



Week 08 (19 - 25 February, 2018)

EDITORIAL

It's Thursday the 22nd of February, last week was quiet in many parts of Asia, mainly due to the festivities in connection with the Chinese New Year.



China is expanding its reach and influence, especially by way of "soft power" which includes trading, buying up companies at an unprecedented rate and making formerly brands formerly known as western into Chinese controlled companies. One example is the Swedish carmaker Volvo which Chinese the company Geely now holds a majority stake in. There was a lot of anxiety before Geely took over, however, every cloud has its silver lining and most of us now must admit that the Volvo car has shed its previous socialist container box image and is now more "sexy" than ever, and can indeed compete head-on with famous German brands. Volvo is now made by Sweden, not IN Sweden. In many countries including the US, Chinese money is buying influence and taking over businesses.

Shipping is no exception, with COSCO growing at an exceptional pace, having joined forces with China Shipping and are poised to take over OOCL soon. We can only hope that arrogance remains in check as the size grows and that good customer service continues to be one of their key goals. I worked as an agent of COSCO originally in 1984, so witnessing such impressive development in less than 35 years has been amazing. In the good ol' days, I recall seeing one of the first breakbulk vessels "Wangjiang" with a couple of containers on deck arriving in Europe. Those were happy days for Claus Rickmers KG who was the sole representative of Sinotrans, Cosco, etc.

The car industry, oil & gas, and shipping pretty much epitomize development around the world, it's scary to think that the US today has no sizeable commercial fleet of its own and that nearly all of its import/export is carried by foreign flag vessels.

SeaLand is a name of the past, APL is no-longer US owned and only a few regional US flag carriers remain, with Intermarine being the one exception. Oil & gas pretty much seems to be in the hands of a few Arab countries. The Chinese are investing heavily in this region, especially in Iran. I can recommend an interesting book about energy written by Mr. Moty Kuperberg of DSS in Israel. Available on Amazon <https://www.amazon.com/dp/1941905161>

Business wise has a great newsletter in store for you today. We start off in the Black Sea talking with a Romanian based feeder operator on the Danube/Donau river, we then speak to a law firm based in Odessa amidst the murky surroundings of some countries around the Black Sea. In the shipping industry having legal contacts is paramount. For our final interview of the week, we head west across the Atlantic to New Jersey to speak to a versatile freight forwarder with solid experience, including with inland

DELTANORD – BUCHAREST, ROMANIA

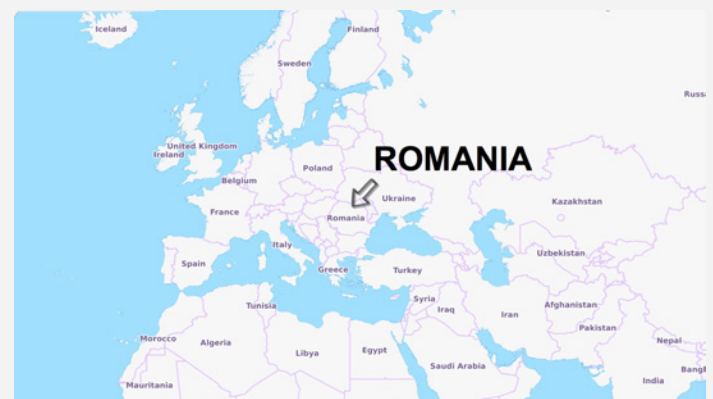
**MR. VALERIY CHOLAK
MANAGING DIRECTOR**

Who are the owners of Deltanord today?

The owner of SC Deltanord SRL is Mr. Aleksey Zudikhin.

Aleksey is practicing maritime law and is a top advisor for one of the leading stevedoring companies in Ukraine.

He was watching ships passing by Vienna on the Danube – this is where the idea for him to start his own company came from.



When did you establish your company and what is your main line of business?

SC Deltanord was established in May 2017, so we will be celebrating our first birthday soon.

I cannot say that we have a "line", but we do have a goal and that is to become one of the leading providers of heavy & oversized transports between European countries and FSU. It is obvious that being a native Russian speaking team, we are aiming to be there for those who trade between CIS and Europe.

Of course, we are open to those who are not regularly shipping something to/from our coverage area, however, we are mostly

focused on those who have already produced and sold many projects to/from Russia, CIS, European countries and doing this regularly. This is simply because we are confident, we have something different in our hands...and that is tools. Today it is number one to have enough tools for faster and cheaper solutions. At the same time quality must not suffer, to the contrary, it must be better. That's exactly what Deltanord does.



Our team is made up of people who have been involved in the shipping business for quite a while...so we understand what and where/how to implement our knowledge and personal contacts.

So our main goal is to become a well known OOG forwarder and carrier in Europe, Russia, and CIS countries.



Romania is located by the Black Sea and you have a part of the Great Danube River going through Romania - do you have experience in organizing transports using the Danube (Donau) River? What are some examples of project cargoes that you have handled using the Danube?

Yes, correct, Romania is located on the Black Sea but only a part of Romania. The longest part of Romania stretches along "Blau Donau" banks. A combination of one of the biggest ports on the Black Sea (Constanta) and the longest "stretch" of the Danube River is a fantastic combination.

To understand the whole potential of Danube River and shipping on its water, you must do a long trip from Germany where the Danube starts its nearly 2500 km way down to the Danube Delta to see some of the major perspectives.

An example of using the power of the Danube River? Well, I would, in this case, use the opportunity to share how we did the biggest project so far which is a shipment of equipment for Belene Nuclear Power Plant (Bulgaria) located on km 567 / right bank of the

Danube River.



It all started in Belgium, where our reliable partner organized a complete transshipment and handling of this special project cargo from a heavy lift vessel onto a river convoy, "Koppelverband" as they say in the Netherlands and Belgium.

We "relocated" seven heavy reactors of over 330 tons each via the Danube River for a total combined shipment weight of 2400 tons.

This project was so interesting and exciting that no one I guess even thought of the risk of low water or ice (the cargo was shipped in December 2017) and we completed the delivery just a few days before Christmas!

I would like to take this opportunity to thank our partner and friends personally at Heavy NV in Antwerp. Especially Mr. Joris Leonaers - director of the company. No other company could have done what Heavy NV did on the NPP Belene project!



Another example is the delivery of a Bosch industrial boiler. From Roth on river Rhine to Antwerp in just around 6 days. Then by direct transshipment and sea "leg" to port Klaipeda where the boiler was loaded onto a low bed trailer and crossed Lithuania and Belarus on its way to Ukraine.

I can also mention brewing tanks from Bulgaria to Germany, power plant equipment from Constanta to Linz, equipment from Romania to Estonia, pressure vessels for the chemical industry from Antwerp to Hungary, and various tractors and harvesters from Germany to Bulgaria and Romania.

Often times the Danube, Main, Rhine, and other European inland waterways are the starting points of a long journey to any country in the World and vice-versa. Just think how many manufacturers are located along the Danube and other rivers/canals.

To understand the facts and figures you should have a look at the

official statistics, but still better to take a trip all the way from the North Sea and the Baltic to the Black Sea side.



Are you a member of any logistics or freight forwarding networks currently?

We are members of the Association of Romanian Freight Forwarders (USER) and just became a member of the International Freight Forwarders Association (FIATA)

Our company is preparing for ISO (LRQA) certification and shortly will become a member of a specific network for breakbulk and project cargo.



Do Navrom and Tarom still exist?

Yes, of course, Navrom exists and is operating. They do a lot for the Romanian economy and play one of the major roles as a state shipping company. They have a huge number of river barges of all kinds and tonnages. They transport a lot of seasonal cargoes like wheat, corn, soy, sunflower seeds, rapeseed, and others.

Tarom is the biggest national and international carrier which is also a member of IATA. They are developing as far as I can see when I am traveling through Henry Coanda Airport. I cannot say a lot about air transport – I do not like to fly.



Is corruption a problem for you in Romania today also in logistics? How about the legal framework in Romania and dealing with authorities, has that become easier and more transparent?

Well, that question is a bit unexpected, I thought we will talk about cargoes and ships. For us, there hasn't been a single problem so far with the authorities. Just like in every normal country...they tell you what to do and you make a decision to respect it or not.

We planned or maybe better to say "planted" Deltanord to grow and to develop. In 5 - 10 - 50 years I believe there will still be shipping business growing in such a huge and great country like Romania. Therefore we are following the rules and regulations. Plus we are trying to be useful in this country with what we can do to better the shipping sector. So I can say - we have no difficulties or problems in Romanian, only lack of Romanian language skills, but this will take time!



Regarding corruption, I can say that I haven't been in a situation where I even thought of it or saw a sign of this problem. Maybe with time, I will be able to tell you more, but for the moment all people or companies in Romania we work with do what they should and constantly grow towards world standards.

So we are probably lucky and also do what we should. By the end of the day - corruption starts where someone is trying to give

something to get something...So far we are winning favor by the good work we do!

What makes your company the right one for an overseas potential client to contact in your own words?

I believe this question would be better addressed to our clients and partners, but I will use an analogy to show that we are the right choice to meet a client's criteria. It's like your favorite bookstore - every time you go there it is still the same bookstore but every time you find something new and exciting exactly for you...there on the shelves.

Deltanord is open for everyone...and is willing to show what stories, quality, and reliability we can offer.



Our team is made up of people with both good and bad experience...We have tried to combine only the best moments under our roofs but keep the bad experience as a reminder. I guess this is how people learn and grow and then they become a company...- good and reliable. Deltanord is "a place where good logistics made" isn't it what most clients are looking for?

We all need high-quality services and products, this we provide, but we don't need to prove it because we just love what we do, especially when it comes to a point where extra effort must be made!

How can you be reached?

Our contact details are on our website: www.deltanordship.com or for personal questions/comments or inquiries you can contact me.

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INTERLEGAL – ODESSA, UKRAINE

**MR. ARTHUR NITSEVYCH
PARTNER**

When was Interlegal established in Odessa and what is the main line of legal services that you provide to your clients?

Interlegal was established in 1995. Now, 23 years later we render specialized services in all Black Sea countries. Interlegal is the only law firm in Odessa which opened its offices in Turkey, Georgia, Bulgaria, Moldova, and Romania.

Moreover, we have 29 associated offices to provide effective services for our clients in 29 countries: United Kingdom, Germany, Latvia, Lithuania, Poland, Estonia, Cyprus, the Netherlands, Italy, France, Spain, the United States, Tunisia, Algeria, Egypt and many others.

Our specialization for many years has been transport, shipping, and international trade. We are considered a one-stop-shop for business in the countries of the Black/ Azov Seas (Ukraine, Russia, Georgia, Turkey, Moldova, Romania, and Bulgaria) and the Caspian Sea (Azerbaijan, Turkmenistan, and Kazakhstan).



The area of the Black Sea including Ukraine, and other surrounding countries are known for quite a bit of corruption and grey areas with respect to the law – tell us and provide us with a few examples of how you have helped clients in the past.

First of all, it is important to mention that lawyers of our law firm graduated from renowned European and Ukrainian Universities (including ones in London, Leeds and Malmo) and passed professional courses with BIMCO, ICS, Lloyds Academy, etc. Nowadays we have 50+ legal experts and can operate both local (for example, Ukrainian) and English law.

Second, we successfully combine the specific nature of the local market and international standards.

Typically, our maritime and shipping practice is around:

- investigation of damage to transported goods and ensuing liability attached to the maritime carrier
- damages to the ship caused by the nature of the carried goods
- issues of lay days and demurrage including damages resulting from late entry to port or late access to the operative quay
- damages suffered by the carrier as a result of force majeure
- issues relating to non-performance of charter parties (for example, non-payment of freight, late, re-delivery of the vessel or early termination of the contract)
- sale, construction and ship repairs
- matters relating to salvage at sea
- maritime insurance

For example, our main focus nowadays for our clients from the shipping industry is ship arrest/ship release.

On October 03, 2017, the Supreme Council of Ukraine accepted the law «On Amendments to the Commercial Procedural Code of Ukraine, the Civil Procedural Code of Ukraine, the Code of Administrative Procedure of Ukraine and other legislative acts». From January 01, 2018 we have already had a few ship arrest and ship release procedures for our clients. These cases were about the bunker and agency debt recovery. During the last year, we acted both on the shipowners' and bunker companies' side.

Despite the corruption in Ukraine and some other Black Sea regions, we work exclusively in the legal field. And our success is the result of rich experience and deep understanding of both local and international legal procedures.

Besides, we have summarized all useful information regarding the ship arrest procedures in the Black Sea region. You can find a short FAQ about the ship arrest/release in Ukraine [here](#).

Another example is described in our article when a shipowner avoided ship arrest after the vessel detention by law enforcement bodies. Interlegal lawyers facilitated the vessel release via the overall assessment of the client's legal position, legal support under investigative actions, including questioning 22 crew members, and prompt appeal against the SSU investigator's decision. As a result, the vessel left seaport water area as quickly as possible, so the shipowner could avoid ship arrest at the Ukrainian port and mitigate losses.



If a freight forwarder or a shipowner has an outstanding freight amount with a customer in the Black Sea Area can you help push forward the collection?

Of course, it is important to look through the legal and transport documents, but it is our usual practice to act on behalf of a freight forwarder or a shipowner. So, surely, we would be pleased to help. Sometimes, it is enough just to send a demand letter on our letterhead.

How does the legal system work these days in Ukraine, is there a well functioning system or is it based a lot on “relationships” and “contacts” still? In other words, the law is, of course, the law, but in practice how does it work?

The serious drawback of the legislation in the maritime sphere of Ukraine is the lack of the unified approach in questions related to maritime activity. The legislation of Ukraine consists of the Merchant Shipping Code, laws and bylaws that regulate some specific maritime relations. The legal framework in this respect is imperfect. There is a strong necessity to systemize legal norms governing maritime activity; if Ukraine is positioning itself as maritime state then it should follow global trends.

We can confidently say that Ukraine is moving forward with the civilized legal system, but it still has a number of local specific bylaws, which a foreigner can hardly understand.



What kind of licenses do you need in order to operate as a law firm in Ukraine?

In Ukraine, for a law firm itself a special license is not required to practice law but personally, lawyers have to pass an exam and get included in the Ukrainian Advocates register. This allows representing clients in courts, for example. So, similar procedures exist in all Black Sea countries.

From 1 January 2019, foreign lawyers and non-advocates are no longer able to represent clients in all courts in Ukraine (including courts of first instance) unless they are included in the Ukrainian Advocates register.

A foreign advocate wishing to be admitted to advocate practice in Ukraine will need to file an application together with the required list of documents, pay the necessary fees and be included in the Ukrainian advocates register by the Regional Bar Council.

A foreigner, who is not an advocate abroad, must pass the qualification exam in order to become an advocate in Ukraine.

How long have you practiced law yourself? Who owns the company Interlegal?

Interlegal firm has 5 partners in Ukraine. In other countries, we have at least 1 local partner. Personally, I have been practicing since 1992.

Depending on the case at hand what would be the approximate cost per hour of hiring Interlegal? Or is the cost based on no cure no pay – tell us how fees are applied or if it is case by case?

It depends on the particulars of the case, of course, but we are very flexible. You know, that pure hour rates are not modern anymore. Everyone would like to know the budget. This is very important for planning under the present market conditions. We prefer fixing lumpsum amounts or success fees whenever possible.

We issue invoices to our clients only for the time effectively spent. We always correlate our fees with the client's benefit and we understand that profit is nothing – cash is king!

What makes Interlegal the best in the field in your view?

Interlegal is the #1 law firm in maritime law, according to the rating research of national legal newspapers “Yuridichna Gazeta” and “Legal Practice”, both of which are independent ratings.

The law and practice of shipping and trade have always been closely entwined. There can be no other branch of business where the practical people know so much of the law; and where professionals know and need to know so much of the practice.

It is our detailed knowledge of local markets across the region of the Black Sea, extensive experience of lawyers and admiralty managers together with a strong sense of a commercial “can do” approach that help us contribute effectively to our clients’ business.

Interviewee:

Mr. Arthur Nitsevych

Partner

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Interlegal

<http://interlegal.com.ua/>

Международная Юридическая Служба

Interlegal

AJ WORLDWIDE SERVICES – NEW JERSEY, USA

MR. GUVEN BALCI
KEY ACCOUNT MANAGER

Tell us about AJ Worldwide and when the company was established and the main line of business that you are in, please.

We have been serving the logistics industry since 1994, we are a dependable single-window logistics service provider. Our spectrum of services include Air Freight, Ocean Freight, Land Freight, Warehousing, Brokerage & Project Cargo, however, we have not limited ourselves from offering other allied services in order to keep our clients’ supply chain intact.



How is the competition in freight forwarding on the East Coast of the US?

Competition in the field of freight forwarding is increasing day by day. There are a lot of companies just promoting cheap rates but who provide terrible service. It is a very risky decision to get into the service business without having enough experience and knowledge.



It is a relatively well-known fact that many forwarders in Europe or Asia often complain about finding competent forwarders in the US, particularly ones competent in doing inland transport. How does AJWW differentiate itself?

Excluding Hawaii and Alaska, there are 50 states in the USA and each state has their own regulations. I consider any cargo over 50,000 LBS overweight. Most of the states require permits for overweight cargo and the processing time is different from state to state. We invested almost 2 years to develop a reliable trucker network and if any of these truckers fails even once we immediately remove them from our network.

Do you have practical experience in moving project cargoes to/from the US? Could you provide us with some examples?

Yes, I have coordinated many project cargo transports. For example, we successfully handled an antenna tower mast VLF station for the Indian Army's Kattabomman Project.



How long have you worked at AJWW? What made you choose a career in freight forwarding?

I have been with AJ Worldwide Services for 7 years. My educational background is logistics, pricing, and supply chain, management. I chose the field of freight forwarding because this it gives the opportunity to coordinate every step of the transportation need.

Is the freight forwarding career normally a sought after one in the US? Is there any education available in the market in the US or how do you find your staffs generally if needed?

Many educational institution offer degrees in the logistics field and demand is growing day by day. We give regular training to our staff related to their job description.



How to contact you Mr. Balci?

I can be reached either via email or my cell phone:
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Interviewee:

Guven Balci

Key Account Manager

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SHIPPING NEWS

JAPANESE SHIPPING LINES REVEAL SCALE OF FINES BY EC FOR CAR CARRIER CARTEL

Editors view:

Embarrassing to say the least for these major shipowners having been caught with their hands in the glue of a cartel they established to control the market. Free competition means free competition thus pleased to see that the EU does have a couple of teeth when needed! [Read more...](#)

OIL & GAS

CB&I BAGS \$95M CONTRACT FOR THAI ETHYLENE PLANT

CB&I has secured a contract valued over \$95m from Samsung Engineering (Thailand) for a brownfield ethylene plant at PTT Global Chemical's (PTTGC) petrochemicals complex in Map Ta Phut, Rayong, Thailand. [Read more...](#)

POWER GENERATION

NDPHC FLAGS OFF US \$18M INJECTION SUB-STATION POWER PLANT IN NASARRAWA-NIGERIA

Niger Delta Power Holding Company Limited (NDPHC) has flagged off a US \$18m injection sub-station power plant in Nasarrawa-Nigeria, in line with the efforts put in place by the Federal government for a sustainable power generation and transmission in Nigeria. [Read more...](#)

CONSTRUCTION

NEW JV IN NEW ZEALAND TO EXPLORE HYDROGEN PRODUCTION USING GEOTHERMAL

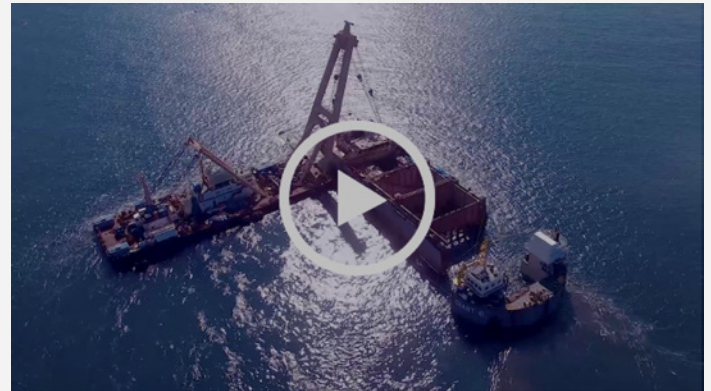
Reported by various outlets in New Zealand yesterday, a MOU has been signed between Taupo/ NZ-based Tuaropaki Trust and Japanese construction company Obayashi Corp. The company are planning a pilot project that would commercially produce hydrogen using geothermal energy. [Read more...](#)

DEFENSE INDUSTRY

FRENCH CONNECTION FOR SYDNEY DEFENSE MANUFACTURER

Electronics specialist Thomas Global Systems has partnered with French aerospace engineering company, Safran Group, to manufacture and support high-technology defense equipment made in Western Sydney. [Read more...](#)

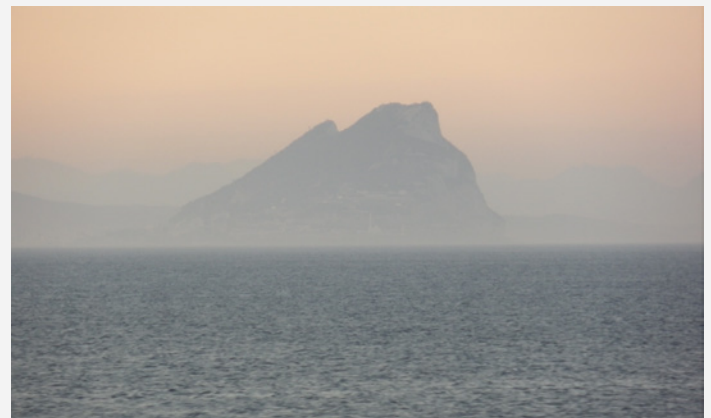
VIDEO OF THE WEEK



SMIT Salvage - wreck removal of TS Taipei

SMIT Salvage successfully removed the wreck of the TS Taipei offshore Shimen in the north of Taiwan. The container ship ran aground after an engine failure, broke in two and sank. For this complex project SMIT Salvage deployed its 1,000 ton floating sheerleg Cyclone and the semi-submersible pontoon Giant 6.

PHOTO OF THE WEEK



Lion's rock of Gibraltar picture taken from onboard CMA CGM Christophe Colomb passing the strait of Gibraltar enroute to Malta by the undersigned. A historic place indeed and hope it will remain British.

QUOTE OF THE WEEK

"WINNERS NEVER QUIT AND QUITTERS NEVER WIN"

- Vince Lombardi -

PROVERB OF THE WEEK

"DON'T THINK THAT BECAUSE THE WATER IS PASSIVE
THERE ARE NO CROCODILES"

- Ancient Malaysian Proverb -

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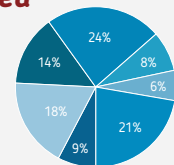
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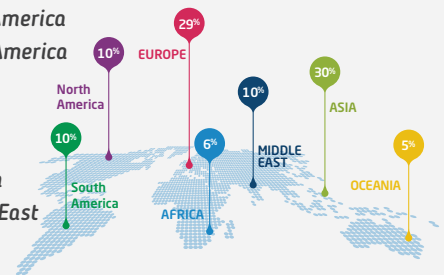
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