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# Saarte Liinid joins BPO

## Indispensable links

The wholly state-owned Kuressaare-headquartered Saarte Liinid was established on October 1<sup>st</sup>, 1994, to manage and develop Estonian regional harbours, located across the country's rich archipelago both on islands and on the mainland, as well as on Lake Peipsi.

Saarte Liinid carries out the responsible task of ensuring the country's inhabitants and entrepreneurs living on islands with the necessary modern port services, taking care not only of maintenance and development of its 16 ports, but also performs cargo and passenger services. The majority of facilities under Saarte Liinid's control are ferry & fishing ports, however, the biggest of them (such as the Roomassaare on Estonia's largest island of Saaremaa) are also able to receive freight ships.

The tug boat *Panda* is an excellent symbol of Saarte Liinid's versatility. The 808 kW 10 tn bollard boat fulfils not only its primary duties, but is also used as an ice-breaker, in firefighting operations, as a search & rescue vessel, crew boat and even as a cargo ship when necessary. Saarte Liinid also has in its fleet the *Watermaster* unit, featuring a unique and patented bucket/pumping combination, making it suitable for a broad variety of water-environment conservation & protection works.

Saarte Liinid is continuously developing its harbours and in recent years has made substantial use of EU funds in this regard. In years 2007-2013, Saarte Liinid received a total of EUR 34 mln, of which almost EUR 28.34 mln came from the Cohesion Fund for the reconstruction of

the Kuivastu, Virtsu, Heltermaa and Rohuküla ports in years 2008-2012. The Community's Regional Development Fund contributed to the modernization of five other harbours – Piirissaare and Laaksaare, situated on Lake Peipsi, and Munalaid, Manilaid and Kihnu in western Estonia, with EUR 1.79 mln and EUR 1.52 mln, respectively.

In addition, in 2010 Saarte Liinid took part in the 'Baylink' project ('Baltic Small Harbours Network'). Thanks to this initiative, the Estonian ports of Ringsu and Roomassaare, and Latvian Mērsrags, were deepened and their quaysides revamped. To promote the new opportunities for marine connections, the project partners also organized two large Ringsu-Roomassaare-Mērsrags yacht races with a few hundred participants from both countries.

In recent years the number of small vessels in the region has grown steadily. As both local and touristic small-craft traffic is more intensive, Saarte Liinid, trying to meet the demand and also secure the safe and modern port services for this segment, came up with the idea to promote its services for small craft, formerly somewhat 'lost' behind the main services. SL Marinas (www.slmarinas.ee), a trademark of Saarte Liinid, has been a success story, because of the simple and easy accessible data for sailors.

Europeans often highlight that "small is beautiful". The ports governed by Saarte Liinid prove that they are also indispensable when it comes to the needs of local citizens living on islands or people who want to cherish the maritime-infused tourism Estonia has to offer.



# The uncertainty before the storm

by Marta Friedrichowicz and Natalia Struzik

**A range of sectorial affairs comprising the weakening Russian economy, the inflaming situation in Ukraine, EU port policy as well as implementation of the new SECA regime – demanding tasks for shipping and port sectors – created a discussion framework for this year's meeting of Baltic Ports.**

**S**hort-term compliance strategies to the new sulphur emission limits for shipping in force on the Baltic within the next four months are rather obvious, as most of the ship-owners will use distillate fuel (MDO/MGO) instead of Heavy Fuel Oil, with some of the ro-ro and ferry owners installing scrubbers. As all of these solutions will increase the operational and/or capital costs, the new situation will substantially influence the prices of maritime transport. As Henning Mohn, Principal Consultant at DNV GL Maritime Advisory, summarized, “The majority of the business can cope with ECA and other regulations, but costs are to be passed to end-users.”

Poul Woodall, Environment and Sustainability Director at DFDS A/S, listed among the wide-ranged challenges ship-owners are facing while preparing for the new SECA regulations: loss of business, change in trade flows and modal shift to land transport. He also highlighted that implementation of the

EU Sulphur Directive is not harmonized among the EU Member States; moreover, it is unclear if ships, while calling at ports, will be able to use scrubbers due to different Water Framework Directive implementation patterns in some EU countries.

During the session dedicated to geopolitics and macro economy as driving forces for the port sector, Prof. Kari Liuhto from the Turku School of Economics tackled the issue of the present Russian economy's condition and the country's trade structure with EU Member States. As half of Russian foreign trade is conducted with the EU, he expects rather low economic growth in the RF in the years to come. For numerous Baltic ports the Russian freight flows are a very important part of their business; therefore, the geopolitical situation in the region is being carefully observed by this sector.

Dimitrios Theologitis of European Commission's DG MOVE presented an update on the EU Port Policy, the new TEN-T Policy as well as the Connecting Europe

Facility (CEF) financial instrument. Nearly EUR 13 bln is to be available from CEF to be spent on transport infrastructure development (including ports) in the 2014 calls. Isabelle Ryckbost, Secretary General of ESPO, emphasized on the other hand, the great need for European ports in the area to have clearer legislation framework certainty.

Bogdan Ołdakowski, BPO Secretary General, summarizing the conference, stated that “there are more and more uncertainties for the Baltic ports in forthcoming years. In this tough time, the European Commission is sending a good message to ports, in the form allocating a substantial budget for upgrading transport and port infrastructure in the EU. Baltic ports welcome this message very much. However, semi-sized ports, including those with so-called ‘comprehensive’ status, wish the EU funds to be more available to them as well.”

The next Baltic Ports' annual meeting is scheduled for September 3-4, 2015 and will take place in Riga. Hope to see you there! ■



## BPO Seminar on Onshore Power Supply

*What are the main bottlenecks for onshore power supply in ports?*

*Who should be initiating the development?*

*Who should pay for onshore energy facilities in ports?*

*Is the financial support from the EU helpful?*

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