

Project logistics: Not your ordinary business

Successful project logistics demands experience in all areas of international forwarding and calls for a high degree of flexibility and very often an inspired idea. The project experts of Kuehne + Nagel transport the biggest and heaviest objects to the most remote regions of the world and justify the company's first-class reputation in the demanding project logistics business every day.

Kuehne + Nagel has provided project logistics services for almost 50 years and belongs today to the leaders in this business segment. Its specialists are not deterred by even the most complex assignment. Where there is no space, they find a way; where there is no road, they build one; where there is no bridge, they improvise one; where there is no port, they quickly put up a jetty.

The project business is generally concerned with special transport assignments that require special handling, chartering of vessels and services by sea, air, road or rail, in particular for heavy and oversized cargoes. Kuehne + Nagel supports customers from various sectors in the realisation of industrial projects and provides a wide range of logistics services for infrastructure instal-

lations. The customers are project owners, their appointed engineering, procurement and construction contractors or their prime suppliers.

Many project assignments traditionally come from the oil and gas industry, particularly in relation to midstream and downstream processes for the processing, transporting and refining of oil and gas. Such projects include the new construction or enlargement of petrochemical production facilities, refineries or processing plants for LNG and natural gas. Other assignments that are regularly received from this sector include deliveries for alterations to special tankers used as floating, production, storage and of floating facilities (so-called FPSOs) and the construction of offshore platforms and pipelines. Logistic challenges are also presented by projects connected with the construction of conventional or renewable power stations, mining, aluminium or steel plants, pulp, paper and cellulose plants, railway, subway and metro installations.



KUEHNE + NAGEL PROJECT LOGISTICS

- A worldwide team of more than 250 dedicated staff
- Global corporate management combined with regional and national expertise of specialists at 42 Kuehne + Nagel locations
- Full spectrum of services: sea, air, overland transport and customs brokerage
- ISO 9001-certified quality management



Teams of project specialists are stationed at 42 Kuehne + Nagel locations in all major countries and coordinated by the corporate management in Hamburg. In the international project business there are no "off-the-shelf" services. A custom-made solution is created for each – in most cases very complex – contract. Kuehne + Nagel handles its assignments with a central management. Many of its project managers and personnel have spent a part of their career working for contractors and have gained their outstanding skills and experience in overseas postings, sometimes in remote locations.

Other factors for success are a smooth flow of information in all phases of the project, a fast response to changes in the logistics requirements, efficient cargo tracking systems, quality assurance programmes and the ability to provide worldwide transport from the place of production to the project construction site.

No matter whether the cargo comes from a single country or from a number of places all over the globe, with Kuehne + Nagel consulting, planning, preparation and execution for every project are in the hands of a single

provider, enabling the customer to count on exact compliance with his time schedules. The planning phase of a project includes feasibility studies, route surveys and technical assessments for heavy and oversized cargo, as well as multi-modal transport recommendations, presentation of proposals and alternatives, estimation of time schedules, cost estimates, IT-based documentation and cargo tracking systems.

The operational phase begins with the selection of suitable contractors for the actual carriage of the goods by sea, air, road, rail or river. The cargo may be carried in containers, or also as non-containerisable goods (break bulk) that may or may not receive tailor-made packing at the manufacturer's plant or the port of shipment. Kuehne + Nagel also handles the supervision of loading and discharging operations, providing all documentation for transport, banking and customs formalities. And, needless to say, customers receive regular reports on the progress of the project transport.

In the international project business there is a trend towards the modularisation of large components. Particularly when complex installations such as refineries, petrochemical or gas production plants are planned in what are often remote regions, the manufacturers frequently opt for the assembly of complete modules prior to delivery. For that reason – and also because a growing number of cargo ships are coming into service which can load and unload single parts of 1,000 tons or sometimes even more – ever larger and heavier components have to be transported.

But for Kuehne + Nagel no project shipment is too heavy or too difficult. On the basis of its global network, its many years of experience and its longstanding partnership with first-class contractors in the field of heavy lift transport in all parts of the world, the company is well equipped to cope with this development and will continue to strengthen its good reputation and outstanding market position in the future.



“Houston – we have no problem at all”

Nine months is a short time to prepare for a project transport such as the one to Texas that Kuehne + Nagel recently handled: 26,000 tons of sensitive material – including eleven items between 200 and 500 tons unit weight – had to be moved from Malaysia to the U.S. for the construction of a petro-

chemical plant. The task was made all the more challenging by the request to load all the equipment within the same week in the port of Kuantan and ship it on two separate vessels to arrive at Houston port within a ten-day window.

The complex risk analysis and transport planning process was expedited by several site visits to the production plant and the two ports, progress meetings and telephone conferences. Each item demanded an individual concept for loading and unloading and for stowage in the ship. Since all components were

indispensable for a timely start-up of the plant, each step of the logistics process had to have a backup plan.

For instance, this “Plan B” provided for the positioning of a floating crane from Singapore should any of the ships’ gear fail during loading in Malaysia. A similar plan was incorporated into the discharge operation in Texas. In such projects the Kuehne + Nagel experts leave nothing to chance. Therefore, the project manual even included historical weather and ocean current data for the time of year in order to plan the safest route for the voyage.

Finally all cargoes were loaded in Kuantan under the supervision of Kuehne + Nagel’s project experts within a five-day period. After a 32-day voyage without incident the two ships arrived safely in Houston on time and on budget.

Power for Canada’s aluminium industry

One of the world’s biggest aluminium producers operates a smelter plant in Kitimat in the Canadian province of British Columbia and is the biggest employer in this region. As part of the plan to upgrade this plant, Kuehne + Nagel was awarded the contract to transport ten transformers purchased in Switzerland to this small town south of the border with Alaska. An on-the-spot survey showed that the only practicable solution was direct shipment with a geared ocean vessel and the unloading of the transformers right at the aluminium plant’s own river port terminal.

Besides the ten transformers, which weighed up to 212 tons, a further 3,800 cubic metres of support material had to be transported. This had to be collected from various suppliers in Germany, Fin-

land, Poland, Sweden and Switzerland and consolidated in Rotterdam. It was loaded there onto a heavy lift vessel and arrived in Kitimat 35 days later. Only a very tight time window was available for the discharge of the cargo, since the port facilities are almost constantly occupied by the large bulk carriers which deliver the bauxite for the aluminium production whose supply must be constantly assured.

Under the direction of Kuehne + Nagel, coordination between all parties (the port operator, the construction contractor, the heavy lift rigger for overland transport, the agent of the ocean carrier, the representatives of the manufacturer, the marine cargo insurers and, of course, the health and safety management of the smelter facility) worked per-

fectly. The equipment was discharged safely, without any incidents and under the eyes of many interested spectators from the local population, the future of whose jobs depends on the expansion of the plant.





Right through the town to down under

One of the world's leading producers of liquefied natural gas has appointed Kuehne + Nagel to manage the logistics in the development of three of its biggest gas fields off the coast of Western Australia. Since 2007 Kuehne + Nagel has moved some 200,000 freight tons of material for the fabrication of the giant offshore platforms to various facilities in Indonesia and Korea and to the customer's base in Port Henderson in Western Australia. This involves everything from small air freight packages to the use of complete air charters and from seafreight containers to the

charter of whole ships for heavy and oversized equipment. Large and bulky components had to be shipped from Canada, the U.S., Europe, India and Southeast Asia, and Kuehne + Nagel's remit included delivery to the ports of shipment, ocean conveyance and delivery to the fabrication yards.

The transport of some oversized items presented a major challenge to the expertise, planning competence and risk management of the Kuehne + Nagel project experts. One such item was a component five metres wide, six metres

high and almost 50 metres long that had to be manoeuvred through the narrow streets of small towns in Germany. For this heavy transport with an overall weight of 334 tons from Saarbrücken to the nearest loading place on the Saar river for conveyance on the Moselle and Rhine rivers to Antwerp, ten bridges had to be thoroughly checked. Kuehne + Nagel successfully executed these tricky special transport operations and can therefore expect to have good chances of winning the contract for further gas production projects – this time off the north coast of Australia.