

HEAVY LIFT & PROJECT FORWARDING INTERNATIONAL

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Uncertainty reigns supreme

- Celebrate excellence at the Heavy Lift Awards
- The USA's buzzing economy
- Japan: pockets of opportunity



HÖEGH AUTOLINERS

NEWS in BRIEF

Jumbo transition record

Jumbo has transported 20 transition pieces for Taiwan's Formosa 1 Phase 2 offshore wind farm on behalf of Jan De Nul Group and Multi Marine Chartering. With a height of 30 m, diameter of 7.8 m and a weight of 462 tonnes each, Jumbo said that the units were the tallest and heaviest transition pieces it has ever transported.

Tuvia moves exchanger

Tuvia Italia has loaded a heat exchanger on to SAL Heavy Lift's vessel Hilde at Monfalcone port in Italy for onward transportation to Dalian China.

CTO brewery shipment

CTO do Brasil coordinated the delivery of brewery equipment from the port of Nantong, China, to the port of Santos, Brazil. With a total volume of 4,625 cu m, the shipment was loaded onto a barge in Nantong and transhipped onto an oceangoing vessel in Shanghai for onward transportation to Brazil.

Blades reach Wilmington

GT USA Wilmington has handled 39 wind turbine blades at its Delaware terminal on behalf of GE Renewable Energy. Each blade was made in Brazil, measured over 200 ft (60 m) in length and weighed 13.5 tons (12.2 tonnes).

Antonov flies for Kübler

Antonov Airlines, in collaboration with Kübler Spedition, transported the EDRS-C satellite on behalf of German manufacturer QHB System. The satellite and related equipment were loaded on board one of Antonov's AN-124-100 aircraft in Munich and delivered to Félix Eboué Airport in French Guiana.

Logistics Plus delivers

Logistics Plus has coordinated the delivery of ship lift and transfer systems from Iskenderun, Turkey, to Kuwait. Comprising three platform sections, the shipment was loaded on board a Zeamarine vessel for transportation to Shuaiba.

Sleipnir lifts topsides

Heerema Marine Contractors' semi-submersible vessel Sleipnir has installed topsides at Noble Energy's Leviathan development.

Floro calls on Faymonville for jet move

Slovenia's Floro Transport utilised its Faymonville two-axle MegaMAX lowbed trailer to transport a Bombardier CRJ 200 aircraft. The passenger jet measured 26.77 m long and weighed approximately 20 tonnes.

During its 17 years in service, the jet operated out of the USA, Mexico and Sudan before it was stored at the Jože Pučnik International Airport in Ljubljana, Slovenia.



Floro Transport moved the aircraft to Dolenjske Toplice on behalf of FerroECOBlast, which will use the CRJ 200 for its

research and development into advanced surface treatment solutions and other aviation technologies.

Höegh breaks Ennore length record



Höegh Autoliners has transported a wind turbine blade from Ennore port, India, to Shanghai, China, on its ro-ro vessel Höegh Antwerp.

Measuring 28 m in length, Höegh said that it was the longest unit that has ever been loaded on a ro-ro ship at the Indian port.

During loading, the blade

was lifted to a maximum height of 2 m.

Atuldudd Sharma at Höegh Autoliners India, said: "This can be compared with the cargo operations performed with a lo-lo vessel, where the blade would likely travel a distance of 10-12 m horizontally, [while] hanging 15-20 m above the ground."

Royal transportation for Mindanao brewery

Royal Cargo has transported fermentation tanks for the construction of a brewery in Mindanao, Philippines.

The components were shipped from China to the Philippines where Royal Cargo was responsible for their inland transportation.

The project scope included the unloading of parts at the

port and final erection of the tanks at the construction site. With travelling heights ranging between 6.2 m and 7.2 m, the transportation required the raising of overhead obstructions and the temporary removal of a concrete footbridge.

Royal Cargo is a member of the Worldwide Project Consortium (WWPC).



Blue Water ships MHI steam turbine

Blue Water Shipping has transported a Mitsubishi Heavy Industries (MHI) steam turbine from Industrial Terminals in Houston to a BASF refinery in Port Arthur.

The turbine, which measured 8.32 m x 7.13 m x 6.04 m and weighed 115.8 tons (105.1 tonnes), had to be moved initially from the terminal to MHI's facility in Pearland for packaging,



a distance of approximately 60 miles (96.6 km)

After route surveys, obtaining super load permits and

removing route obstructions, Blue Water Shipping began moving the turbine from Pearland to the refinery.



CEGM moving project cargo for the UZ gas-to-liquid project in Uzbekistan.

Something old, **something new...**

While there are numerous projects under way and coming up across the Caspian and CIS region, it remains subject to long-running challenges, writes *Megan Ramsay*.

Moscow-headquartered RTL has been operating in the Caspian region, particularly in Kazakhstan, for some time now. Yet year in, year out, the main challenges are the same, said company owner Mikhail Reshetkov: poor road infrastructure, limited inland waterway connectivity and climatic conditions.

"In our view, the only thing that can help is investments in the country's infrastructure," he said.

Joerg Roehl, ceo Europe at Trans Global Projects Group (TGP), agreed. "Whether bridges, roads or challenges with the railways, it is a different world to Northern Europe or Scandinavia, for example," he observed.

"In order to work around these difficulties you need to do a lot of preparation and planning. Things are improving somewhat, but the old problems persist across the region," said Roehl.

For instance: "If you are transporting something through Tajikistan, Uzbekistan and Turkmenistan, there could be over 100 bridges along the route," explained Marat



Yarullin, head of sales at the projects office of Fesco Transportation Group in Moscow.

"These should be monitored and checked every year. The routes we choose depend on the condition of the bridges – they are a potential risk, so you have to do a proper survey."

The repair and maintenance of bridges is the responsibility of governments; project logisticians moving shipments through the region are, naturally, at the mercy of infrastructure construction and maintenance programmes.

Urban challenges

Some routes, meanwhile, pass through populated areas, generating additional challenges for shipments of heavy lift cargo. "This also creates disturbances for the population when the electricity supply is turned off in order to allow these shipments to pass under power cables," added Djakhangir Mamadjanov, general director of CJ ICM Logistics in Tashkent.

Also beyond the logistics community's control are seasonal challenges such as ice and closed waterways.

"The navigation season of the Don and

Volga rivers that connect the Black and Caspian seas runs only from April to October. This limits our logistics opportunities during the off season," said Mamadjanov.

"Companies try to deliver cargo by river and sea before October/November, and then move the cargo overland to its final destination," Yarullin summarised.

Shipments can also be brought to Black Sea ports like Constanta and then moved to their final destination.

On top of the practical obstacles – others include the permitting process, Customs and the availability of suitable equipment – there are political and financial issues that have a bearing on the project market in the region.

Yarullin explained: "Tensions between China and the USA are affecting the region. China has invested a great deal in its new Silk Road; bridges, rail connections and terminals, for example, could be built – but they are being delayed. There is also a lot of Chinese and US investment in various projects here and that is potentially at risk.

"In terms of finance, some banks (such as South Korean or Japanese banks) that provide finance for projects are also affected by political difficulties. The market is not turbulent, but it is of course affected by these things."

CIS-specific considerations include changes to national governments, such as the election of the new president of Kazakhstan earlier this year.

The International Monetary Fund (IMF) said in a recent report that banking systems



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– Mikhail Reshetkov, RTI



Whether bridges, roads or challenges with the railways, it is a different world to Northern Europe or Scandinavia, for example.

– Joerg Roehl, TGP

in some countries in the region are grappling with problem assets, including non-performing loans. This challenge is particularly pronounced in Azerbaijan, Kazakhstan and Tajikistan, it said.

According to Bahadır Erdil, managing director of Logistics Plus Turkey, the group's European offices have been quite active in projects in the CIS since 2010. "Our Belgium, Turkey and Germany offices executed turnkey copper mine projects and cement mill projects, and they have also been supplying oil and gas projects in the Caspian Sea."

However, after a tricky few years in the energy markets, he is starting to see activity across the CIS region bounce back.

"After 2015 ... especially in Turkmenistan after energy prices crashed and Russia, one of the two main gas buyers, halted all purchases from Turkmenistan, foreign contractors started complaining about non-payments. But what we're seeing now is actually a rebound in all the CIS countries, and we have high expectations for the fourth quarter of 2019 and next year," he said.

Erdil is also optimistic with regard to China's Belt and Road Initiative (BRI), and the knock-on effect this will have on the project logistics sector: "Even though some have called the BRI the riskiest project in history due to its high construction budget, I believe this initiative offers promises of win-win investments for almost 126 countries including Turkey and the USA. Asia alone requires USD26 trillion for infrastructure

Improving conditions

After three to four years of crisis across the former CIS region when "everything was down", the market is starting to grow and is a "little better", said Irakli Tsankashvili, ceo at LS Heavylift, a subsidiary of Logistics Solutions.

A major gas resource found in Uzbekistan has provided a welcome source of business. "Logistics Solutions relocated two drilling rigs (6,000 tonnes/20,000 cu m) from Iraq to Uzbekistan via Poti recently, followed by several lots of drilling pipes utilising railways and truck transport," he explained. "Across the wider region, it is improving. Some projects are up and running. A lot of projects are starting up."

In order to cater to that demand, Logistics Solutions and LS Heavylift have opened offices in Azerbaijan and Ukraine as well; new offices will be established in Kazakhstan and Uzbekistan by the end of the year.

"By the end of September, we will have opened the first logistics academy, LS Academy, in Georgia, in order to develop professionals in the field and compensate for the 'gap' of qualified personnel in the logistics sector" said Tsankashvili.

He added: "We are the first pure-Georgian company in the sector to become international and be a vendor to the major European and/or US contractors," citing Vestas, Siemens, Technimont, Nordex, Enercon, TechnipFMC, Schlumberger and others as clients.

In Ukraine, for example, Logistics Solutions together with LS Heavylift has entered the wind energy sector and is busy performing transport operations for onshore wind farms under development by Vestas. The companies are moving 26 full sets of V126 wind turbine generators for the Orlovka wind power project. Tower sections and 62 m-long blades are being moved from the port of Mariupol to Orlovka village in the Zaporozhia region.

LS Heavylift positioning modules at the SOCAR Azerkimiya EP-300 plant in Azerbaijan.



Despite an uptick of activity, Tsankashvili said that business is far from easy. "Competition continues to get harder. There are not so many large-scale projects and there are a number of big players in the heavy and

project transport market." The proposed merger of its European rivals ALE and Mammoet would create a "giant" in the business, but LS Heavylift "would not give up," he said.

within ten years and that means millions of dollars to be spent in logistics operations."

Iran

A major concern for the logistics industry, has been the frequent assaults on commercial shipping in the Strait of Hormuz, as evidenced by the high-profile seizure by Iran of the UK-flagged *Stena Impero*, have raised concerns about navigation through the one of the world's busiest shipping channels.

Located between Oman and Iran, the Strait of Hormuz connects the Middle East Gulf with the Gulf of Oman and the Arabian Sea. About a fifth of the world's oil passes through the channel.

Shipping associations have called on

shipowners and operators to inform the UK navy of their movements before sailing into the Middle East Gulf and Strait of Hormuz as tensions in the region escalate.

Shipmasters are also being asked to provide the United Kingdom Marine Trade Operations with transit plans 24-48 hours before entering the region. This information is being passed on to the US Navy and other naval forces involved in efforts to create a multinational security initiative.

Other reports suggest that shipping lines are already deploying more security guards as an extra safeguard. HLPFI understands that some multipurpose operators are paying significant additional war risk premiums and have adjusted freight rates and surcharges accordingly.

The situation has also prompted some owners and operators of UK-flagged vessels to contemplate changing ship register in order to avoid possible seizure by Iran; other ships, meanwhile, have been accompanied by a Royal Navy escort through the strait.

Guy Platten, secretary general of the International Chamber of Shipping (ICS), added: "In the 21st century it is not acceptable for seafarers and ships to be come pawns in any way, they must be allowed to operate in safety. We will be reviewing the situation and remain in contact with relevant authorities."

Another difficulty that has affected the movement of project shipments into the Caspian/CIS region is the imposition of sanctions by the USA on Iran.



Fesco moving project cargo for the Navoi fertilizer plant in Uzbekistan.

In April, the IMF predicted Iran's GDP to fall by 6 percent in 2019 owing to "the crippling effect of tighter US sanctions" on the country.

The Atlantic Council, a think-tank that focuses on international affairs, drew attention to the cancellation of Iran's oil export waivers: "The termination of oil purchase sanctions exceptions has driven Iran's vital oil exports to lows not seen since the eight-year Iran-Iraq War, when Iraqi jets bombed Iran's oil export terminals constantly.

"Absent any oil-related sanctions, Iran's baseline crude oil exports are about 2.5 million barrels per day (bpd). But, for June 2019, the first full month after sanctions exceptions were terminated, Iran exported only about 300,000 bpd – far below what most analysts estimate Iran requires to avoid significant financial austerity."

While business in the region is not directly affected by the political situation in Iran, the country's current predicament is having a spillover effect on the wider area, said Roehl.

"We are not moving shipments via Iran," he stated. "Since the capture of the British tanker in July, pressure is increasing and the situation is becoming more difficult in the whole region. If it becomes a very dangerous area then it will affect our work in Iraq, where we are very active [mainly for the power industry]."

Logistics Plus' Erdil added "The USA is applying economic, trade, scientific and military sanctions against Iran, so as an American company we are totally restricted from using any Iranian routes and executing any Iran-related projects.

"Recently, Iran's President Hassan Rouhani rejected the possibility of meeting with President Trump as long as the US sanctioned his country, so I don't think it will get better soon."

Iran is one of the most important gateways to the CIS countries bordering the Caspian Sea including Azerbaijan, Turkmenistan, and beyond to Afghanistan, but due to the sanctions all related projects in the region have to be routed through



If the sanctions are lifted in the future, we will definitely see lower logistics costs in CIS projects – and Iran itself has a huge potential for the project cargo industry with its resources

– Bahadır Erdil, Logistics Plus Turkey

Georgia and this is increasing the trucking cost almost by 10-15 percent.

"If the sanctions are lifted in the future, we will definitely see lower logistics costs in CIS projects – and Iran itself has huge potential for the project cargo industry with its resources," Erdil added.

Looking at the situation in greater detail, Iran's status is affecting the transportation of general and heavy lift cargoes weighing up to 100 tonnes, according to CJ ICM's Mamadjanov.

"Due to the current situation, the main EPCs have put in place strict shipping instructions not to use this route," Fesco's Yarullin explained.

However, he pointed out that the Iranian route is not really suitable for extremely heavy shipments. Besides, there are many alternatives – via China and Kazakhstan by road, from the Far East of Russia by rail and via Georgia and Azerbaijan using multimodal services.

OOG routes

Indeed, Mamadjanov said that the majority of heavy lift and out-of-gauge (OOG) equipment is being routed via Black Sea and Caspian Sea ports.

"For example, for container and bulk (non-heavy) cargo, Mersin and Poti ports have been benefitting from the current situation in Iran. None of the forwarders or logistics providers use [the Iranian] route any more," he affirmed.

The difficulties are not insurmountable and there are opportunities for the taking throughout the Caspian and CIS region. Power generation and the oil and gas



CJICM moving out-of-gauge components in Uzbekistan.

industries are the main drivers of business there, Roehl confirmed.

"The Caspian Sea Agreement signed by Russia, Iran, Azerbaijan, Kazakhstan and Turkmenistan in 2018 was a positive sign because it guarantees stability in the region," he said.

Defining sovereignty

The Convention on the Legal Status of the Caspian Sea defines how the resources of the oil-rich seabed should be divided up between the five signatories, easing tensions in the area.

In light of this increased stability, Roehl is confident that oil and gas supply, along with downstream development, will bring work "for many years to come".

In terms of power generation, one big project is CASA-1000, which will see the creation of a new electricity transmission system connecting Kyrgyzstan, Tajikistan, Afghanistan and Pakistan.

Kyrgyzstan and Tajikistan – both rich in hydropower resources – will then be able to transfer and sell the surplus power they generate during the summer months to Afghanistan and Pakistan, which suffer electricity supply shortages at that time of year.

"Planning and preparation for CASA-1000 is under way already and the first movements are expected to start at the end of 2019 or early in 2020," said Roehl.

Other projects include a gas-to-liquid



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–Djakhongir Mammadjanov,
CJICM Logistics

project in Uzbekistan's Kashkadarya region; the Takhiatash thermal power plant expansion project in Karakalpak; the Ustyurt gas chemical complex expansion project, also in Karakalpak; and the Ferghana thermal power plant expansion project. All of these projects have furnished work for CJICM, Mammadjanov said.

Ongoing projects in the region include: Tengizchevroil's (TCO) future growth project – wellhead pressure management (FGP-WPM) development, as well as wind farms, in Kazakhstan; the expansion of the Navoi fertiliser plant, Navoi thermal power plant and Turakurgan power station in Uzbekistan; and the Rogun hydropower station in Tajikistan.

Those in the early stages of planning and preparation include the extension of the Shurtan gas plant in Uzbekistan, the Nurek hydro station in Tajikistan and the Zerger power plant in Turkmenistan. Surveys, route planning and the transportation of light cargo have already begun, with heavy shipments due to begin moving in 2020, Yarullin said.

Mammadjanov expects that demand for heavy lift and project cargo will remain steady throughout the rest of 2019 and 2020, due to ongoing oil and gas projects.



The module carrying vessels used in the TCO FGP project were laid-up at the port of Esbjerg for the winter season.

Positive pipeline for BWS

HLPGI spoke with Denmark-headquartered Blue Water Shipping to discuss the group's activities in the CIS region, and how its experience there is translating into its international business.

Thomas Bek (pictured), global director energy and projects at Blue Water Shipping, said 2019 has been a "a very interesting year for us and the pipeline for 2020-21 is looking positive".

Blue Water is playing a leading role in the Tengizchevroil Future Growth project (TCO FGP) in Kazakhstan; in 2016 the company landed a series of contracts with a combined value of approximately USD1.2 billion. It is leading four consortiums that have supplied 20 bespoke module carrying vessels (MCVs) for the transportation of modules through the Russian inland waterway system and on the Caspian Sea to a new offloading facility in Prova, Kazakhstan.

It is also transporting modular components using up to 11 barges and 29 tugs.

"Blue Water, along with our consortium partners, is controlling up to 60 assets in the region including a mixture of MCVs, tugs and barges that are being used to move these modules to Prova.

"We also have close to 80 people involved in this project sitting mainly in Europe but also spread out all over the world," explained Bek. Out-of-gauge cargo movements started two years ago and the project is



likely to run for another year.

The company has recently opened an office in Atyrau, which is part of a strategy to cement its foothold in the CIS region – an area where Bek expects Blue Water to experience "quite a bit of growth".

Indeed, Blue Water's involvement in the TCO FGP project has deepened its understanding of operating in the CIS. He added: "Of course, we have gained a lot of experience, information and insight from the TCO FGP

project that we can use in the future. We have now proven that Blue Water can handle a truly huge project and that we are up to the task. We believe that this will help us not only in the Caspian region but for projects globally."

Bek highlighted that coordinating major capital projects is far more than just moving cargoes from A to B. "It is also about the skills and competencies you have in house." With regard to the TCO FGP project, he noted that Blue Water recruited more personnel to meet the needs of the large-scale development. "Not only freight forwarders but also a range of engineers, naval architects, construction managers, planners, schedulers, legal staff – it is a fantastic team that we can utilise for other projects."

Another strategic move by Blue Water has been to bring its oil and gas and renewable energy units under the one roof, the division named Energy & Projects. Bek said: "We saw a lot of synergies – a lot of the same competencies are being used to handle these types of projects. A number of the clients that we are serving in oil and gas are moving into renewable energy – not only the oil companies but the service companies as well."

The future certainly looks positive for Blue Water. In addition to executing other projects in Azerbaijan, the company has also just recruited a new projects director for the Russian market – another country with potential for growth. "This Russian work will of course be tied into the Caspian region but there are other locations within Russia where there are some exciting projects coming up."

expansion in the energy sector and multiple construction projects.

Reshetkov is just as optimistic, pointing to opportunities arising in the oil and gas and renewable energy sectors, the latter of which is developing in Kazakhstan thanks to major financial and technical support from the state.

Kazakhstan is extremely rich in wind resources and several wind farms are under construction already. One of these will be located in the Atyrau region, Reshetkov said. Meanwhile, during July 2019,

Georgia-headquartered LS Heavylift moved and positioned heavy modules at the SOCAR Azerkimiya EP-300 plant in Azerbaijan (see panel on p96).

Two valve structure modules – weighing 306 tonnes each, with a height of 25 m – were moved into position at the chemical complex by means of self-propelled trailers. LS Heavylift is also positioned a 45 m-high, 1,500-tonne furnace module within the plant using Goldhofer modular trailers.

Irakli Tsankashvili, ceo at LS Heavylift, said the move will be "record-breaking for

the region". A total of 42 axle lines (three lines of 14) will be used to position the 1,500-tonne module, something that is particularly challenging due to the component's very high and offset centre of gravity.

Tsankashvili added that LS Heavylift operates a large fleet of modern trucks, trailers and modular axle lines, including SPMTs. Its mother company, Logistics Solutions, focuses on international freight forwarding activities with offices in multiple countries.

HLPGI



HLPFI gossip columnist Evie Aufheben delivers another collection of lighter news, anecdotes and amusing facts from the world of project cargo logistics.

Pretty in pink

Trans Global Projects Group (TGP) showed its support for Breast Cancer Awareness by delivering 62 modules to a mining site near Newman, Australia – all painted bright pink. The mine owner began employing pink equipment in 2016, when the entire truck fleet at the iron ore mine was sprayed pink. Since then, many other equipment pieces have been painted pink.

"These modules will now



help the mine further demonstrate its commitment

to breast cancer prevention, diagnosis, treatment and

survival," said Colin Charnock, TGP ceo.



ACS staff fly high

HLPFI commends the Air Charter Service (ACS) employees who took part in a skydive. Fundraising reached nearly

GBP9,000 (USD11,209) for UK-based children's charity Momentum.

Happy ten-year anniversary

Congratulations are in order for international supply chain solutions provider Logistics Plus, which marked its tenth year of business in Turkey. Conceptum Logistics Colombia also celebrated its tenth anniversary. Since its launch in 2009, the teams in Bogotá and Barranquilla

have handled their fair share of extraordinary projects and HLPFI joins them in looking forward to the next decade!

Crosby donates to charity

HLPFI applauds lifting, rigging and material handling equipment supplier Crosby Group for donating USD25,000 to the Children of Fallen Patriots Foundation in the USA. The donation was raised through sales of its popular wire rope clips.

Mega climb for Megalift

A mega congratulations to the employees at Malaysian specialised transport provider Megalift, who recently completed a trek up the highest mountain in Southeast Asia – Mount Kinabalu.

Just-in-time delivery

Davies Turner faced a tough logistics challenge recently when a group of cygnets strayed into one of its regional logistics hubs in the UK (pictured below). HLPFI was pleased to see the logistics company return the misplaced freight to a nearby lake with a just-in-time delivery.

Golfers beat the heat

HLPFI congratulates Jacob Jensen from Rhenus Logistics for taking first place in the Southern Heavy Industrial Transport Society's golf day, held on the UK's hottest day of the year at Betchworth Park golf course.

The event attracted 16 players from the heavy lift shipping and project forwarding fraternity and marked the relaunch of the society's foray into the world of golf events.

Despite temperatures of 37°C, and UK government's advice not to venture outside unless absolutely necessary, 14 of the 16 managed to complete the round.

Pictured, we see HLPFI editor, David Kershaw (left), presenting Jacob (centre) with an American Golf voucher, which was kindly



sponsored by Easyfairs – the organiser of the Antwerp XL event that will take place in April next year. On the right is John Fludder, from DHL Industrial Projects, who finished third. Second place was taken by Phil Tomkins of OOCL UK.

