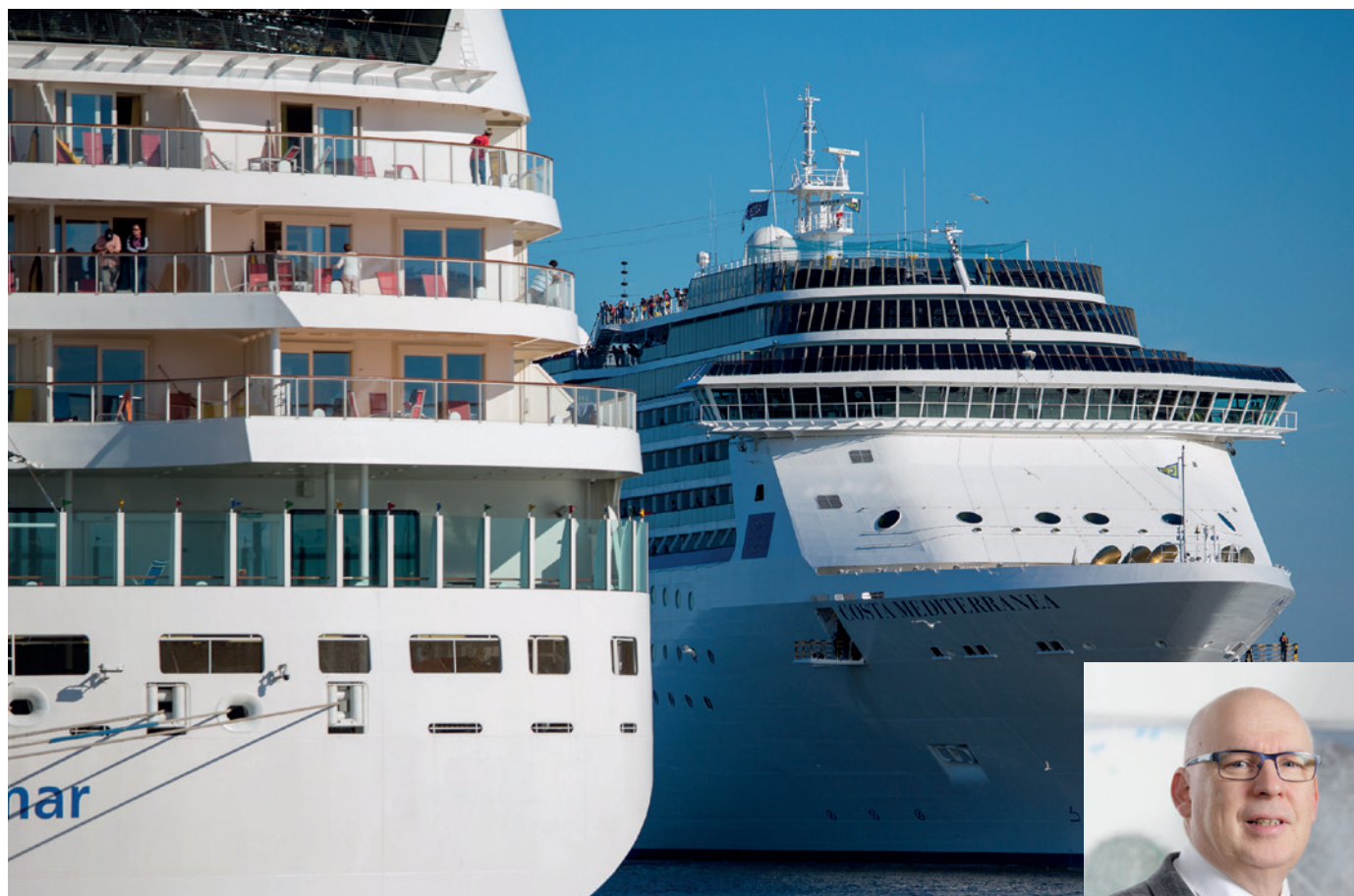




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NEWS FROM PORT OF HAMINAKOTKA 2/2017



Kimmo Naski, CEO

2017: year of rapid growth, development and internationalisation

About 12.0 million tonnes of cargo were carried through the Port of HaminaKotka between January and October 2017. This was 9.7 per cent more than during the corresponding period in 2016.

The great result was due to issues such as the transport of Wasco Coatings Finland Oy's concrete-coated pipes from Mussalo, launched in September. In exports, growth figures were reached in dry bulk, sawn timber and general cargo. The biggest growth in imports came from the carriage of dry bulk and general cargo. Transit traffic between Finland and Russia took a long step upwards as the transport of fertilizers and bulk increased. The good trend in container transport has also continued.

"This year has been delightfully positive in all sectors of transport. Even the transport of cars to Russia has started to grow after a few quiet years. The pace just seems to accelerate

towards the end of the year. I believe that we will break the 14 million tonne limit this year," says **Kimmo Naski**, CEO of Port of HaminaKotka Ltd.

All modes of transport are still important

The strong boom has concerned almost all modes of transport. Rail carriage has grown by 15 per cent from 2016, which further highlights the need for additional track capacity. By the end of August, the port had received 18,000 rail waggons more than a year earlier. The number of trucks arriving at the port was 73,000 higher than in 2016. The number of ships decreased

slightly, but the sizes of the vessels increased instead.

"This year has been a period of strong growth, construction and development at the port. Major international projects such as the transport of the giant modules to oil production fields in Kazakhstan and the logistics for the Nord Stream 2 project have been really important issues to the port. In addition to the growth of traffic, projects of this magnitude represent unique indications of confidence in our work and expertise," Kimmo Naski continues.

The large-scale global projects have also enhanced the visibility of the Port of HaminaKotka in the world and added to its positive

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reputation in the sphere of international business.

"It is great that one of the world's biggest oil drilling companies, Tengizchevroil, chose HaminaKotka among many other major ports for its project, which is one of the largest projects in the whole world at the moment. We are currently also involved in the world's longest gas pipeline project. The feedback received from our customers has confirmed the trust and confidence in the fact that we have focused on the right things at the Port of HaminaKotka as we have been developing our operations and infrastructure. It is good to move over to the new year from this set-up," Kimmo Naski says.



Trend in transport volumes in January-October 2017 compared to the same period in 2016

Exports	8 796 624 tonnes	+ 11.2 %
	• dry bulk	+ 62.9 %
	• sawn timber	+ 15.9 %
	• general cargo	+ 69.8 %
	• liquid bulk	- 4.9 %



Imports	3 234 190 tonnes	+ 6 %
	• dry bulk	+ 62.5 %
	• general cargo	+ 10.1 %
	• liquid bulk	- 11.1 %
	• raw wood	- 11.7 %

Total traffic	12 030 814 t	growth 9.7 %
Transit	2 860 368	growth 18.3 %
Containers (TEU)	577 142	growth 10.0 %
Cars	7 835	growth 24.4 %



The construction of the LNG terminal in Hamina will take three years. The total value of the investment is about 95 million euros.



The new port centre to be built at Mussalo will serve the transport of the Finnish wood-processing industry in particular.

The port develops and grows

Kyösti Manninen
Commercial Director
of the Port of
HaminaKotka



The vitality of the Port of HaminaKotka is based on the easy modification and continuous development of its infrastructure and operations. Port-related industries are being acquired for example by means of the BusinessMooring co-operation project, which involves energy and water utilities in addition to the port and its two owner towns.

"We have currently a number of pending projects well under progress. Some of these will be implemented next year. We have built and prepared our areas for the needs of various customer projects, and the port already houses completed areas that are immediately available," says **Kyösti Manninen**, Commercial Director of the Port of HaminaKotka.

Construction of new LNG terminal begins

One of the new starting projects is the construction of Hamina LNG Oy's LNG (liquefied natural gas) reception terminal in Hamina. Its construction will take three years. The total value of the investment is about 95 million euros. Gas will be supplied to the distribution network of Hamina Energy and also to customers engaged in land and sea transport. Environmentally-friendly

LNG replaces liquid fuels for example in sea and road transport. The new terminal will enable the bunkering of LNG-fired vessels at the port. Moreover, the terminal will provide energy-dependent industries with good opportunities both at the port and in the whole of South-Eastern and Eastern Finland.

Major investment at Mussalo to start up

Another investment of about 30 million euros is the expansion of the Mussalo Harbour. Due to large-scale international projects and growing transport volumes, the Port of HaminaKotka needs additional space at Mussalo.

"Mussalo will have a whole new port centre, which serves the transport of the Finnish wood-processing industry in particular. In the first stage, we will build 220 metres of quays with a draught of 15.3 metres, plus approximately 20 hectares of field areas," Kyösti Manninen says.

The extension has been planned for a length of time, and the earthwork has already begun. The dredging of the quay area will begin according to plans in the coming spring. The first ship is expected to arrive at the quay in late summer 2019.



Fine start for cruise ships

Cruise Port Kotka, the development group for the cruise business in the Kotka-Hamina region, gained new experiences for the launching of cruise ship traffic in the region after a break of several years. The group operating under the regional development company Cursor Oy comprises the Port of HaminaKotka, Cursor and the towns of Kotka and Hamina, which finance the planning, marketing and development of the cruise operations.

In addition to the port, authorities and other stakeholders, the cruise operations in the summer involved many enterprises, communities, schools and other partners. **Petra Cranston**, who is responsible for the marketing and sales of the cruise business within Cursor, says that the efforts absolutely call for co-operation.

"We could not do our work without the Port of HaminaKotka, the operators working there, authorities and local partners. All parties must be commended for the good launch of the cruise services."

Operative Manager **Tapani Pasanen** of the Port of HaminaKotka says that thorough preparations were made for the arrival of the cruise ships.

"The cruise ships arrive at the port among other vessels. This requires reaching an agreement with shipping companies and other companies so that the necessary time windows can be allocated to the cruise ships at the berths. Cruise ships operate under a schedule, and the

Cruise traffic in a nutshell

- Two large international cruise ships arrived at the Port of HaminaKotka on 10 July 2017. The ships brought more than 5,300 guests and crews of 1,500 to Kotka. The ships stayed in Kotka for 10 hours and then continued towards St Petersburg. Many kinds of programmes were arranged for the guests.
- On 17 July, one of the two ships arrived in Kotka again, this time bringing 2,500 visitors.
- A third cruise vessel arrived at the port on 16 September 2017.
- 5 cruise reservations have been made for 2018.
- The Cruise Port Kotka group responsible for the marketing, sales and development of the cruise operations is headed by Cursor Oy. In addition to the Port of HaminaKotka, the group also comprises the towns of Kotka and Hamina.

ships cannot wait for berths to become available. Everything has to be ready when the cruise ships arrive. Cruise operations also need security measures that fulfil international regulations."

Specific concept for cruise operations

The first visits by cruise ships in the summer were preceded by planning and development work extending over several years. A specific concept was drawn up for the cruise operations in the Kotka-Hamina region within this work. In this way, the operations can continue fluently and at a high level of service also in the future, irrespective of the size and number of ships.

"The foremost criteria for cruise operations

are service production, organisation ability and meeting of people. It was important for the visitors that they could get to know an authentic Finnish town of a size that is easy to grasp," Petra Cranston continues.

The location of the Port of HaminaKotka between St Petersburg and Helsinki as well as near Tallinn enables many kinds of activities for the visitors. Moreover, the shipping companies can choose what kinds of ships they send to the Baltic Sea, because there are berths for ships of all sizes.

"The first summer went very well, and during the next two summers we will tune the concept further. In 2020 we will be able to assess the cruises from a business perspective," Petra Cranston says.



Those receiving the Christmas donation of the port were (from the left) Marja Silvennoinen, Päivi Sara-Aho, Heikki Silvennoinen and Ritva Kallioniemi of the Parkinson club of South Kymenlaakso. Also shown is Nanna Sirola-Myllylä of Port of HaminaKotka Ltd.

Christmas present to the Parkinson club of South Kymenlaakso

This year, Port of HaminaKotka Ltd made its Christmas donation to the Parkinson club of South Kymenlaakso. The club belongs to the Parkinson Association of Uusimaa, and it has 139 members. The members are from Kotka, Hamina, Pyhtää and Virolahti. The club offers active peer support and services for maintaining physical and mental activity. Popular forms of physical exercise include yoga, bowling and various games. The local associations and clubs of the Finnish Parkinson's Disease Association that operate on a voluntary basis work to improve the quality of life of those with dystonia, Huntington's disease and other diseases affecting movement and of the relatives of such persons.

Appointments

Eija Rossi, Master of Economic Sciences, started as the Commercial Director of Port of HaminaKotka Ltd on 1 December 2017, being responsible for sales and marketing. Eija Rossi worked previously at DHL Freight Finland Oy in charge of the transit and forwarding operations and customer experience management. Prior to that, Eija Rossi has worked as a Director and Key Account Manager at Hamina Multimodal Terminals Oy.



Construction Engineer **Miikka Liikkanen** started on 14 August 2017 as a Foreman at the Technical Department of Port of HaminaKotka Ltd in Hamina.



Season's Greetings and a Happy New Year 2018

Port of HaminaKotka Ltd and Kotkan Satamatalot Oy