



# HEAVY LIFT

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## Shippers face weighty issues



- Uncertainty rules Russian projects
- Seeking the bottom of the mining cycle



Radek Maly, Highland Project Logistics: There is an argument for containerisation.



Grant Bell, AAL: Many proposed mining projects have been shelved.



Thorsten Grams, JAS Projects – Oil & Gas: Modularisation is not so much of a trend in mining.

# The drive towards modularisation

Cost considerations are continuing to drive increasing modularisation of mining industry project equipment and plant shipments, report some – but not all – forwarding and logistics companies active in the market.

A key factor in this development, suggested John Di Giovanni, chief executive of Australian forwarder Westlink Logistics, which has been working for the global mining industry for more than 20 years, is the continuing move of the sector's operations into increasingly remote and challenging areas.

## Reducing costs

"With that development, the need to minimise on-site construction and commissioning activities is becoming more critical to reduce cost and schedule but maintain quality and achieve production targets," he said. "That has driven innovation and the capability to push the envelope of module logistics across sea, land and air."

Di Giovanni also suggested that the size and weight of such modules will only get larger as logistics assets and methods further evolve to support the lift and transport of such items. "In some cases, logistics providers are involved with construction and installation of wharf modules or ship loaders with heavy lift vessels. Module transportation is also a key consideration for design and hence logistics providers are

of new mining projects."

However, a different view came from Thorsten Grams, director business development and operations (global) for Germany based JAS Projects – Oil & Gas, an independent business unit within JAS Forwarding, which provides logistics services to mining companies and their engineering, procurement and construction contractors (EPCs) worldwide.

"Modularisation is a typical trend for projects in the oil and gas sector but not in mining where they tend to continue to be developed via the stick-built method. The reason is the mostly remote locations of these projects, which does not allow for the transportation of large items. Already the transport of a ball mill is often a challenge to those locations. That is unlikely to change in the near future," he stated.

Radek Maly, president and founder of US company Highland Project Logistics, said that in some cases there is an argument in favour of going in the other direction to

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— John Di Giovanni, Westlink Logistics

modularisation and breaking down mining industry equipment shipments into smaller units so that they can be containerised.

"I am always telling clients that if they made the equipment units smaller so they could be fitted into containers, the transport costs would be so much cheaper," he stated. "That, though, would involve having to figure out ways of breaking down the equipment and then rebuilding it, and the push right now is more towards shipping bigger and bigger pieces."

## Transport

As a result, continued Maly, Highland Project Logistics is moving mining industry pieces that are 7-8 m wide and tall. "Our pieces are generally not really that heavy, maybe up to 100 tonnes, so they can go on conventional multipurpose ships rather than heavy lift vessels," he added.

Commenting further on the mining industry's vessel-type requirements, Grant Bell, senior chartering manager for Singapore headquartered shipping company AAL, explained that in the Asia/Australia trade, for example, current economic conditions in Australia and a slowdown in the Chinese economy have led to many proposed mining projects being shelved. As a result, there is a greater demand for existing facility maintenance, spare parts and upgrade projects. Large components are still being moved, but far less frequently.

"With less physical mining cargo moving and extreme pressure on freight rates – especially bulk – tramp tonnage has gradually been removed from the trade," reported Bell. "Instead, we have deployed larger multipurpose tonnage on our scheduled liner services on the east and west coast of Australia which can accommodate in a single sailing both heavy lift project cargo and dry