

Muuga: The Estonian hub in the Baltics

Webinar Transport Events, 3rd September 2020



HHLA TK Estonia: largest specialised terminal in Estonia owned by HHLA

Long-term local experience combined with strategic shareholders enables sustainable growth



- Company established in 1996, 100% shareholder is Hamburger Hafen und Logistik AG since 2018
- Operating close to Tallinn, in Muuga Port complex owned by Port of Tallinn
- Land concession for HHLA TK Estonia until year 2062
- Location in free customs zone of Muuga Port, allowing for storage of imported goods without customs guarantees, quotas, tariffs and taxes for an unlimited period
- Revenue 2019: € 23.7 million
- Headcount: 251 employees
- Compliance with high standards is confirmed by ISO and ISPS certificates



HHLA TK Estonia provides wide portfolio of port terminal services

Expertise of 25 years in focussed business areas



Container

- Largest container terminal in Estonia
- Cooperation with all major shipping lines
- Excellent connection to road and railway - with regular service from terminal
- Extension from 3 to 5 STS cranes in 2021



Ro-Ro / Con-Ro

- Regular daily lines to Helsinki
- 3 dedicated Ro-Ro hydraulic berths
- Con-Ro berth unique in the region
- Double ramp in 2021
- Handling of unaccompanied trailers



General Cargo

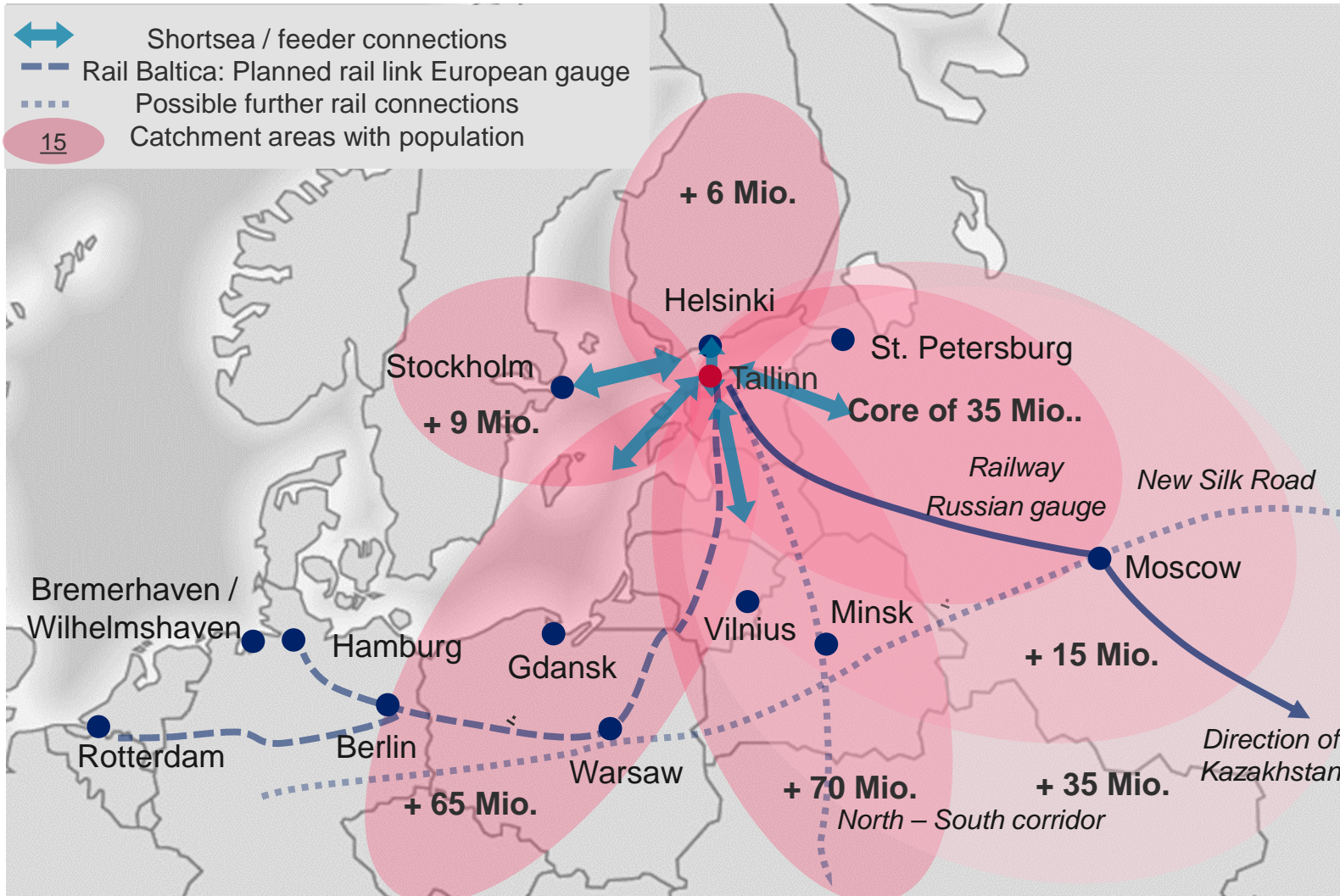
- Specialist handling of dry bulk, break bulk, vehicles parts, food, special cargo etc.
- Warehouses and open storage areas next to the quay
- Direct railway connection
- Berth for handling vessels of up to 60,000 tons
- Unique warehouses to handle refrigerated and frozen foodcargo



Additional services

- Storage of container
- Container repair and washing
- Weighing
- Local forwarding
- Stuffing, stripping

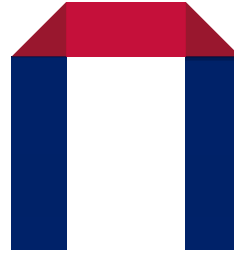
With access to a population of 235 Mio., Estonia has the potential to become a multimodal hub



- Central geographic position to serve markets of up to 235 Mio. population
 - Russia / CIS countries only one potential area of focus
 - At least as much potential towards Scandinavia / Ukraine and potentially Western Europe
- Estonia at the cross roads of Container lines, ferries, Russian gauge railway and in future European gauge railway (Rail Baltica)
- State of the art modern transportation infrastructure allowing for efficient movement of goods
- Availability of space for development of logistics operations

Future development plans

Focus on sustainable development of infrastructure and digital solutions



Infrastructure Development

- Expansion of covered storage area by 8,000 m²
- Development of 2 ha for volume growth of containers and ro-ro units
- Investment in new post-panamax cranes for bigger container vessels
- Investments in port tracks, RTG, trailers and little loaders



Digital Development

- Gate automation with client self-service terminal
- Terminal-Communication System (TCS)
- Paper-free connections with clients, customs and other authorities
- Integration with Smart Port platform
- Digital weighting



Railway connected development

- Assessment of North-South Corridor (Tallinn-Odessa)
- Assessment of Silk Road initiative - acting as transit, storage and value-added point
- Assessment of Amber train project - Route Muuga - Kaunas (Lithuania) for Ro-Ro
- Rail Baltica connection with starting point in Muuga Port, intermodal terminal between 1520 and 1435 rail network

Short / longer term corona impact on the baltics

Short term effects

- Limited number of cases / casualties in the Baltic countries thanks to quick implementation of protective measures
- Immediate measures also taken on our terminal
 - Focus on protecting our staff while maintaining operations. Only very limited disruptions.
 - All activities meanwhile back to normal albeit with vigilance and early warning measures in place
- Pronounced economic impact of the pandemic
 - GDP contraction (between -5 and -8% GDP contraction expected for 2020)
 - Affected by complete closure of borders to Russia and deeper recession in Russia
 - Positive effect of importance of agro-products exports, more resilient to a recession
- Impact in disruption of supply chains (and equipment management) also felt due to lack of containers for export

Longer term impact

- Gradual normalization of volumes to level close to 2019 levels
- Potential long term impact still difficult to assess and depending on 2nd lockdown in Estonia / W.Europe
- Likely that supply chains are going to adapt to the 'new situation'
- 'dooms-day' scenario of stoppage of global supply chains unlikely to the extend some predict but
 - More 'near shoring' of warehousing capacity likely required to secure sufficient and available stocks
 - Increase in sources of supply rather than dependence on 1 supplier only
- The Baltics and in particular Estonia can profit from this due to the
 - Closeness to key markets
 - Availability of space and qualified people
 - High IT affinity allowing for paper (and less people intensive) processes

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