

Destination Karlshamn (november 2018)

NEWS

Destination Karlshamn NEWS is produced by Karlshamns Hamn AB to inform about the role of Karlshamn and its port as a node in southern Sweden for logistics and transportation.



A great deal is happening in Karlshamn!

The expansion of ferry service is in full swing! In the next few days, the first stage will be brought into use. The port is thereby taking a large step towards doubling the capacity for ferry service.

Peter Samuelsson (at right) Manager of RoRo Operations and Intermodal rail terminal for Port of Karlshamn, and DFDS route manager Per-Henrik Persson (at left) are pleased with the cooperation.

“We are now actively working on plans to further expand and be able to handle the significantly larger ferries that DFDS is considering putting into service here,” says Peter Samuelsson. More about this on the next page!

Professionalism yields results

“The beginning of the laying of pipe for the Nord Stream pipeline entails a particularly intensive period for the Port of Karlshamn. Among other things, we have hired 140 people, doubling our workforce, to complete the task.

“The pipe deal was very special. But it’s not the only important deal for us. In recent years, we’ve had many interesting new deals that provided and will provide results in the future. Our professionalism and ability to adapt to the customers’ needs is yielding results. One example is that the terminal handling’s share of the total turnover has doubled in recent years, at the same time that the port’s total turnover has steadily increased and doubled in the past six or seven years.

“We are now in a very expansive situation. We are updating the RoRo terminal and doubling capacity, at the same time that we are working on the next expansion phase, which may entail significantly larger ferries among other things. And we are investing in quays, dredging, staging areas, machinery and buildings, at the same time that we are continuously expanding our organisation.

“The Nord Stream project and pipe deal provided huge attention to the Port of Karlshamn, even internationally. Now, we are also seeing that our professionalism, expertise and resources are getting attention in the market in a different way. We have several interesting openings for deals and new operations in the port. And once the pipe storage has been finished, we will gain access to the attractive large hardened area, which will open new opportunities for new business.

“It’s full steam ahead!”

Mats Olsson

CEO Port of Karlshamn



Equipped for Nord Stream with 140 new employees

In December, the laying of pipe from Karlshamn for the Nord Stream 2 pipeline in the Baltic Sea will begin.

The stock in the Port of Karlshamn now holds more than 30,000 pipes. Pipes that have been delivered over several months from manufacturing in Germany via the port in Mukran. Once the laying of pipe has begun, the stock will be filled with additional pipes. In total, the Port of Karlshamn will handle 58,000 pipes. The pipe storage now covers an area of up to 300,000m² in the port.

“Now is when the big work begins. After all of the discussions and preparations, it is of course enjoyable that we are now entering a ‘live situation’,” says Mats Olsson, CEO.

“For the Port of Karlshamn, it is the first time we are participating in such a special project. But our customer Wasco has extensive experience. We are confident in their and their subcontractor Blue Waters’ arrangement and work.

“We feel prepared,” says Mats Olsson.

140 NEW EMPLOYEES

The pipe handling demands a significantly increased workforce. Once the laying of pipe begins, a staff of 140 needs to be in place – a doubling of the port’s workforce! The work will be done in 12-hour shifts and be done continuously.

Prior to the start, the port has built up a complete structure with temporary staff areas, parking spaces, etc. that are needed.

For the handling of the pipes, a wash facility and a de-icing machine were built.

Danish Martin Pedersen “came here with the pipes”. He previously worked in 64 countries and has now moved to Karlshamn from the Philippines where he lived for 15 years. He loves Karlshamn and his work-mates at the Port of Karlshamn - he will stay here until he retires, he says. The stock of pipes for the Nord Stream 2 natural gas pipeline now holds 30,000 pipes.

Planning for c

In the next few days, the first stage of the latest expansion for ferry service will be finished. The port is thereby taking a large step towards doubling the capacity for ferry service.

“The steady growth on the Karlshamn-Klaipeda route year on year has meant that we have “outgrown our suit”. But we are now equipped to manage the continued growth,” says Peter Samuelsson, Manager of RoRo Operations and Intermodal rail terminal, Port of Karlshamn.

Besides increasing the capacity, the development of the port also includes improved comfort, increased safety and more rational handling with increased digitalisation of the entire process of booking, checking in etc.

PLANNING FOR LARGER FERRIES

“The planning also includes opportunities to increase ferry service even more in the future. We have outstanding opportunities for expansion with the areas finished for the pipe handling that will become available once the handling is done.

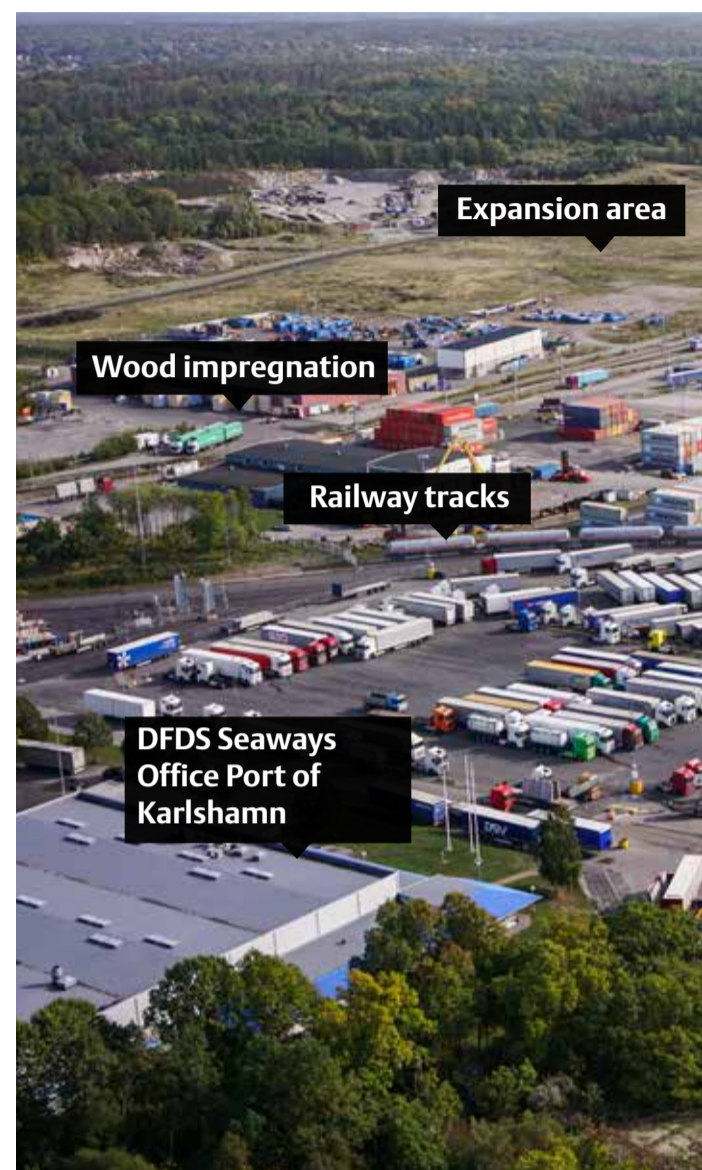
“We are now actively working on plans to further expand and be able to handle the significantly larger ferries that DFDS is considering putting into service here. Among other things, this involves berthing possibilities and a ramp, as well as needs that generally arise with a larger volume.”

TWICE AS MANY TRAILERS

The current stage includes a redistribution of the entire RoRo area that means that twice as many trailers fit within the enclosed area and that safety is improved.

Admission to the area will be via new terminal gates with extended automatic checks of both identity and status of admitted trailers. The whole expanded area has been given a new layout with a new entrance and clear, structured traffic flows.

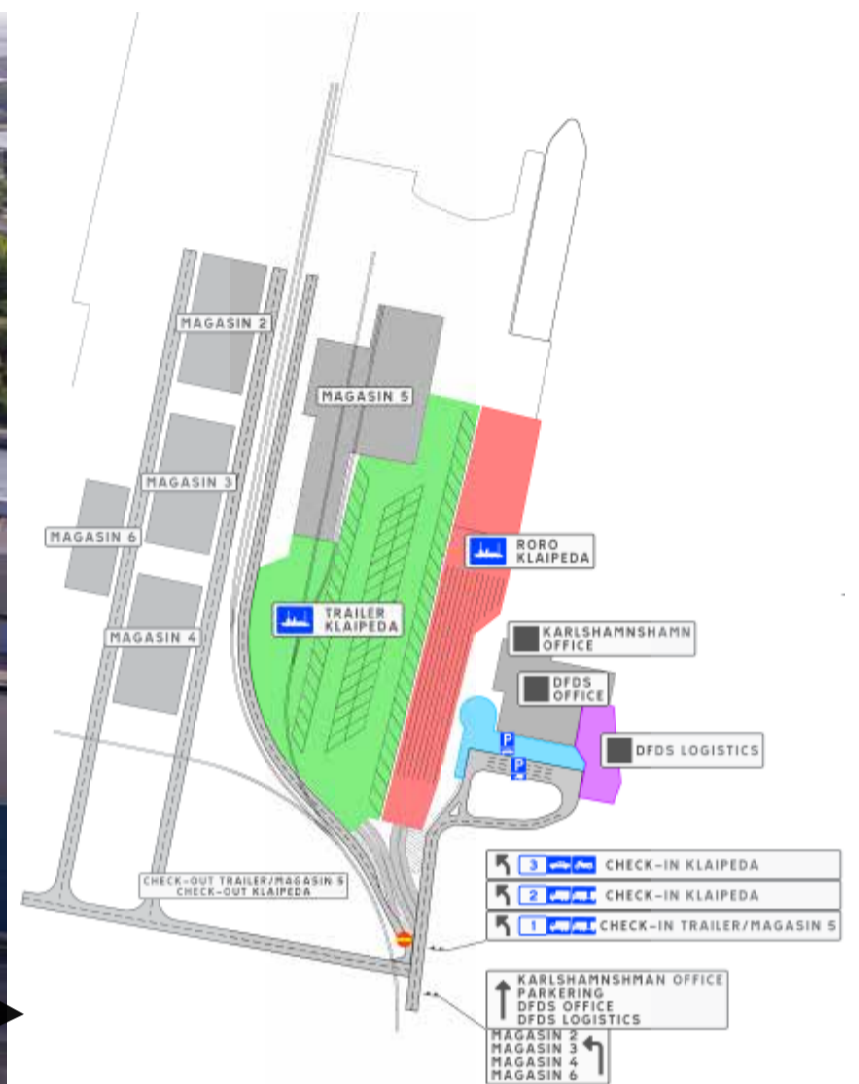
During the continued work, DFDS’ offices and passenger terminal were moved to temporary premises. This



was while awaiting the completion of new premises, including a drivers’ lounge, where the drivers can receive the service they require. The standard for other passengers will also be improved. There will be an real increase in comfort for everyone travelling on the ferries, says Peter Samuelsson.



continued growth here!



This is the flow in the new area

Line manager who wants to be close to the customers

The new route manager for DFDS Seaways' Karlshamn-Klaipeda route is now Per-Henrik Persson. He most recently came from the position as the head of DFDS Logistics' office in Karlshamn, previously Karlshamns Expressbyrå, which for many years was led by Per-Henrik's father PG Persson. "PH" is therefore properly rooted in the logistics industry from the customer side to ferry operations.

"My experience from this side is a great asset in the new job and one of the reasons that I was given the assignment. DFDS Seaways has great growth ambitions for the Karlshamn-Klaipeda route.

"My goal is that we will create continued growth by "being close to the customers" – being sensitive, flexible and meeting the customers' needs, such as regarding departure times."



Per-Henrik Persson

GOOD DEVELOPMENT OPPORTUNITIES

"I look very positively on the development opportunities for further strengthening this transport corridor," says PH. "The market reached through this route is giant. The route has grown virtually every year since the beginning and I see no reason why it should not continue.

"Karlshamn has an excellent logistics location and the region has a large share of logistics-intensive companies. The infrastructure is continuously improving. It is probably only major political decisions that could disrupt this growth.

"But it is important for us to continuously be able to adapt the ferry capacity to the needs. We recently received more well-needed departures with a new ferry. More such volume increasing measures will be needed.

"My goal is for us to gradually build up the volumes so that the new large ferries that DFDS has ordered end

up on this line," says PH.

GOOD COOPERATION WITH THE PORT

"The cooperation with the Port of Karlshamn is very good, I think. We have a good dialogue and the same goal of developing the route and Karlshamn is an important logistics hub. The port is positive to investments and thinks long term. Together we will make something really good of this!"

TAKING A STEP FORWARD

"The changes now being implemented of the entire ferry terminal here in Karlshamn are very good. We are taking a step forward. We are making it easier for drivers through increased digital handling, which makes check-in easier among other things. The checks and flows in the area are improving and we are gaining space for considerably more trailers. A little further along, a new driver's lounge and new passenger areas will be added."

Karlshamn may receive new giant ferries in 2021

DFDS has signed an agreement with a Chinese shipyard on the delivery of two RoPax vessels in 2021.

DFDS' intention is that they will be deployed on one of the DFDS routes between Karlshamn – Klaipeda or Kiel – Klaipeda. But since it is three years until delivery, it is not currently decided for certain where they will be placed.

CONTINUED GROWTH IS EXPECTED

With six routes in the Baltic Sea, DFDS expects the market to continue growing and for the future development, investments are now being made in two new RoPax vessels (combined freight and passenger

vessels). It involves an investment of more than SEK 2.5 billion and they will be delivered in the first and third quarters of 2021. The vessels each have a capacity of 4,500 lane metres for freight and passenger vehicles and 600 passengers, which is comparable to 2,800 lane metres, which is the capacity of the largest ships DFDS has in the Baltic Sea today. With a length of 230 m, these ships will be the longest in service on the Baltic Sea.

The ships are being built according to the latest environmental standards, which means the lowest possible fuel consumption and exhaust emissions. They will be equipped with so-called scrubbers that clean the ships' exhaust gases.



Additional ferry now offers 11 departures

DFDS recently commissioned another ferry in Karlshamn. This is to meet a growing demand for RoRo capacity and to be able to offer greater flexibility on the Karlshamn-Klaipeda and Kiel-Klaipeda routes. DFDS has chartered the RoRo vessel Maestro Universe. The vessel has a capacity of 2,171 lane metres or 160 trailers. Later this year, Maestro Universe will be replaced by Finlandia Seaways.

"There is extraordinary demand for capacity on the routes Klaipeda-Karlshamn and Klaipeda-Kiel. A sound economic development in the EU and increased trade have resulted in larger freight volumes," says DFDS.

Maestro Universe makes one round trip Karlshamn-Klaipeda and one Kiel-Klaipeda per week. This provides a full 11 departures per week from/to Karlshamn and nine from/to Kiel.



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Questions, suggestions and feedback are always welcome.

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Photo: Hans Peter Bloom and CJ RC flying

Southeast Link opens larger flow eastward

Sydostlänken

IKEA ● Älmhult

VOLVO ● Olofström

Karlshamns Hamn ● Karlshamn

The Southeast Link gives companies, such as IKEA and Volvo Cars, a railway link to the nearby large port in Karlshamn.

Through the Southeast Link, a more efficient shipping route is opened up between Scandinavia and Eastern Europe and Asia.

"The announcement that the Southeast Link will be built is something we've really looked forward to," says Mats Olsson, CEO of the Port of Karlshamn.

"Through expansion of the Southeast Link, the entire region is gaining well-needed and necessary transport capacity to handle growth. The Southeast Link is becoming an important link in the national railway network and opens a larger flow eastward.

"For the Port of Karlshamn, the future looks very bright given this announcement. The Port of Karlshamn is becoming even more competitive as an important logistics hub in the southern Baltic Sea region. This means that we can continue on the chosen path with investments, cooperation, expansion and growth, of benefit to our customers.

The positive news is a result of many years of work to inform about the need and benefit of an expanded railway link between Älmhult and Karlshamn. The Port of Karlshamn has been actively involved in this from the beginning. In the course of events, the Port has also been able to show that forecasts of growth in traffic have continuously been exceeded by reality.

The Intermodal rail terminal in Karlshamn was the salvation from problems after the train derailment

The Intermodal rail terminal in the Port of Karlshamn is a resource for the region, not just for freight that goes by sea.

This past summer, the Intermodal rail terminal was a part of saving Volvo's production.

"It was just a few hours after the Minister for Infrastructure on site in Olofström had announced the investment in the Southeast Link that the "Volvo train" to Gothenburg

CONSTRUCTION START 2024

The start of construction is planned for 2024 and the project is estimated to take around five years to implement. The cost is estimated at SEK 1.6 billion and means a technical improvement and electrification of the existing railway between Älmhult and Olofström, 41 kilometres, as well as an entirely new track of 18 kilometres that ties Olofström together with the Blekinge Coastal Railway and the Port of Karlshamn. The entire section Älmhult – Port of Karlshamn is called the Southeast Link. Besides freight trains, passenger service is also planned on the track.

derailed north of Olofström. The freight transport by rail between Olofström and Gothenburg is incredibly important for Volvo's production.

"After a rapid and close cooperation on behalf of Green Cargo, the solution was in place in less than 24 hours," says Peter Samuelsson, Manager of the Intermodal rail terminal and RoRo at the Port of Karlshamn.

"The solution meant that the Volvo containers instead went by lorry from Olofström to the Intermodal rail terminal in the Port of Karlshamn where they were placed on the railway for onward transport to Gothen-

"Stuffing plus" growing strongly

The Port of Karlshamn has a significant handling of high-value goods where the port stuffs containers according to the customer's pick lists and delivery plans and performs all documentation necessary. This operation is growing steadily.

"We have a very good concept to offer the customers and we are continuing to develop the operations in close cooperation with customers. We have gradually built up a complete, rational and flexible system. We can handle containers further either through our Sea Terminal or our Intermodal rail terminal. Since 2016, we have roughly doubled the operations, which now employ 10-12 people.

"I believe in continued growth," says Peter Samuelsson, Port of Karlshamn.

The warehouse has generally been upgraded. There are now premises with controlled humidity, among other things.

Soon, a so-called Container mover will be delivered that will make the handling of containers even easier and faster.

CERTIFIED PART OF THE CUSTOMER'S LOGISTICS

This is an operation that is very different from the traditional operations of a port. This is how a developed collaboration may work:

- The Port's staff are certified by the customer so they can work directly in the customer's IT system.
- The Port's staff represent a complete stage of the customer's logistics chain; receive goods in complete batches, store, pack containers in accordance with the customers pick-lists and delivery plans and complete all the documentation necessary.

MANY ARTICLES ARE STORED

It may involve 2-300 different parts that the Port of Karlshamn stores for the customer. Goods arrive directly from the customer or the customer's subcontractor. This means that the customer does not need to have a temporary storage facility. Containers are sent to different destinations, both in Sweden and other places in the world.

burg. This was by Green Cargo getting started with trains with three departures per day. Empty containers went in the same flow back to Olofström through Karlshamn.

"It is of course pleasing that we could quickly resolve the problems this way. The Intermodal rail terminal with efficient transshipment between road and railway here in Karlshamn was crucial to the arrangement. And when everyone involved contributes and helps out, it goes well," says Peter Samuelsson

The construction of the Southeast Link will improve and strengthen the flow of goods both to Gothenburg and out into the world for Volvo.