

# Fair winds blow for AAL but clouds on the horizon

Project and heavy lift shipping specialist AAL has in recent years focused on renewable energy projects in the German region, particularly in the onshore wind sector, says commercial director, Felix Schoeller (pictured).

He explains: "We have successfully completed numerous transportation projects involving the shipment of onshore wind equipment from Asia to Germany, with the destination port being Cuxhaven. These component shipments are not only important for the establishment and expansion of local wind parks across Germany, but the 'mega-size' tonnage we employ is perfect for the efficient transport of ever-growing wind turbine components."

AAL is also shipping solar panels, biomass equipment, and hydroelectric power equipment

to support the development of solar installations, biomass power plants, and small-scale hydroelectric projects in Germany.

There are upwards of 20 significant domestic energy projects now active in the country, of which 70% are offshore wind and encompassing power generation, power infrastructure grid, LNG infrastructure and others. All are due to come online from between 2023 and 2027.

As Germany's renewable energy sector evolves, the project cargo sector will continue to adapt to support emerging technologies and increasing cargo sizes, says Schoeller.

Germany's heavy lift and project offers opportunities across various industries, including renewable energy, LNG and hydrogen. The growing



focus on LNG as a cleaner energy source creates opportunities for the safe transport of storage tanks and regasification equipment.

The rising interest in hydrogen will require the logistics support for heavy components involved

in production, storage, and distribution. Schoeller explains: "This vibrant market provides ample scope for the heavy lift project shipping sector to contribute to Germany's sustainable energy goals and the development of these industries."

He predicts that a strong push towards domestic renewable energy, supported by both the local Government and the European Union, will be a significant driver for the project cargo market in Germany. The transition to renewable energy sources requires extensive transportation of equipment for wind, solar, and other renewable projects.

However, he warns: "Investment in production facilities and other infrastructure has been insufficient to date. Adequate investment in

production and manufacturing capabilities and supporting infrastructure is crucial to ensure a self-sustaining renewable energy ecosystem in the country. "German policymakers and industry stakeholders need to work closely together to encourage investment, and build a cohesive strategy that not only supports new renewable energy projects, but also the required development of the country's domestic infrastructure capabilities and power grid."

He says that the project cargo market in Germany faces challenges including complex funding rules, infrastructure limitations, rising cost pressure, project delays and geo-political uncertainty affecting the whole economy, adding: "Navigating these challenges is crucial for the market's success. Greater collaboration and transparency amongst industry stakeholders, policymakers, and service providers is the only way."

Over the past five years, AAL has established a strong presence in the industry in Germany and, indeed, across the

whole of Europe. AAL Europe's head office in Hamburg has seen substantial growth, building a team of 16 skilled professionals specialised in chartering, commercial, engineering and vessel operations, all of them with extensive local market knowledge and experience.

AAL Europe has also expanded its commercial agency representations in several key regions, including Italy, Benelux, France, and Turkey, giving it a deeper market understanding and providing personalised real-time support to clients.

Since January 2020, AAL Europe has operated a regular monthly liner service from the Continent to the Middle East, India, and the Far East, along with monthly sailings from the Far East to Asia, catering specifically to project clients.

AAL Europe operates regular tramp sailings from the region in both directions - Asia and the Americas - providing flexible shipping solutions tailored to the needs of clients and allowing it to adapt to changing market demands.

## Economic tensions depress Hamburg traffic

The 'tense' economic situation in Europe, especially in Germany, and background geopolitical factors affected throughput in the first half of 2023, said the Port of Hamburg. Despite this, Germany's largest seaport recorded a gain of 77% in bulk cargo throughput at 19 million tons, although general cargo throughput was 11.1% lower at 39.2 million tons.

Container handling improved in every month of the first half and, in June, was 10.2% higher than in January. Some, 3.8 million teu crossed the quays, a fall of 11.7% in comparison with the same period of the previous year. Container throughput on

a tonnage basis totalled 38.7 million tons, 10.8% lower.

The trend towards ever larger container ships also continued, with 135 vessels in the largest, Megamax class calling in Hamburg, up 15.4%.

The Hamburg Senate has meanwhile endorsed a new development plan for the city's port. It lays down strategic guidelines for policy in the coming years, defines the availability of land for port development and outlines strategic orientation for its future utilisation.

The Plan considers global trends, local operating conditions and social factors.



## Broad business base helps Robert Kukla deal with difficult market

Times are tough for freight forwarders in Germany, as they are all over the world, but family-owned company Robert Kukla Internationale Spedition believes that its broad spread of business will help it weather the economic storm.

Board member Dennis Paul Mahnecke says: "We have a wide portfolio of business and that helps us balance things out. And indeed, we are still growing, although we have to work very hard to gain new market share."

Fellow director Axel Bohnensteffen adds: "At the moment, everyone is still very hungry for freight, and that is mirrored in pricing."

Another factor that has helped Munich-headquartered Robert Kukla is that, as a medium sized company - annual revenues are just under €250 million - it can offer its customers agility and flexibility, says Mahnecke. "We're not trying to force them into a corporate structure."

While the company is concentrating on organic growth, it is managing to increase its footprint in strategic areas. In July, it opened a second

branch in Portugal with three employees in Porto, following the opening of its first office in the country, Lisbon, in 2021.

As well as road trailer business, intermodal and shortsea is an important focus for the company, and the UK is an important market. Bohnensteffen says: "We have daily short-sea connections out of Germany via Hamburg and Rotterdam to the main ports in the UK (and Ireland) along with road services. The UK is one of our top ten partners and we move over 20,000 units a year to and from the country."

Ports served include Tilbury, Felixstowe, Ipswich, Immingham, Blyth, Grangemouth and Liverpool and, in Ireland, Cork, Dublin and Belfast.

Reflecting the importance of the UK market to the company, Robert Kukla has its own office at Mountnessing, north-east of London in Essex and a customs office in Dover, which it established following Brexit. Together, the company employs around 45 people in the UK.

Historically, the UK trade was rather imbalanced, with much

more going in from Germany than coming out, although the current recession has rather reduced this trend. Traffic from Germany to the UK is mainly full load, but there is also groupage, temperature-controlled and other specialised traffic.

Robert Kukla also serves some other major UK trades, including Spain and Portugal and also deepsea trades such as South America.

In Germany itself, it maintains three offices, in Hamburg, Dusseldorf and Munich, covering the north, centre and south of the country. It has around 280 employees within the group.

The future for the freight industry is hard to predict, Bohnensteffen says. Times will almost certainly remain tough for the remainder of 2023: "A year on, I would hope the economy in Europe will recover but a year is a long time and it is super-difficult to predict. However, I would hope that it will slowly but surely improve."

However, one of the company's strengths is its wide business base and asset-light

model, which will help it react quickly to developments.

Mahnecke says: "Being asset-light allows us to be agile and pivot very quickly when needed. We can adjust to our customer's needs and market circumstances."

The company's biggest asset is in fact its people and it has invested heavily in training. Even in a recession, the job market in Germany is highly saturated and having a strong apprentice programme has helped Robert Kukla attract and retain talent at a time when many freight firms have struggled to do so. People who joined the company 15-18 years ago have stayed on and are now in leadership positions.

The company operates a dual scheme with both classroom sessions provided through the chamber of commerce and on-the-job training, leading to a formal qualification of certified transport coordinator.

Another factor in the company's ability to attract talent is that it is very open to recruiting the many foreign nationals that have flocked to Germany in recent years.