

PORTS - Klaipeda's cargo volume skyrockets

Oct 31, 2007
By Kimberly Kweder

VILNIUS - It almost sounds like science fiction: cargo volumes have become so heavy at Klaipeda Port that they're nearing the facility's 35-million ton annual capacity, and officials are actually considering building an artificial island in the coming years to extend the port's territory.

The island is just an idea at this point, but it's clear that something has to be done if Klaipeda wants to stay competitive with other Baltic Sea ports and take full advantage of the fact that, compared to last year, Lithuania's cargo activity has skyrocketed.

From January to September 2007, the Port of Klaipeda handled 20.42 million tons of cargo, a 16.4 percent increase from the same period the year prior.

All types of cargo experienced volume growth. In September, 2.21 million tons of cargo was loaded, marking increases from 2006 figures in bulk fertilizers (42.6 percent), forestry products, (39.4 percent), frozen products (22 percent), agricultural products (19.9 percent), turf (15.1 percent), iron and steel products (5 percent), and trucks, buses and other over-sized cargo (48.3 percent), according to data from the Klaipeda Port.

Vainas Kaunietis, container line department director of the Arijus Group, said the high volume is an indicator of Lithuania's economic growth.

"There are some reasons [related to] local market demand, production and investment in Lithuania; ... we have had some quality-made factories built during the past three or four years, which has increased the volume at the Klaipeda Port. Secondly, the geographical situation [gives Lithuania] a good connection to the Belorussian market," said Kaunietis.

In 2006, the main cargo flows to and from Klaipeda were connected to Germany, Holland, Sweden, U.S.A., Denmark, and Belgium. Many local shipping and freight forwarding companies profit from using Klaipeda Port as a springboard for transporting cargo between Western, Eastern and Central Europe.

Capturing one market niche, Arijus has introduced its own short distance cargo-shipping line known as "Motorway of the Sea." The main purpose of the line is to let trucks drop off containers at the port, essentially reducing road time along the transit route.

"It's becoming more and more popular and a wide solution to avoid road traffic and pollution," said Martynas Smitas, director of consultation for lines at Arijus.

Andrius Karnasnikovas, managing director of Chr. Jensen Shipping in Klaipeda said about 20 to 30 percent of the sea containers they ship are going to Belarus, Ukraine, Kazakhstan, Uzbekistan and farther Russian cities. Once the containers arrive at port, most of the deliveries are handled locally using trucks, said Karnasnikovas. "If the destination is far, the best solution is railway to places like Kazakhstan and Uzbekistan. But it depends on customer needs and sometimes there's no rail terminal located where the customer is," said Karnasnikovas.

Karnasnikovas said that competition for these markets is tough. "It's all about making a good-relationship, a good partnership. We're still looking for customers abroad everyday. It is a job where sometimes you succeed, sometimes not," he said.

Artificial islands or no artificial islands, one sci-fi-type solution we'll definitely see will come in February 2008 when Klaipeda Port officials, companies and state institutions are going paperless to reduce wait times for inspections and customs.

"Mainly all users will use digital signatures," said Algimantas Zygyus, head of the Klaipeda Port's Information Technology department. "Applying ...electronic information technologies will reduce costs in the paper document process, [letting us] simplify the process and be more efficient, [and] more modern in serving our customers," he said.

