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Focus
Liquefied Natural Gas

Report

Baltic transport 2016 highlights

Chart of the issue

Baltic ice and its breakers

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3

Regular columns

- 3 Editorial
- 6 BTJ Calendar of events
- 8 Market SMS Extended
- 10 What's new?
- 12 BTJ Maps News
- 14 Chart of the issue: Baltic ice and its breakers
- **16** On the roads: Baltic pride by Przemysław Myszka
- 70 Events:
 Transport Week 2017:
 Going beyond the minimum
 by Ewelina Kroll
- **74** Events: American Club's 100th anniversary by Przemysław Myszka
- 76 Heritage corner:A second lifethe story of Rozewie IIby Apoloniusz Łysejko
- 77 Transport miscellany
- 78 Who's who

18 Economy

18 Ideas-turned-businessThe state of entrepreneurship in the Baltic by Aleksandra Plis

50

Newsletters

Baltic Ports Organization

- **50** The Comprehensive Ports Group by Ewelina Kroll
- **50** The BPO's debate in the European Parliament by Ewelina Kroll
- **51** On balance Interview with Bogdan Ołdakowski, the BPO's Secretary General by Przemysław Myszka

22

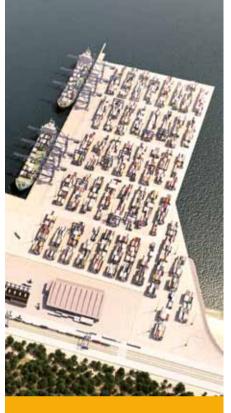
Maritime

- **22** Chop and change Top 25 container carriers by Dirk Visser
- 26 Towards a new paradigmBaltic lessons on maritime corporate social responsibility by Daria Gritsenko
- **30** Getting ready for the switch

 The global 0.5% sulphur cap

 by Bartosz Dąbrowski
- **32** Stronger together Interview with Markus Rönnblom, Kvarken Ports' Marketing and Sales Manager by Przemysław Myszka
- **33** Part of the future Interview with Tony Ehrs, Cargo Manager at Wasaline *by Przemysław Myszka*
- **34** Destination-oriented and globally marginal Commercial cargo shipping along the Northern Sea Route *by Tuomas Kiiski*
- **38** Going forward with ambitious plans Interview with Arvydas Vaitkus, Klaipėda port, CEO by Mantas Mišeikis







Legal

40 The cost of negligence

- Transport operators' liability in

by Kevin King and Alexander Petrenko

Technology

62 The eco-friendliest dry bulkers in the Baltic? - VG EcoCoasters

by Beppe Rosin

- **64** Using data to identify opportunities – Interview with Andy Barrons, Navis' Chief Marketing Officer & SVP, and Robert Inchausti, XVELA's CTO by Maciej Kniter
- **66** Towards a fully networked future – Supply chain digitalisation by Steffen Klinge

Report

Logistics

43 Baltic Transport 2016 highlights by Przemysław Myszka



68 A bad egg

- Food supply chain safety and security by Ewelina Kroll

Focus

LNG

53 To LNG or not to LNG

- Supply-demand outlook for Liquefied Natural Gas by Katarzyna Chmielewska
- **56** The better option
 - LNG-supplying first green shipping movers by Mahinde Abeynaike
- 58 Future-fit fuel
 - Could 2020 facilitate a marine bunker tipping point for LNG? by Steve Esau
- 60 Pros and cons
 - Issues behind the Russian LNG industry's development by Inessa Shahnazarova and Ekaterina Vankova

BTJ 1/2017 (Feb.-Mar.)

Report: Baltic transport highlights 2016 | Focus: LNG



Port Finance International, 10-12 April 2017, NL/Amsterdam, www.portfinanceinternational.com

The conference will put a spotlight on changing landscapes of port investments in Europe and in the global industry, like e.g. shipping sector consolidation, mega vessels deployment, and re-adjusting strategies by port and terminal stakeholders.



Breakbulk Russia, 18-20 April 2017, RU/Moscow, www.breakbulk.com/events/breakbulk-russia-2017

This exhibition is dedicated to oversized cargo and logistics, particularly to heavy-lift, as well as outsize, ro-ro, palletized, project, and packaged cargo.



TransRussia. 18-20 April 2017. RU/Moscow, www.transrussia.ru

The event, said to be the largest Russian business event of transport, logistics, and related technologies, gathers participants from more than 50 countries to exhibit and discuss changes in the railway, maritime, and road transport sector.



Breakbulk Europe 2017, 24-26 April 2017, BE/Antwerp, www.breakbulk.com/events/breakbulk-europe/breakbulk-europe-2017 This quest include the appropriate appropriate and misra seminary will be devoted to appropriate appropriate and misra seminary will be devoted to appropriate appropriate appropriate and misra seminary will be devoted to appropriate app

This event, incl. exhibition, workshops, conference sessions, and micro-seminars, will be devoted to energy, infrastructure, engineering, as well as ports, terminals. IT, and new technologies matters in the break-bulk and project cargo sectors.



transport logistic, 9-12 May 2017, DE/Munich, www.transportlogistic.de

This trade fair has established itself as a 100% transport & logistics showcase, presenting in one place the entire value chain as well as major international market players. Transport logistic combines innovative products, technologies, and systems with pooled expertise and a strong sales focus.



The Posidonia Sea Tourism Forum, 23-24 May 2017, GR/Athens, www.posidoniaseatourism.com

The 4th edition of the Forum includes cruise sessions focused on industry development and growth strategies in the East Mediterranean, yachting sessions evaluating on i.e. the sector in Greece, as well as an exhibition space for, among others, ports, hotels, and yacht brokers.

BTJ 2/2017 (Apr.-May)

Report: Baltic port market | **Focus:** Cruise industry in the Baltic



Maritime Day, 1 June 2017, FI/Mariehamn, www.sjofart.ax

This event's programme includes such topics as digitalization in shipping, namely how to make decisions based on smart data analytics, as well as minimizing the losses, for example, crew training or marine accident investigations.



ESPO 2017 Annual Conference, 1-2 June 2017, ES/Barcelona, www.espo-conference.com

The conference is a chance to hear a broad overview of last year's most discussed topics: Global policy on ports and shipping decarbonisation, climate change consequences for ports, limiting the increase in global temperature, and the role of the port authority in changing a port's business model



UniMerchants Grain Academy, 1-2 June 2017, PL/Gdynia, http://akademia.unimerchants.com/en

This two-day event covers a wide range of sector topics, including crop perspectives and the main supply/demand trends in the EU for the upcoming harvest, the use of paper markets in global commodities, minimizing risk in soft commodities trade, and such mechanisms of price building.



SIL 2017, 6-8 June 2017, ES/Barcelona, www.silbcn.com/en

One of the biggest three-day annual trade fairs in the south of Europe and the Mediterranean will bridge Europe and Latin America, gathering in one place key actors from across transport & logistics, as well as mobility, supply chain management, new technologies, and intralogistics.



European Environmental Ports Conference 2017, 7-8 June 2017, BE/Antwerp,

www.wplgroup.com/aci/event/environmental-ports-conference

This two-day event will feature informative presentations on the latest challenges, solutions and developments in reducing emissions, pollution and energy consumption, as well as engaging discussion around the exciting potential of co-operation and symbiosis for a greener future.



Oil Terminal Management, 7-9 June 2017, The Netherlands, www.oilterminalmanagement.com

This event provides the opportunity for on-site visits to the most innovative terminals in the Netherlands and Belgium, as well as many hours of business networking, round table discussions, investor meetings, and workshops on successful oil terminal business management.



CWC LNG Fuels Summit, 13-15 June 2017, NL/Amsterdam, www.lngfuelssummit.com

The Summit provides a meeting platform for the industry's entire value chain – from marine and road transportation, to industrial players driving collaboration between end-users and the LNG supply chain.



TOC Europe, 27-29 June 2017, NL/Amsterdam, www.tocevents-europe.com

The event comprises four parts: the Container Supply Chain Conference, focused on opportunities for future container trade, Bulk Logistics & Technology, showcasing logistics innovations and green bulk transportation, the TECH TOC Conference, presenting the maintenance and repairing of port equipment, as well as clean technologies and decarbonisation processes, and finally the Port Technology Exhibition showcasing the latest innovations.



BTJ 3-4/2017 (June-September) **Report:** Baltic ro-ro & ferry market, Baltic container market | **Focus:** European rail & road developments



5th Railway Forum Berlin 2017, 30-31 August 2017, DE/Berlin, www.railwayforumberlin.com

The Railway Forum Berlin is an established supply chain conference of Deutsche Bahn AG and the European Railway Industry. The patrons are Uwe Günther, CPO, Deutsche Bahn AG and Kay Euler, CTO & CQO, Deutsche Bahn AG. More than 700 managers meet regularly at the conference to discuss future trends, challenges and strategic directions – inspired by the encompassing Innovation Exhibition.



Baltic Ports Conference 2017, 7-8 September 2017, SE/Trelleborg, www.bpoports.com

Baltic Ports Organization invites all executives interested in improving the competitiveness of maritime transport in the Baltic Sea region, increasing the efficiency of ports & terminals, developing infrastructure and value-added services, as well as extending ashore and hinterland connections to its annual conference, this year held in the Swedish city of Trelleborg.



TRAKO, 26-29 September 2017, PL/Gdańsk, www.trakotargi.amberexpo.pl

The 12th edition of the international railway trade fair TRAKO will be the industry's largest meeting in Poland and one of the biggest in Central and Eastern Europe. At TRAKO 2017 the leading rail businesses will present their latest developments – from brand-new rolling stocks and equipment, via software and rail traffic management systems, to new transport & logistics solutions.



TransPoland Translogistica, 8-10 November 2017, PL/Warsaw, www.trans-poland.pl

This event will be dedicated to production, distribution and trade, other transport & logistics issues, like e.g. the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR), as well as safety in logistics and warehousing.



have to admit that I was in quite high spirits when writing about Baltic transport's 2016 highlights for this issue, in contrast to 2015, by all means dominated by sharp falls in container traffic (as well as by a rapid re-orientation of Russian liquids and coal transit back from Estonian and Latvian seaports), resulting from the economic war imposed on Russia for its aggression abroad. But while the Kremlin's Great Divider continues to spin the threads of fate worldwide, so do other Baltic Sea nations, yet across different fields of life, and most importantly, our region can serve here as a positive example for others.

It seems that development was first and foremost the chief theme of 2016's Baltic transport and logistics, followed in many cases by recovery or even new all-time highs, e.g. Gdańsk and Klaipėda's total turnover, and DCT Gdańsk's also in TEU volumes; Helsinki on its part cracked a new passenger traffic record, without doubt being one of the top global players now. The Baltic Liquefied Natural Gas (LNG) market is also maturing fairly quickly. As of today, we have two large-scale terminals, a few smaller ones, and a handful of other facilities at different stages of progress. The number of LNG-powered vessels is growing, too, Tallink's cruise ferry Megastar or UECC's car carriers being the latest additions to Baltic shipping's efforts to cut down on its negative environmental footprint. In addition, new LNG

bunkering vessels are to hit the high tide this year as well, sea-complementing the terminal-ship bunker supply chain.

Finally, after many years of bears sleeping, the industry is awakening. What's particularly encouraging, is the fact that some players voluntarily go beyond the minimum set by binding regulations. Take for instance Viking Line's cruise ferry Viking Grace or Bore's Estraden, equipped with Norsepower's 21st century industrial re-invention of good-ol' sails in the form of Flettner rotors. The same holds true for Scandlines' two newbuilds, the hybrid ferries Berlin and Copenhagen, as well as for the just-ordered Color Hybrid of Color Line, which promises that the new ship will not emit harmful greenhouse gases or nitrogen and sulphur compounds in the area of Sandefjord. Cold ironing has become the bread and butter of some ports, too.

The delivery of made-by-Crist Zourite, the world's largest crane barge, is yet more proof of our region's capacity to grapple with the most challenging tasks. Our French friends are successfully using Zourite in the Indian Ocean for setting up an impressive over-the-sea flyover around the island of La Réunion, as such having entrusted the Polish shipyard with a new specialized order. DCT Gdańsk, in turn, has it seems shifted for good the centre of container gravity closer to the Baltic, though many mocked the project as a pie in the sky in the first place. Now

it has 3.0 mln TEU of yearly capacity, and who knows, maybe Gdańsk will surpass St. Petersburg sooner rather than later (today's difference is "only" 455 thou. 20-footers).

As for the role our region plays on the EU TEN-T map, it's encouraging to see that Baltic-linked Core Corridors are starting to take commercial shape, be it the Rail Baltica re-endorsement, the Port of Kiel's upgrade from being a junction point for Scandinavia-to-Italy sea-rail shipments to serving Turkey together with its Adriatic partners from the Port of Trieste, or OT Logistics' bold Balkan expansion, another avenue of promoting Baltic standards, a positive potential so strongly underlined in an interview we made with the Baltic Ports Organization's Chairman, Julian Skelnik, last year. Having mentioned TEN-T and the BPO, I'm wholeheartedly keeping my fingers

crossed for the Organization's Comprehensive Ports Group, chaired by the Port of Ystad's Björn Boström. Our region is port-strong, with many small and medium-sized harbours being not only places where cargo and passenger traffic takes place, but also parts of their cities and regions' DNAs. As such, lycka till, Björn! As for other international ties, the EU in general, and the Baltic Sea countries in particular have partnered with China in unrolling the New Silk Road. And while the Chinese have their own proven track record of anti-democratic practices, it seems that it will now be up to the Blue-Red team to protect globalization (incl. the Paris Agreement) from the new wave of (orangeblonde-pub-cackling) tribalism, short-sightedness, and wishful thinking.

Among disastrous news, pouring these days from the politics-driven-media like a leaky cesspit, one can at least find some consolation in Baltic developments, and have itsy-bitsy hope that somewhere out there a reality completely different from this surfacing madness functions. The five-for-one law of psychology says that in return for one piece of bad news we should receive five times' more good feedback in order to maintain mental wellbeing. And while today's world gives us the opposite, with an even more depressing ratio, it can be a rewarding experience to seek out things to be positively proud of. Like, for instance, the Baltic Sea region.

Report

Baltic Transport

Baltic transport 2016 highlights



Last year, we opened the Baltic transport and logistics highlights report with gory news on the region's TEU volumes slaughterhouse, but this time we're exclusively in high spirits. First, nothing extremely bad happened. Second, while 2015 was rich in events of regional importance, 2016 also stamped our planet with a good and proper "Made in the Baltic" quality mark by putting finishing touches on projects that rightly deserve the name of the world's first or best.

Others, to their merit, saw last year as their culminating point after dozens of months of purring out concrete, wielding sheets of steel, screwing together a crane's arms, or simply by taking possession of a port's entire freight operations nearly overnight.

New Värtahamnen – Stockholm's brand-new ferry terminal in place

At the end of October last year, the Ports of Stockholm publicly inaugurated the operations of their spanking-new EU-supported (with EUR 14.05 mln) ferry terminal in the capital of Sweden. Construction of the 85,000 m² big facility, encompassing five quays and a passenger terminal, commenced back in 2013 as a result of an agreement between the port authority and the City of Stockholm, which wanted to turn the old Värtahamnen into a new city district, called the Stockholm Royal Seaport, hence freeing up space for 12,000 new homes and 35,000 workplaces. "The city and the port need to grow

side-by-side," highlighted back in 2013 Sten Nordin, at that time Stockholm's Commissioner of Finance and the Chair of Stockholm City Council. "The new Värtahamnen will make it possible for us to build homes, offices, and new commercial buildings in the centre of the city. At the same time we will have a new port and a welcoming passenger terminal for the millions of people who sail to Finland and Estonia on cruises from Värtahamnen," added Nordin.

Interestingly, the whole project could have slipped into a potentially long-lasting delay at the very beginning. In November 2012, the

Focus

Baltic Transport

LNG



Natural gas is a triple-A resource – it is abundant, available, and affordable. Its carbon emissions are about half those of coal, being at the same time cheaper than renewables to boot. The sharp rise in production of gas from shale rock formations in the United States has led to a supply boom, fuelling in turn export capacity investments. However, experts agree that the very same triple-As have led to an LNG supply glut. Producers are already seeing an unfavourable supply-demand relation, and they are likely to face even more challenges in the coming years.

he need to bring conventional gas reserves to the global market has driven the demand for LNG. In 2002, LNG represented 7% of the total natural gas supply, jumping up to 16% in 2015. According to the International Energy Agency, demand will rise 1.4% per year from 2013 through 2025, as compared to a 0.4% growth for coal and 0.6% for oil.

LNG demand has also proven to grow strong relative to natural gas and other fossil fuels. From 1990-2015, LNG grew in this regard at an annual rate of 6.2%, eclipsing the 2.3% rate for natural gas and 1.4% for oil.

Uncertain demand

According to the authors of the Global LNG Market Outlook, "LNG demand is a

function of increasing natural gas consumption, driven by economic growth and fuel switching." Decline in local production and seasonal gas demand will ensure continued LNG demand, particularly in Western Europe and Latin America. Relative costeffectiveness is another factor that makes LNG a sought-after resource. It occupies 1/600 of the volume of natural gas, hence it is

Dear Readers,



ill 2017 be another year of rough-and-tumble politics, characterised by the "change for change's sake" movement? The grotesque style in which the recent throat-stuck-fishbone re-election of the President of the European Council took place is likely the latest example of Europe's personality split. And then we've got upcoming elections in France and Germany... However, recently a worthy of note Trump side-effect occurred in the Netherlands, where the Dutch voted against their Goldilocks...

That said, keep calm and do transport and logistics! This year's edition of the Transport Week conference just ended, where among others we handed out the Baltic Transport Club Certificates to those who drive our region in the right way, reminding us that real life spins day-by-day besides the big top (read more about Baltic transport 2016 highlights in the Report section). Two main stories stood out during this event. First, ports, terminals, shipping companies, as well as numerous product and service providers are more and more committed to sustainability, not only to its economic, but also environmental and social aspects - all in order to go beyond today's or even tomorrow's minimum (here please also direct your attention to the piece Towards a new paradigm. Baltic lessons on corporate social responsibility). Second, the 2017 edition of Transport Week was much more European than previous years' editions - meaning that Baltic experiences are met with increasing interest outside the region, while know-how sharing and networking is functioning more and more smoothly, benefiting parties all the way from St. Petersburg to Lisbon. And that's what I call the true spirit of Europe's openness, spiced up these days with technological advancements!

We, as always, also try to infuse the Baltic with information from other corners of the world. As such, I highly recommend to carefully go through Dynamar's data-rich article Chop and change on the world's Top 25 container carriers, which for several years now have been strongly rippling the waves they themselves are riding on. Then we've got another article on the 0.5% sulphur cap, a reminder of the times when we presented various SECA scenarios, only to witness the reality cocking a snook at us in the end... Well, we can have a remake of such a situation, but then again that's an essential part of doing business - making decisions not having full knowledge of what lies in wait for us down the lane. Talking about risk, the Legal column hosts a new piece from the TT Club and its Russian partners from Panditrans, writing on transport operators' liability in Russia, where the cost of negligence can indeed be high if not properly managed and secured.

We continue to portray the state of the Baltic-world relationship in the Focus section, looking at how it has and constantly is changing the Liquefied Natural Gas industry; for the Baltic our friends from Nauticor share with us their experiences with LNG bunkering, while Vostock Capital puts a unique nowhere-else-to-be-found Russia-wide spotlight on the country's LNG developments. On the global scale, in turn, we write about the LNG supply-demand (in)balance, while the SEA\ LNG initiative highlights how the industry can take (bunkering) advantage of the IMO's 2020 sulphur limit. The Technology column welcomes us with another Made in the Baltic innovation, namely Meriaura's newbuilds, said to be the region's most eco-friendly dry bulkers, running in addition on bunker produced by the company itself. We also talked with people from Navis on how to data-identify opportunities, and what wonders can be achieved with a little bit of the 21st century's alchemy. What other tangible business and environmental benefits can be affected from undergoing a comprehensive digital makeover, that's the theme of Technology's third piece on supply chain digitalisation (also take a look at the A bad egg article to see what in turn can go wrong with the food supply chain if practices rot away). As this issue was carried out in winter, we have two special nippy articles. The first one explores commercial cargo shipping along the Northern Sea Route, a very hot topic in the past, which nevertheless has not turned out to be such a gold rush as it was hype-believed by some at the beginning. Next, I would like to present a new column, entitled Chart of the issue, where we want to exploit the infographics trend in our own fashion, kicking off with presenting the Baltic icebreakers fleet.

Traditionally, something from the Transport miscellany to whet your appetite from the very start, we write about Volvo's first ever car that drove backwards instead of forwards...

I wish you a pleasant reading!

Przemysław Myszka

Baltic Transport Journal

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