The proper perspective

by Przemysław Myszka and Przemysław Opłocki

On the last day of the first part of BTJ Trip 2022 \ Sweden, we visited the Port of Karlshamn's Mats Olsson to talk about the latest developments, especially the new and upgraded ro-ro berths. We also looked into the port's plans, the investments needed, how the pandemic and the war altered operations in Karlshamn, and how different logistics establishments have mushroomed in the port's neighbourhood.

■ ***Let us start with the latest development: upgrading the port's capacity for handling wheeled cargo.***

We were in quite a rush with our ro-ro investments to have everything in place ahead of DFDS deploying their new Baltic flagships: *Aura Seaways* first and then her sister *Luna Seaways*. Initially, they thought about lengthening the existing vessels, but ultimately, they decided to opt for new ships altogether. Thus, our berth construction & rebuilding project, some 25-30 million euros, had a narrow time frame.

Luckily, all loose ends got tied up on schedule. As you could see outside the port authority office, our stevedores were busy handling *Aura Seaways*. The ferry is still more than impressive, even though we got accustomed to taking care of her. Long story short, Karlshamn now has two 8.0-8.5 metres deep modern ro-ro berths – including a movable link-span and a semi-automatic mooring system – capable of accommodating Baltic's largest ro-paxes.

The new ro-ro harbour also offers onshore power supply, with the authority planning to invest in a photovoltaic system atop one of the port buildings. A bioLNG-tanking station will be set up in the vicinity, as one truck haulier has significantly invested in such vehicles pushing the demand. On that note, we power our cranes with electricity while the cargo handling fleet runs on HVO.

You can look at the development from the lane metres-perspective. When I started working at the port, we took care of ships offering around one kilometre of freight capacity. Later, it was 2,000-ish lane metres; now, we speak of two times 4,500.

The adjacent infrastructure, gates, and storage yards are also being upgraded extensively to handle the increased volumes. In the short term, it is predominantly a legal affair. We already have at our disposal a large area, approximately 300 thousand square metres, that we used for storing pipes. We need formal approval for re-designating these premises. Fortunately, all is now signed & sealed, so part of it will house trucks & trailers as of mid-October 2022. This development will, in turn, enable other actions like moving the passenger terminal, the gate, and DFDS' office. The future organisation of wheeled cargo flows will be even more efficient.

■ ***What is happening around the port to improve its business?***

The road capacity to and from, west-east likewise from the north, Karlshamn is secured. On the rail side, we invested in 30 thousand square metres, two full-length 700 metres tracks, intermodal terminal in 2014. Should the government improve our connectivity with the country's trunk network, we would be over the moon. Specifically, I have the Southeast Link (Sydostlänken) in mind. It is the 'missing link' between Olofström and the Blekinge coastal railway.

The outgoing cabinet has included constructing the Southeast Link in the Swedish national infrastructure programme 2022-2033. Additionally, the existing Olofström-Älmhult (battered down) route will be modernised, including electrification. Port cargo traffic-wise, there is a Volvo body component plant in Olofström for all their cars, while in Älmhult – IKEA. The two companies and several municipalities have supported pushing the idea forward.

The four billion Swedish crown project has been running for four years, mainly involving planning and obtaining permits. It now entered a new phase following a decision on the detailed localisation of the new railroad. The construction works should start in 2027-2028. Meanwhile, a new shunting yard in Karlshamn will be erected – probably the largest one commissioned in Sweden in years. Olofström will also get a marshalling yard.

Getting trailers on rails is already crucial – and will be even more critical in the future. We used to handle trucks predominantly in the past. Given that the lorry driver shortage will only deepen, taking in and dispatching as many trailers as possible by rail will be a deal-maker for a seaport. We have seen a steady increase in railborne traffic, mainly wagonloads and containers, from 3,000 to 16,000 wagons today. We look forward to handling more wheeled cargo by rail.

■ ***What has been the pandemic and the war's impact on your operations?***

The pandemic has had little effect on the volumes and how we operate. We are chiefly a cargo port, and ships kept calling Karlshamn disruption-free. Staff-wise, we had to do some fine-tuning, as people were generally advised to stay home if they felt something might be going on. Yet, that wasn't a big issue in any way, shape or form.

On the other hand, the Russian aggression has negatively affected some port business areas, such as ferry and oil. Trading the latter was more or less built on Russia. Moreover, given oil's high price, buyers aren't particularly keen on storing it – as was the case during COVID-19. Then again, Primagaz's LPG imports from the US and then exports from Karlshamn, including to Poland, are going strong. The same for forest products like sawn timber heading to the US. Where we used to store gas pipes, now there are wind turbine components. We will see even more project cargo in the coming years.

Altogether, this year is pretty good, more or less on par with the previous. The years 2017-2019 distort the picture, as the gas pipeline project contributed a lot of volumes. We provide 95-100 full-time equivalent jobs during 'ordinary' years. In that period, we were up to 250.

Regrettably, Russia's attack on Ukraine cut our container traffic short. The Karlshamn-Mukran-Kaliningrad-China New Silk Road corridor was booming out of the gate, remarkably with loads of Swedish exports. In fact, our involvement started with export goods, while import containers followed suit after a couple of months. Still, exports dominated.

■ ***How will Karlshamn grow logistically in the coming years?***



Photos: Port of Karlshamn







The land around the port, some two million square metres, is owned by the municipality. Fortunately for us, the plan is to make logistics use of it. There is also room for other establishments, say manufacturing, that will significantly benefit from having the seaport over the fence. A logistics centre built for DFDS is up & running, and several other plots have already been taken for developing transport facilities. Interestingly, there is another building in construction in the area, a recreational spot – set up in anticipation of the increased employee numbers to work around the port shortly.

We have invested a lot in the port throughout the years, not only in the ferry harbour. We anticipate a slowdown in eastbound traffic due to the war. Still, the Baltics have the volumes to keep the wheels spinning. Overseas traffic to the west looks nothing but promising. Swedish forest products are highly regarded in the US. We load 40-60 thousand cubic metres at least once a month for sending over the Atlantic (we also provide wood finishing in the port, so the shipment doesn't get waterlogged).

Next, we are looking forward to all those projects outside the port but related to it taking shape: rail- and logistics-wise. Do not forget that DFDS put two hundred million euros on the table to get *Aura Seaways* and *Luna Seaways* into Klaipėda's and our ports. We also keep our fingers crossed for the development of the Swedish wind energy business, which will keep us busy handling project cargo. The port access road network is long and wide enough for transporting such enormous components farther into the hinterland, say up to Alvesta some 150 kilometres north. Cumulatively, maintaining that five million tonnes per year level seems doable. We also have a very dedicated workforce, proud to work in the port and thanks to whom Karlshamn will continue offering smooth stevedoring.

And here's the thing: port planning isn't about the next five years, not even ten or 20. A reasonable perspective is three decades. We cooperate with our owners, the local municipality, on equal footing to make Karlshamn *the* place for the transport & logistics industry to settle in. Like in other sites in Sweden and elsewhere across the Baltic, the town grew from the port, thus the reciprocal link of understanding. It might sound easy, but it requires much effort to make the right capital-intensive investment decisions, buy equipment that fits the needs, or make a pitch for governmental or EU funding for infrastructure that is beyond the port premises but which will have a direct impact on us. ■