

HWG Newsletter 02/2016

Port Cooperation: “We need to clarify what we are talking about”

Interview with Hans-Peter Zint, Chairman of the Cuxhaven Port Association



Mr Zint, in February, ELBESEAPORTS held an event on the cooperation of the Lower Elbe ports in Cuxhaven. You participated via a statement concerning the possibilities to improve this cooperation. Why is the topic of port cooperation currently coming into focus?

The topic of port cooperation has entered the public agenda as a result of ongoing discussions concerning the JadeWeserPort container terminal and the pending adjustments of the seaside access routes to the North German seaports. There are continuous demands for the ports to cooperate – but with whom, with which goal in mind and through which jointly discussed and realisable measures – this remains fairly vague and in the dark. We need to clarify what we are talking about: Who can cooperate with whom regarding which topics?

In which ways should the ports cooperate in your opinion, and what makes port cooperation necessary?

In my opinion, a cooperation of the various North German port locations can take place on three different levels: between the different federal states in which the ports are located, between the largely state-owned port authorities and between the private terminal operating companies.

The first level is the cooperation of the federal states. The states usually are responsible for and create the port infrastructure – that means they account for a majority of the investment cost for a new terminal. Because port infrastructure (like e.g. motor ways) is part of the economically necessary infrastructure for a foreign trade-dependent industrial nation like Germany, these investments rightly also include tax money. This results in the self-evident obligation not to use such investments to create public money-financed overcapacities. Hence it can be thoroughly sensible for the state governments to counsel each other - and also the market - on the decisions where and when port infrastructure should be built. This also matches the mantra-like assertion that the German ports do not stand in competition with each other, but rather with the neighbouring western ports like Antwerp and Rotterdam. It should be ultimate the goal of the involved federal states to permanently secure the attraction of the port location “German Coast” through a coordinated, trusted and predictable expansion policy. This should be achieved without creating overcapacities at ports, which only lie a few kilometres apart, and thus compromising the profitability of the invested infrastructure. Once port capacity has been created and handed over to the private sector for

operation, the potential for cooperation of the federal states on this specific subject is exhausted. What remains is the possibility of dirigistic state regulatory measures, which are not a real option in our highly successful, liberal and market driven economic system. Naturally another key focus of this level of cooperation is that the federal government and the federal states work together concerning the sea- and land-based traffic connections to and from the ports.

On the second level, the state-owned port infrastructure operators such as Niedersachsen Ports, the Hamburg Port Authority, bremenports and others can cooperate. This can include for example the exchange or the shared use of equipment and technology as well as the general exchange of experiences. Here, too, added value can be created for the individual ports as well as for the complete North German port cluster.

The third level concerns the cooperation of the private terminal operators. This cooperation may be difficult, since companies are known to make a living by securing and expanding their market position and acquiring business for themselves without handing it over to their competitors for no apparent reason. In addition, any cooperation is usually closely watched over by cartel authorities. However, there are already good examples for port internal as well as cross-location cooperation. The first includes for example the joint cross-company cargo handling for a shared customer, or the joint implementation of general service facilities such as the Feeder Center and Nautical Terminal Coordination in Hamburg. Concerning cross-location cooperation, there might be the opportunity to allocate handling operations to different locations when terminal holding companies run branch operations in various ports, in order to make the best use of the ports' capacities. Needless to say: all this of course needs the customer's approval.

Which prerequisites do you think are essential for port cooperation?

The prerequisites, as for every cooperation, are for all involved parties to have a shared interest and a common goal. Dirigistic and one-sided measures that interfere with the open competition definitely do not belong here. However, sensible ways and possibilities to live successful port cooperation indeed exist.

Port cooperation “ELBESEAPORTS” meets with political representatives



The port cooperation of the infrastructure operators of five seaports along the Lower Elbe (Brunsbuettel, Cuxhaven, Glueckstadt, Hamburg and Stade Buetzfleth) met with the transport ministers of Hamburg, Lower Saxony and Schleswig-Holstein at the beginning of February. The motto of the discussion round was “Cooperation and transport infrastructure along the Lower Elbe and in Northern Germany, ideas – concepts – visions – solutions” and was held at the historic Hapag Hall in Cuxhaven. The main

issue was the development and cooperation of the ports, while the speakers focused on the question of how the cooperation of the Lower Elbe seaports could be strengthened.

In spite of the underlying economic competition, the responsible parties are aware that a sound economic standing of the region can only be accomplished through a cooperation of the seaports. Common interests and goals do exist, especially concerning the federal and cross-state expansion of transport infrastructure. The increasingly complex requirements for port and infrastructure planning as well as the protection of the environment make this intensive cooperation and the exchange of knowledge necessary.

“Our ports are of strategic and economic importance for Germany. Respectively, the ports’ future lies in their cooperation and in the maintenance and expansion of a powerful transport infrastructure, both on land and at sea. For this, we count on dialogue and work closely with the other coastal states, the federal government and the economy,” commented Olaf Lies, economic and port minister in Lower Saxony, during the event.

Apart from the discussion round, which chairman Hans-Peter Zint also attended for the Cuxhaven Port Association, the Siemens settlement in Cuxhaven was a popular topic. Olaf Lies announced the founding of a “German Offshore Industry Centre” and said: “Siemens alone will create more than 800 jobs. This figure can be increased significantly, if we – together with Siemens – manage to win qualified suppliers for the new offshore location of Cuxhaven. The name ‘German Offshore Industry Centre’ was chosen deliberately, because it underlines the importance of Lower Saxony as the number one energy state and driver of the energy revolution in Germany. The offshore expansion in Germany will pick up speed via this new project. I expect it to have a knock-on effect for the whole wind industry.”

New multipurpose berth for Cuxhaven

HWG members Cuxport and NPorts sign concession



For years, the Cuxport terminal has been operating at capacity limit. Now, the signing of a concession contract on 19 February 2016 has issued the go-ahead for the construction of the long-awaited berth n. 4 (LP4). During a construction period of only 21 months and with an investment sum of 36 million Euros provided by the state of Lower Saxony, Cuxhaven will gain a new area measuring 85,000 square metres and a 240 metres long pier for ships of up to 14.50 metres draught.

For this, Niedersachsen Ports will reclaim the terminal area from the bank of the river Elbe and create the needed infrastructure via lateral bank reinforcements and the quay wall. Subsequently, the terminal operator Cuxport will execute the paving of the area, drainage, lighting and also install the needed technical equipment, for which the company plans to invest around 10 million Euros. Currently, a tender by Nports is still in progress to assign the construction contract. After the award of the respective contract, the start of the construction is scheduled for the end of April 2016.

“With the construction of the new dolphin berth and a ferry pier last year, we have proven that, especially in Cuxhaven, we are able to create port infrastructure reliably and in a short amount of time. The framework conditions are right, everything is prepared and we look forward to start the construction,” said Holger Banik, Managing Director of Niedersachsen Ports GmbH & Co. KG as well as JadeWeserPort Realisierungs GmbH & Co. KG.

Cuxport, which already successfully operates a multifunctional transshipment terminal at berths 1-3, will use the added area to expand their business at the location. “With this urgently needed expansion, we enable further growth for our customers and thus strengthen Cuxhaven’s position as an important hub for maritime supply chains and the offshore wind industry,” confirms Hans-Peter Zint, Managing Director of Cuxport GmbH.

The service concession for berth no. 4 had already been tendered Europe-wide back in May 2015. Cuxport had won the tender with its convincing concept for the usage of the new berth.

“The successful development of Cuxport relies on our multipurpose strategy. With our versatile and qualified staff, we handle a wide variety of cargo including break bulk, new vehicles and other rolling cargo, containers, project cargo and components for wind farms. This principle of flexible usage will also be transferred to the new berth no. 4,” explains Zint.

Because the investment for the construction of berth no. 4 was subsidised by the state, Niedersachsen notified this state subsidy at the European Commission according to European legal requirements. The Commission's decision regarding the successful notification of the measure was received by the state of Lower Saxony in February, which meant that the last hurdle for the signing of the respective contracts between Niedersachsen Ports and Cuxport had fallen.

"The EU notification is necessary for the creation of port infrastructure. Overall the process took one year. But it was worth it, since it gave us some important and useful information for our further port construction projects," says Daniela Behrens, State Secretary at the Lower Saxony Ministry of Economic Affairs, Employment and Transport.

Lower Saxon ports with great annual result

Positive prognosis for automobile handling and the offshore industry in Cuxhaven



In 2015, the seaports in Lower Saxony were able to register an increase of 12 percent in their turnover figures. Overall, the seaborne cargo handling at the nine Lower Saxon seaports amounts to 52 million tonnes (46.4 million tonnes in 2014). The rise in transshipment is mainly due to strong developments in bulk goods, break bulk and new vehicles.

With an increase of 57 percent, the ports of Lower Saxony have gained significantly in the transshipment of break bulk. In 2015, this accounted for 11.5 million tonnes (7.05 million tonnes in 2014). The seaborne transshipment of liquid and solid bulk goods increased from 39.3 million tonnes in 2014 to 40.9 million tonnes, a plus of four percent.

Inke Onnen-Lübben, Managing Director of port marketing company Seaports of Niedersachsen GmbH, comments on the development: "2015 has been a largely positive year for our seaports. We have been able to register rising cargo volumes both in the high value-added break bulk sector and the bulk good transshipment, which is especially important for the supply of raw materials to the industry. We were able to stand our ground in the tension field of current worldwide economic and political developments through the diverse orientation of our Lower Saxon port group and the successful handling of niche markets. For the current year, we are cautiously optimistic that we will be able to keep up this high level of transshipment."

With an increase of six percent in the transshipment of new vehicles, the Port of Cuxhaven reaffirmed its position as an important automobile handling port in the past year. Furthermore, Cuxhaven will see a rise in transshipment volumes in the offshore wind energy sector in the near future. Besides the current offshore projects, a main reason for this is the settlement of Siemens and with it the founding of the “German Offshore Industry Centre”.

In order to continuously and efficiently meet the rise in transshipment in the coming years, there will be increased investment into the expansion of infrastructure. With a total sum of around 55 million Euros in 2016, Niedersachsen Ports GmbH & Co. KG is preparing the state-owned port locations for the future. In addition, around 22 million Euros will be invested into maintenance and repair projects.

OFD shifts air traffic to Cuxhaven

Supply of Helgoland Island is carried out via airport Cuxhaven/Nordholz



The Ostfriesische-Flug-Dienst-GmbH (OFD) has moved to its new location in Cuxhaven at the end of February. High-ranking guests like Enak Ferlemann, Parliamentary State Secretary at the Federal Transport Ministry and Daniela Behrens, State Secretary at the Lower Saxony Ministry of Economic Affairs, Employment and Transport attended the celebratory opening of the flight traffic.

OFD Managing Director Dr Bernhard Brons illustrated the easily accessible location of the airport in direct proximity

to the motorway A 27 with excellent regional connections to Bremerhaven and Cuxhaven. He added: “The island of Helgoland is connected to the main land with altogether up to ten daily flight connections; most of them will in future be handled via Nordholz.”

Ferlemann praised the region’s solidarity and the consequent economic upswing: “This holds true for settlements in the offshore sector as well as in tourism, for example the new ship ‘Helgoland’ of shipping company Cassen Eils. The OFD’s choice for their location is a decision that is pointing the way ahead for the Region and will find economic success.”

Jörg Singer, mayor of Helgoland, was the first passenger to land in Cuxhaven and congratulated the airline to their new connection Cuxhaven/Nordholz to Helgoland together with Cuxhaven’s mayor Dr Ulrich Getsch.

The winners of a Facebook contest held by the OFD, a couple from Rostock, received a combi-ticket on the day of the opening ceremony. It includes a boat trip with the new ship MS “Helgoland” and a flightseeing trip over the North Sea.

HWG introduces her members: Viking Marine Consulting GmbH

Profile

Company name:	Viking Marine Consulting GmbH
Year founded:	2014
Industry:	marine consulting, survey, transport engineering, logistics
Locations:	Cuxhaven
Portfolio:	Nautical and cargo-specific consulting in all areas of sea and road transports and transshipment; offshore and onshore wind energy and project cargo transshipment; issuing of method statements and of Towage Approval Certificates for insurances, marine warranty surveyor, representation of the interests of shippers, project developers and/or manufacturers, also offshore, heavy cargo logistics, site management, etc.

Interview with Managing Director Steffen Rogalinsky

Question 1 – How would you describe your company?

A broad spectrum of expertise, rapid local response, very flexible and fast decision making.

Question 2 – Why are you a member of the HWG?

The networking at the location always enables the companies as well as the region to act together.

Especially in the maritime sector, cooperation widens market visibility and can create added value for the customer.

Question 3 – What are your personal wishes for your company?

Continuously satisfied customers as well as successfully completed projects.

Further information about the company: www.viking-consulting.de

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This message has been sent to you by the Cuxhaven Port Business Community (Hafenwirtschaftsgemeinschaft Cuxhaven e.V.).

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