



FOCUSED CONSULTANCY SERVICES
TRANSPORT AND LOGISTICS

TRANSPORTUTVIKLING AS



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The project was represented at Innovations Norway's stand at «NEVA» (September 2017). NEVA is Russia Nor-Shipping where 15000 people and 600 exhibitors from 36 countries attended.

TRANSPORTUTVIKLING AS RUNS A NEW SUCCESSFUL RUSSIA PROJECT

Russia and Norway have huge maritime industries and large fleets. The fleets consist of vessels like dry bulk, tank, container, MPP, passenger, service, fishery etc. The ownership is both private and governmental. Both countries have onshore industries and service systems supporting the fleet. It is a huge potential for enhanced commercial cooperation, which will be beneficial for both Russian maritime companies and Norwegian service and product suppliers.

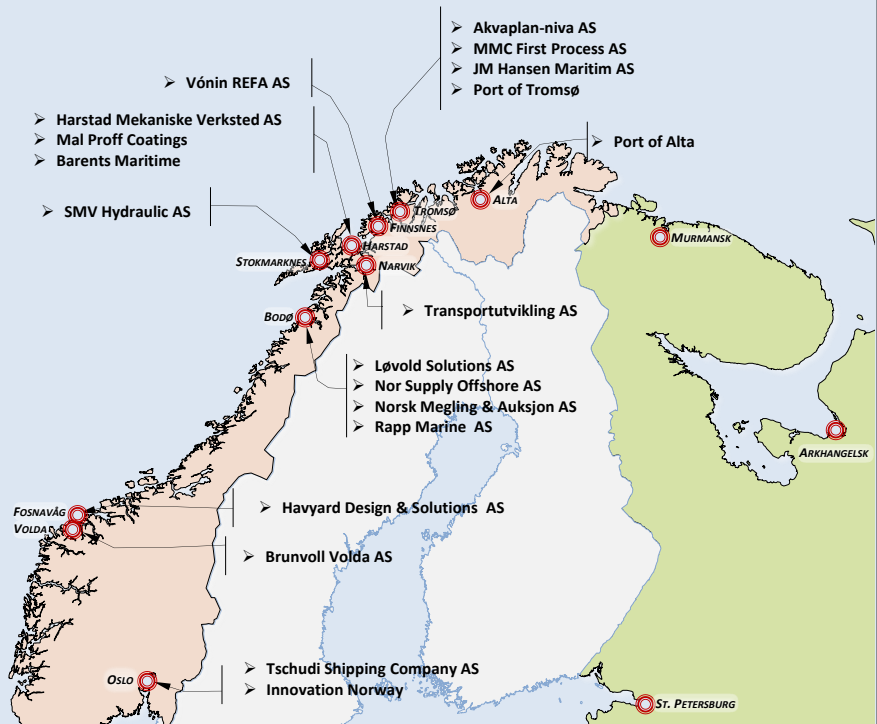
16 Norwegian maritime equipment/service suppliers participate in a 2-year project, supported by Innovation Norway.

The ambitions are to materialize the existing interest and to introduce Norwegian suppliers to the Russian fishery related industries, -and to promote Norwegian maritime industry in general.

The main expected outcomes are:

- improved business network in Russia and developing a long-term commercial relationship
- commercial contacts between Norwegian and Russian companies
- to promote the Norwegian maritime industry in general

The project is managed by Transportutvikling AS (Stig Nerdal), assisted by Innovation Norway in Russia (Nikolay Shavrov).



RECENT DEVELOPMENTS IN THE RUSSIAN MARITIME MARKET

During the last years the Russian maritime market has witnessed substantial and, sometimes controversial, changes (page 2).

OUR PARTNER NIKOLAY SHAVROV

Transportutvikling AS develops a closer cooperation with one of the most professional maritime experts in Russia (page 3).

BY NIKOLAY SHAVROV

RECENT DEVELOPMENTS IN THE RUSSIAN MARITIME MARKET

During the last several years Russian maritime market has witnessed substantial and, sometimes controversial, changes. The turnovers of Russia's main ports are going up and new port facilities are under construction. Shipments of Russian export and import cargo through domestic ports has significantly increased, and usage of foreign ports (mainly those in the ex-Soviet Union countries) is quickly decreasing. The main Russian shipping companies are upgrading and modernizing their fleets, although larger share of those are connected to the oil & gas sector and Arctic shipping. The number of civil shipbuilding projects at the Russian shipyards is growing, but still local yards cannot technically build ships larger the 70.000 dwt, - so the main part of orders from oil & gas companies goes to Korea and China.

For Norwegian companies, one of the most interesting segments of the market is fishing fleet renewal. Current system of fishing quotas, will expire at the end of 2018. Russian government, which is rather unhappy with the lack of investments into new fishing ships and limited amount of orders from fishermen to domestic shipyards, as well as existence of number of "fishing companies" with quotas, but without fishing ships, is using this brilliant opportunity to introduce new rules of the game.

The three most important novelties in the new quota legislation are:

- New quotas will be allocated to 15 years (not 10 as previously).
- A significant part of the quota must be caught with the company's own ships.
- 20% of the total Russian fishing quota will be allocated to those fishermen, who will place orders for new fishing ships at Russian yards (so called "investment quotas"). This allocation will be done from 2018 to 2023.

The last incentive is, probably, the most crucial, as it is affecting not only fishing companies, but also shipyards and producers of ship and fishing gear. Current regulations stipulate not only the location of the shipyard (which must be in Russia), but also the share of "made in Russia" products in the ship. As of today, the local content requirement is 20% of the total value, which easily reached – the value of building a hull of the ship is very close to this level.

Never-the-less, localization of ship and fishing gear can be a challenge for foreign suppliers in the years to come, as the government is planning to gradually increase the level of the local content. This will apply not only to the local production of "hardware"- ship/fishing gear, but also to design and engineering issues. Absolute majority of the current new fishing ships, started at Russian shipyards, are designed by Norwegian companies. The situation is viewed by authorities as positive one, since experience in design of fishing ships was basically lost during the last 25-30 years. But in 3-5 years from now, this will be considered as a threat.

First distribution of investment quotas is planned for December this year and fishing companies are submitting their projects to the Russian Fishing Agency, which will choose the winners. Here are some of the projects announced recently.

Russian Fishery Company (one of the top 3 fishing companies in Russia) signed a contract with St. Petersburg based Admiralty Shipyards for building of 6 large factory trawlers designed by Skipsteknisk (project ST-192, length 108 m). One more ship of the same project is planned to be built in Spain.

Consortium of 3 fishing companies from Murmansk – Globus, Virma and Arcticflot – agreed with Severnaya Verf Shipyard from St. Petersburg to build 4 longliners, designed by Skipsteknisk, length 58 m.

Murmanseld 2 from Murmansk placed an order for 4 trawlers at Pella Shipyard, located outside St. Petersburg. Keel-laying ceremony for the two ships, which are 80 m long, was held in September. Design of the ship is made by Cramaco from Tromso. Norwegian companies Rapp Marine, Brunvoll Volda and MMC First Process are among suppliers to the project.

Even if not all of the announced projects will receive investment quotas, it is clearly seen that the renewal of the Russian fishing fleet is getting momentum.



Havyard Ship Technology is well experienced within construction and outfitting of various ship types. Havyard is responsible for five icebreakers for Russian owners, last two delivered November 2016. (Picture above: "Normann")

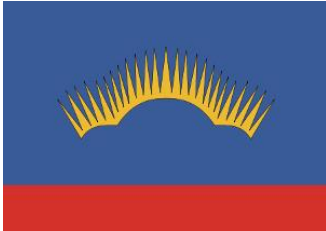
**NORWEGIAN MARITIME COMPANIES ATTENDS
MURMANSK BUSINESS WEEK**

During Murmansk Business Week (mid November 2017), Transportutvikling AS is organizing several B2B meetings between Norwegian and Russian maritime companies.

During the 3 days visit in Murmansk, the companies will attend MurmanShelf conference "Arctic Shelf Development: step by step".

The companies will also join a Reception at the Royal Norwegian Consulate together with Russian companies and business associates.

The most important activity is several business meetings with Russian clients, mainly ship owners and shipping lines.



Norwegian companies like Havyard, Brunvoll, Hamek, Port of Tromsø, Port of Alta and MalProff attends the business trip organized by Transportutvikling AS and Innovation Norway.

**TRANSPORTUTVIKLING AS IS PRESENTING A
NEW PROMOTIONAL BROCHURE
FOR THE RUSSIAN MARKET**

In September 2017 Transportutvikling AS completed a new brochure where several Norwegian maritime companies were promoted.

The brochure presents 16 Norwegian maritime suppliers of equipment and services, as well as ports and R&D institutions.

The brochure consists of 40 pages, in English and Russian.



A pdf-copy can be obtained by sending an e-mail to: stig.nerdal@transportutvikling.no

OUR PARTNER IN RUSSIA

NIKOLAY SHAVROV, ST. PETERSBURG

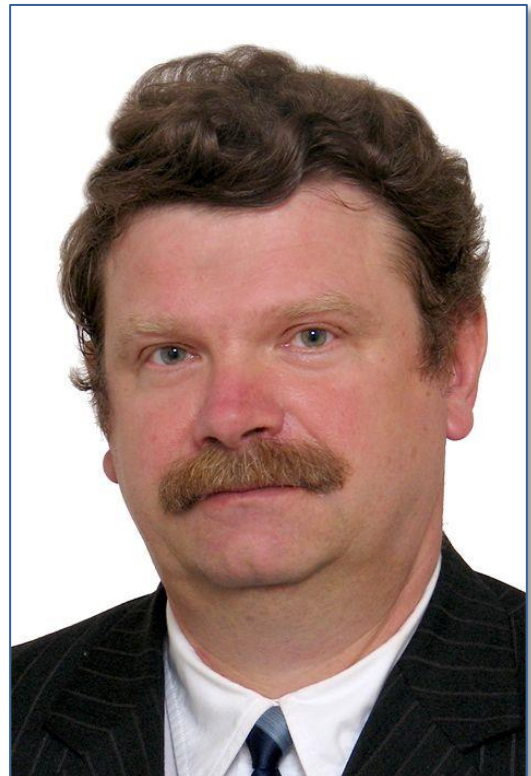
Transportutvikling AS has for several years worked together with Nikolay Shavrov regarding various maritime projects in Russia. From 1.1.2018, our ambition is to develop an even closer cooperation with one of the most professional maritime experts in Russia.

Nikolay Shavrov is born in Leningrad.

He graduated from Leningrad Shipbuilding University as a naval architect in 1978, and received his PhD degree in ship structural design in 1986 from Leningrad Shipbuilding University.

Nikolay has been working in different positions for the Russian shipbuilding industry; research engineer, head of scientific laboratory at Krylov Research Center, deputy director at shipyard Almaz and adviser on shipbuilding for governmental authorities.

Since 1992 till now, he has been Head of Innovation Norway's office in St. Petersburg.



Nikolay Shavrov

20 YEARS OF EXPERIENCE

TRANSPORT RELATED PROJECTS IN RUSSIA



Since 1997, Transportutvikling AS has been working with projects where the main focuses have been on logistics- and transport opportunities in North-West Russia and Russia in general. During the last 20 years Transportutvikling AS has developed extensive experience and competence when it comes to the Russian market and Russian transport solutions, particularly related to railway transports, multi modal transit operations through Russia, sea transports etc

A few examples:

- ✓ Project manager for the development of «**The North South Corridor**», which is an intermodal transport solution between Moscow and India, through Azerbaijan and Iran. Clients: Russian and Iranian railways
- ✓ An extensive market analysis focusing on the **Russian coal market** and transport opportunities from Russia to major power plants in Europe. Client: Australian Coal Company
- ✓ Completed the project "**Railway corridor in the north**" where existing and potential corridors to Russia were focused on. Client: Norwegian Governmental Authorities
- ✓ Analyzed commercial and logistical opportunities for **import of biomass from Russia** to Norway. Clients: Norwegian shipping lines, Russian exporters and the Barents Secretariat.
- ✓ Pre-study + organized B2B meetings between **Norwegian maritime companies** and Russian clients. Clients: The companies, the Arctic Maritime Cluster and Innovation Norway.
- ✓ **Freight analysis** (Finnmark County), where connections to Russia were looked into. Client: Finnmark County
- ✓ **Market evaluation** concerning exports of Norwegian Seafood, where transport opportunities through Russia and impact of sanctions where analyzed. Client: Seafood companies.
- ✓ As per October 2017, we are involved in several projects focusing on Russia, f.i. market introduction for Norwegian companies (see page 1)

BRIEFLY ABOUT TRANSPORTUTVIKLING AS

Transportutvikling AS is an operational consulting- and advisory company, working within the primary fields of transport and logistics. Our advisors have extensive experience from commercial business and substantial expert background , which is a guarantee for professional advise. Our customers are found both within private and public sectors, nationally as well as internationally. Our market focus is primary on the Northern areas.

We are engaged in all types of project work, spanning from planning to implementation and operating of systems. We propose the best solutions for organizing of terminals, ports and transports by road, sea and rail. We develop logistic chains and intermodal solutions, including international transport corridors.

Our national/international partners are engineering companies, ship designers, consultants, R&D Institutions and others. In cooperation with these partners, we offer complete solutions within most issues related to transport and logistics.

Transportutvikling AS has defined 3 strategic primary business areas:

Consultancy services	Operational services	R&D services
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Our consulting service has been, and is, the basis for our activities. Our staff have for many years produced consulting services like:

- ✓ Developing and improving transport solutions
- ✓ Route planning and scheduling
- ✓ HUB development
- ✓ Port- and terminal planning
- ✓ Market surveys and analyzes
- ✓ Economical assessments and financial solutions
- ✓ Developing transport- and communication plans
- ✓ Organizing and hosting of professional seminars and conferences



Transportutvikling AS also – closely connected to our consulting services – carries out operational activities like f.i. production of terminal booklets for ports and terminals. In addition, we also deliver R&D-services in co-operation with universities, colleges and other R&D institutions

Contact us!

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