

Container traffic goes through the ports of St Petersburg

FCT-RUSSIA'S TOP SEA GATE

In the past ten years, Russia's biggest container terminal, the FCT in St Petersburg, has discharged more than one-third of all containers passing through the country's ports.

The First Container Terminal (FCT) in St Petersburg is incredibly neat, one might even say sterile. Environmental matters have received growing attention in Russia in recent years. The huge cranes are off moving containers, while **Gennady Rummyantsev**, Technical Director of FCT, is giving us a tour in the terminal area.

Administratively, the port of St Petersburg belongs to Russia's border zone, which is why it is patrolled by customs authorities and border guards. The Russian Border Guard Service is a branch of the Federal Security Service, FSB.

We are accompanied on this port visit by **Dmitry Tulyakov**, Deputy Maintenance Manager at Konecranes Russia, and **Jevgeny Bochkarev**, a new manager of Konecranes Russia's Port Service branch. This is Bochkarev's first day at Konecranes. Tulyakov has taken him along to introduce the newcomer to his future workplace.

"To secure this job at Konecranes I went through four rounds of interviews," explains Bochkarev.

He is plainly excited about his new employer. In Russia,

employees change jobs frequently. At Konecranes, however, employee turnover is low and the basic level of education is very high. It is a telling sign of Konecranes as an employer.

Working at Konecranes Russia has given Tulyakov the opportunity to tour the huge country more than he ever imagined. Tulyakov has visited all of the ports and forest and metal industry companies that use Konecranes lifting devices.

Russia's biggest container terminal

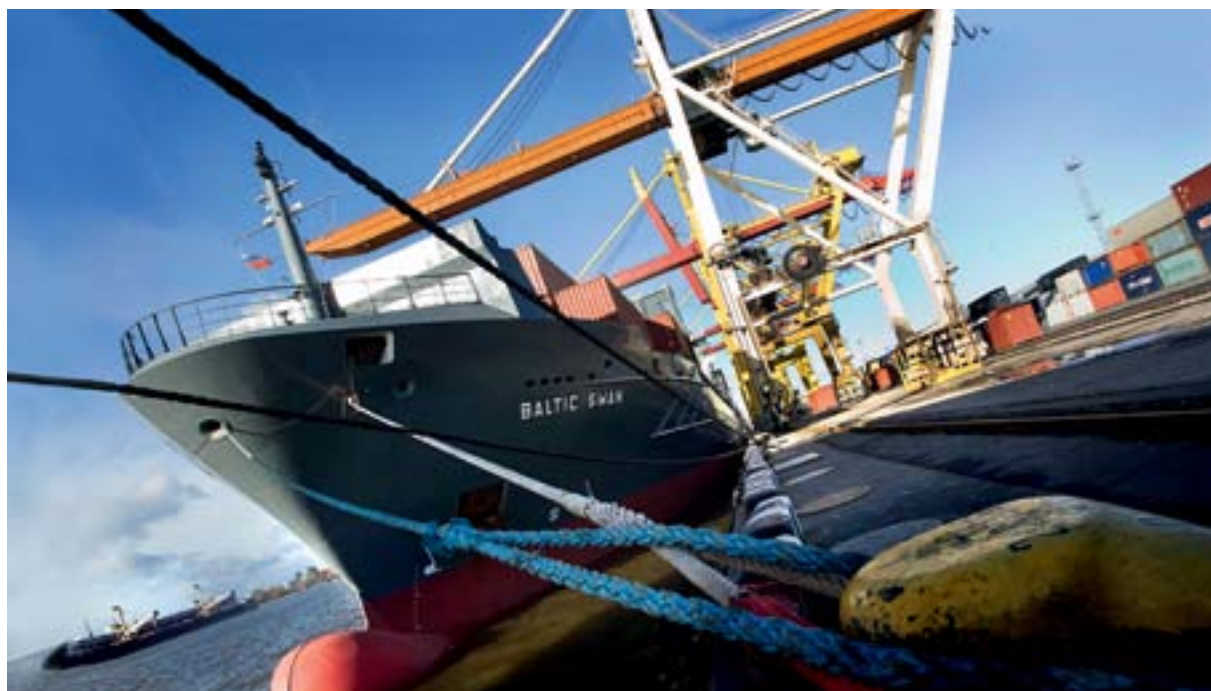
FCT has since 2002 been part of the National Container Company (NCC), which is Russia's leading container terminal operator. In addition to the FCT, the NCC has two terminals on the Black Sea and an inland terminal in Shushary, near St Petersburg.

A big portion of Russia's imports is handled as transit transports through Finnish and Baltic ports. In a few years from now Ust-Luga, a huge port on the southern shore of the Gulf of Finland, 120 kilometers from St Petersburg, will be opened and get to full speed.

Ust-Luga also involves a huge project for the NCC: the construction of a container terminal. The area in Ust-Luga covers 140 hectares and the transit capacity will be an amazing 3 million TEUs in 2019.

The new terminal called ULCT will be constructed in three phases, the plan being for the first containers to be discharged in 2009.

The FCT has operated in St Petersburg for ten years. It is



■ There are approximately 19 cranes in the terminal, most of them delivered by Konecranes.

KONECRANES®

Russia's biggest container terminal: from 1998 to 2008 a full 35 percent of all the containers passing through Russian ports were discharged in FCT terminals. The 74-hectare terminal employs 1,000 people.

What was the current count again?

The FCT has an ambitious investment program stretching all the way to 2020. By then, the capacity of the terminal will have risen from the current one million to 1.6 million TEUs.

The port has developed rapidly—so much so that Rummyantsev cannot quote the number of cranes on the spot. After a minute of thought he puts the number at 19, most of them delivered by Konecranes.

As a historical curiosity, the terminal still operates three cranes that Konecranes sold to the Soviet Union in 1973–1979. That is to say, quality cranes last from generation to generation.

“The cranes still work impeccably, but will soon be replaced with newer and more efficient Konecranes equipment,” says Rummyantsev.

The FCT has continued to acquire more cranes from Konecranes. Two STS cranes were purchased in 2003. Of a set of four new cranes, two have already been set up and two more will come on line in the near future. In addition, the terminal will get one more STS crane in 2009.

By the end of 2008, the terminal will also be operating ten Konecranes rubber-tired gantry cranes (RTGs).

Gennady Rummyantsev is very satisfied with Konecranes equipment. He praises the cranes for their safety and excellent efficiency. According to Rummyantsev, Konecranes does not make mistakes and serves its customers in the best possible manner.

“The fact that the company has a maintenance center in St Petersburg also makes a big difference. We can get help on site in a jiffy,” says a satisfied Rummyantsev.

Konecranes growing strongly in Russia

Konecranes' Country Manager in Russia, **Fedor Elagin** has been the company's country manager since 2005. The Konecranes Russian headquarters are now located in the vicinity of the port of St Petersburg, but things are to change.

“We'll be moving to bigger facilities in the Aeroplaza Business Center, close to the Pulkovo airport.”

The reason is simple: Konecranes' business in Russia has grown steeply in recent years. The company's headcount in the country has expanded from 30 to more than 100 in four years.

“Russia has brought Konecranes its biggest orders ever,” Elagin points out.

In addition to ports, the company has delivered cranes to the Russian forest and metal industries. As Elagin explains, Konecranes started off by doing business with companies in the metal industry. Big customers included the likes of Magnitogorsk Steel Mill, Severstal, TMK, and OMK.

Big mining and metal businesses also have holdings in Russian ports, which made it easier for Konecranes to open negotiations with ports. The importance of personal relations in Russia cannot be overestimated in this respect.



Dmitry Tulyakov, the Deputy Maintenance Manager at Konecranes, has toured Russia more than he ever imagined.

“In Russia, business relations evolve into friendship, and after that things begin to move. It may take years to build up relations, but it is always worth the effort.”

Eight offices in Russia

In addition to the headquarters, which are located in St Petersburg, Konecranes has one representative office and six regional offices around Russia.

Apart from the FCT's premises, other St Petersburg locations where Konecranes lifting equipment can be sighted are the terminals of Petrolsport and Seaport of St Petersburg. The company is also present at the partly Finnish-owned Moby Dick terminal, located on the fortified Kronstadt island.

What about crane manufacture in Russia? If the country is such a big market area, why aren't cranes made there? Would not Russia, grappling as it is with the diversification of production, warmly welcome a Finnish high-tech crane plant?

“Of course it would be possible to launch industrial production in Russia and we are continuously studying different options, but it wouldn't be an easy thing to make,” says Fedor Elagin.

Russia has never considered crane technology as high-tech and crane production has not been a focus of the superpower's strategy. In the Soviet era, cranes were often copies of those made in the US in the 1930s. “But things are changing as the investments in high-tech equipment and first class service starts to pay back and we are happy to be in the first coach of this fast going train.”

STORY BY **MARTTI KIURU**

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