

Promising development for container-feeder;

A new feeder operator is now putting into Karlshamn. It is the shipping company X-Press Feeders that is now feeding containers between Karlshamn and the ocean ports of Hamburg/Bremerhaven where reloading is done onto large, ocean-going vessels for onward transport worldwide. And back again.

"We are investing in Karlshamn because we believe that Karlshamn has very good conditions to grow as a container port," says Nikolas Rowland, General Manager at X-Press Feeders.

"We believe the market looks positive. There are industrial companies in the area that have a growing container flow, while the market for container transports in Europe and the Baltic is growing."

ARRIVING TUESDAYS

Arrival in Karlshamn is on Tuesdays. Then the ship goes via Åhus and then directly to Hamburg and Bremerhaven in just three and four days, respectively, which gives the customers a very competitive total lead time out into the world.

X-press Feeders is the only global feeder operator and disposes over a hundred vessels, of which more than 25 are vessels the shipping company owns itself. In Europe, a large number of ports are served from the eastern Mediterranean to the Gulf of Bothnia.

"X-Press Feeders' business concept is to offer the market easy access to container traffic, through regional ports such as Karlshamn, bringing both environmental and financial benefits," says Nikolas Rowland.

LONG-TERM WORK

"It is pleasing to get a company like X-Press Feeders to Karlshamn," says Ulf Sandevärn, Marketing Director at the Port of Karlshamn.

"There are very many actors who are involved in such a decision and therefore many pieces of the puzzle that have to fit together.

"Right from the beginning, a couple of X-Press Feeders' many customers are offering freight to and from Karlshamn and there are more on the way.

"We are now continuing to work actively to increase the growth in the flow of containers through Karlshamn. It's a long-term effort constantly under way," says Ulf Sandevärn.

NOW LIFTING OFF!

"We are investing in Karlshamn because we believe that Karlshamn has very good conditions to grow as a container port," says Nikolas Rowland, General Manager at X-Press Feeders. Here with Ulf Sandevärn, Marketing Director for the Port of Karlshamn, who has worked intensively to establish container traffic via Karlshamn.



The Port of Karlshamn has good basic conditions for container traffic via feeders and so-called Short Sea traffic. There is little deviation from the large north-south route in the Baltic Sea. We have a good water depth and quay length, which means that the Port of Karlshamn can receive most feeder ships that currently serve the Baltic.

The investments that were previously

made in Karlshamn with a new large crane and quay reinforcements were a prerequisite for the port to come into question as a container port.

"Being able to offer container traffic as a port and intermodal hub is important. We are in a region with many industries that have significant export flows in containers globally. With a little more import operations

in containers, there would have been a perfect balance in the flow," says Ulf Sandevärn.

"Anyone who establishes an import warehouse and distribution here can probably get very good terms of freight. Moreover, import from both Eastern Europe by ferry could then be combined with import in containers."

Extensive interest in containers!

Read more about Container Day in Karlshamn and the customers' interest!

Much more than pipe in Karlshamn!

"The pipe deal is a large and important piece of the puzzle for our operations. But it is not the only one we are working on. We have stable growth in our entire operation and are now focused on handling the pipe deal and all of our other commitments in a way that makes our customers happy."

"Growth is important, but it must be a growth under control. We therefore work continuously to develop and upgrade the organisation and our resources. Already before the pipe deal, we had increased the workforce by around 10 per cent and for the pipe handling we are hiring another 30-60 people in various periods."

"A direct consequence of the pipe deal is that the Port of Karlshamn will handle around 1.2 million tonnes more goods in the next three years. Financially, it is a good deal for the Port of Karlshamn between 2017 and 2019 that created investment resources for the future."

"But the indirect and long-term very important consequence of the pipe laying will be that the Port of Karlshamn has a finished storage area of 270,000 sq.m. It increases the port area by around 40 per cent and creates good possibilities for future volume increases and new business arrangements. It will become a substantial resource after around three years when the pipe storage is concluded."

"The attention concerning the pipe deal was extensive, much more and more intensive than we expected. We are accustomed to doing business, but not with the media and political significance of this deal."

"For me as the CEO the 'media drive' was demanding and out of the ordinary. But for the Port of Karlshamn, as a commercial company, the attention has been mostly positive. The fact that the Port of Karlshamn is a commercial port with capacity, resources and business drive received attention internationally and we see opportunities for attractive new business."

"Of course, we are pleased to have brought home the pipe deal and that the whole thing is now under way. The Port of Karlshamn also conducted negotiations on the pipe storage for the predecessor Nord Stream 1, which was completed six years ago. But at the time, the port did not have enough capacity available. The fact that the port has since been developed and now has the possibility to handle the pipe storage is a good example of the port's long-term expansion is successful."

"And we are continuing to work!"

/Mats Olsson
CEO Port of Karlshamn

First gas pip

The first gas pipeline pipes recently arrived to the stockyard in the Port of Karlshamn. The pipes come from manufacturing in Germany and will be stored in the interim in Karlshamn before they are laid on the floor of the Baltic Sea over the next three years and form the natural gas pipeline Nord Stream 2 between Russia and Germany.

In an initial round, it's a matter of delivery storage of 26,000 pipes continuously over five to six months. In total, the Port of Karlshamn will handle 52,000 pipes. The Port of Karlshamn will take care of unloading and storage of the pipes in the Port's new fenced in land area directly adjacent to the quay area. When laying gets started, the Port's staff will load the pipes on vessels that will ship them out to the laying vessel. An effort that will be under way continuously.

The preparations have included getting 270,000 sq.m. of land ready for the storage of the pipes, and the hiring of up to 30 people will be needed at the beginning of the project.

The Port of Karlshamn made the pipe deal with the international company Wasco, which commissioned the Danish logistics company Blue Water Shipping AS to be responsible for logistics, in part with help from the Port of Karlshamn.

MILESTONE

"The first pipes being in place in Karlshamn is of course very good and a milestone in the project," says Lars Grönstedt, Senior Advisor, from the Nord Stream 2 project.

"The total cost for the project is EUR 8 billion. So far, we have spent around EUR 4.5 billion so in that sense it's halfway."

"All of the crucial permits are not yet ready, but we count on everything being ready so that the laying of the pipes can begin in spring 2018 as planned. In such a large and time-consuming project like this, work is done in parallel in planning, procurement, etc. and with permit applications so that everything is ready at the same time," says Lars Grönstedt.

Blue Water Shipping's contract includes transport and handling of a total of 113,000 pipes from the coating factory in Mukran to Karlshamn and the storage locations in Kotka and Hangö in Finland. And unloading of the pipes during laying. 87,000 pipes will be shipped directly from Mukran to the laying vessels. Blue Water is responsible for the work at the storage locations. In Karlshamn, work is done by staff from the Port of Karlshamn. Blue Water's contract is for EUR 40 million.

Blue Water Shipping previously used the Port of Karlshamn for the transshipment of wind power plants to road transport.

Length 12 metres, weight 20 tonnes, diameter 1.2 metres – 52,000 such pipes will come to the Port of Karlshamn where they are unloaded and stored to then be shipped out to the laying vessel once laying begins.



Continued from page 1

Well-visited record-breaking container day

Interest in container traffic via Karlshamn is extensive. This was particularly apparent at a well-visited customer meeting that the Port of Karlshamn and the feeder shipper X-Press Feeders held recently. Regional shippers and forwarding agents from far and wide met when X-Press Feeders' Country Manager for Sweden Nikolas Rowland spoke about the background of the investment in the Port of Karlshamn, which turned out well.

The volumes are above expectation and fittingly, a record in the number of containers handled in one single vessel arrival in the Port of Karlshamn was set the same day as the conference!

Lars Green, who has extensive international experience in the container industry, held an interesting presentation about the development in the industry.

This is what a few participants had to say about the Container Day and the needs for container handling via Karlshamn:

Jesper Rosenlind, Category Transport Manager, AAK ESC Sweden/Denmark;

"Good meeting arranged by the Port of Karlshamn! The fact that there were so many participants shows that there is a lot of interest in containers in the region. And it's needed to develop a flow."

"The container transports are of course very important for us and are used to destinations worldwide, and is something we are very interested in increasing in Karlshamn as well."

Karlshamn is also better from an environmental perspective. Having the possibility to ship out from a port just a few kilometres from our production is a significant advantage.

"But a high volume is necessary! I think that AAK and Volvo and other large operations in the region can contribute a certain base volume, but more is needed. AAK now has 10-15 units a week and there is potential for an increase."

"There is also a limiting factor in the ocean-going shipping companies' 'resistance' - they strive for the customers to use their feeder set-up from other ports."

"But if the interest from the customers in the region is large enough, the possibilities grow." Both the Port of Karlshamn and X-Press Feeders seem determined and persistent in their venture.

Göran Hallström, Freight Manager, Tarkett AB, Ronneby;

"It was both a pleasant and interesting meeting held by the Port of Karlshamn concerning container handling!"

"For us, containers via Karlshamn are very interesting. We are now using Helsingborg and it actually works well. But there is a difference between 30 kilometres to Karlshamn and more than 200 kilometres to Helsingborg. We would get both a lower hauling cost. And environmental benefits since the total emissions would be lower with the feeder alternative from Karlshamn."

"I also think it's really fun that we can get a 'local' container handling started in this part of the country."



e in place!



The pipes are stored in the 270,000 m² area that has been arranged.

Blue Water Shipping is, on behalf of Wasco, responsible for the work at the storage locations. In Karlshamn, work is done by staff from the Port of Karlshamn.

Now, the pipe deliveries from Germany are under way. Here are some key people in the project: Martin Fredlund, Deputy CEO of the Port of Karlshamn, accounting manager and project manager for the deal, Kim Thygesen Project Manager for Nord Stream 2 at Blue Water Shipping, Rolf Göransson the Port of Karlshamn's supervisor for the pipe handling, and Pär Carlsson, Marketing and Rikard Mattsson, Director of the Sjöterminalen in the Port of Karlshamn.

Room for expansion now and in the future



Access to large stockyards and development areas close to the port!

There are very strong arguments for the establishment of logistics companies and other businesses highly dependent on transports. For the Port of Karlshamn's development, access to large stockyards adjacent to the quays and access to development areas adjacent to the port are unique resources and good prerequisites for continued expansion.

Access to large stockyards was a crucial factor for the pipe storage now current in Karlshamn. When the operations are completed in around three years, the Port of Karlshamn will have a first class stockyard for future needs.

"In Karlshamn, there has also long been understanding and interest in the port operations among politicians in Karlshamn. I also perceive that there is a pleasingly great interest and broad popular support for the port, says Mats Olsson, CEO Port of Karlshamn.



At the entrance to the Stilleryd area, the Karlshamn company Evomatic is building an entirely new facility.

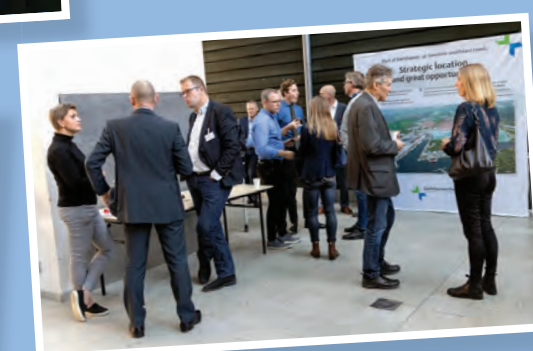
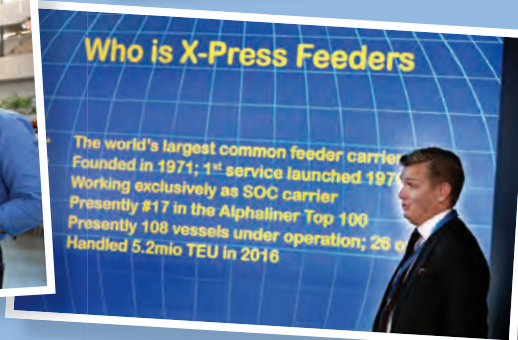
The Port of Karlshamn has access to large quay-adjacent stockyards. In the next three years, 270,000 m² will be used for pipe storage. (Marked in blue on the picture)

Adjacent to the port area, there is development areas, around 100,000 m², mainly for businesses with extensive transport needs and a need to be close to the port. In the area, there is also a Intermodal terminal for full-length trains.

"As early as the 1960s, forward-thinking decisions were made to move port operations from the centre of Karlshamn to the Stilleryd area outside of Karlshamn. Here, there are large areas that have direct connections to the E22 highway, Road 29 and the Blekinge Coastal Railway. Many other ports are struggling with problems because they are located too centrally in the cities. In Karlshamn, we don't have those problems.

"Decisions now being made will affect the next "50-year period" for Karlshamn and the port. For the port's development, access to land is just as important now as it will be in 10-20 years. Land adjacent to a major port is a limited resource, in relation to "regular industrial land" that other municipalities can compete with.

"As the CEO of the port, I am pleased with the attitude and understanding that is here, both politically and among the population. Port issues and land issues are very long term by nature," says Mats Olsson.





Karlshamn's Hamn

Port of Karlshamn – for tomorrow's business

Karlshamn's Hamn AB, Box 8, 374 21 Karlshamn, Sweden
tel. +46 (0)454-30 50 00 e-mail: info@karlshamnshamn.se

For more information, visit our website:

www.karlshamnshamn.se

Questions, suggestions and feedback are always welcome.

Production:
Incitamentet, Mats Håkansson
Photo: Hans Peter Bloom

“Many people want to work in the port”

“We have an easy time hiring new qualified employees. There are clearly many people who see working at the port and the company as attractive. I am pleasantly surprised over the response we had from our job ads,” says Rikard Mattsson, Director of the Sjöterminalen within the Port of Karlshamn, the largest operation in the company in terms of the number of employees.

The Port of Karlshamn needs to hire new employees in pace with the growth of the whole operation. In the past year, staffing has increased by seven or eight permanent employees. In connection with the pipe deal, there is a need for another 30-60 people during various periods of the project.

STABLE GROWTH UNDER CONTROL

“We have stable growth in all of our operations and have continuously increased the staffing. The pipe handling will of course be periodically intensive. But it may not negatively impact our other operations.

We have therefore increased staffing and upgraded the organisation. For example, we are increasing the number of supervisors to have more efficient and smaller teams with more of a team feeling,” says Rikard Mattsson.

QUALIFIED APPLICANTS

“In a situation such as this, it is of course pleasing that we can recruit qualified applicants. Those who we have hired have a good background and suitable experience. Even for the temporary positions for the pipe handling, we have plenty of qualified applicants. Some 25 are ready and gradually as the handling increases, we will hire more. Many go from permanent employment to the pipe handling and see it as a way to “get their foot in the door” at the port. Working at the port is attractive, varied and stimulating for many people. Now we have really obtained evidence that the port has a good reputation as a workplace and employer,” says Rikard Mattsson.

The new employees have experience from the logistics area, such as forklift, machine or truck operators. This know-



“Working at the port is attractive to many - a varied and stimulating job. Now we have really obtained evidence that the port has a good reputation as a workplace and employer,” says Rikard Mattsson, Director of the Sjöterminalen within the Port of Karlshamn.

ledge is gradually supplemented with further training in the company to obtain flexibility in the staffing.

Employees who will work with the pipe handling are especially

trained by Blue Water Shipping, which has the task of taking care of pipe transports and storage for Wasco, which has the coordinated logistics assignment for the Nord Stream 2 project.

Nominated for the Show-the-way prize

The Port of Karlshamn is one of the Blekinge companies that is nominated for the Show-the-Way Prize. The prize is awarded to companies that work to open the labour market to people with disabilities. It is staff from Samhall that do some packaging work for the Port of Karlshamn. “This year’s nominees have really shown that you can make a difference. By seeing possibilities and competencies instead of difficulties and obstacles, they show the way to a labour market where more people have a place and fewer are left out,” says Jan Scherman, Chairman of the Show-the-Way jury. The prize will be awarded at a gala in Stockholm at the end of October.

Wants dispensation for heavy vehicles to the port

The Port of Karlshamn has the intention of applying for dispensation for heavy truck traffic to the port. In the first step, it is a matter of traffic on the road stretches between Karlshamn and Olofström, Alvesta and Moheda.

“It involves truck carriages with a 32-metre length and 74 tonnes. Placing goods on larger units provides environmental advantages, reduces costs and saves time. It would also provide space for new flows on the Blekinge Coastal Railway,” says Mats Olsson, CEO of the Port of Karlshamn.

“Some of the volumes now go by rail and we would of course like to increase the amount of goods by rail instead of roads. This is in part why we are working for the Southeast Link. But we also have a reality to relate to. The flows to the port are growing strongly and we have to resolve this in pace with the needs. We cannot sit idly by and refer to a railway expansion that might happen,” says Mats Olsson.

GOODS TRAFFIC CHINA-KARLSHAMN ON THE WAY

There are now also very far-reaching plans for goods traffic between Karlshamn and China. The Port of Karlshamn is conducting discussions with

interested Chinese parties and Swedish hauliers about this. The flow of goods is already limited between the Nordic countries and China by bottlenecks for the railway traffic at the eastern border of Poland. The possibility of instead taking Nordic goods flows through Karlshamn – Klaipeda is now relevant. From a Chinese perspective, large subsidies are being provided to double the railway traffic. Other rail flows through Karlshamn-Klaipeda are also being discussed.

MORE ON TRUCKS WHEN THE RAILWAY IS NOT ENOUGH

“In recent years, we have tripled or quadrupled the number of arrivals by railway to the port.

The Blekinge Coastal Railway is now a major bottleneck in terms of rail capacity. But also because there is a lack of triangle track at Hässleholm. This means that trains from the north have to go down south of Hässleholm, sometimes all the way to Malmö for an engine turn. This is something that takes time and encumbers the railway in Skåne unnecessarily. This, among other things, would be solved with the Southeast Link.

“While waiting for the Southeast Link, there are major increases in traffic by truck. By applying for dispensation for longer truck carriages, we can balance this,” says Mats Olsson.

Political with ties to the Port of Karlshamn

REGIONAL COUNCIL SEES EXCELLENT POTENTIAL

Blekinge’s Regional Councillor Christina Mattsson, (S), has together with several Social Democratic politicians from south-eastern Sweden, spoken with the Minister for Infrastructure Tomas Eneroth (S), about the need for the Southeast Link to the Port of Karlshamn.

They emphasised that the Southeast Link is important for the whole country. These were three of the arguments presented:

- Crucial to Volvo Cars’ exports
- Gives new export possibilities to companies throughout Sweden
- Profitable in socioeconomic terms

That there is already an election promise from the Social Democrats to build the Southeast Link was also a part of the arguments.

A decision on the new infrastructure plan for 2018-2029 will be made in March/April next year.

Regionrådet: “Jag ser goda möjligheter för Sydostlänken”



Article in BLT



Debate article from DI

Minister for trade wants to strengthen trade with Russia

“Despite different views of a lot of things, I believe that both Sweden and Russia share the ambition to work to realise the great potential in the Swedish-Russian economic relations,” wrote EU and Minister for Trade Ann Linde in a debate article in DI. The minister also wrote in the article that Swedish companies have invested nearly SEK 60 billion in Russia since 2001. And that around 350 Swedish businesses are currently active in the Russian market, which is particularly important for the Swedish base industry. And that there is potential for greater Swedish exports and thereby growth and jobs in Sweden.