

Keeping an upright position while on a bumpy road

by Jaana Niemi

For the Port of HaminaKotka, 2023 will go down in history as a time of great changes. There were considerable variations in transport volumes during the year, a significant port investment was completed, and there were successes in the international cruise traffic (a market that is, too, undergoing fundamental changes).

The Port of HaminaKotka has been transforming its port areas with a long perspective in mind. The biggest developments in recent years have taken place at the Mussalo Harbour in Kotka. Since 2017, the port company has been developing the D-area there to improve the service level and enable the increasingly efficient handling of larger vessels and cargo volumes.

In the first phase of the project, land operation areas were filled with material from the sea, the basic infrastructure of the area was set up, a harbour basin was dredged, a breakwater and a noise barrier were built in the western part, and the first part of the quay and a rail connection were constructed. At the same time, the port operator Steveco built a 20,000 m² pulp warehouse in the area.

In the second phase of the project, which finished last autumn, the quay was completed, and additional rail connections were added. Steveco erected another warehouse terminal of 24,000 m². The City of Kotka also continued the filling of the background premises of the D-area to become an industrial site, which will enable the extra construction of almost 50,000 m² of warehouses in the northern part of the territory.

Investing environmentally

The project is a significant investment for both the Port of HaminaKotka and many other parties involved. Almost a total of €100 million – of which the port's input totted up to €60m – has been invested in constructing and equipping the area. The waterworks and quay construction in the D-area, the rail connections in the background, and the noise barrier have been partially financed by

the European Union's Connecting Europe Facility with a good €10m.

The Port of HaminaKotka has a permit to utilise concrete and brick waste in designated areas and to use waste rock in port structures. Environmental considerations are essential in port construction, and in the works of the D-area, they were taken into account by utilising concrete and brick waste left over from demolished schools and a bus station in the area structures. Rock material extracted from the sea during the dredging of the D-basin was used to build the breakwater, and some of it was moved to Palaslahti (located within Mussalo Harbour) to be used as a backfill for the industrial area.

“The port company started to develop the D-area of Mussalo so that even larger ships and the goods-flows they carry could be handled as efficiently as possible and so that containers and break-bulk could be handled in the same location, also optimising rail transportation. The D-area completed last year offers an excellent operating area for the international transport of the wood-processing industry, and the completion of this area will make the Mussalo Harbour of the Port of HaminaKotka the largest concentration of pulp transport on the Baltic Sea,” underscores Dr. Kimmo Naski, the Port of HaminaKotka's CEO & Port Counsellor (satamaneuvos, a Finnish honorary title).

The port for all seasons

The past international cruise summer was, by all means, a successful one for the Port of HaminaKotka. A total of 13 ships called the port, two of which anchored in the Eastern Gulf of Finland by the remote island of Ulko-Tammio. The total number of visitors was about 20,000, with the passengers mainly coming from the

US, Canada, Australia, New Zealand, the British Isles, and Germany. The feedback received directly from the guests and the cruise lines was good.

“The absolute highlights of the season were the visits by the *Silver Wind*, the luxury cruiser of Silversea Cruises, at the island of Ulko-Tammio in early June. The visitors spent a day on the island, getting to know its beautiful natural environment and interesting fortification history. These visits also attracted considerable international attention,” shares Petra Cranston, the Port of HaminaKotka's Project Manager – Cruise Business.

The cruise guests were particularly delighted by the parks of Kotka, where nature meets an urban setting in a unique manner. The Valkmusa National Park and the Langinkoski Imperial Fishing Lodge were also of great interest among the cruise visitors. The River Kymijoki, with its diverse activities, provided the visitors with unforgettable experiences, and the towns of Kotka and Hamina enchanted travellers with their versatility and individual ambience. Of course, we couldn't forget to mention the Maritime Centre Vellamo or the magnificent archipelago!

Even though St. Petersburg, one of the leading destinations of Eastern Baltic Sea cruises, is no longer on the itinerary, the degree of occupancy rate on the vessels cruising in the region grew to an average of almost 90% last year. In 2022, the largest cruise ships withdrew from the Baltic Sea to different markets, but they intend to return (a move also influenced by the political situation in other parts of the world). The active sales and marketing efforts by the port company yielded results: the Port of HaminaKotka and the regional attractions got printed in cruise shipping companies'



Photos: Port of HaminaKotka/Jarno Koivula

memories. Still, it takes time for consumer travelling & purchasing patterns to change. Expert estimates suggest that a better outlook for the Eastern Baltic cruise market can be expected from 2026 onwards. As such, the port company is busy preparing within a time span of almost ten years ahead.

Looking on the bright side (while on a roller coaster)

The Port of HaminaKotka started at a record pace in 2023, and after the first five months, the transport volumes were at their peak. At the turn of May and June, however, Finnish exports began to slow down, and the general economy, both in

Finland and in its key trading partner countries, started to decline. The situation at the Port of HaminaKotka was also impaired by the sanctions imposed on Russia. In 2023, these affected oil and methanol transport in particular. All that and the irregular entry of people into Finland that started at the border with Russia at the end of the year further eroded the operating environment. As a result, the cargo handling result of Hamina and Kotka fell short of the previous year by 13.2%, nonetheless amounting to a wholesome 14.1 million tonnes.

The outlook for 2024 is uncertain. The EU sanctions, the economic decline in Europe and Finland, significant sales

difficulties and increased costs of the Finnish exporting industries, disputes in the labour market, restrictions caused by the irregular entry of people into Finland at the Finnish-Russian border, and difficulties in international transport in the Red Sea and via the Suez Canal all muddy the waters for the port industry in general.

“Despite the current challenges, expectations in the longer term are still positive,” Kimmo Naski brightens the mood. “There are many different projects underway in our area, such as ones related to the car battery industry and future fuels, which, if realised, will also bring traffic to the Port of HaminaKotka.”



Photo: Annika Ruohonen/VisitHaminaKotka



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