Ports on the rising tide again

MACIEJ BORKOWSKI

Polish seaports appear to have forgotten about the recent crisis, to say the least. Their throughput in 2010 (nearly 65M t) was almost 31% higher than the year before, exceeding considerably even those from before the crisis (see Table 1). The over ten-year period of slump in sales, which sometimes even turned into falls, suddenly came to an end. The curves skyrocketed. We need to bear in mind, however, that high throughput figures do not necessarily immediately translate into high profits. That is why companies operating in the port bridle their enthusiasm.

This time not only the port of Gdańsk, as was the case in 2009, but all Polish major seaports succeeded in overcoming the downward trend (see: Table 1). Gdańsk strengthened its leading position, owing to its impressive performance: its throughput increased by 44% year-on-year. And it was by no means the greater dynamics reported, as the turnover in the port of Police more than doubled. It means that the local chemical plants are getting their production going, following the period of downturn which adversely affected the activity of the port.

The ports in Szczecin and Świnoujście as well as the port of Gdynia reported very good throughput, with respective growth of 26% and 11%. The port of Gdańsk can boast another spectacular success, as it took over from Gdynia the position of a leader in the category of Poland's largest container port.

Oil, coal and general cargo

Unlike in 2009, this time the excellent performance of Gdańsk is not mainly due to the growth in grain and coal throughput. The throughput of coal increased indeed (+0.6M t), but it was liquid fuels (+4,7M t) and general cargo (+2.7M t) that reported the greatest turnover growth. What did fall was grain throughput – in all ports, which saved port statistics back in 2009. Yet again the predictions concerning limiting the export

Table 1

Throughput in major Polish sea ports in 2008 - 2010 per cargo type groups (in thousand t)

Port	Years	Coal	Ore	Other bulk	Grain	Timber	General Cargo	Liquid Fuels	Total
Gdańsk	2008	1 088	30	2 603	647	0	3 060	10 353	**17 781**
	2009	2 716	16	2 218	961	0	3 458	9 494	**18 863**
	2010	3 180	10	2 676	781	0	6 132	14 401	**27 182**
	'09/'08 %	249,6	53,3	85,2	148,5	0,0	113,0	91,7	**106,1**
	'10/'09 %	117,1	62,5	120,6	81,3	0,0	177,3	151,7	**144,1**
Gdynia	2008	1 343	0	2 366	1 300	40	9 615	804	**15 467**
	2009	1 899	0	1 892	1 915	16	6 757	778	**13 257**
	2010	1 683	4	2 264	1 663	43	8 159	916	**14 735**
	09/08 %	141,4	0,0	80,0	147,3	40,0	70,3	96,8	**85,7**
	'10/'09 %	88,6	0,0	119,7	86,8	268,8	120,7	117,7	**111,1**
Szczecin-Świnoujście	2008	5 464	1 457	2 506	1 129	45	7 859	755	**19 216**
	2009	4 219	610	1 994	1 615	12	7 096	948	**16 497**
	2010	7 294	471	2 213	1 342	12	8 467	1 040	**20 842**
	'09/'08 %	77.2	41.9	79.6	143.1	26.8	90.3	125.6	**85.9**
	'10/'09 %	172,9	77,2	111,0	83,1	100,0	119,3	109,7	**126,3**
Police	2008	24	0	2 237	0	0	0	0	**2 261**
	2009	27	0	804	0	0	0	0	**831**
	2010	30	98	1826	0	0	0	0	**1954**
	'09/'08 %	112,5	0	35,9	0	0	0	0	**36,8**
	'10/'09 %	111,1	0	227,1	0	0	0	0	**235,1**
Total:	**2008**	**7 919**	**1 486**	**9 713**	**3 076**	**85**	**20 534**	**11 913**	**54 725**
	2009	**8 862**	**627**	**6 909**	**4 491**	**28**	**17 311**	**11 221**	**49 449**
	2010	**12 187**	**583**	**8 979**	**3 786**	**83**	**22 758**	**16 357**	**64 714**
	'09/'08 %	**111,9**	**42,2**	**71,1**	**146,0**	**32,9**	**84,3**	**94,2**	**90,4**
	'10/'09 %	**102,1**	**119,7**	**126,0**	**89,8**	**296,4**	**121,8**	**144,6**	**130,9**

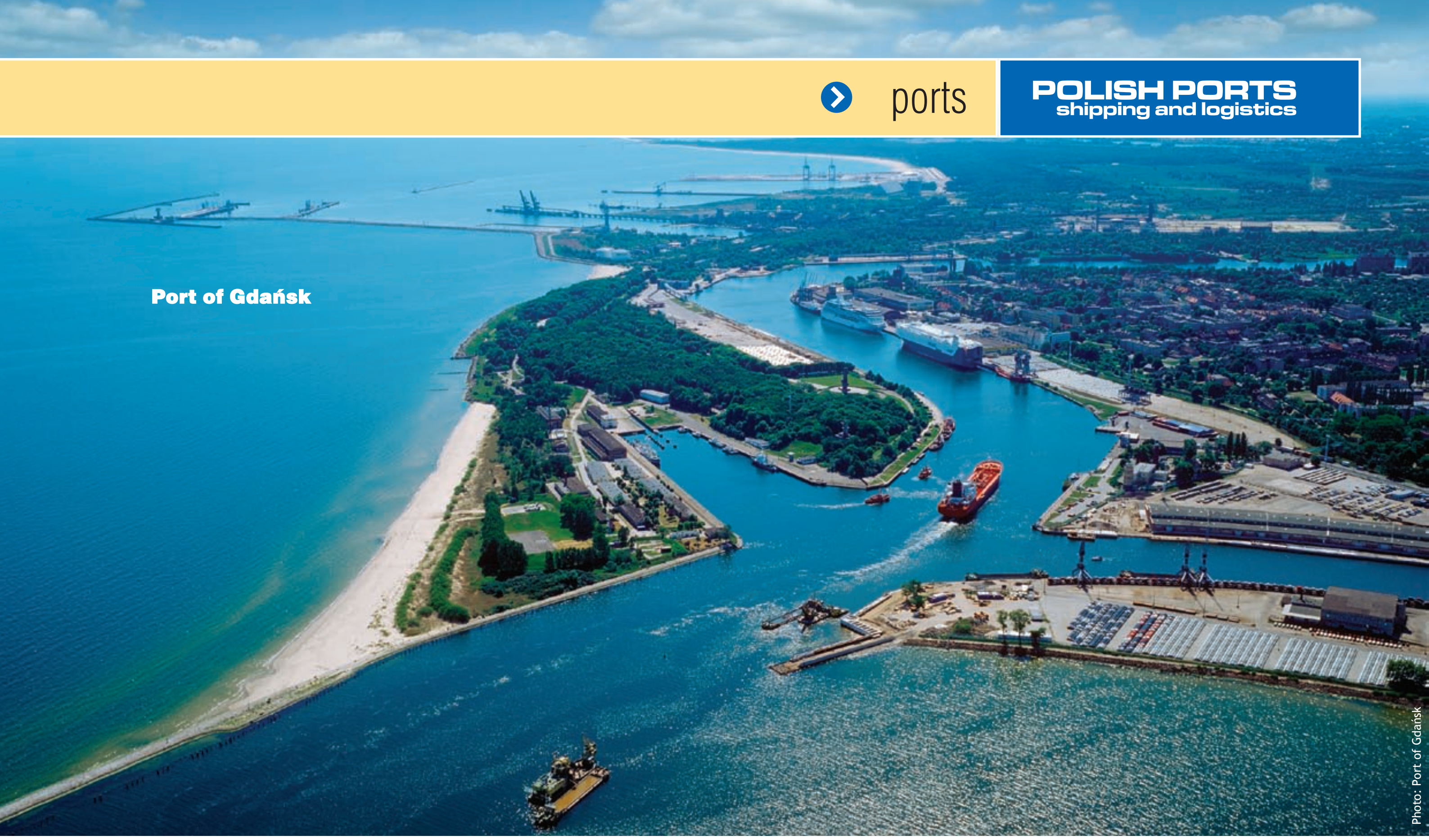


Chart 1

Throughput in Gdańsk by cargo groups in 2010

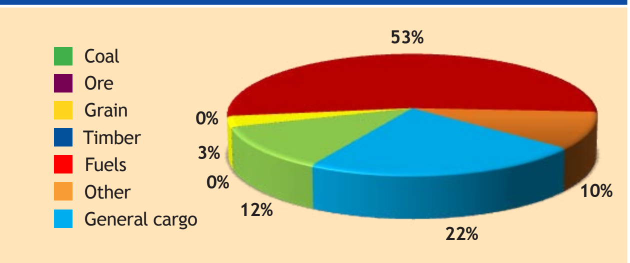


Chart 2

Throughput in Gdynia by cargo groups in 2010

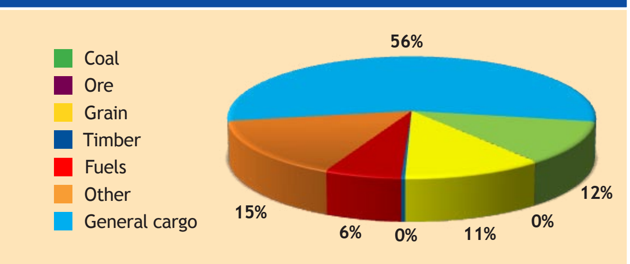
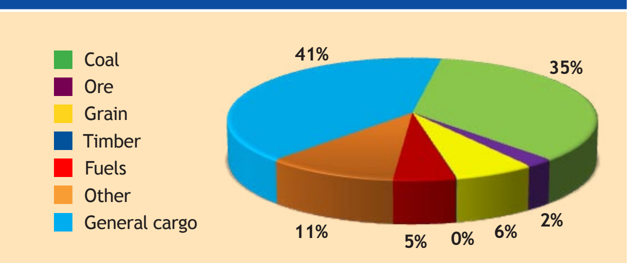


Chart 3

Throughput in Szczecin-Świnoujście by cargo groups in 2010



of Russian oil via Gdańsk failed to come true. On the contrary, Gdańsk reached a record high of liquid fuels handled (14.4M t).

In Gdynia, 'other bulk cargoes' (+0.4M t) dominated the turnover growth, with general cargo in the lead (turnover increase of 1.4M t). Despite that, the port did not recover the ranking position of the general cargo leader, which it lost in 2009 to the Szczecin-Świnoujście port complex (similar was the case in 2003). Container terminals in Gdynia, with the support of Baltic General Cargo Terminal Gdynia (BTDG), are striving to patch the loss that Maersk Line left behind moving to Gdańsk in December 2008.

Following the grim 2009, also ferry services started to grow in the port of Gdynia. The odds are that this growth will be greater this year, as Stena Line introduced two new larger and more modern ferries to the line to Karlskrona and the second double loading ramp was delivered in the port in December 2010. The ramp will enable a more effective application of the huge ro-pax ferries used by Finnlines on the Rostock-Gdynia-Helsinki line.

Smaller ports

The port in Police, which has been operating on its own for four years only, reported a substantial turnover growth, following a major fall to 1/3 of the turnover in 2009.

Since then, throughput there has increased by as much as 135%, reaching nearly 2M t. The port authority is looking on the market for partners who would help turn Police into a more universal place and reduce their dependence from the local chemical plants.

A breakthrough was reported in the Elbląg port, which had been cut off from the sea ever since Russian authorities had closed the border and suspended free shipping on the Vistula Lagoon. On June 1, 2010, a first barge with Russian coal called at the port. Between June and November, when

Table 2

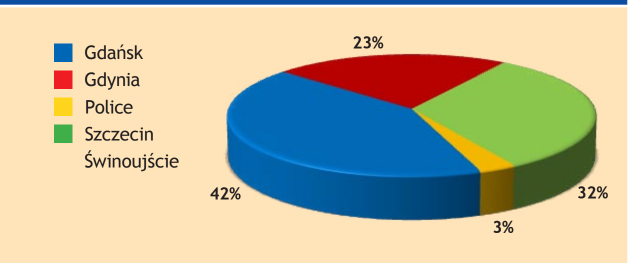
Container throughput in major Polish ports in 2010 (in TEU)

Port - terminal		Arrival	Discharge	Total
Gdańsk		**241 684**	**272 355**	**514 039**
including:	DCT	221 277	230 453	451 730
	GTK	20 407	41 902	62 309
Gdynia		**250 463**	**234 741**	**485 214**
including:	BCT	157 398	123 744	281 142
	GCT	90 818	108 273	199 101
	BTDG	2 247	2 724	4 971
Szczecin - DB PS		**27 733**	**28 665**	**56 398**
All the ports:		**519 880**	**535 761**	**1 055 651**

Source: data from BCT, BTDG, DB PS, DCT, GCT, GTK terminals. (by MB)

Chart 4

Share of Polish major sea ports in 2010



the shipping was suspended due to the icing of the Lagoon, the Elbląg port handled 24,200 t of coal, 9,200 t of soya and 31,400 t of general cargo (mainly construction materials and steel structures).

The port authority expects this year's turnover to reach 250,000 t. Attempts are made to create a border crossing point in Elbląg, with a border veterinary inspection post among other facilities, so as to enable agricultural and food cargo clearance. The fairway on the Elbląg River is to be deepened to 3.5-4m, which will make it possible for vessels of up to 2,500 t GT to call at the port.

Ports keep investing

The financial results of Polish ports do not seem adequate to their throughput. The authorities of the Gdańsk port, who last year took the leading position when it comes to throughput figures, reaching 27.7M t, earned the lowest profit among all the main ports (ca. PLN 18.5M – over EUR 4.5M). On the other hand, the port in Gdynia saw the lowest throughput figures (14.7M t), yet its authority made the greatest net profit – over PLN 43M (EUR 10.8M). The Szczecin – Świnoujście port complex, where 20.8M t were handled, reached the profit of ca. PLN 39.7M (over EUR 10M). This shows very clearly that *what* was handled was more important than the handled amount. All in all, however, the results achieved by Polish ports, both when it comes to throughput and profits, were the best in many years. And that despite the fact that, independently of one another, port authorities, maritime administration and the companies located in ports realized many investments.

There is a chance that this year can be even better. In the port of Gdańsk, the rebuilding of the port entrance and the breakwater is to continue, as is the modernizing of the port canal. The Port Polnocny company (Northern Port), co-owned by Sea-Invest and Arcelor Mittal, is planning to launch the construction of a new bulk cargo terminal. Next to the port, the construction of a big logistic park is to start, with Goodman as the investor and operator. The company managing a nationwide fuel pipe network is planning the construction of a container base for oil products storage.

In Gdynia, the first warehouse in the logistic centre has been put into service, as well as a bi-level ramp in the ro-ro terminal. Thorough rebuilding of an old general cargo part of the terminal and its surroundings has started. Dredging of the port canal and rebuilding of the port entrance has been finished by the end of March. Construction and modernization of quays in the port basin, where container terminals are located, has also been envisaged.

In Szczecin and Świnoujście, ports located at the mouth of the Oder, the investments in the field of modernization alone may consume over EUR 100M (that on top of hundreds of millions to cover the construction cost of the entirely new outer port and an LNG terminal with transfer infrastructure in Świnoujście).

In Szczecin, a new container terminal is launching its activity, grain terminal is being enlarged, and a terminal for handling chemicals is to be built. In both ports the quays, yards, roads, railway subgrades, power and telecommunication networks, sewage system and other infrastructure are being rebuilt and upgraded. Upgrading the roads will itself cost about PLN 87M (EUR 22M) and that of the railway subgrades – PLN 103M (EUR 26M). Many of the port investments are financed by private investors. Polish ports are also making good use of the opportunities offered by the access to EU funds. This may not be possible again after 2014, i.e. during the next funding period.

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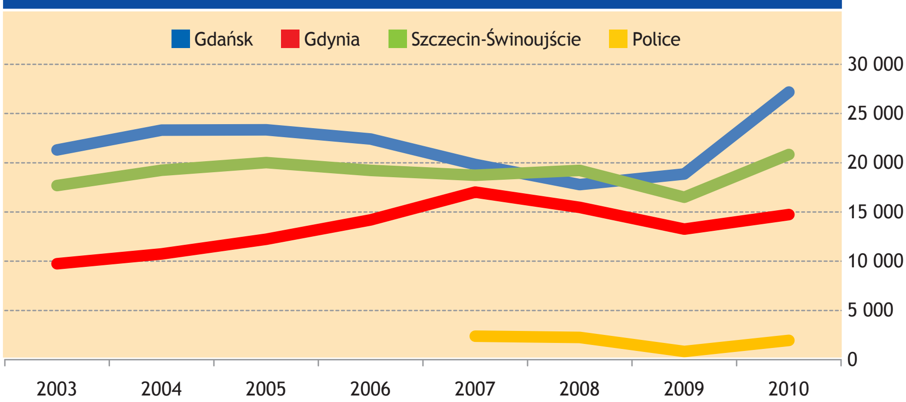
Chart 5

Throughput in Polish major sea ports in 2003-2010 (thou t)



Another record to be broken?

MACIEJ BORKOWSKI

Last year was a record year in Poland in terms of container throughput in the ports.

For the first time, their volume exceeded 1M TEU, an increase of as much as 58% as compared to the year before. However, as the economic crisis makes such a comparison hardly reliable, it is worth relating last year's results with those of 2008 (see Table 1). Out of five Polish port container terminals[1] only Gdańsk Container Terminal reported a decrease in turnover, resulting from one of its major customer's (Overseas Ocean Container Lines) moving to Gdynia in mid-2010. In the other ones, throughput was on increase, at times at a very fast rate.

Surprisingly good year

It was Deepwater Container Terminal Gdańsk (DCT), which launched its operations only at the end of 2007, that reported the highest growth rate. Having started from scratch, it outperformed all the other Polish terminals last year in terms of throughput. DCT's turnover increased nearly fourfold as compared with 2008. In Gdynia Container Terminal (GCT) owned by Hutchison Port Holdings, a terminal built one year earlier than DCT, the results were by 19% better than those in the record year 2008. (Also Baltic General Cargo Terminal Gdynia – BTDG showed great dynamics, whose throughput, however, small-scale as they are, have little impact on the overall container turnover in Poland). The performance of the three remaining terminals: Baltic Container Terminal (BCT) in Gdynia, Gdańsk Container Terminal (GTK) and DB Port Szczecin (DB PS) was weaker than that of 2008 by 36, 20 and 9 percent respectively.

A year ago, in January, Maersk Line extended its AE10 sea-going service to Gdańsk, chosing DCT as its Baltic hub. Regular weekly calls of 8000TEU vessels at the terminal enabled Gdańsk to outdo Gdynia and become Poland's largest container port.

There are doubts, however (see pages 15 and 18), as to which terminal or port is currently playing the main part with respect to Poland's foreign trade cargoes. Transshipments constitute the lion's share of DCT turnover, which, however, is not revealed by the terminal. According to various estimates, domestic turnover accounts for but slightly over 50% of its throughput, with approximately 140-150 thousand containers (about 240-260 thousand TEU). Should this be the case, BCT, with over 281000 TEU handled last year, would still be Poland's largest terminal with respect to the domestic market. Both BCT and GCT make Gdynia play a more crucial role than Gdańsk, especially since two further shipowners – Orient Overseas Container Line and Unifeeder (Denmark) – decided to leave Gdańsk.

The overall container handling capacity of the port of Gdynia (about 1M TEU per annum) is still greater than that of Gdańsk (0.75M TEU). DCT's yearly capacity, which reached 500000 TEU two years ago, has now increased to 650 thousand TEU, as the Board of the terminal claims. Such is the throughput forecast for this year, which is very likely to prove accurate given that from May on the world's biggest containerships, including *Emma Maersk*, will call at the terminal (see p. 4).

Necessary investments

Last year, investment in Polish container terminals slowed down. This year, however, is going to be different. Owing to the fast increase in throughput, also the use of the handling capacity of the container terminals increased substantially, rising from 35.7% in 2009 to 56.5% last year. Two of the terminals, Deepwater Container Terminal and Gdynia Container Terminal, have been expending over 70% of their handling capacity already. It is mainly DCT that has to increase its technical potential to be able to ensure effective services to huge Maersk ships. While gantry cranes in DCT can manage only 17-18 rows of containers on deck, there are over twenty such rows on the ships mentioned. The quay in the terminal will require lengthening and perhaps also partial dredging.

Also an investment has started in Gdynia, as a result of which the GCT quay will be lengthened and deepened (see p. 15).

In Szczecin, DB Port Szczecin terminal is moving its container handling activity to a brand new quay on a former island, which was connected with a causeway with the land-based section of the port. The quay has been fitted with two Kocks STS gantries and other equipment. New spacious stacking yards were created in direct vicinity. The cargo handling stations used so far will perform a different function.

Generally, the Polish terminals have gained (or are to gain) 300m of quays, one berth, a few RTGs, over ten stations for reefer containers...

Thus far, the remaining terminals, BCT and DB PS in particular, still have substantial han-

Chart 1

Terminals' share in throughput capacity in 2011

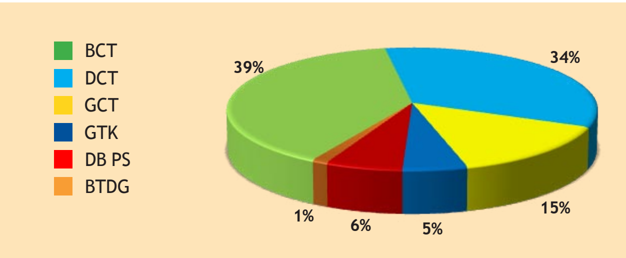
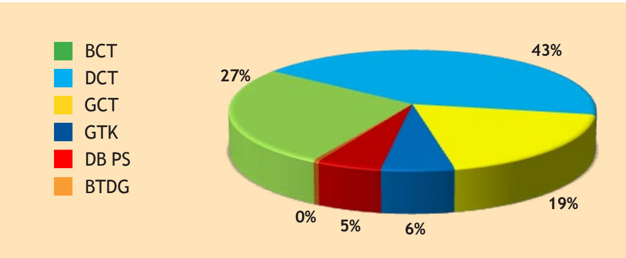


Chart 2

Terminals' share in total througput in 2010 (TEU)



[1] There is also a sixth terminal, Baltic General Cargo Terminal in Gdynia, whose capacity is 25 thou TEU annually. However, container throughput constitute a marginal part of the terminal activity.

dling capacity reserves. BCT used only slightly over one third of its potential (and it is the biggest terminal in this respect), and DB PS hardly employed half of its power. Able to increase its turnover almost without investing, BCT will enjoy a competitive advantage over other terminals. This and the neighbouring terminals in Gdynia will benefit from the activities undertaken by the authority of the port of Gdynia. The terminals have already been granted the best access to the road network of Poland, and thanks to the dredging of the adjacent sea areas, they can host larger vessels. Also the warehouses built recently in their hinterland (further ones are still to be built) should contribute to a turnover increase at the port. Additionally, the port railway network is to be modernized.

Container market still unstable

When it already seemed that the Polish container market finally stabilized, and shipowners, especially the biggest ones, divided particular container terminals among themselves (Maersk Line – in DCT, MSC – in BCT, CMA CGM – in GCT, OOCL – in GTK), the second half of 2010 proved that there was still a long way to stabilization, and the flow of customers and their cargoes among the terminals was an ongoing process. Note that this only reflects the unstable situation on the world markets. There have been no instances of spectacular collapse among the biggest liner shipowners, who have cleverly handled the crisis, mainly at shippers' expense.

According to shipping market analysts, the growing number of VLCS and ULCS vessels is going to result in cascade ship shifts to other routes. It will apply mostly to the vessels of about 3000TEU, which may lead to a greater number of such ships on the Baltic, including the Polish ports.

DCT CEO **Boris Wenzel** (see p. 18) believes that the appearance of new shipowners with their sea-going services on the Baltic is a mat-

Chart 3

Througput in Polish container terminals in January 2010 – March 2011 (TEU)

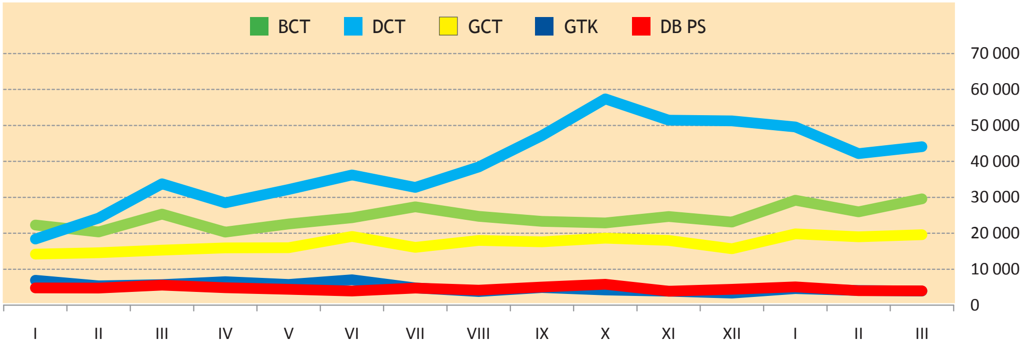


Table 1

Container throughput in Polish port container terminals in 2008, 2009 and 2010

Terminal*	Year	20'	40'	Import (PCS)		Export (PCS)		Total (PCS)	Import (TEU)	Eksport (TEU)	Total (TEU)
				empty	full	empty	full				
BCT	2008	121 103	159 744	3 744	150 494	63 759	62 850	280 847	240 952	199 639	**440 591**
	2009	72 198	77 283	3 654	80 217	29 885	35 725	149 481	128 394	98 370	**226 764**
	2010	86 626	97 258	6 516	95 533	34 338	47 497	183 884	157 398	123 744	**281 142**
	2010/'08 %	71,5	60,9	174,0	63,5	53,9	75,6	65,5	65,3	62,0	**63,8**
	2010/'09 %	120,0	125,8	178,3	119,1	114,9	133,0	123,0	122,6	125,8	**124,0**
DCT	2008	8 797	48 836	11 526	16 919	8 776	20 412	57 633	52 826	53 643	**106 469**
	2009	31 439	65 407	6 952	35 023	11 434	43 437	96 846	69 127	93 126	**162 253**
	2010	82 700	205 995	18 223	112 623	24 740	111 629	267 215	221 277	230 453	**451 730**
	2010/'08 %	940,1	421,8	158,1	665,7	281,9	546,9	463,6	418,9	429,6	**424,3**
	2010/'09 %	263,0	314,9	262,1	321,6	216,4	257,0	275,9	320,1	247,5	**278,4**
GCT	2008	40 666	63 418	7 178	40 374	28 572	27 951	104 084	76 293	91 209	**167 502**
	2009	35 717	56 778	6 456	38 288	18 450	29 301	92 495	71 163	78 110	**149 273**
	2010	40 403	79 349	13 456	41 803	18 609	45 884	119 752	90 818	108 273	**199 101**
	2010/'08 %	99,4	125,1	187,5	103,5	65,1	164,2	115,1	119,0	118,7	**118,9**
	2010/'09 %	113,1	139,8	208,4	109,2	100,9	156,6	129,5	127,6	138,6	**133,4**
GTK	2008	19 081	29 404	2 324	12 275	15 573	18 311	48 485	23 708	54 181	**77 889**
	2009	15 997	29 406	832	12 379	9 504	22 688	45 403	21 699	53 110	**74 809**
	2010	12 271	25 019	982	11 253	7 872	17 183	37 290	20 407	41 902	**62 309**
	2010/'08 %	64,3	85,1	42,3	91,7	50,5	93,8	76,9	86,1	77,3	**80,0**
	2010/'09 %	76,7	85,1	118,0	90,9	82,8	75,7	82,1	94,0	78,9	**83,3**
DB PS	2008	19 777	21 001	996	17 191	8 633	13 958	40 778	27 914	34 026	**61 940**
	2009	15 673	18 519	295	14 769	6 721	12 411	34 196	24 081	28 640	**52 721**
	2010	15 041	20 684	1 145	16 145	7 668	10 760	35 718	27 733	28 665	**56 398**
	2010/'08 %	76,1	98,5	115,0	93,9	88,8	77,1	87,6	99,4	84,2	**91,1**
	2010/'09 %	96,0	111,7	388,1	109,3	114,1	86,7	104,5	115,2	100,1	**107,0**
Total	**2008**	**209 424**	**322 403**	**25 768**	**237 253**	**125 313**	**143 482**	**531 827**	**421 693**	**432 698**	**854 391**
	2009	**171 024**	**247 393**	**18 189**	**180 676**	**75 994**	**143 562**	**418 421**	**314 464**	**351 356**	**665 820**
	2010	**237 041**	**428 305**	**40 322**	**277 357**	**93 227**	**232 953**	**643 859**	**517 633**	**533 037**	**1 050 680**
	2010/'08 %	**113,2**	**132,8**	**156,5**	**116,9**	**74,4**	**162,4**	**121,1**	**122,8**	**123,2**	**123,0**
	2010/'09 %	**138,6**	**173,1**	**221,7**	**153,5**	**122,7**	**162,3**	**153,9**	**164,6**	**151,7**	**157,8**

*BCT – Baltic Container Terminal, Gdynia; DCT – Deepwater Container Terminal, Gdańsk; GCT – Gdynia Container Terminal; GTK – Gdańsk Container Terminal; DB PS – Deutsche Bahn Port Szczecin terminal.
Source: BCT, DCT, GCT, GTK, DB PS.

ter of time. They cannot afford to let Maersk, which already has two such services (to Gdańsk and to St. Petersburg), dominate this sea area and grow stronger every month. The longer the other liner operators wait to enter this market, the more it will cost them.

The fact that a big *MSC Fortunate* (5551 TEU), owned by Mediterranean Shipping Company, has recently called at Gdynia and Klaipeda, Lithuania, may prove that also this large shipowner is making attempts at entering the Baltic with one of its sea-going services.

Another good year?

Last year's excellent results and the competition among shipowners on the Baltic Sea give Polish ports and terminals hope of a fast turnover growth also in the nearest future. The 2010 Q1 results indicate that the growing trend in container turnover prevails (total turnover of the container terminals amounts to about 100000TEU monthly). Fast growth of Poland's GDP as well as of the country's foreign trade turnover allow us to hope that this is not a temporary phenomenon.

What is more, regardless of general trends in the economy, the containerization rate in Poland, still much lower than in the 'old' EU-15, making up for this backwardness has a positive effect on container turnover in Polish ports.

Also the lifting of barriers, e.g. tax ones, which have blocked the flow of cargoes through these ports so far, may contribute to the improving turnover. Certain Poland-specific VAT conditions, including those regulating taxation of port services, deadlines for duties, or operations of various state inspection services (e.g. veterinary and sanitary services) in Polish ports, have pushed a great deal of cargoes away from them and into German, Dutch or even Slovenian ones (Koper). Additionally, these regulations also prevented foreign operators from investing in Polish ports. Legislative initiatives undertaken by the Polish Parliament recently promise to lift these barriers soon or make them less burdensome, which should be reflected in turnover of Polish ports and the investments they realize.

In recent years, there has been a growing trend of financial results of port companies not being proportional to increasing cargo turnover. Shipowners, the biggest ones in particular, enjoy high profits again, as shown in the last year's financial results published recently. This was achieved, to a large extent, at the expense of their partners, shippers and service providers, including various port partnerships above all. It is therefore only the rapid turnover growth that allows them to hope that also they will be able to benefit from the outcome of the improving economic situation in the world's commerce and shipping, even if this gain cannot equal that of the shipowners.

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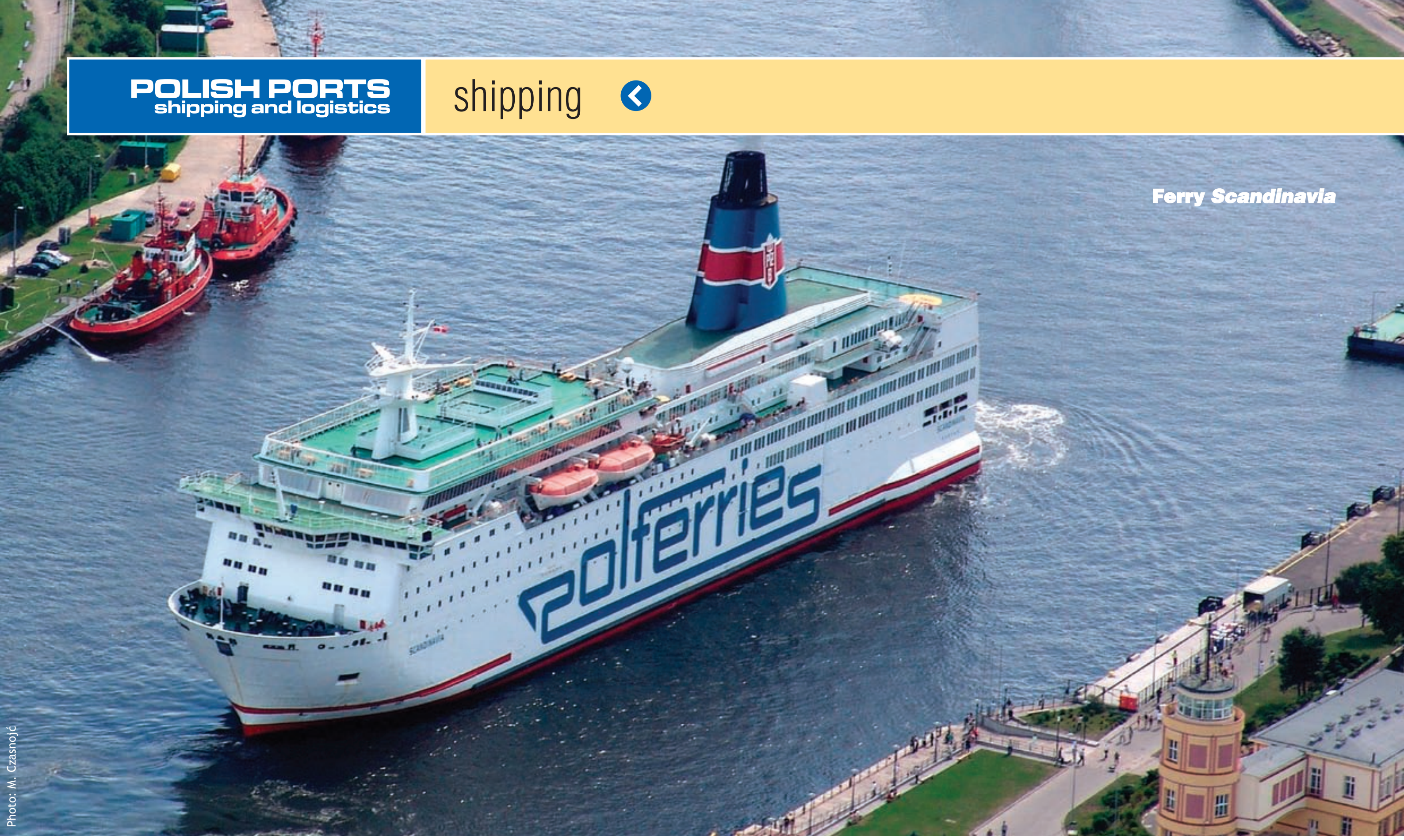
Cargo handling capacity in Polish container terminals in 2011 (in TEU)

Terminal	Length of quay / number of berths	Handling capacity in TEU	Storage capacity in TEU	Handling rate moves / h	Terminal equipment
Baltic Container Terminal - Gdynia	800 m / 4 depth: 12.7m	750 000	20 000	30 / crane	6 STSs cranes, of which: 2 Kone post-panamax gantries - 55/60 t 2 Kone panamax gantries - 45/60, 40/55 t 2 Freuhauf / Paceco gantries - 35/40 t 2 Freuhauf rail-mounted gantries - 35/40 t 18 RTGs - 2 × 35, 16 × 40 t 1 mobile crane Liebherr - 100 t; 2 Noell straddle carriers - 40 t 1 Kalmar R/S - 45 t 400 reefer plugs 1 ro-ro ramp
Baltic General Cargo Terminal Gdynia	420 m / 1 depth: 8m	25 000	688	25	1 Famak STS gantry - 40/45 t 2 Kalmar R/S - 45 t 60 reefer plugs 3 ro-ro ramps
Deepwater Container Terminal Gdańsk	650 m / 3 depth: 13.5-16.7m	650 000	22 500	35 / crane	3 Liebherr post-panamax STSs - 50t/60 t 8 Liebherr RTGs 40 t 2 Kone RTGs 40 t 3 SMV Kone R/Ss 45 t 2 SMV Kone ECHs - 9 t 336 reefer plugs 1 ro-ro ramp
Gdańsk Container Terminal	370 m / 2 depth: 8.5-9.2m	100 000	4 000	35	1 Zhenhua STS gantry - 40 t 1 Liebherr mobile crane - 100 t 2 Kone cranes - 40 t 2 Famak rail-mounted gantries - 40 t 2 R/Ss - 10 t 1 straddle carrier 95 reefer plugs
Gdynia Container Terminal	450 m / 2 depth: 11m	275 000	6 500	25 / crane	2 Paceco STSs - 43 t 1 Zhenhua STS gantry - 50 t 1 Gottwald mobile crane - 100/35 t 1 FUD crane - 50 t 7 RTGs - 40 t 3 Liebherr R/Ss - 45 t 1 Kalmar ECH - 8 t 144 reefer plugs
DB - Port Szczecin	675 m / 3 depth: 9.15m	120 000	5 000	23	2 Kocks STS gantries - 40 t 1 Gottwald mobile crane - 100 t 1 Gottwald mobile crane - 50 t 6 cranes - 16 t 4 cranes - 6 t 2 Franuzzi RTGs - 35 t 4 Sisu RTGs - 40 t 4 R/Ss - 45 t 157 reefer plugs 2 ro-ro ramps
Total:	**3 365m / 15**	**1 920 000**	**58 688**		**1 192 reefer plugs**

STS - ship-to-shore crane; RTG - rubber-tyred-gantry; R/S - reach stacker, ECH - empty-container-handler. Sorce: Terminals: BCT, BGCTG, DCT, Gdańsk CT, Gdynia CT, DB Port Szczecin.



Ferry Scandinavia

Photo: M. Czasnojć

Polish shipowners count on growth

PIOTR FRANKOWSKI

Despite the world shipping crisis in 2009-2010, Polish shipowners did not cease to purchase vessels. These were the purchases of newbuildings (mainly from Chinese shipyards), as was the case with Polsteam and Chipolbrok, and of second-hand ships, as in the case of EuroAfrica Shipping Lines and smaller shipowners.

Fleet renewal in progress

Poland's largest shipowner Polsteam is continuing its fleet upgrade programme. By 2012, Polsteam is to exchange 38 vessels. Most of the new vessels will be built by Chinese shipyards, including Xingang Tianjin Shipyard (14 bulk carriers of 38000 t) and New Times Shipbuilding Co. (4 Panamax of 80000 t). 8 lake freighters of 30000 t (bulk carriers for the Great American Lakes) ordered at Mingde Shipyard. Polsteam also ordered 8 universal 16.9 thou t bulk carriers at Sanfu Shipyard in China. So far 13 bulk carriers (including 480000 t ones) and 4 lakers have been put into service. 8 ships were delivered in 2010, and 9 are to be delivered this year. Recently, Polsteam has received last bulk carrier from a series, *Rysy* (80000 t), which set off on her virgin voyage to Canada. The current count of Polsteam fleet is thus 75 vessels, with a total deadweight of 2.4M t.

Additionally, a contract was signed with the Japanese Tsuneishi Shipyard for the construction of 4 large bulk carriers (82000 t), so-called kamsarmaxes, i.e. ships that can enter the African port of Kamsar in Guinea (world second biggest bauxite exporter). The ships will be put into service in 2012-2013.

The Polsteam fleet carried 21M t of cargoes in 2010, which is not much less than in 2009 (21.2M t), with 4.6M t of grain and grain products and 2.5M t of coal and coke as the largest cargo groups. Other groups included: 1.8M t of fertilizers, 1.1M t of phosphorites, 840000 t of iron ore, 413000 t of steel products, 317000 t of liquid sulphur, 209000 t of dry sulphur and 874000 t of other raw materials. 8.2M t of all the cargoes (about 40%) was transported within time-charters, further 46% came directly from the spot market, and only 14% was carried on contract basis, mainly for Zakłady Chemiczne 'Police' (a chemical plant).

Although the company is still owned by the State Treasury, the government talks about its commercialization more and more often. These ideas, however, worry the employees. The final decision has not been made yet. The value of Polsteam's assets is estimated at PLN 3.5B (about EUR 860M).

60th birthday already

On June 30, 2010, one of the latest purchases of Chinese-Polish Joint Stock Shipping Company Chipolbrok entered the port of Gdynia. It was a multipurpose vessel *Adam Asnyk*. The ship, which was put into service in December 2009, can carry large-size and heavy cargoes (*project cargo*). It is another ship in a series of 30000 t state-of-the-art general cargo carriers, with two cranes with a total lifting capacity of 640 t and shifting

Bulk carier
Mazury

tween deck structures, which ensure an optimized use of the cargo space.

Władysław Orkan was the first vessel to start the series in November 2003, followed by *Chipolbrok Sun*, *Chipolbrok Moon* and *Leopold Staff*. 2010 saw *Chipolbrok Star, Parandowski* and *Chipolbrok Galaxy* enter service. With their sister vessels and the four ones delivered beforehand, the ships mainly ply the shipowner's Far East – Europe and round-the-world services. By the end of 2011, the shipowner is to have two further vessels from this series delivered: *Kraszewski* and *Chipolbrok Cosmos*. The ships are built in Cosco Shipyard in Dalian, China.

In 2010, Chipolbrok sold four ships: *Huatuo*, *Luban*, *Ceynowa* and *Jan Długosz*. Its current fleet is composed of 19 state-of-the-art universal vessels adapted to transporting heavy and oversized loads. There will be 21 ships in the fleet by the end of the year. In 2011, Chipolbrok is celebrating its 60th birthday.

Moving to Cyprus

Also EuroArfika Shipping Lines, previously a Polish company, which has been registered in Cyprus since 2010, made a few purchases. The company bought three universal general cargo vessels from the Russian owner JSC Sovcomflot. These are: *Sokol 1*, *Sokol 4* and *Sokol 5*, 113m long and 18m wide each, with a deadweight capacity of 9.56 thousand tons. The ships were built in the early 90s of the previous century in the Japanese Miho shipyard, to the L-gracht-type vessels built for the Dutch Spliethoff there at that time. (Under the flag of EuroAfrika the vessels are called: *Szafir*, *Emerald* and *Granat*). This was not the first transaction between the two shipowners. At the beginning of 2010, EuroAfika bought from Sovcomflot two general cargo vessels of the same type, which now operate as *Onyx* and *Nefryt*.

There are now 13 vessels in EuroAfrika's fleet, including 9 general cargo vessels, in service on the routes from Europe to West Africa, 3 ferries under the flag of Unity Line, and a Ro-Ro vessel called *Amber*. The owner's oldest vessels, *Szczecin* and *Inowrocław*, were destined for ship-breaking.

Additionally, three container ships chartered by the shipowner ply on the line to Great Britain (Gdynia – Hull and Gdynia – Tilbury), operated in cooperation with Mac Andrews. *Dette G* (508 TEU) and *Anna G* (509 TEU; this service transports cargoes for the Swedish Ikea, among others) call at Hull, while *Maris* (508 TEU) calls at Tilbury.

As regards moving to Cyprus, the company's CEO **Jacek Wiśniewski** explained that the decision was based on not only tax issues but also simpler procedures concerning running a business, which facilitate managing a company, that Cyprus offers. The shipowner is now part of ESL Hass Holding Ltd., which is Cyprus-based too.

In the Gdańsk agglomeration...

POL-Levant, a Gdynia based shipowner, has a fleet of three ro-ro vessels: *Żerań*, *Tychy* and *Chodzież*, with 8000 t deadweight. All of them operate under the flag of Maltese subsidiary of the company: Levant Chartering, POL-Malta and POL-Melita. They cover the connections on the Baltic, the North Sea and the Mediterranean Sea, calling at the ports of Scandinavia, Belgium, Spain and North Africa. The shipowner transports lorries, underground carriages, locomotives, general cargo as well as heavy items and oversized loads, among other cargoes.

POL-Levant also revived its cooperation with Airbus with respect to transporting fuselage components of the biggest passenger aircraft Airbus 380, which the shipowner had become proficient at. While the two companies cooperated in 2003-2007, among other occasions, the first voyage under the new agreement took place at the end of March this year. What fell was the amount of military equipment transported by POL-Levant ships for NATO on the route from Canada to the ports of Western Europe and the Arabian Sea area.

The company is planning to purchase two second-hand vessels and then order three new multipurpose ones, with a deadweight of about 12000 t. It is also interested in transporting containers, but has no resources as yet to buy suitable ships.

Another shipowner from Gdynia, POL-Euro, has three ships: general cargo vessels *Sider Lipari* and *Sider Capri*, with a deadweight of 7 thou t and 5 thou t respectively, and *Włocławek* Ro-Ro vessels of 8000 t. All these vessels have been chartered. At the beginning of 2010, the shipowner was to acquire the B 178-I/23 containership (3091 TEU), taken over by the state-owned Industrial Development Agency from Stocznia Szczecińska Nowa (Szczecin Nowa Shipyard) as a debt return after the Yard collapsed. A special company Aranda was even established to complete the newbuilding, but, for lack of funds, the delivery was delayed. The ship, now fitted out in Szczecin Shiprepair Yard 'Gryfia', is likely to be delivered to the shipowner soon.

The Gdańskie Linie Morskie (Gdansk Sea Lines) company, part of the 'Remontowa' Group, still exists but without a single ship. At first it owned two vessels from the REM-120 series (*BBC Gdansk* and *BBC Kwiatkowski*) and a handy size bulk carrier, which had been recovered from the sea by the Lithuanian coast, repaired and called *Sosna*. Two first ships built in Gdańsk 'Remontowa' Shipyard were multipurpose general cargo vessels of 770000 t, adapted to transporting different types of cargo, including heavy and oversized loads. Unfortunately, a decision of one of the banks to back out of the credit agreement for financing the construction of *Gdańsk* and *Sosna* (in 2009) made it necessary to sell all the vessels in 2009 and 2010. The management of the company is not ruling out reconstruction of its fleet.

...and in Szczecin

A Szczecin based shipowner Unibaltic, specializing in transporting chemical substances and oil derivatives, is still in the game with a fleet of four chemical tankers: *Azuryth, Amaranth, Antracyth, Ametysth* and *Agath* with deadweight from 3200 t to 6100 t, and a bulk carrier *Thurkus*. In January, the company sold one of its ships, *Amonith*, and purchased *Agath* instead. This, a twin sister of *Ametysth*, which has operated in the fleet for over three years, has double hull and stainless steel cargo tanks. Heads of the company plan to have a maximum of 15 vessels of this type, no older than 10 years and up to than 7-8 thou t of deadweight capacity.

Also Baltramp, another shipowner, is connected to Szczecin. At the end of 2010, the company bought another ship – a small general cargo vessel *Olza* with deadweight capacity of 2700 t. Like all the other vessels owned by Baltramp, she also operates under the Polish flag, with Szczecin as its port of registry. At the moment, Baltramp is using five universal general cargo vessels: *Drawa*, *Osa*, *Raba*, *Poprad* and *Olza*, with deadweight capacity from 1700 t to 2700 t. In mid-2010, the company sold 2 ships, *Ina* and *Rega, to* a Turkish shipowner.

The shipowner operates mainly in the ports of Western Europe, plying the Mediterranean Sea, the North Sea and the Baltic, carrying steel products, timber and non-ferrous metals and bulk cargo such as grain, feed or fertilizers.

Ferries to Sweden

As regards Polish ferry owners, Unity Lines, a company owned by Polsteam, operating on the Świnoujście – Ystad and Świnoujście – Trelleborg lines, transported over 313 thousand passengers in 2010 (2.3% more than in 2009), 108.4 thou passenger cars (+5.2%) and 218.6 thou freight units (+20.7%). The owner's share in transporting trucks between Poland and Sweden exceeds 62%.

What is more, 16.25 thou railway carriages were handled on the route to Ystad. It is worth noting that Unity Line covers all the railway transports between Poland and Sweden employing *Jan Śniadecki* and *Kopernik* rail-car ferries and *Polonia* passenger-rail-car ferry. Unity Line manages 4 Polsteam ferries (*Polonia, Skania, Gryf* and *Wolin*) and three owned by EuroAfrika (*Jan Śniadecki, Kopernik* and *Galileusz*), with four of them going to Ystad and three to Trelleborg.

Also Polish Baltic Shipping Co. Polferries can consider 2010 a good year. The shipowner transported over 344 thou passengers (increase by 2.8%), over 117.68 thou passenger cars (+5.8%) and over 59.3 thou lorries (+18%). The Świnoujście – Ystad line with *Wawel* account for Polferries top results. Passenger services on the line increased by 15% and cargo transport by 38.8%. Minor growth in both categories, as compared to 2009, was also reported on the Gdańsk – Nynäshamn route, where *Scandinavia* and *Baltivia* ferries operate.

In October 2010 the Świnoujście – Copenhagen line served by the *Pomerania* ferry was suspended. Poor results generated by this connection were caused by, among other factors, alternative services to Denmark, both ferry ones from Germany (e.g. Rostock – Gedser) and overland ones (via the bridge in Oeresund). As an alternative way of getting from Świnoujście to Copenhagen Polferries offers a cost-effective ferry trip to Ystad with *Wawel* followed by crossing a bridge over Sund. The shipowner also decided to sell the thirty-three-year-old *Pomerania*, which was bought by a Danish ferry operator Blue Line International, sailing on the Ancona – Split line. The current number of ferries in the Polferries fleet is three. The company is still awaiting privatization. Two previous attempts failed despite mature negotiations with the Danish DFDS.

Piotr Frankowski

The Port of Hamburg – for the Polish market

Port of Hamburg maintains long lasting links to all countries in the Baltic region and Poland is here no exception. Especially for container traffic this connection is very important. For Polish importers and exporters Hamburg creates a very interesting alternative shortening time of delivery or rendering financial benefits, but it is also a very convenient port for feeder ship operators offering further calls at Polish ports in Gdańsk, Gdynia and Szczecin.

The seaborne container traffic between Hamburg and Poland in 2010 reached 178,495 TEU i.e. 12% less than in a former year but the volumes are growing and the recent data indicate an enormous growth. While container volume in the 1st half of 2010 was still below the result of an appropriate period in 2009, in the third and fourth quarters an increase of 7% and 11% (respectively) have been noted, whereas in January 2011 the seaborne traffic surged by healthy 39% in comparison to January 2010. Also on the landside is a substantial increase of containers noticeable. We estimate that ca. 80,000 TEU have been carried between Hamburg and Poland by rail and additionally some 120,000 TEU were transported by truck, hence the total figure for container traffic between Hamburg and Poland amounts to ca. 380,000 TEU.