

## Week 20 (14 - 20 May, 2018)

#### **EDITORIAL**

Thursday the 17th of May has arrived and so has Project Cargo Weekly (hopefully in your inbox and not your spam folder (a)). Lately, I have been thinking a lot about life and what matters most, I decided to run through my "backpack" and update all paperwork relating



to my kids, my will and ensure that nothing will fall between two chairs should I suddenly cease to exist.

All that is required is a second of inattention on the freeway when driving or being at the wrong place at the wrong time like happened to someone in Paris (again/again) last week.

We owe it to our relatives and children to have a clear plan and paperwork done NOW because without it all you leave behind is a mess and you create potential conflicts between family members.

My grandfather once told me: "Bo, the man is good but the money is better". And by that he meant that people change when it comes to inheritance, money left in a will etc., thus for the sake of our dependents it is paramount to make our final wishes clear and get it on record.

Death and taxes are sureties of life so why pretend as if they don't exist or won't catch up with us. In this regard I recommend the book "Being Mortal" by Atul Gawande.

On the travel front I will be attending the Breakbulk Europe event in Bremen which takes place from the 29th to the 31st of May. Welcome to look me up at the CMA CGM booth no. 439 between 12.30 - 13.30 on the 31st of May - the place will be jam packed which makes it necessary to fix a meeting location in advance if you don't have a booth.

In this issue we start off in Europe / the Black Sea region where we talk to a project freight forwarder in Odessa, Ukraine, a country that has frequently been in the news the last couple of years, but hopefully is now developing and going forward.

We then turn our eyes to Asia and visit Hong Kong where we speak to a shipowner running services from Asia to the Med (among others) and we finally end up in the land of the Incas and wonderful food, ie. Peru, South America where we also speak with a freight forwarder.

We also have the usual "condiments" after the interviews and I hope that you will enjoy them and learn something as there are wise words and proverbs that spring from a lifetime of experience.

Enjoy and have a great rest of the week...end

Yours sincerely, Bo H. Drewsen

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## ALPHATRANS LTD. - ODESSA, UKRAINE

#### MR. DMITRIY BALABAN MANAGING DIRECTOR

Ukraine has been in the news a lot in the last few years. Tell us about the current situation in your country, is the business environment stable and how about shipping? Who are your main trading partners worldwide currently? Please also tell us about your main ports used for import and export.

Ukraine has indeed gone through a challenging period from 2013-2014 after the annexation of Crimea and the conflict in Eastern Ukraine which resulted in the Donetsk and Luhansk regions no longer being controlled by Ukraine.

Transport infrastructure (besides Crimean ports) were not affected, however cargo traffic squeezed substantially. Transit to/from Kazakhstan and other Central Aisan countries via Russia is not possible, we can only deliver cargo via Belarus.



Currently, the agricultural sector is one of the main economic drivers and have recently seen massive investment.

In 2017 Ukraine's 5 largest export trading partners were:

- EU countries 39.8%
- Russia 9.4%
- Turkey 6.1%
- India 5.5%
- Egypt 5.3%

Ukraine's largest import trading partners were

- Russia
- China
- EU Countries
- USA

Most of the Ukraine cargo traffic is now handled via the ports of Odessa, Chornomorsk, Yuzhny, Nikolaev, and Kherson.



OOG cargo from Spain to Russia. Alphatrans handled reloading in the port and delivery to the consignee by railway.

#### Who owns Alphatrans Ltd?

Alphatrans Ltd is a private Ukrainian company, and I am the only owner of the company.



OOG cargo from Spain to Russia. Alphatrans handled reloading in the port and delivery to the consignee by railway.

What sea/river port routes does Ukraine have available? Is the China ambition of the silk road development (railway transport) also involving Ukraine? Do you move cargoes by train to/from Central Asia/China currently?

Ukraine has access to the Black Sea and the Azov Sea where we have various ports and port points.

We also have two navigable rivers:

The Dnepr River provides an important navigation route for trade and is an important part of the economy. Additionally, it is a source of hydroelectric power for the country and two hydroelectric stations - the Dnepr Hydroelectric Station and the Kakhovka Hydroelectric Power Plant. There are 11 river ports on the Dnepr River.

The Danube River is the second longest river in Europe and links Ukraine to the European Inland Waterway system. Ukraine is the last country to see the Danube before it empties into the Black Sea and there are two ports - Reni and Izmail on the Ukrainian part of the Danube.

Train service from China to Europe currently bypasses Ukraine and the nearest points are Brest and Warsaw. We do not see much interest from Ukrainian customers to use rail service from China as it does not cross Ukraine. Moreover, there are several direct ocean services from China to Ukraine and freight rates are lower than rates via railway.



00G cargo from Spain to Russia. Alphatrans handled reloading in the port and delivery to the consignee by railway.

#### Do you need a license to be a freight forwarder in Ukraine?

In Ukraine, companies do not need to obtain a license to provide freight forwarding services. This is good and bad.

Good because startups do not need to invest in a license to run their businesses. Bad because the barrier to entry is very low and many new low-budget companies appear on the market without even buying liability insurance and choose to compete on cost as their strategy thus distorting the market.



OOG cargo from Spain to Russia. Alphatrans handled reloading in the port and delivery to the consignee by railway.

Tell us about customs clearance in Ukraine, is it difficult? Is corruption an issue currently? Can you provide a rule of thumb for those who may have a project to Ukraine - what should they prepare for in advance?

Customs clearance is still a complicated issue in Ukraine, although the situation is improving as the government sets a course towards de-regulation. The main problem is obsolete and imperfect legislation, which leaves many decisions to the discretion of a single customs officer.

For example, although there are certain time frames for the customs clearance process, it can be put on hold by customs officials at any stage, especially when checking the invoice value of the cargo.

Besides customs officers, different law enforcement departments can also demand inspection of cargo which again leads to delays in clearance and delivery.

Currently, EXW and DDP terms are not workable in Ukraine since duties and taxes should be paid by the Ukrainian Exporter or Importer and customs clearance cannot be arranged without their involvement. In most cases, cargo is delivered to the final place of delivery by bonded truck or rail and the consignee arranges customs clearance at his local customs office.

When shipping cargo to Ukraine quality of cargo documentation is a key factor for fast customs clearance and delivery. Any mistake or discrepancy can lead to additional inquiries, customs inspections or other delays.

All commercial documents, detailed cargo description, including pictures, should be sent to your agent in Ukraine as early as possible if customs clearance should be arranged in the port before delivery to the consignee.

Road weight limitation compliance is monitored on all roads, so total weight limits and correct weight distribution of the axles and tires should be considered by the shippers.



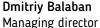
OOG cargo from Spain to Russia. Alphatrans handled reloading in the port and delivery to the consignee by railway.

#### How to get in touch with you?

You are welcome to contact me using the details below.

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## NEPA SHIPPING AGENCY HK LTD.

### MR. KOENE VAN AALST Chartering Manager

First of all tell us about what kind of shipping services Nepa provides in the trade from Asia to Europe?

Nepa is the sole agent of Med Asia Shipping B.V., who are providing a semi liner service on the Far East - Mediterranean route,

with flexible port calls. This is a service within the dry bulk sector with the prime focus on parceling. Typical commodities carried are all sorts of steel, forestry products, minerals, fertilizers, project cargoes (on and under deck) and more! Sizes are from a few hundred mts/cbm up to a full and complete shipment.



Project Cargo loaded on deck

From memory I can recall myself the name Nepa being actively involved in the timber trade from SE Asia to Europe is that still the case? Is there still a trade in timber between Asia and Europe or have new markets been developed?

Nepa is indeed carrying forestry products out of China; mainly Lianyungang. Palletized MDF & Plywood parcels to various destinations in the Mediterranean (and occasionally ports in the Red Sea). A lot of this trade has been containerized over time, however breakbulk is still competitive especially to the 'underdeveloped' ports.



Project cargo loaded below deck

## What type of ships do you employ in your service and what kind of different cargoes are you able to quote for?

We maintain our service with a range of different vessels, depending on what cargo has been fixed. Basically Handysized vessels up to supra- or even ultramaxes. Some of them are box-shaped. In case of project cargoes being carried, we occasionally schedule MPP vessels or Tweendeckers.

As to the type of cargo and quantity on this routing, we can basically consider any type and any size. Every ship and its cargo composition is different, based on the various customers' needs. Of course, we have quite a few 'main' loading and discharging ports which are scheduled on (more or less) every ship. For a 'new' port we would need a parcel of a few thousand mts / cubic meters (but again, smaller parcels could work too depending on what cargo composition we have at hand).

## Can you provide us with some examples of projects that you have carried and are proud of having carried?

With regards to projects: our ships often carry a few thousand cbm projects above and below deck. Such as steel structures, trucks/excavators, train-wagons, cranes, and even heavy equipment. A lot of project forwarders do not consider conventional breakbulk vessels suitable for project cargo. But actually, they could very well be (up to 4/5,000 cbm).

A lot of ports are equipped with heavy shore cranes which makes the lifting possible for heavier pieces (despite the fact that breakbulk vessels are not conventionally equipped with heavy cranes). And such, projects can be loaded above or below deck (depending on the cargo composition). Our company has carried a lot of windmill towers & blades to the Mediterranean and the European Continent over the past 28 years and barges as well. In general, breakbulk is more competitive compared to the regular heavy lift carriers.

Is mainland China a market for Nepa as well given that many Chinese EPC's are now involved in major projects overseas involving large volumes of construction equipment, machinery and so on?

Mainland China has always been one of our main markets over our 28 year history. Chinese carriers are indeed competing with us, however we do add value to the chain with our competitive freight rates and stowage expertise. Other than China we serve different markets in the Far East (such as Japan and South Korea) and offer occasional sailings on different routes as well.

#### How to get in touch with you?

For any further questions we can be reached via: nepa@nepa.com.hk

Me and my colleagues are happy to get to know you!



## Andina Freight - Peru

### MS. EMY CASTRO COUNTRY MANAGER

Peru is a beautiful country. Tell us about the ports of Peru that are being used for import/export and project cargoes in particular?

Peru has 4 main ports with that can accommodate containers and special cargo; the most important one is Callao.

Callao has five docks (1, 2, 3, 4 and north), which are direct berthing of the jetty type. The first four docks have exactly the same characteristics: 182.80 meters on the side; two docks are 30 meters wide and the other two are 86 wide. There are two berths per pier, between 31 and 34 feet deep and a length of 182.80 meters. In addition, the north dock has four moorings, with a depth between 34 and 36 feet, each mooring has a length between 20 and 30 meters, the docks are specialized for containers, bulk and multipurpose.

For project cargo you can use Callao (located in Lima), Paita (in the north) and Pisco (in the south), all are capable of receiving any kind of cargo such as over height, over-weight, etc.



When was Andina Freight established in Peru? Who owns the company?

Andina Freight is a family owned company created in 2002. The owners are:

Ms. Emy Castro Macedo Mr. Renatto Castro Macedo



Can you provide us with a few examples of project cargoes that you have handled?

Projects handled in 2017:

- Rubi Photovoltaic Project (Peru)
- Don Jose Photovoltaic Project (Mexico)
- Toquepala Mine Implementation (Peru)
- Projects awarded to be handled in 2018
  - Totana Spain
  - El Paso Colombia
- Second Stage of Don Jose Mexico



#### Are you a member of any networks currently?

Yes we are member of CLC Projects and AOP.

How about inland transport in Peru do you have experience with that? Is customs clearance a problem in Peru? Is corruption an issue in your country?

Yes, we specialize in handling inland transportation; not only for regular cargo but also special inland transportation for project cargo using modular, low bed and special platforms along Peru, including some other countries in South America like Colombia, Chile, Bolivia and Ecuador.

Customs Clearance in Peru is not a difficult process if you present the correct documentation at least 3 days prior to the arrival of the vessel or flight.

Regarding corruption, we are still a country were corruption is a big issue, however more and more companies like Andina work against this illness, recruiting better people into our team and applying the best policies internally with clear rules and strong penalties.



Why choose your company instead of another freight forwarder in Peru? In your view what advantages do you have compared to others?

Andina Freight has built a niche market in the over-dimensional, petro-chemical, heavy machinery and project cargo sectors while still serving mainstream cargo movements. Our experience allows us to constantly monitor the markets and our agility affords us the ability to seize opportunities, serve our clients, and grow our husiness.

At Andina Freight our clients have the best of both worlds: the strength, security and professionalism of a large multinational company with the capacity, attention and personal service of a smaller local firm.



## How do you view the market in 2018 for project cargoes in Peru?

After 2 years of political changes the country has now become stable and once again we can think about long term business. Most of the projects are running again and we are confident that the future is bright.

How to get in touch with your for more information and a quote?

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www.andinafreight.com



### **SHIPPING NEWS**

## ENHANCED CAPACITY FOR HANDLING ULTRA-HEAVY CARGOES — 600-TON CRANE NOW STATIONED IN PORT OF HAMBURG

Since the beginning of the year the Port of Hamburg has offered an optimized service portfolio for handling ultra-heavy loads. With an unit load capacity of 600 tons, 'Enak' is the most powerful salvage/floating crane in Germany. This heavyweight was formerly stationed in Bremerhaven. The new owner Lührs Schifffahrt, who acquired 'Enak' from Bugsier Reederei, has transferred the floating crane to Hamburg. *Read more...* 

# FORMER ANL BOSS JOHN LINES JOINS LOGISTICS TECHNOLOGY PLATFORM CONTAINERCHAIN AS CHAIRMAN OF ADVISORY BOARD

Containerchain, creator of cloud-based software solutions for automating and synchronising operations across the landside container logistics industry announced today that industry veteran and outgoing managing director of ANL, John Lines, has joined its Advisory Board in the role of Chairman. Read more...

## **PROJECT SHIPMENT OF THE WEEK**



The "Rolldock Sun" left China this weekend with four hoppers on deck, destination is East Africa. The hoppers (13,00m x 13,08m x 15,68m), each weighing 130 mt, needed special attention during the loading process. "Thanks to the perfect pre planning and the superb performance of the Rolldock-team the loading went exceptional well", says Andreas Walter, Managing Director of EMS Chartering and responsible for this major project.

For more info please contact EMS Chartering GmbH & Co. KG, Bremen Office.

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### **PLANTS & PROCESSING**

## "THE US MARKET IS READY FOR OUR LARGE MACHINE" SAYS ARBURG

Premiering its Allrounder 1120H injection moulding machine at NPE in Orlando this week, Arburg's Managing Director of Sales, Gerhard Böhm, said the company had sold the machine on display at the expo and has already received further enquiries.

Read more...

### **RAILWAYS & MASS TRANSIT**

#### **ALSTOM BEGINS TESTING NEW TRAINS FOR SENEGAL**

Alstom has begun testing the first dual-mode Coradia Polyvalent train built for Senegal. Testing is being carried out at Alstom Reichshoffen site in France prior to delivery. Read more...

## **POWER GENERATION & TRANSMISSION**

## ABB TO SUPPLY SWITCHGEAR TO STRENGTHEN INDONESIA'S POWER GRID

As part of the order, ABB will design, supply and commission 150kV GIS for 10 substations in the greater Jakara area, Western Java, East Java and Sulawesi. According to the company, GIS technology offered reliable solution with compact footprint, allowing up to 90% space saving compared to conventional air-insulated switchgear. *Read more...* 

## **RECYCLING TECHNOLOGY**

## NEWELL EQUIPMENT FINDS RECEPTIVE MARKET IN CHINA

Scott Newell Jr., chairman and CEO of El Paso, Texas-based Newell Recycling Equipment LLC, says his company has installed or sold 19 auto shredding plants to scrap recyclers in the People's Republic of China. *Read more...* 

## THIS WEEK IN SHIPPING HISTORY



Your editor getting a haircut onboard mv Thyra Torm, 1968 in the Pacific enroute to Yokohama.

## **LIGHT MOMENT OF THE WEEK**

YESTERDAY I SAW A GUY SPILL ALL
HIS SCRABBLE LETTERS ON THE ROAD.
I ASKED HIM, "WHAT'S THE WORD ON
THE STREET?"

ONCE MY DOG ATE ALL THE SCRABBLE
TILES. FOR DAYS HE KEPT LEAVING
LITTLE MESSAGES AROUND THE HOUSE.

## **JOB BULLETIN**



### **VIDEO OF THE WEEK**

#### **NEWELL EQUIPMENT FINDS RECEPTIVE MARKET IN CHINA**



Walking on sunshine

AAL delivers giant passenger boarding bridges for the World's busiest cruise port, PortMiami.

### PHOTO OF THE WEEK



A bulk carrier in the Mediterranean sunset

## **OUOTE OF THE WEEK**

"IT PAYS TO KNOW THE ENEMY — NOT LEAST BECAUSE AT SOME TIME YOU MAY HAVE THE OPPORTUNITY TO TURN HIM INTO A FRIEND."

- Margaret Thatcher -

## **PROVERB OF THE WEEK**

"UN-PLOWED FIELDS MAKE HOLLOW BELLIES; UNREAD BOOKS LEAVE HOLLOW MINDS"

- Ancient Korean Proverb -



## **AD PRICING**

1x Main Banner 870 USD / 800 EUR per week

# 3x Sectional Banner 550 USD / 500 EUR per week



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