW). While the EMSW has been introduced by EU Member States, Mylly acknowledged, the country versions aren't interoperable Europe-wide, whereas some do not even talk to other systems within one state. A clear overhaul of the implementation and integration processes is thus needed.

In his purposely provocative presentation, Poul Woodall, Director, Environment & Sustainability, DFDS, took a long, hard look at various factors shaping the shipping industry. First of all, Woodall observed, regional and global regulations aren't harmonised with each other. In his view, world priorities are primarily targeted

environment and peoples' health). Agreeing on a global agenda is vital if we're to make shipping emission-free. Woodall is sceptical about reaching a fast deal on everything, but at least some progress needs to be made. Nevertheless, there is a lot pushing and shoving these days – Russia vs. the rest of the world, Baltic vs. the world, ship-owners vs. ports, the EU vs. IMO.

Having mentioned global warming, or more broadly climate change, some ports are already negatively impacted by adverse weather events, Petra Sörman, Environmental and Sustainability Strategist, WSP, said. In addition to the most visible bearing nature has on ports – such as rising sea levels damaging facilities and goods,

heatwaves leading to railway buckling, and high speed wind making navigating more difficult and less safe – climate change also affects other aspects of the port business. For example, insurers are starting to categorise floods as usual events, hence making it harder and/or more expensive to get compensation for them. In the end, extreme weather phenomena can ruin a port's reputation; after all, who would like to take the risk of entrusting one's goods in the likelihood of them being either flooded or blown away? In this sense, Sörman said, adaptation, through the means of stronger cranes,

loading rail tankers. Afterwards, leaders on various Baltic projects had the opportunity to brief the audience on their initiatives. Carsten Beyer presented the Baltic Blue Growth, a project on the blue bio-economy encompassing technology, shipping, and tourism and maritime experiences. Andrius Sutnikas from GoLNG talked about the need for supplementing the Baltic LNG boom with additional products and services, as well as competencies. Professor Lauri Ojala put forward the HAZARD project aimed at mitigating emergencies in ports through increasing safety and preparedness.

Bring the Baltic results

The conference ended with a panel discussion on exporting Baltic environmental standards. Ditte Folke Henriksen, Head of Section, Danish Maritime Authority, highlighted that the region is perceived in other parts of Europe as a role model not only in developing clean-tech, but also when it comes to cross-border and cross-sector cooperation, the former also involving non-EU partners. Asked whether it pays off to be green, Gert Nørgaard, Manager Strategy & Planning, Copenhagen Malmö Port, replied that while there are indeed



Photos: BPO/Joachim Wall

elevating the port's lands, investing in on-site renewables for energy supply in case the wider network blacks out, etc., simply means cutting costs as well as looking after your good name which has a value attached to it in the business world.

Next, a number of projects were presented, starting with GAZ-SYSTEM's plans to further develop the region's biggest LNG terminal located in Świnoujście. This facility will be upgraded with the addition of a third storage tank; a second bidirectional jetty where ships also could bunker; a combined heat and power unit; and a station for

Ulf Siwe, in turn, brought closer the STM Validation project, which is about turning today's point-to-point maritime information sharing into an efficient network that synchronises shipping and unlocks new business and eco-friendly potentials like green steaming or just in time arrivals of ships. The round-up was finalised by Wiktor Szydarowski and his update on the works of the TEN-Tacle Project aimed at assessing the level of understanding of the impact the implementation of the TEN-T scheme will have on trade, business, governance, and other infrastructure-related investments.

costs associated with being a frontrunner, we also need to look at the bigger picture. Port operations, Nørgaard went on, have an impact on the environment and public health. For these reasons, these aspects need to be taken into consideration before deciding on an investment. Summing up the debate, Ulf Siwe contended that the Baltic is green because it simply delivers the results.

The Baltic Ports Conference 2018 is going to take place in Szczecin. See you all next year in the hometown of the duchies and dukes of Pomerania! ■