

Week 44 (30 October - 05 November, 2017)

EDITORIAL

It is now the first Thursday of November and time for another issue of PCW. The new year is less than two months away, maybe it's time to consider what promises we should keep in the new year, losing weight, drinking less and doing more house chores comes to mind. Come mid-January let's see what in fact happened!

Mao the "Great Helmsman" once famously remarked that "in the cleanest water lives no fish", fitting for the world we find ourselves in today with so many places riddled with corruption. Any hope of eradicating graft completely is probably futile, but there is no doubt that all forms of corruption hinder sustainable development overall and increases inequality.

One interesting newsletter comes to mind that I would like to draw your attention to: [Red Flag Bulletin](#), especially prescient with the recent news of some project freight forwarders being convicted of bribery (see UK's [Serious Fraud Office](#)).

In today's newsletter we have an interview with a reputable German shipowner specialised in traffic to Mexico, we then take a look at a competent Turkish project freight forwarder.

I hope that you will enjoy this first issue of November. Our last issue of 2017 will be Thursday, December 22, and we will return after the holidays on January 11th, 2018.

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First of all tell us about yourself Mr. Wiegratz what made you choose a career in shipping in the first place? What do you like about being in shipping primarily? Has the work changed in recent years do you think?

Well, this is a question you should ask people from landlocked countries *smile*. I grew up at the Baltic Sea and from my parents house I had the perfect view to the ferry berths and cargo docks in the Port of Rostock, which is by the way, the biggest port of the German Baltic Area. As a child I could have told you all about the arrivals and departures of all vessels. It seems like this was already an unconscious decision, that one day I would have a leading position in a shipping company.

There are so many aspects of shipping business that I think make it unique and interesting. Most impressive to me is that – especially in the project shipping sector – every single shipment offers you new tasks and challenges. Our daily work is effected by so many influences, such as weather changes, dockers or port worker strikes, low water levels on inland waterways and you always have to adjust to them immediately. All of these obstacles can be challenging, but also quite exciting. This is just a small excerpt, but is representative of the versatility required in a job like this.

I started working at Hugo Stinnes Schiffahrt GmbH (formerly Hugo Stinnes Lines) about 7 years ago. Since those days, when the project shipping market was still suffering from the economic crisis, the balances between ship operators and shippers, with their respective dedicated forwarders, did change a lot. A shipping line needs to act in a very complex and multi-functional manner, without losing focus on its core business – a reliable and financially effective transport solution. The so-called "everybody-can-ship-everything-mentality" became prevalent and was an indication of the increased direct competition between the different shipping sectors – liner against tramp, container against RoRo and breakbulk carriers. This is one of the most challenging developments in recent times.

Do you accept cargo mainly from freight forwarders or is it a mix of both shippers direct and freight forwarders?

The importance of direct links between shippers and shipping lines has increased massively. Nevertheless, the classic role of freight forwarders and their expertise in transport planning should not be neglected. Risk assessment and information filtration is one of their tasks – making the communication between cargo and ship easier of course, compared to a straight connection between producers and shipping lines. In my opinion, some cargoes and projects can cope with the absence of a forwarder eventually, but most of them cannot.





Pressure tank shipment from Antwerp (4.500 cbm)

We understand that you are the line manager of the SanMex service. Explain this service concept to our readers please and tell us what you find unique about this particular service in the market. Elaborate also with a few lines on the history of Stinnes Line.

The SanMex service is a modern, flexible, but very experienced multipurpose liner service. Our team is situated in Rostock, responsible for the planning and performance of sailings with a minimum monthly frequency. The trade is designed as a round-service between selected North Sea ports (Bremen and Antwerp), North Spanish ports (Bilbao, Pasajes, Aviles/Gijon) and destinations in the Gulf of Mexico (Veracruz, Altamira/Tampico, Houston, New Orleans) and has been in the transatlantic liner market for more than sixty-five years. The company roots itself back into the first half of the 19th century – Mr. Hugo Stinnes was one of the most important entrepreneurs German industrial and transport history.

In the current market it is very important to have special focuses. The SanMex Service offers a wide range of cargo shipments in general, but has its special focus on supply-chain-logistics for the renewable energy and automotive sector, as well as the construction and building industry. Carrying ultra-sensitive steel and oversize machinery for the factories of all famous car producers, like Volkswagen, Audi and Nissan.

Furthermore we are proving to be a reliable partner for a large number of windmill and electricity equipment customers. Two significant examples: A global player in the windmill business chose Stinnes as their test partner for a new windmill blade stacking system.

Another one has maintained a long-term relationship with us for over a decade, since the steady shipments of renewables from Spain to Mexico started.

What type of ships do you currently employ and are your ships geared or non geared? If geared, what kind of capacity can you offer with own gear? With a base in Rostock does it also mean that your ships call the Baltic on occasion? Are your ships ice-classed?

The operated tonnage are craned tweendeck vessels of the modern generation and capacities between 12 and 34.000 tdw, equipped for the carriage of sensitive steel materials as well as loadings of over-length and heavy-weight cargoes. The geared vessels have the option to handle cargoes up to 300mt.

The Baltic Sea is an interesting area for project cargo shipments,

indeed. Just one example: A famous mobile crane producer (the one with L...) is exporting complex and voluminous crane equipment from the factory, which is situated in the Port of Rostock.

With the detailed planning, a small alteration on the flexible sailing schedule and the right cargo for the right moment – we fixed a nice shipment into Altamira/Mexico. Looking back, this was by far the shortest visit on board of a vessel loading own cargo.

Since it was such a good experience, it was for sure not the last time and opportunity for interesting fixtures out of the Baltic.



Steffen Wiegratz on board M/V Alamosborg alongside the Liebherr Factory Quay in Rostock, Germany where we loaded two Harbour Mobile cranes for Mexico (December 2016)

Can you provide containers or are you mainly a breakbulk shipowner? Do you accept shippers own units?

I must admit that I stopped counting how many clients asked this important question, but all of them get the same feedback. The SanMex Service is focused on shipments of packed or unpacked shipments of project cargoes, but if you just think about all the small accessory components, e.g., bolts, nuts or even paint colors accompanying the project shipments, a combined solution for container transports, both shippers own units or line's containers on the same vessels are an advantage, of course. Thanks to our exclusive container fleet with all typical equipment types (DC, HC, OT, platforms) – we can cover this demand as well and assist to avoid red tape and additional workload for our customers.

Can inland transport in Mexico be done via your arrangement all the way to the final destination?

Yes, of course. This is what I meant talking about the changes in the shipping roles in recent years. Hugo Stinnes maintains a long-term relationship with all parts of the transport chain. Our network of partners in Mexico combine reliable terminals for cargo handling in all relevant ports on the one hand, but also act as logistics partners for all kinds of haulages, over-length, heavy-weight as well as standard jobs.

Would you be able to call other ports sub-inducement in case of bigger projects destined for non-regular ports of call? Roughly speaking, what would constitute enough "inducement" for you to make such a call?

In describing the service with the word 'flexible', it suggests an option to include other ports in the same trading area or designing special service sailings to fit the requirements of the requesting client. Most important is, that the flexibility remains in a healthy balance. We want to keep short transit times and a solid service structure on the trade-lane to ensure a steady cargo flow. But we are definitely also considering niche solutions for customers with special demands. Defining an exact number for an inducement would not be constructive at this point, but our company can ensure small inducements due to "handy" vessel sizes, different stowage options and long-terms price structures in most of the area ports.



Ethilen-Boiler shipment (237mt)

Has the slump in the oil and gas industry affected your liftings to Mexico and the Caribbean?

Yes, of course!! We noted a drastic decrease in the number of projects and volumes since the trend started and had to adjust our tonnage and sailing strategy. On the other hand I am very optimistic that the oil & gas sector will have its revival very soon - project shipping will see positive trends again!

Whom to contact for rates to Mexico/Caribbean? Whom to contact for rates from Mexico & Caribbean?

The pricing and strategic work on sea-freight and logistics services for the whole service is controlled at the Stinnes HQ in Rostock. In almost all countries (Germany, Belgium, Spain, Mexico, USA, etc.) we have exclusive or company integrated agencies representing, promoting and supporting the sailings of the SanMex service with their bookings. Many of them belong to well-known agency networks, such as Multiport or others. For more details on contact partners at sight, we strongly suggest to visit our website to find all the relevant counterparts in the corresponding countries and to get in touch with us.

Interviewee
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HUGO STINNES
SCHIFFFAHRT

UNIVERSAL PROJECT – TURKEY

TOYGAN BALKANLI PROJECT MANAGER

Who are the owners of Universal Project in Turkey?

Tamer Yilmaz, Alican Ekmen and myself, Toygan Balkanli.

When and why did you establish the company given that there are so many freight forwarders in Turkey?

We established Universal Project in 2008. All partners used to work for a well-known global freight forwarding company between 5 to 10 years. Over time we realized the lack of tailor-made service in the project cargo market and decided to establish the company in order to provide tailor-made and more flexible service.



Give us some examples of project cargoes that you have handled in the past couple of years.

The heaviest item we handled was a 520 ton mobile shore crane from Mersin, Turkey to Durres, Albania with the following dimensions: L:18,70 x W:13,00 x H:38,00 meters. You can view a video of this shipment from our web site: <http://universalproject.com.tr/#services>



Loading a 520 ton crane

Transformer shipments are one of our regular businesses. Since establishing the company we have handled more than 150 transformers weighing 40 tons to 364 tons.



all shipping documents should be clearly agreed upon prior to departure from the origin in order to avoid any complications.



Tell us a bit about Turkey - what language is spoken in Turkey? Turkish companies have expanded a lot in recent years, construction companies in particular, as we have seen in Central Asia and even Africa. Do you count some of them as your customers currently? When Turkish companies choose their freight forwarder do they normally go for price, service or a combination of both?

The official language in Turkey is Turkish. The most common foreign languages are English and secondarily German.

There are 3 sectors in which Turkish companies are very effective abroad: textile, construction and iron - steel. You can see Turkish investments or projects in CIS countries, the Middle East and Africa.

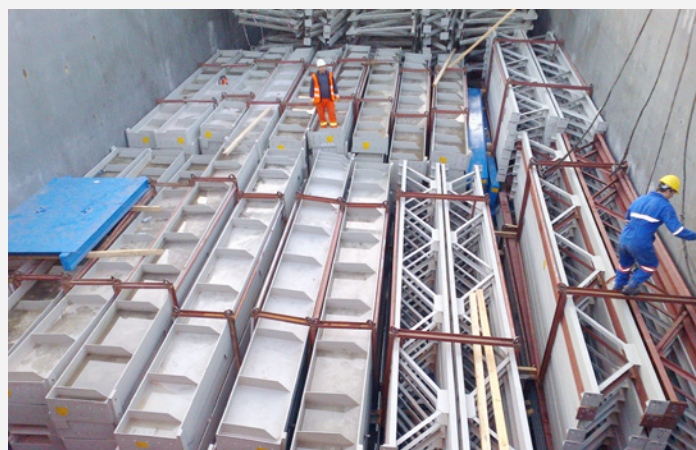
For sure we can count several such companies as our customers. A couple of years ago we handled a turn-key iron -steel factory project in Algeria on a door to door basis for 3 years. It was the biggest foreign investment ever made by a Turkish company.



In addition to transformers we have been handling pipes, per-fabricated modules, construction equipment, rolling cargoes and etc.

Turkey is ideally located between Asia and Europe, do you have experience handling transshipments via Turkish ports to other countries? If so, tell us about customs clearance, how is that normally done for transshipment cargo, is it an easy or a difficult process?

As you stated, Turkey's location makes it like a bridge between Europe and Asia. We handle transshipments to/from the Middle East and CIS Countries. Transit customs clearance procedures are not that complicated in Turkey, if all documentation is in order. As the customs regulations of countries are different than each other,



Algeria Steel Plant Project



Algeria Steel Plant Project

You can find a summary of the project as follows:

Origin: Turkey, China, Italy, USA, Germany, Finland, Switzerland
Destination: Chehairia/Algeria
Cargo Description: Steel construction, transformers, machinery and general cargoes

Total figures of the project:
Volume of project & break-bulk cargo: 220.000 cbm
Weight of project & break-bulk cargo: 40.000 tons
Number of chartered vessels (sole cargo): 25
Number of chartered vessels (part cargo): 8
Number of containers (in & out of gauge): 1.520 TEU
Number of standard trucks: 3,712

In addition to the above, a couple of months ago we handled shipments of cargo for the Olympic Sports Complex to Douala/Cameroon from Turkey for a Turkish Construction Company. Various kinds of equipment were delivered such as engineering machinery, prefabricated living modules, rebar, trailers and approximately 100 SOCs containing furniture and consumable materials. We chartered a 12,000 dwt vessel on sole cargo basis.

Generally companies choose their freight forwarder considering a combination of service and rates, but this always depends on the importance of their shipment or cargo.

As a tourist destination, which places in Turkey would you recommend to visit? Any places that are not so well known perhaps?

I especially recommend Istanbul and the coast of our country, places like Cesme, Bodrum, Fethiye and Antalya, are all the well-know destinations.



photo credit: [Pedro Szekely](#)

I would also recommend following locations for different purposes:

Winter Sports: Uludag/Bursa



photo credit: [urra901109](#)

Historical Attractions: Safranbolu/Karabuk (UNESCO WORLD HERITAGE)
Ancient History: Efes Ancient City /Izmir (UNESCO WORLD HERITAGE)
Bergama Ancient City/Izmir (UNESCO WORLD HERITAGE)



photo credit: [Turec Olive](#)

Natural Attractions: Cappadocia/Nevsehir (UNESCO WORLD HERITAGE)



photo credit: [world wide](#)

What made you choose a career in shipping and what do you like about it?

My father was a customs officer and his duty stations/places were generally sea-ports. So, somehow I grown up in this sector. As a

natural result of this I studied logistics at university. I became acquainted with the project business as a trainee and decided to go ahead in that direction as it was not something mundane. I guess the thing I like best about this business is doing extraordinary things.

Whom to contact at Universal in case someone wants a quotation from you?

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FEATURED PROJECT SHIPMENT

TWO IRAQI NAVY CORVETTES FROM ITALY TO IRAQ AFTER 26-YEAR DELAY



After a 26-year delay two Assad-class corvettes that were built in Italy for Iraq in the 1980s have finally been delivered on the heavy carrier Eide Trader.

Fincantieri originally built six Assad-class corvettes for Baghdad in the 1980s, but none of them were delivered due to the imposition of a UN arms embargo on Iraq after its invasion of Kuwait in 1990. Four were sold to Malaysia, while Musa Bin Nussair (F 210) and Tariq Bin Ziad (F 212) remained at La Spezia with Iraqi skeleton crews.

The arms embargo was lifted in 2003, but there was a protracted dispute about the fate of the ships. The Italian embassy in Baghdad announced in May 2014 that Fincantieri and the Iraqi government had signed an agreement that paved the way to ending the dispute, saying the shipyard would modernize the vessels before they were delivered. However, there is no indication that this modernization took place before the ships were delivered. Ridgeway International USA Inc. was charter broker and agent for Eide Marine Logistics A/S on this sensitive and successful heavy-lift transport.

<http://ridgewayintl.com/usa/>
<http://logistics.eidemarine.com/>

LEGAL NEWS

SKULD HIGHLIGHTS THE EXPOSURES OF CHARTERERS IN THE MIDDLE

It is common in the chartering business for a vessel to have three or more parties in the charterparty chain. A relatively simple (and usual) pattern is that the headowner charters the vessel to a time charterer, who then sub-charterers vessel to a voyage charterer. Longer charterparty chains are often seen as well.

The chain may include headowner - bareboat charterer - long-term time charterer - medium-term time charterer - time-charter-trip charterer - voyage charterer. Some charterers in the middle may be under a misconception that, as a party in the middle in the chain, they may simply pass claims up or down the line and their exposure is minimal. The purpose of this article is to highlight the exposures of charterers in the middle and recommend precautions which charterers should exercise to avoid or minimize their risks. [Read more...](#)

RIGGING NEWS

INSTALLING A TURBINE AND GENERATOR WITH A JACK-UP SYSTEM

Working within tight space restrictions, the four tower Jack-Up system lifted the power generation plant equipment to a height of 4.5m, allowing it to be easily skidded into position.

The Enerpac JS-250 Jack-Up system is a 1000 Tonne capacity multi-point, synchronous lifting system with self-contained hydraulics in each unit for uncluttered work areas. Loads are lifted in increments as steel "barrels" are stacked together to form lifting towers. Utilising Collett's SPMT capabilities, the 100 Tonne Siemens steam turbine and the 60 Tonne generator were manoeuvred on site within the plant and positioned above the Jack-Up units at each corner of the load. Following the 4.5m lift, Collett's skidding systems allowed for both the generator and the steam turbine to be skidded for 14m into final position.. [Read more...](#)



The Jack-Up system lifted the plant equipment to a height of 4.5m

SHIPPING NEWS

NEW ROUTE FOR INDIA-BANGLADESH CARGO TRANSPORT OPENS

Opening a brand new route for cargo transportation between Bangladesh and India, a ship carrying 185 truck chassis manufactured by main personal Indian firm Ashok Leyland Restricted left Chennai port for Mongla port yesterday. India's Minister of Delivery, Street Transport and Highways and Water Sources Nitin Gadkari digitally flagged off a RoRo-cum-general cargo vessel MV IIDM DOODLE carrying the consignment. The ship is anticipated to succeed in Mongla port in Bagerhat of Bangladesh in 5 days from the date of journey as in opposition to 20-25 days by street.

[Read more...](#)

RENEWABLES

VOLTALIA WINS 25-MW SOLAR PROJECT IN EGYPT

The project was signed last week in Paris during an official visit of Egypt's president Abdel-Fatah al-Sissi. Voltalia said it plans to launch construction early next year and bring the plant online in the second quarter of 2019. The output of the park will be sold under a 25-year power purchase agreement (PPA) with the Egyptian Electricity Transmission Company (EETC). [Read the PDF](#)

ENERRAY TO DEVELOP 30MW PV PROJECT IN CAMEROON

Enerray, through the company EB Solaire, is developing a 30MW PV project in Cameroon, with Enerray set to serve as EPC provider for the plant. [Read more...](#)

CONSTRUCTION

FLEXENCLOSURE TO BUILD TWO NEW DATA CENTRES IN CHILE, ECUADOR

Sweden-based prefabricated data centre provider Flexenclosure is to expand its Latin American footprint after securing an order from an unnamed customer for two new data centres in Chile and Ecuador. [Read more...](#)

POSCO DAEWOO INTERESTED IN BUILDING GRAIN COMPLEX AT CHORNOMORSK PORT - SEA PORT AUTHORITY

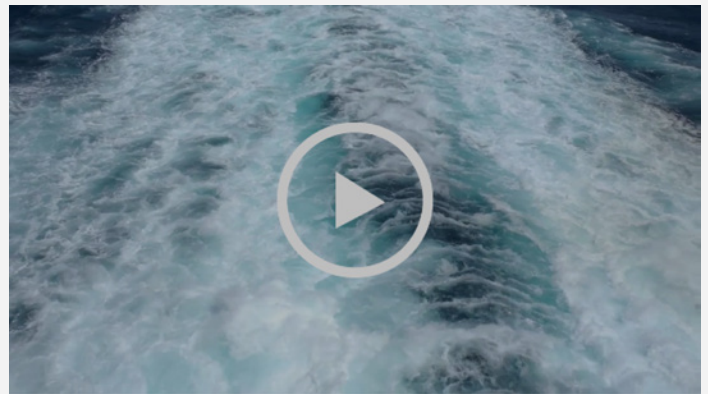
"The Korean delegation was especially interested in the possibility of developing a second terminal using berths Nos. 7, 8 and 9. Representatives of Posco Daewoo Corporation are interested in cooperation and consider this territory as promising for the construction of a complex for transshipment of grain cargo and processed products," the authority said. [Read more...](#)

POWER GENERATION

WÄRTSILÄ WINS POWER PLANT EQUIPMENT CONTRACT IN BANGLADESH

The baseload power plant is being built by Karnaphuli Power, which is owned by Baraka Group. The plant, which is being executed on a fast-track basis, will feature six Wärtsilä 50 engines which run on heavy fuel oil (HFO). The firm plans to deliver the power generating equipment in January 2018 while the plant is scheduled to be commissioned in May 2018. [Read more...](#)

VIDEO OF THE WEEK



Steaming ahead on the CMA CGM Christoph Colomb in the Bay of Biscay overtaking a Yangming Line vessel on the starboard side

PHOTO OF THE WEEK



Yachts and container ships at Malta Freeport

QUOTE AND PROVERB OF THE WEEK

"IT IS BETTER TO LIGHT A CANDLE THAN CURSE THE DARKNESS"

- Eleanor Roosevelt -

"IF YOU DESIRE HONESTY DON'T ASK QUESTIONS WHOSE ANSWERS YOU WILL NOT WELCOME"

- Ancient Burmese Proverb -



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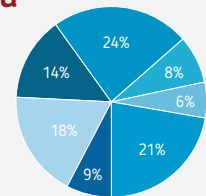
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