



LOISTE

NEWS FROM PORT OF HAMINAKOTKA 1/2017



Photo: TT/Lehtikuva

Giant modules to oil production fields in Kazakhstan via Port of HaminaKotka

Sarens Finland branch specialised in large-scale international transport and Port of HaminaKotka Ltd have agreed on a massive project transport to Kazakhstan via the Port of HaminaKotka.

The four-year project is the biggest project to date for both Sarens and the Port of HaminaKotka. Tengizchevroil, which operates the production plant at the Tengiz oil fields in Kazakhstan, estimates that the total value of the project is as much as 36.8 billion US dollars. Tengizchevroil is owned by Chevron (50%), ExxonMobil (25%), KazMunay Gas (20%) and LukAgro (5%).

The transport operations will begin in the spring of 2018 and will last until 2021, but the construction work for the project is already in full progress in Hamina. The modules the size of a three-storey building with three staircases will arrive on board large ocean-going vessels in Hamina, where they will be unloaded to the port area to await further transport. Sarens is responsible for the unloading, storage and re-loading of the modules. From Hamina, the modules will be carried on smaller river boats to

Russia and from there along inland waterways to Kazakhstan.

The most versatile port for world-class projects

The logistics location and wide range of services of the Port of HaminaKotka as well as its ability to execute major international projects were the main criteria when Sarens chose HaminaKotka as the transit port for its transport project.

"The unique size and challenging nature of the project set whole new standards for the transport. It is great that our partner is the Port of HaminaKotka, which we can count on at every stage of the project," says Project Director **Bev Bentley** of Sarens.

Kimmo Naski, CEO of Port of HaminaKotka Ltd, is also very pleased about the project.

"The co-operation with Sarens has gone well from the outset. Even though the project

involves many special requirements, we are working through close, uncomplicated, confidential and on-schedule co-operation," Kimmo Naski says.

Sarens will make investments of approximately 20 million euros in Hamina and bring about 150 logistics specialists to the town. Moreover, the project will employ dozens of people locally in the various stages of transport.

The co-operation will result in major structural reforms at the Hamina Harbour when the quay and warehousing areas are modified to suit the project. The investments of the Port of HaminaKotka in the project are approx. 3 million euros. The Port of HaminaKotka has served as a base for river boat transport on a regular basis during the past century, and experience in such transport is a distinct advantage in this project.



Port of HaminaKotka: an efficient intersection between the inland waterways of Russia and the EU

The Port of HaminaKotka has confidence in an increase in the popularity of the river vessel route running along the inland waterways of Russia.



Commercial Director
Kyösti Manninen
Port of HaminaKotka Ltd

The Port of HaminaKotka is making investments of about 3 million euros in developing its infrastructure for river vessel transport taking place on the inland waterways in Russia. In addition to the new berths suited to river boats, the port is improving the warehousing areas used in river transport. The investment is part of project co-operation conducted with Sarens Finland branch, where Sarens is investing 20 million euros in the Hamina Harbour. **Kyösti Manninen**, Commercial Director of Port of HaminaKotka Ltd, also perceives broader opportunities.

“In the coming years, Russia intends to make significant investments in its inland waterway network of tens of thousands of kilometres. For us, this means even better opportunities to serve as a port of intersection between large ocean-going ships arriving from all parts of the world and smaller river vessels departing to the Russian inland waterways.”

This also works the other way around according to Mr Manninen. Goods coming from Russia can be carried by river vessels along the Russian inland waterways to the Port of HaminaKotka, where the goods are unloaded into intermediate storage before they continue on ocean-going ships to the various parts of the world.

Popular route – competitive and fast

The route and mode of transport are especially well suited to the transport of raw materials and general cargo as well as project shipments.

“The combination of ocean and river shipping gives above all fluency but also cost-efficiency that cannot be attained using the other modes of transport. HaminaKotka provides a convenient route to the river Volga and Moscow and also to the Caspian Sea, from where it is possible to get further to Kazakhstan and for example Iran. The demand for this trans-

port route has grown steadily,” says Kyösti Manninen.

Oy Saimaa Terminals Ab, which operates also river vessel traffic in Hamina, has noticed the same phenomenon.

“The interest in shipping along rivers has been on the increase recently. Oy Saimaa Terminals Ab has decades of experience of river vessels and shipping to Russia and the area of the Caspian Sea. We have the technical and other facilities to manage river vessel transport from Hamina,” says CEO **Tomi Rautio** of Oy Saimaa Terminals Ab.



Kotka-Hamina region at the top of the list in Tesla's factory project survey

The Kotka-Hamina region and the entire South-Eastern Finland are competing for the location of Tesla's new Gigafactory project in Europe. The attraction is boosted by the fact that South-Eastern Finland was ranked highest on the list of potential locations, produced by Finpro. The Port of HaminaKotka is also centrally involved in the project.

Finpro, which promotes foreign investments in Finland, has surveyed the opportunities and attractiveness offered by various locations in Finland for the Gigafactory project contemplated by Tesla.

In its survey, Finpro used a set of its own criteria to study the suitability of different towns as a potential location of the factory. The comparison was carried out in terms of the activity, potential site of the factory, logistics and energy solutions, labour issues and expertise based on university education in the towns. In the survey, the Kotka-Hamina region went to the top of the list when the requirements imposed on Tesla's factory project were evaluated.

"Even though it is the customer, in this case Tesla, that makes the ultimate decision about the location, we are really glad that we had a top-ranking evaluation in Finpro's survey. This result shows that we have focused on the right things as we have been streamlining South-Eastern Finland to comply with the requirements of international business," says Sales Director **Harri Eela** of Cursor Oy, which co-ordinates the project locally.

Port of HaminaKotka at the logistics hub

Harri Eela says that the Kotka-Hamina region has done very much work to attract Tesla and other similar customers to the region. There is also going to be even more input in the visibility of the region, which intends to stay firmly in the competition.

South-Eastern Finland has very good facilities for investments involving logistics and energy issues and requiring plenty of skilled labour. Other assets of the region include complete infrastructure, efficient logistics and energy solutions. Low logistics costs, proximity of Russian metropolises such as Moscow and



Photo: Lino Mirgeler, DPA / Lehtikuva

WHAT IS TESLA'S FACTORY PROJECT ALL ABOUT?

- Elon Musk, CEO of the electric car manufacturer Tesla, announced in 2016 plans to set up a Gigafactory in Europe.
- If implemented, the project means billions of euros in investments and thousands of new jobs.
- Finpro, which promotes foreign investments in Finland, inquired from Finnish towns about their willingness to host the factory.
- The Kotka-Hamina region declared its willingness to get Tesla's battery factory in South-Eastern Finland, and stated that it is the best option for Tesla in Finland. The regional development company Cursor Oy co-ordinates the project.

St Petersburg and high quality of university-based competence.

"The Port of HaminaKotka offers daily connections to all parts of the world via the Baltic Sea. The distance to the border between Finland and Russia is 35 kilometres, and the Helsinki-Vantaa Airport is just over an hour's drive away. The E18 motorway runs through the region, and more than 1.5 million people live within a radius of 150 kilometres. This ensures access to sufficient labour. The Lappeenranta University of Technology renowned for its energy expertise globally is also located close by. There is no other region in Finland that can come even close to the

service level that South-Eastern Finland has to offer," Harri Eela says.

He points out that the infrastructure, capacity, resources, service range and quality of the Port of HaminaKotka already meet the needs of global large-scale customers.

"We fulfil Tesla's all expectations in the best possible manner. Google's investment of over one billion euros in its data centre in Hamina has given us good experience of projects of this magnitude, and it proves that our region can match even Google's exacting requirements. The competence of the Kotka-Hamina region in receiving global customers is in a class of its own."

Continues on the next page

...continued from the previous page

These strengths put South-Eastern Finland to no. 1 position:

- 1. Superior range of logistics services** at the Port of HaminaKotka, by far the biggest general port in Finland.
- 2. Fluent integration into the operating environment:** infrastructure that gives solid support to new companies establishing themselves in the region, extensive range of services in the region, proximity of the Russian market, product development capabilities and raw materials easily available.
- 3. The most cost-effective package:** competitive logistics solutions, renewable energy solutions, salary level of the process industries.
- 4. Ability for quick response:** extensive support and commitment of the region, the entire region backs the project. Hundreds of hectares of available sites with zoning plans.
- 5. Good availability of labour and the best level of education in Finland:** approx. 1.5 million people within 150 kilometres (Helsinki and St Petersburg). Education and product development representing the highest standards globally (Lappeenranta University of Technology, South-Eastern Finland University of Applied Sciences, Etelä-Kyminlaakso Vocational College).
- 6. Versatile energy solutions:** Inexpensive electrical energy available in Finland. The region has access to versatile energy sources: electricity, natural gas, wind power, biogas, solar energy, geothermal heating.



Concrete coating of pipes for Nord Stream 2 started in Kotka

Wasco Coatings Finland has started the concrete coating of pipes for the Nord Stream 2 natural gas pipeline to be installed across the Baltic Sea. The coating work started in Kotka at the end of March. At its plant located at the Port of HaminaKotka, Wasco will coat more than 90,000 pipes needed in the project.

Wasco's concrete coating and logistics operations relating to the Nord Stream 2

project are bringing more jobs and business to the area throughout the project. Wasco has already hired almost 200 persons for its coating plant, and the company will employ directly about 300 people during the height of production. Moreover, it will employ about 100 people indirectly in plant maintenance, storage and port operations, among other things. The coating of the pipes for the project will continue until the end of 2018 or so.

Some 35,000 pipes have been delivered to date from the steel pipe factories to Wasco's storage area. After concrete coating, some of the pipes will be stored in Wasco's storage area in Kotka while some are transported by sea to intermediate storage. During the construction stage, the pipes are carried in a timely manner to the pipe-laying vessels.

The starting of concrete coating in Kotka is yet another milestone in the project.

More than 35,000 pipes are waiting concrete coating at Wasco's storage area in Kotka.



Photo: © Nord Stream 2 / Wolfram Scheible

Further information:

Minna Sundelin

Stakeholder Relations Manager Finland and Estonia

Mobile: +358 40 582 2750

Minna.sundelin@nord-stream2.com

www.nord-stream2.com

Twitter: @NordStream2