

EDITORIAL

Week 38 has arrived, which means 2017 has only 14 weeks remaining. In the past week we listened to the speech from the "Expenses Unlimited" parliament in Strasbourg - correction, the EU Parliament - by the unelected "leader" of the EU, Mr. Jean Claude Juncker. His answer to all problems is more EU, not less. I would say that less is more, in particular when it comes to the EU, its bureaucracy and inability to decide anything and play a vital role in world politics is not a model to follow. As a shipping man it was heart warming at least to hear him talk about letting the wind fill the sails of the EU, inspiring words for the future. Well, as they say, another speech by a politician and another easily forgotten bunch of words.



Let me instead direct the attention to what's at hand in today's newsletter. We are proud to be able to present an interview with one of the largest providers of logistical services in the world, DHL. It is evident from this interview that they are keen to look after small and medium sized companies.

We also interview a senior project manager with decades of experience in South America, a Scandinavian who was caught fishing in the Parana River in 1956 - see picture in the interview. Overall he had an interesting career, and is the type of person that we shipping people most likely have dealt with on the job-site for various projects.

As always, feel free to comment or provide suggestions direct to my personal email at any time: bo.drewsen@projectcargo-weekly.com

Wishing you a pleasant read and, until next week,

Yours sincerely,

Bo H. Drewsen

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DHL GLOBAL FORWARDING

MS. NIKOLA HAGLEITNER
CEO – DHL INDUSTRIAL PROJECTS

DHL is a well-known brand in the world. Generally I believe most people also not in shipping know of the name DHL as a famous courier service company. Tell us about the name DHL, where does it originate from and who are the actual owners of the company today. Is the industrial projects division a separate company in itself or is it part of DHL overall?

In 1969 - just a few months after Neil Armstrong's first step on the moon - Adrian Dalsey, Larry Hillblom and Robert Lynn founded in San Francisco the company DHL. The three letters "DHL" stand for the initials of their last names.

Their new business idea formed the cornerstone for a globally operating enterprise. At first, the company founders personally transported cargo documents from San Francisco to Honolulu by plane. This made it possible to begin customs processing of a ship's cargo before the actual arrival of the shipment, thereby significantly reducing waiting times in the harbor.

Customers saved a great deal of time as a result. The founding of DHL also represented the creation of a new sector of industry: international air express service - rapid transport of documents and cargo papers by plane.



In 2002 DHL became a wholly owned subsidiary of Deutsche Post.

Deutsche Post DHL Group is the world's leading logistics and mail communications company. The principal company of the group is Deutsche Post AG, a listed corporation domiciled in Bonn. Each of the Group's four operating divisions - Post - eCommerce - Parcel; Express; Global Forwarding, Freight; and Supply Chain - is under the control of its own divisional headquarters.

DHL Industrial Projects is the heavy-weight cargo arm of DHL Global Forwarding, Freight, taking care of professional end to end project management of complex contracts, and therefore part of Deutsche Post DHL Group.

I recall some years ago when DHL took over Danzas. Was that takeover the real start to the projects division of DHL?

The acquisition of the Swiss logistics provider Danzas by Deutsche Post DHL Group was in 1999. During this time Danzas already had a small project department focusing on heavy lift cargo. But it took three or four more years before we set pace and started expanding the business. It was the combination of our big expertise in road, air and ocean transport as well as our global network

which helped us to attract new customers and grow the business. Furthermore, our strong commitment towards Compliance and Health & Safety has helped to build up an excellent global reputation.



I understand that you are involved in some of the biggest projects in the world these days, including exporting aircraft parts from Europe to a country that already has its own aircraft production. Tell us about how such a project is managed and where you have specialists and staff located for such projects.

In 2013 we won our first Airbus project. We started our two-year implementation phase with around eight people on a local, regional and global level in Germany, UK and the US taking care of all necessary preparations. The whole supply chain had to be planned, including customs clearance and other value added services. As the first shipping date grew closer the number of involved people and departments increased constantly. A control tower located in Hamburg was installed so that a dedicated team could oversee and manage the whole multi-modal transportation process. Not to forget the colleagues providing support functions located in London. In 2015 we started to ship the first parts and airplane sets.

Since then we have shipped 80,000 tons of freight volume in total, including highly sensitive break-bulk goods with unit weights of thirty tons, with zero damage and zero non-excusable delays. On the 25th of August the 40th ship departed from Hamburg carrying large components for the single-aisle jetliner – including the front and aft fuselage sections, wings, vertical tail and horizontal tail.

Following these successful two years we have now extended our collaboration with Airbus. So, DHL Industrial Projects will move another 40 aircraft sets by sea and road from Finkenwerder near Hamburg, Germany to the Airbus assembly plant in Mobile, Alabama, USA.

Generally such projects are managed similarly, with our functional experts located all around the world, e.g. in our key hub offices in Dubai, Singapore, Houston and London, or the other ~50 country offices. If we move into a new territory or very remote area, we deploy specialists from our key offices to set up the operations and train staff locally.



Many freight forwarders today call themselves project freight forwarders. What distinguishes DHL in this regard and what makes you stronger in your view as opposed to other “big names” in the business?

At DHL Industrial Projects, we have the advantage of being part of a large group which means we have financial stability and can weather obstacles better. But on the other hand we are also nimble and agile, and have a lot of flexibility in our approach, just like smaller dedicated project forwarders – so we really have the best of two worlds. Other differentiators are our vast air and ocean freight network, which can support us with extremely competitive rates and good buying power in the market. But the key differentiator is our zero tolerance approach with regards to compliance, and our zero harm HSE culture.

Would smaller customers, shippers if you will, be able to get attention from the projects division at DHL, or do you focus mainly on projects of a certain scale?

Yes, absolutely. Size does not matter!

We are interested in customers of all sizes. Germany for instance has a big number of small and medium-sized companies producing industrial products and industrial machinery for the global market. And especially smaller companies are more often working on very interesting projects. The aim of DHL Industrial Projects is to enhance customer benefits by offering one-stop solutions – regardless of their business size. But the size of their products of course matters for us.



Do you have a certain preference for which shipowners you are using for certain projects and/or do you charter your own ships from the market instead of relying on regular liner services?

We have a preferred carrier program at DHL Industrial Projects. But it depends very much on the project and of course on the destination. To meet our customer requirements we are developing tailor-made solutions for every single project in terms of the transport modes used and the carriers we are working with. The specific solution can be a chartered vessel or a chartered aircraft as well as a regular commercial carrier – or a combination of all. Key is that we only work with carriers that have passed our very stringent vetting and approval process – which assesses the dimensions of HSE, compliance as well as financial stability.

Being the CEO of industrial projects at DHL is a big responsibility and these days focus is more than ever on profitability and lean management. Tell us about a typical working week – how many hours do you normally put in? What made you choose a career in project freight forwarding in the first place?

FINVEX LTD – HELSINKI, FINLAND

MR. MIKKO SAVILAAKSO MANAGING DIRECTOR

Mikko, tell our readers a bit about yourself, I understand that you have a very close relationship with South America and that you arrived there in your very early years. What prompted that originally?

What happened here is that an old friend of my father's offered him a good position in a company he managed in Argentina.

So, there we went arriving in Buenos Aires on December 23, 1951. I was three days short of 14 years old then.

As to why my father accepted the invitation, I was never brave enough to ask him. By then I had already completed three years of secondary education in Finland. In those years, it was possible to enter secondary education from 4th grade of primary, if you passed the entrance exam. However, in Argentina, it turned out that I had to complete 6th grade of primary education to be able to continue in secondary school.

The school year in Argentina starts March 1st, so learning Spanish was necessary. That was complete to a satisfactory level by March 1st, 1952 and off to school I went.



Mikko fishing in the Parana River in Argentina in 1956

You worked for one of the World's largest exporters of paper & pulp machinery, Valmet, elaborate on the nature of your work for them in the past and tell us a bit about the projects that you were involved in.

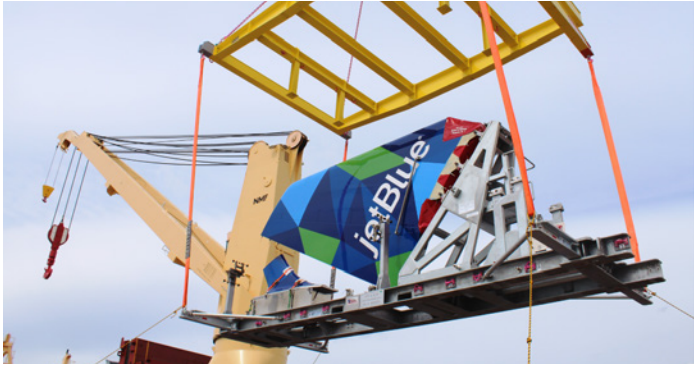
With Valmet my job was to oversee the field installation of paper machines supplied by Valmet to overseas customers.

These machines are huge, about 100m long on average and the shipments normally consist of 350 to 400 containers.

My duties included the reception and overland transportation of these containers, sometimes quite long distances in different environments. During my 22 years with Valmet I did 9 complete line installations: Two in south America, Argentina and Colombia and a few in North America, Portugal, Sweden and Thailand.

I personally think I have the most exciting role in our large group – for precisely the reason that there is no typical working day or week for me, ever! Generally I am on the road about 80% of my time, visiting project sites, current or prospective customers, our offices or industry events. It is hard to measure the hours put in – when I am traveling I normally start early with a team briefing breakfast, then customer meetings or site visits – I always travel with my PPE equipment – trying to fit in the time to stay connected with my global team, and keeping on top of hundreds of emails. We then conclude with a customer dinner.

When I spend a few days in my office in London, the hours are a bit shorter, and I try to spend quality time with my family.



I am actually a lawyer by education, I ended up in DHL through our In-house Management Consulting division, then I moved to Express, DHL Global Forwarding and ultimately now in Industrial Projects. Again – best job in the group! It was partially being available at the right time when this exciting role came up, and also my desire to be part of these extremely complex yet rewarding projects.

Given the size of DHL I am confident that many of our readers, which also include many shippers, would like to know how to reach the projects division of DHL directly in case they have an inquiry.

We have regional Industrial Projects heads in each geographic region, and also various sector heads. However, to keep things simple and make navigation easy for anybody interested in contacting us, I would suggest that the key contact should be our global commercial head, Ryan Foley (Ryan.p.foley@dhl.com), based in our London office. He will review your request and make sure to direct it to the most appropriate contacts within our organization.



Interviewee:
Nikola Hagleitner
CEO – DHL Industrial Projects
DHL Global Forwarding
[DHL Industrial Projects on the web](#)





Paper Machine in Thailand

How many languages do you speak?

I am fluent in three: Finnish, English and Spanish. I can manage to communicate about shelter and food in Sweden, Portugal and Italy.

I met you some 10 years ago in Bangkok, Thailand - tell us about your time in Thailand where I understand that you were involved within the Thai/Finnish business community.

After the paper machine installation was completed and the factory was in production Valmet decided that I would stay in Thailand to service exiting customers and to promote Valmet products.

As representative of Valmet in Bangkok, I was invited to join the Board of Directors of the Thai Finnish Chamber of Commerce.

I stayed in that board for 12 years and was voted President of it two times for a total of 8 years.



Indian customers at the Port of Danang, Vietnam

Have you dealt directly with shipping companies and/or freight forwarders in your time or was that mainly taken care of by the shipping department? Tell us about the importance of having a reliable shipping company to deal with for you as shippers representative.

Yes, I have. One example is a shipment of a gas turbine power station to Asuncion, Paraguay. The company that I was working for had sold a gas turbine power unit for the national power supplier of Paraguay and it was my job to deliver the cargo from the port of Buenos Aires to Asuncion.

It turned out to more complex than expected as my boss had decided to send the cargo by land but he had missed one bridge during his route inspection. That bridge was not strong enough to support the weight of an 80 metric ton generator.

To complete the shipment I rented two barges, a tug boat and a 1000 ton floating crane and sent the goods to Asuncion by river.

By the way, I installed 25 gas turbine units around South and Central America, the Caribbean and one in Newfoundland.



With a customer in Vietnam

How does living in Argentina compare to living in Thailand? I understand that you also lived in Kenya before taking up residence in your native country Finland, please tell us more.

Work is work and does not change from Argentina to Thailand. For me, being a Finn, it was somehow easier to relate to the Argentinian way of working and expression. In Asia, it is more difficult to understand the customer's needs. A yes answer in Asia only means that your interlocutor has understood you question or proposal. It does not mean acceptance yet.

In Kenya I worked on a project of the Finnish Ministry of Foreign Affairs promoting Finnish products to Kenya.

What is the most exciting project you have been involved in as installation/project manager? Tell us about some of the headaches that installation and project managers face.

There were two projects that were interestingly complicated. Those were the paper mill installation in Cali, Colombia and a paper machine installation in Thailand. In both projects, there were three nationalities involved. In Colombia, a Colombian purchaser, a French supplier and an American project management.

In Thailand, it was a Thai purchaser, a Korean part-owner and construction management and our Finnish way of doing things. For some reason in both cases the different parties were convinced that I had the holy book for solving their differences and that brought some interesting problems to my door.

With shipping and overland transport, there was always the duel between safety and efficiency. The contractor's objective is to do the job fast and cheap while my objective was to do it fast and safe. So, routings, size of vessel, lorry and cranes became subjects of sometimes heated discussions.



Paper machine building being erected in Puerto Dejada Colombia 1983

What have you liked the most during your extensive career abroad?

Meeting different people and places, learning from different people's cultures, about their likes and dislikes.

And what have you disliked the most during your time abroad?

What annoyed me most was the arrogance of people from developed countries in not trying to understand the idiosyncrasies and needs of the people in the developing countries that they happen to find themselves in.

Fast forward to the present. When did you return to Finland and what kind of job are you involved in now? With the experience that you bring to the table if a reader would like to get in touch with you, how can they reach you?

Me and my wife returned to Finland this past summer and our time has been invested in relocating here. House hunting, unpacking, etc.

As for work, I am presently busying myself creating connections between Kenyan and Finnish companies.

Both countries have many things to give to each other, one needs only to find the way and the right contacts to do it.

PS. A note of interest

In 1960 I travelled back to Finland to enter my compulsory military service. Years back the Finnish Government would pay you repatriation, if you happened to be abroad when it came the time to serve the homeland.

In 1960 that was no longer the case. My father was able to, with the aid of a friend, get me a posting on a Finnish cargo ship for the trip Buenos Aires-Helsinki.

I worked my way as a deck hand, but was bunking in the engine room crew side. My cabin buddy was a young man who had been accepted at the chief engineer school in Finland.

This young man, bright as he was, did not have a very good hand at mathematics and did not know how to use a slide rule. This, combined with the fact that my father, very wisely, had not given me much pocket money for the trip and therefore I was short on capital, made me offer him my services and we agreed as follows.

I sold my friend a 13cm slide rule, I happened to have, complete with an instructional course. The agreed price was USD 30. My friend learned the use of the slide rule and I arrived in Rotterdam with money.

Money that I put to good use enjoying the delights of Rotterdam, Chinatown included.

End of story.

Interviewee:

Mikko Savilaakso

Managing Director

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Finvex Ltd

INTELLIGENCE REPORT

TAIWAN ON THE RISE: ASIAN SHIPPING DEMAND SPURS SHIPPING AND LOGISTICS DEVELOPMENT - KENNY SO, MANAGING DIRECTOR, GAC TAIWAN

The shipping and logistics sector in Taiwan paints a clear picture; there is opportunity here – for suppliers willing to offer a range of quality services. Continued development of infrastructure and Taiwan's export market will fuel a renaissance of the shipping and logistics industries in years to come. [Read more...](#)

SHIPMENT OF THE WEEK



VTG moved a high pressure blowdown vessel with dimensions 2000 x 560 x 580 cm, 175 mt from Yekaterinburg to Tobolsk for an ongoing petrochemical plant project.

Transport preparations started one year ago with intensive road studies and bridge calculations while the final permit process lasted three months.

The cargo travelled 650 km in 8 days, passing 4 railway crossings as well as more than 60 bridges. VTG started with 16 axle modular trailer and had to extend half way to a 24 axle modular trailer to solve issues with one major bridge.

Website: <http://www.vtg.com/logistics/project-logistics/>

SHIPPING NEWS

CAKEBOXX TECHNOLOGIES INTRODUCES NEW 45' SHIPPING CONTAINER FOR BREAK BULK MARKET

CakeBoxx Technologies will unveil a new, state-of-the-art "Break-BulkBoxx™" 45ft shipping container at the IANA Intermodal Expo in Long Beach, CA on 18 September. [Read more...](#)

CONSTRUCTION

TANZANIAN GOVERNMENT ENTERS A PACT WITH CHINESE FIRM TO BUILD HOSPITAL EQUIPMENT FACTORY

Dar es Salaam – The Government has signed a contract with Neusoft Medical Systems Company Ltd from China for the

construction of the medical equipment manufacturing factory.
[Read more...](#)

SOUTH KOREAN FIRM SELECTED FOR QATAR ROAD DEAL

South Korea's Hyundai Engineering & Construction has been selected by the Public Works Authority (Ashghal) for the estimated QR1.58bn (\$434m) contract for construction work on Al-Bustan Street in Qatar. [Read more...](#)

PORTS & HARBOURS

KALMAR HELPS MSC TO CUT RUNNING COSTS IN SOUTH AFRICA

Kalmar, part of Cargotec, is to continue its cooperation with Mediterranean Shipping Company (MSC) with a new order for container-handling equipment. The order, comprising five Kalmar reach-stackers and two empty container handlers, was booked in Cargotec's 2017 third quarter intake. Delivery will commence in Q4 2017 and continue into Q2 2018. [Read more...](#)

RENEWABLES

AFRICA50 INVESTS IN SOLAR POWER IN EGYPT

Casablanca, Morocco, September 12. Africa50, the infrastructure fund for Africa, has entered into a joint development agreement (JDA) with Scatec Solar and Norfund for 400 MWp utility scale photovoltaic (PV) power plants at the Benban site north of Aswan, Egypt. [Read more...](#)

TOSHIBA CONCLUDES PACKAGE DEAL AGREEMENT ON GEOTHERMAL POWER GENERATION PROJECTS WITH TURKEY'S ZORLU ENERGY GROUP

Toshiba Corporation today announced that it has concluded a package deal agreement (PDA) with Zorlu Energy Group, an independent power producer and member of Turkey's Zorlu Holdings, for the supply of steam turbines and generators (STGs) for geothermal power plants that Zorlu Energy Group develops to construct in Turkey. [Read more...](#)

PLANTS & PROCESSING

WESTROCK TO BUILD NEW CORRUGATED PACKAGING PLANT IN BRAZIL

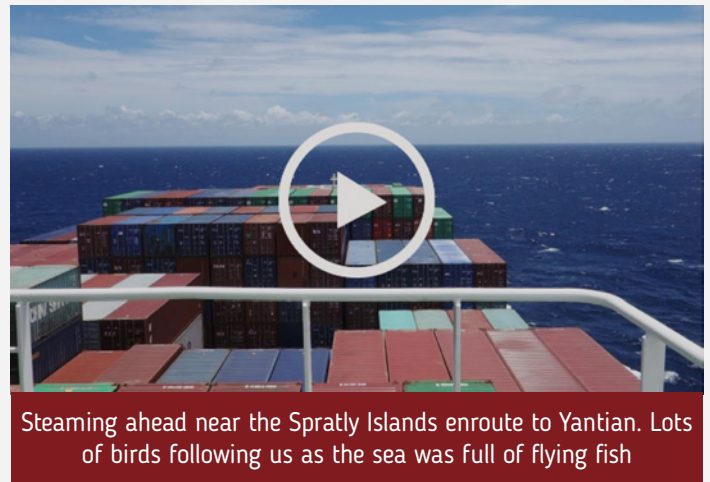
WestRock Company (NYSE:WRK) announced plans today to build a new corrugated box plant in the Brazilian state of Sao Paulo to meet growing demand from WestRock's regional customers in South America. [Read more...](#)

LEGAL NEWS

THE AUTUMN 2017 EDITION OF SHIPPING FOCUS, THE E-UPDATE FROM THOMAS COOPER'S SHIPPING GROUP

UK Arbitration and Dispute Resolution to Stand Strong in the Face of Brexit. [Read more...](#)

VIDEO OF THE WEEK



Steaming ahead near the Spratly Islands enroute to Yantian. Lots of birds following us as the sea was full of flying fish

PHOTO OF THE WEEK



An open top with over-height being lifted off a containership in the port of Busan New Container Terminal

QUOTE AND PROVERB OF THE WEEK

"TO BE BLIND...BUT WORSE IS TO HAVE EYES AND NOT SEE."

- Helen Keller -

"A LOST INCH OF GOLD MAY BE FOUND, BUT NEVER A LOST HOUR OF TIME "

- Ancient Indonesian Proverb -



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Joachim Jarck – Alliance Maritime

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220 USD / 200 EUR per month per job

Get it touch

For editorial contributions contact bo.drewsen@projectcargo-weekly.com

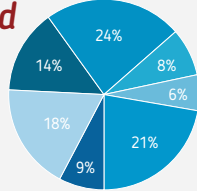
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