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Dear Reader,

After many years of recession in the international economy, a little light is at last apparent. Although several countries are experiencing an upturn, they have to start from a low level of economic activity and hence the situation remains challenging. These difficult economic times have also impacted the operations of Finnish ports and port operators. Flows of goods through ports continued to shrink last year and at present volumes are some 11 per cent below the level of 2008.

The EU directive limiting the sulphur content of marine fuels created a great deal of discussion before it came into force in 2015. The manner in which the decision was taken was criticised, and the availability of low sulphur fuel and the possibility of a diesel oil shortage were also discussed. Willingness to comply with the regulations was questioned, fines were proposed for shipping companies that broke the law and there were fears that foreign trade would shrink and flows of goods shift from sea to road transport. In the end, the directive took effect at the best possible moment; the price of oil had just fallen from 110 to 40 dollars per barrel. The negative impact of the directive has been less than expected, at least for those shipping companies with whom I've discussed the matter. No significant decline in trade or shift of sea cargoes to road transport has been apparent. But the risk nevertheless exists, and will increase when the price of crude oil begins to rise again. One can only hope that the development of sulphur scrubbers and other technology will be sufficiently advanced by that time.

Low levels of demand have increased competition among ports, port operators and all the other actors that have already been adjusting their operations to the demands of the economy for years. Growth now requires

improved competitiveness and larger market shares. Under present market conditions, only the strongest will be able to succeed.

The present situation has meant that large flows of goods are increasingly channelled to the biggest, most competitive ports. I am pleased to be able to say that our company, Oy M. Rauanheimo Ab, can now offer tailored port operations, forwarding and ship agency services at three major Finnish ports: Kokkola, Hamina-Kotka, and Helsinki Vuosaari. Together with our sister companies in the KWH Logistics group, which operate in other ports and in road transport and specialise in different sectors, we can offer flexible, interesting and cost-effective service entities for the needs of our customers.

Rauanheimo's slogan 'For GoodStories' is a reference to our long-time cooperation with customers and other partners. Thanks to this cooperation, we will be able to increase our competitiveness further and create new and unique success stories in the field of logistics.

Joakim Laxåback
Managing Director
Oy M. Rauanheimo Ab

Stage-wise application of the EU's new UCC (Union Customs Code: decree 952/2013) began on 1st May 2016. For more information on its impact on the operations of your company, contact Backman-Trummer's staff.

Blomberg Stevedoring consolidates its operations in Kalajoki

Blomberg Stevedoring has operated at the Port of Kalajoki since 2007. It began by unloading cargoes of raw feed material and has since expanded to export shipments of bulk products and project cargo handling. In response to growth in volumes, Blomberg Stevedoring have bolstered their organisation, and customer service is now the responsibility of the local manager, Master Mariner Tytti Toikkanen. The most recent step in development was taken at the beginning of the year, when operations were moved into new premises in the port's office building.

The new, up-to-date office facilities are located near the quays and have a direct view

of the fairway. According to Tytti Toikkanen, this central location provides obvious benefits to both partners and personnel at Kalajoki.

"We now have an excellent opportunity to expand and develop our operations in Kalajoki. It's easy for customers, ship crews and other partners to make their way to our office, and cooperation with the port company will be even closer now that we're located in the same building," Toikkanen explains.

"Continuous development of customer service is an important part of our strategy and we believe that these efforts will arouse interest in import and export companies more widely in the region," Toikkanen says.



The new office facilities are centrally located in the vicinity of the quays.

Backman-Trummer in brief

Backman-Trummer is a group of companies that concentrate on export and import transport and port services. It provides its customers with tailored logistics solutions.

Operations comprise road and rail transport, air freight, shipping of containers and bulk goods, and forwarding services. In addition, the group offers its customers warehousing and stevedoring services in eleven ports of western and southern Finland, from Kalajoki to Hanko and Hamina.

Backman-Trummer Group customers are leaders in trade and industry. The group's network of partners covers transport hubs worldwide.

Backman-Trummer is part of the KWH Group. Its subsidiaries are Oy Blomberg Stevedoring Ab, A. Jalander Oy, Oy Adolf Lahti Yxpila Ab, Oy Moonway Ab, Oy M. Rauanheimo Ab, Stevens Oy, Oy Otto Rodén Ab and Vaasa Stevedoring Oy.

Port of Kalajoki Managing Director Pauli Sarpola has years of experience in port operations



According to Managing Director Pauli Sarpola, cargo volumes at the Port of Kalajoki – especially of import cargoes – will continue to grow.

Pauli Sarpola, the new managing director of the Port of Kalajoki Ltd, started in his new position at the beginning of March. Sarpola comes to Kalajoki from Raahе, where he served most recently as personnel manager for SSAB Europe Oy. The focus of his career, however, has been in port operations as before working as personnel manager, he served for many years in various capacities for the Port of Raahе.

“My training is in port operations and I worked for 14 years at SSAB in related capacities, as foreman, harbour master, planning manager and shipping manager. I missed the work I did in those years and so when the opportunity arose, I decided to take it,” explains Sarpola.

Sarpola began his new duties by getting acquainted with the organisation and operations of the port. His first impressions have been thoroughly positive.

“I got a positive picture of operations during the get-acquainted phase. I had the opportunity to meet the staff and also some of the port’s partners. Now the emphasis is on contacts with customers. In future, we’ll also consider expanding our clientele,” he says.

Import volumes on the rise

Total transport volumes at the Port of Kalajoki have risen at a record pace in recent years. In 2015, however, a downturn occurred and the total volume dropped somewhat on the previous year. This was due to the recession and reduced demand abroad for the port’s main export product, sawn timber. In contrast,

import volumes have continued to increase rapidly. According to Sarpola, traffic volumes in both of these sectors will grow in the future.

“We’re all set to continue growth and there are also signs of an upturn in exports. At present, import cargoes comprise mainly bulk products and wind turbine components, and Blomberg Stevedoring is responsible for handling them at the port. Last year components for 48 wind turbines were delivered via the port and this year an estimated 40 will be handled. In addition, the Pyhäjoki Nuclear Power plant project will open up new possibilities if it is implemented, for there are excellent road links from the port to the Hanhikivi site.

Investment projected

Growth in traffic volumes has also increased the need for investment in the Port of Kalajoki. Last year 0.8 million euros worth of storage yards and new covered storage facilities were built at the port. Although no decisions have yet been made, according to Sarpola the port has the capacity to undertake further investment this year should the need arise.

“Customer needs determine construction of storage buildings and yards. The ground in the port’s yard areas is solid so we can start construction on short notice, if necessary.

“At some point we will also have to expand our quay capacity. This is for us a substantial challenge, which we are discussing with the City of Kalajoki. In any case, the port company is in good financial shape and poised to continue expansion,” Sarpola states.

Rauanheimo expands its operations to Vuosaari Harbour in Helsinki

Oy M. Rauanheimo Ab and VR Transpoint have agreed to collaborate in export logistics for the bioproducts mill to be built at Äänekoski, Finland. The project is a comprehensive one in which VR Transpoint will deliver the mill’s pulp products to the Vuosaari Harbour in Helsinki by rail and the port operator Rauanheimo will handle the cargoes and export shipments at the harbour. Operations will commence in 2017. They will require of Rauanheimo investment of some seven million euros in machinery and equipment and provide jobs for 30 to 40 people in various links of the logistics chain.

The mill is being built for Metsä Fibre, which is part of the Metsä Group. It will be the first next-generation bioproduct mill in the world. When completed, it will turn out 1.3 million tonnes of pulp annually, of which approximately 800,000 tonnes will be exported, mainly to

Europe and Asia. It will also produce other bioproducts and generate energy.

According to Managing Director Joakim Laxåback, the collaboration agreement will be an important step forward in Rauanheimo’s growth strategy.

“The agreement is a significant step for us because of the volumes to be handled and because it represents a new concept, according to which logistical efficiency will be increased by integrating transport with the port operations to form a seamless entity.

“Vuosaari is also a key move for us geographically. It will be an excellent addition to our service network, which already includes facilities at Kokkola and Hamina-Kotka,” says Laxåback in describing the importance of the project for his company.

Oy Otto Rodén Ab reorganises its operations

The port operator Oy Otto Rodén Ab (Roden Shipping) offers tailored forwarding, factory and warehouse services at the Port of Kokkola. The company specialises in handling of light-coloured bulk products such as feed phosphates, potassium sulphate and potassium salt. It also has extensive expertise in handling of liquids and chemicals such as sulphuric acid, phosphoric acid and ammonia. The focus of the company's operations is on exports and its customers are companies in the Kokkola Industrial Park.

Constant process development is part of Otto Rodén Shipping's strategy. As part of this development effort, the company is now investing in a comprehensive logistics solution that will cover all links in the transport and handling chain from storage buildings to land transport, harbour crane capacity and ship traffic.

"Our goal during the current year is to significantly increase transport efficiency

between customer companies and the port, and in loading and unloading ships. This will be achieved by updating transport equipment and increasing lorry pallet size. The port company has already invested in new cranes and grabs," explains Kimmo Satomaa, the company's production manager.

"As the size of transport equipment is now increasing, changes in industrial warehouse buildings will also be necessary, such as larger door openings and loading facilities. The project is therefore being carried out in close cooperation with the Kokkola port company, customer companies and other companies in the Backman-Trummer Group."

"Co-operation and the boldness required to modernise have been the key words of the project since the outset. Our goal is to make operations more efficient and strengthen the culture of cooperation. Then we'll be able to offer reliable, customer-oriented services on even more competitive terms," Satomaa points out.



Development Manager Jyrki Roukala of Port of Kokkola Ltd (on the left) and Production Manager Kimmo Satomaa of Otto Rodén Ab are cooperating closely in implementation of the development project.

Fair events

Fennoscandia Exploration and Mining 2015

Backman-Trummer Group subsidiaries Rauanheimo and Adolf Lahti Yxpila took part in Fennoscandia Exploration and Mining 2015 (FEM), which was held at Levi, Finland in November. This biannual event is the largest of its kind in Europe. It offers an international forum where mining industry representatives can meet. Experts from 25 different countries participated in the event this time.



Rauanheimo and the Port of Kokkola were represented at FEM 2015 by (from the left) Henrik Hagström (Rauanheimo), Alexandra Aho (Port of Kokkola), Sofie Rasmus (Rauanheimo) and Torbjörn Witting (Port of Kokkola).

Breakbulk Europe 2016

Rauanheimo and Blomberg Stevedoring will have a booth at Breakbulk Europe 2016, which will be held in Antwerp, Belgium from 23rd to 26th May. The annual Breakbulk Europe event is the largest exhibition and education forum in Europe for breakbulk and project cargo logistics. Last year it attracted over 350 companies and more than 7200 visitors from all over the world.

You'll find Rauanheimo and Blomberg Stevedoring at exhibition booth **119H**. Welcome!

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