

Welcome to Project Cargo Weekly's 5th issue.

EDITORIAL

This week we include an interview with a regional shipowner that operates in the Baltic/North European areas. In order to continue our geographical news and intelligence reporting we are also including a Q&A with an interesting person located in Madagascar, of all places.

I don't know when you last thought about Madagascar, it has been several years since this huge island in the Indian Ocean crossed my mind. Madagascar is a very special place indeed.

The big news in shipping this week is that the 3 Japanese majors will apparently join forces. This has been on the cards for a number of years and is surely helped along by the current state of the industry. Hanjin troubles continue to make lawyers happy (no doubt) and from what I understand from my ship owner contacts the problems are far from over. Apparently shippers are now considering carefully which shipowners and freight forwarders can be trusted.

In this issue we offer a bit more business intelligence which I hope you will find interesting. Bear in mind that the real value of the news lies in the action taken to pursue potential business.

If you need any help or additional information about the contents of this issue feel free to contact us.

Enjoy! Until next time,

Bo H. Drewsen

Editor

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REGIONAL SHIPOWNER / FEEDER OPERATOR: BALTICS INTERVIEW WITH MR. BJÖRN PALM, MANAGING DIRECTOR OF HACKLIN

 Our readers would love to learn more about the history of your company. When did you establish Hacklin and when did you enter into feeder operation and ship ownership?

Hacklin was established in 1908. The company first started out as forwarding company. It later expanded into shipping operations in 1915 with its first own vessel s/s Birgit. Her sailing came to an end during the First World War in 1918 when she met a German submarine at sea.

During the years Hacklin has been involved with many shipping companies but today Hacklin Group is a logistics company with activities in Freight Forwarding, Project Logistics, Stevedoring and Warehousing.

Hacklin has offices in Finland, Germany (Hamburg), Russia (St Petersburg & Moscow), and China (Shanghai). The container feeder operation between Finland and Germany is the only shipping operation Hacklin is running today.

Hacklin Ltd operates its feeder traffic under the 100% owned company Hacklin Seatrans Ltd. Hacklin is the only Finnish company that has its own feeder operation.



 Do you accept break-bulk cargo onboard your feeder vessel?

Yes, we accept break-bulk cargo. We have welcomed this type of cargo for some time now and it's an important part of our traffic.

This photos shows what some of our break-bulk cargo looks like onboard and how it's maneuvered.



This project cargo was shipped with our feeder vessel m/v Ragna on deck from Hamburg to Rauma. Cargo dimensions: Length: 246cm, Diameter: 285 cm, weight: 161mt. The cargo was discharged in Pori with a 12m lifting boom by the strongest port crane in Finland called "Masa" with a lifting capacity of 200mt

 What are the transit times to Continental Europe, and which routes does your vessel typically take? What is the usual cost for this type of shipment?

We usually ship via the Kiel Canal, which can take approximately 2 to 5 days. With regards to the cost, it usually costs just under 3000€ for each direction. Because of the costs and times involved, we prefer to use the Kiel Canal when possible.

 In the continent, where do you discharge the cargo? In the case of larger quantities, are you able to discharge directly onto the ongoing ocean vessels at specific terminals?

Basically, if there are enough bookings and volume, all Hamburg terminals are possible. Throughout the week, this could typically include 3-4 terminals, sometimes even 5 (SWT, CTB, CTA, EGT, CTT). SWT operates every week for its own Short Sea containers and Break-bulk.

During the winter, the temperatures known to be extremely cold in the Baltics, are your ships ice classed?

The Finnish 1A is ice classed (e3 according to Lloyds). The following photos show what some of the shipping conditions in the North typically look like during the colder months.





 During these colder months, what kind of problems could you encounter with the cargo?

Normally, we don't experience any problems in the North due to the weather because of our experience shipping in such conditions. When it's less than -25 degrees or there are heavy winds over 20 m/s, port cranes cannot be used.

In the case of ice formulating on deck, the ship must reduce its speed. Melting the ice using steam in a port would take even longer, so there's no point speeding up.

 If anyone needs freight rates from Scandinavia to the Continent or vice versa whom should they contact? If need be, is it possible to call other ports instead of your usual one?

For any freight quote queries, our customers can easily contact us via email at: pasi.aro@hacklin.fi or via telephone at: +358 50 52 59053

Other ports on route are possible and it is not unusual to call on them as well, as long as the cargo volume is sufficient to pay the extra deviation costs. Over the last few years we've called at Sweden's east coast, Estonia, Denmark, Bremerhaven, and Rauma.

 Can you accept break-bulk cargo below deck as well, and what's the TEU capacity of your feeder?

When traveling from Mäntyluoto, storing cargo under deck is possible (after part hold is without container cells and suitable for break-bulk loads = 25m long).

When using deviation ports, we mainly use deck storage options due to rotation / stowage reasons.

 If you have more cargo than possible to load on a certain departure, are you then able to make arrangements with other carriers, or would you insert an additional vessel in the service?

The target is to always fulfill the schedule the shipper requires, bearing in mind that a feeder service has to meet the schedule of the Ocean carriers.

If we have more cargo than the capacity of the vessel, we are able to solve that as well, depending on what kind of volume and cargo we are talking about. Part of the cargo might be allowed to be postponed by a week if necessary, and then in addition with some help of other carriers the remaining cargo can be transported on time.

 Tell us a bit about yourself - when did you start in shipping and how did you end up in Hacklin?

I started in the business in a stevedoring company in the mid 1980s and was offered the position as Managing Director of a freight-forwarding group a few years later. The scope of business was freight forwarding (land, air & sea), stevedoring, warehousing and heavy lift operations with mobile cranes. In 1996, shipping activities with time-chartered vessels was added to the service. In 2003 I started my own shipping company, and then in 2011, I was offered the position as Managing Director of the Hacklin Group to further develop the business activities.

 How do you think shipping has changed over the years and how do you see the future of regional shipping in the Baltics?

Having been so long in the freight forwarding business, I have seen a lot of development, which has made shipping more efficient. There's better IT for quicker communication, more advanced equipment and machines for more efficient loading, more fuel-efficient vessels, and a lot of new regulations like SECA. But perhaps it is the growth of the container volumes that is the most remarkable change in the shipping business.

Shipping will always play a strategic role for the countries around the Baltic Sea. It is still the most efficient way to move a lot of commodities especially bigger volumes, and when environmental aspects are considered shipping is the best choice.

 Finally, do you accept passengers onboard, and if so, how much does it cost?

Generally, we do not take passengers on our feeder vessel, but if a colleague or customer would be interested, we could certainly arrange for them to experience life as a seaman for a few days.

Interviewee: Björn Palm Managing Director bjorn.palm@hacklin.fi

Oy Hacklin Ltd http://www.hacklin.fi/

Björn also supplied the following photos:









A PROJECT FREIGHT FORWARDER IN MADAGASCAR Q&A WITH MR. JEAN-PAUL RAZAFINTSALAMA OF TRADILES MADAGASCAR

 How many years have you lived in Madagascar and how did you get there originally?

First of all, I am from both Madagascar and France. I have been living in both countries all my life. After getting my degrees in economics and accounting, I worked 15 years in the Paris area. In 1995 I decided to return to Madagascar on a trial basis as the manager of a forwarding company. I created my own freight forwarding company in 1997 and I'm still here today.

 How many years have you worked in shipping and how did you get into shipping in the first place?

I have been working 30 years in shipping (I include forwarding in shipping) by now. After working several years in audit & accounting firms I wanted to work in a company that was "close" to Madagascar. I went to work as the financial manager of the general agent of the national flag in Paris. Soon, I was dealing mainly with shipping matters, for example representing the national flag in Consortium meetings. It was love at first sight

with shipping and I decided to take a specific course at Paris I La Sorbonne (while working at the same time) to give me a better understanding of the field. Unfortunately, because of mismanagement, the head office in Antananarivo went bankrupt and we had to close shop after 10 great years.

 Madagascar is an island that is not on everyone's lips, although the size should warrant it. Tell us a bit about the trade to/from the island, the infrastructure and the main ports of the island.

Madagascar is almost as big as France. It's one of the biggest islands in the world with a population of roughly 24,000,000 inhabitants.

Trade is not a balanced one with imports representing 2/3 of the total volume and exports 1/3. The main port is by far Toamasina (Tamatave) located on the eastern coast roughly 300km away from Antananarivo (Tana) the capital city. In 2015 this port registered almost 100,000 TEUS movements (in an out). The second port is Mahajanga (Majunga) located in the western coast with roughly 10,000 movements in 2015 and the third one is Antsiranana (Diego-Suarez) with 4,000 TEUS movements in 2015, located in the north.

Top exports are nickel, vanilla, garments from offshore textile factories, cloves, crustaceans (shrimps mainly) and handicrafts (basketry mainly, Malagasy baskets are invading the world!). We import a lot of things, among the top imports; refined petroleum, rice (consumption per year/inhabitant is one of the highest in the world), cars, medicines.

The main trading partner is the Euro zone but business with the Asian countries is growing fast. Madagascar also tries to boost trade with neighboring countries through memberships in COI (association of islands in the Indian Ocean), COMESA (Common Market for Eastern and Southern Africa) and SADEC (Southern African Development Community).



 When shipping into Madagascar are there some special rules to observe?

When exporting to Madagascar an operator must do a special formality called BSC which is an on-line advanced cargo declaration. Here is the link for further information: http://www.gasynet.com/en/gasynet/4-advanced-cargo-information-aci-or-bsc.html

 What kind of language is spoken in Madagascar in business matters?

The language for business is French but English is gaining ground. Like elsewhere in Africa, more and more Malagasy young people are studying Mandarin.

 Is there a national shipping line of Madagascar or are there any flag restrictions that imports/exports must go via certain lines or certain flags.

There was a national shipping line called SMTM, which was a member of the Capricorn Consortium, it owned 3 multipurpose 15,000T ships but it went bankrupt in 1996 and was obliged to sell all its vessels and containers. The main lines operating from Toamasina are MSC, CMA-CGM and MAERSK. MSC and CMA-CGM have feeder vessels servicing the secondary ports. Due mainly to the lack of a national carrier there are no flag restrictions.

· How are the road conditions for inland transport?

Although there was a major road re-building in 2002 most of the roads are in a very bad state at the moment. With some exaggeration you could say that the road to/from Toamasina is littered with fallen containers and grounded trucks, and it is also subject to landslides in the rainy season.

 Is it a place to visit for the shipping person who needs a holiday and if so where should one go? What flight route do you recommend from Asia?

There is a lot to visit in Madagascar. For the shipping oriented tourist I would suggest going to the south around Tuléar to meet the Vezo (members of a southern ethnic group of the same name), the best sailors in Madagascar, sailing their outrigger canoe and botry (malagasy made dhows).

There is much to see in Antsiranana (Diego-Suarez) which was a French naval base up to the mid seventies with its Ramena bay (one of the 10 most beautiful bays in the world) and its emerald sea. Finally I would strongly suggest going to the small and beautiful island of Sainte Marie which was a pirate stronghold around 1750. You can visit some of their graves and If you're lucky enough you might discover the famous treasure of La Buse, one of the well-known villains of that time, or go watch humpback whales and their babies starting each mid-August.

Domestic flights are very expensive and have erratic schedules. You can also take "taxi-brousses" but avoid travelling by night.

For those coming from Asia, Air Mauritius is the company worth considering unless Air Madagascar resumes its Guangzhou > Bangkok > Antananarivo flights.

Interviewee: Jean-Paul Razafintsalama Tradiles jprz.tradiles@gmail.com











"I like the interviews as in the case with Rickmers it answers actual issues and stifles unfounded rumours."

Albert Pegg, Managing Director, Atlas Breakbulk Alliance



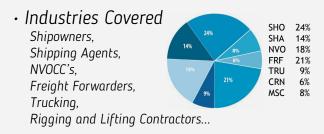
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