



Gaspard Boot
CFO of the Netherlands based
Holding Group of OTEKO

TWO DAMEN ASD 3010 ICE-CLASS TUGS DEPLOYED BY OTEKO GROUP AT THE TAMAN PENINSULA

Established more than 25 years ago, OTEKO Group is a diversified holding company, operating in the Russian Federation, the CIS and the Baltic States. It became one of the first companies in Russia able to offer a full range of railway and stevedoring services specifically for oil and gas transportation, and also to carry out technical maintenance of rolling stock in the region. OTEKO's railcar fleet now consists of 15,000 oil tank units.

Alongside the development of its railway business, OTEKO started developing an even more ambitious project which involved the construction of transshipment terminals in the port of Taman on the Taman Peninsula, in the area of Cape Iron Horn (Krasnodar Krai) on the Black Sea coast, not far from the Sea of Azov.

Gaspard Boot, CFO of the Netherlands based Holding Group of OTEKO, says: "The new port in Taman has considerable competitive advantages thanks to the advantageous geographical location at the intersection of international transport corridors, connecting Russia with the countries of the Mediterranean, the Middle East, North Africa, South and Southeast Asia, North and South America."

Year-round operation

It also has favourable natural conditions, ensuring the possibility for a year-round

operation, and ample opportunities for expanding transshipment capacities due to the construction of additional terminals, he adds. The port typically handles liquefied hydrocarbons, oil and oil products, dry bulk cargoes (coal, ore and others), grain crops, mineral fertilisers, etc. Given its deepsea draught, the port can receive vessels with up to a 220,000 dwt.

At the start of the century, OTEKO Group started the first implementation phase of its long-term strategy when it embarked on the construction of two new terminal complexes: for the transshipment of liquefied petroleum gases (LPG) and oil and oil products. Tamañteftegaz CJSC became a customer of these two new terminals which were commissioned in 2012. And a year later on, additional capacities for fuel oil transfer were put into operation. Known as 'OTEKO Taman Transshipment Complex (TTC)', the facility has become the first transshipment port on the southern coast of the Taman Peninsula.

It has a capacity of 20 million tonnes of oil products and LPG per year and the jetties are capable of receiving Suezmax vessels with a deadweight of 160,000 tonnes. No other jetty in the Azov-Black Sea basin is capable of handling vessels with such a deadweight, he says. The TTC jetty is 1,800 metres long and is capable of loading four vessels simultaneously: two oil tankers and two gas carriers.

Dry bulk terminal opening in 2018

Currently, the group is constructing the Taman Dry Bulk Terminal (TDBT), which will have a production capacity of 35 million tonnes of coal, ore, sulphur and mineral fertilisers per year. The TDBT jetty, which is a staggering 2 kilometres long, will receive Capesize vessels with a deadweight of up to 220,000 tonnes. This new jetty will be commissioned in 2018.

Mr Boot points out that the Russian Ministry of Transport has stated that there is a deficiency in transshipment capacities for coal in the Azov-Black Sea basin of at least 20-25 million tonnes. In the near future the TDBT will be capable of satisfying this demand and if necessary, there is also the possibility of doubling the transshipment capacity.

Additionally, the TDBT will be the first to use 'triple car dumpers' and a system of water desalination for meeting environmental demands. OTEKO plans to avoid 'dusting' and minimise the environmental impact of coal dust at its facilities with technologically advanced systems, which will use desalinated seawater.

TDBT is expected to have storage for 950,000 tonnes of coal, 475,000 tonnes of iron ore, 150,000 tonnes of sulphur and 150,000 tonnes of mineral fertilisers.

New Port and Industrial Park

Meanwhile, in September 2016, OTEKO and Krasnodar Krai Administration signed a Letter of Intent to invest in the construction of a 'Port and Industrial Park' at the Taman Peninsula, which will comprise eight industrial enterprises (six chemical productions sites, two sites for soya processing and fodder production and a high-tech, agro-industrial complex. Five marine transshipment complexes will also be built. OTEKO is investing more than 8 billion US dollars in all.

Other projects taking place in the near term include an oversized and heavy cargo terminal (300,000 tonnes per year) and the Taman Grain Terminal (14.5 million tonnes per year).

"OTEKO finances all the projects at its own expense, with no money being attracted from the federal budget of Russia," says Mr Boot.



To assist with terminal operations, OTEKO ordered two Damen ASD 3010 ICE Class Tugs. The first vessel was delivered in July 2016 and the second in September 2016. *Azov* and *Adler* went straight to work and have been busy ever since.

"Although OTEKO terminals are situated in non-freezing waters on the Black Sea coast, they are geographically close to the exposed freezing part of the Sea of Azov. OTEKO does not want to have any risks associated with possible icy conditions so to avoid this it made the decision to acquire ice-class tug boats."

Commenting on why the company chose Damen vessels, Mr Boot says: "OTEKO is one of the leaders in the stevedoring business in the south of Russia, and interested, in the first place, in providing quality services to customers, which, in turn, implies the use of high-quality and efficient equipment. That is exactly why we chose Damen as the most well-known company, which has proved itself as the leader in this segment of business, and also as a leading supplier, of high-quality and reliable seagoing vessels. The fact that Damen has this quality level and that it was able to fulfil a very swift delivery played a big part in OTEKO's decision."

In April 2017 OTEKO and Damen signed the contract for the delivery of one more ASD.

