

# Point 2 Point



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## >> PUTTING TOGETHER THE PUZZLE IN ALGERIA



In the project cargo field, moving very big things is a common stock in trade. But UTC's global staff of project cargo specialists knows that the small details can make a project a success or a disaster. Nobody knows that better than UTC's Italian-based Stefano Comotto, whose work takes him throughout the Mediterranean basin and parts of the Middle East.

In recent months, working in coordination with Lennart Stridh in UTC's Rochelle Park, NJ, HQ offices in the US, Comotto has been coordinating the import and final deliveries of a complex array of power generation equipment for the expanding Algerian energy, oil, and gas industries.

The overall project includes 30 power units (44 tons each) and mobile control housings (25 tons/ea) from the US, mobile substations from Italy (66 tons/ea), generators (37 tons/ea) from the UK, diesel engines from France, and other parts sourced from Finland, Mexico, Egypt and the UAE," he explains. "Systems and subsystems are delivered to Algeria both via scheduled liner services as well as part charters.



"Some deliveries have come in as consolidated shipments -- others as individual units. One power unit and control house even arrived via Antonov heavy-lift aircraft, with Lennart handing that while I was at the Port of Mostaganem overseeing ocean deliveries. That illustrates how UTC's global office network and skilled staff work together to assure quality service for our customers.

"Moving shipments from ports to final destinations in Algeria has additional challenges: poorly equipped and congested ports; and narrow and poorly maintained roads leading from highways to remote job sites in the vast southern desert where expansion of Algeria's oil and gas fields is now underway. With the division of Sudan, Algeria is now Africa's largest country by surface area."

Comotto has been in the project forwarding business for almost 40 years. He's the 4th generation of his family in that field. As such, he has an encyclopedic knowledge of how to function in a "very bureaucratic" Algerian customs system, whose origins date back to early French colonial days. "I've found that adopting a friendly approach, treating staff with respect, and playing on their sense of pride often works far better than trying to issue orders," he observes.

"My French fluency is another asset few other local top managers have. I can communicate directly with everyone from longshoremen, crane operators and truck drivers, to the senior management of our clients."



Turnkey Project Services

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## >> UTC HELPS BRAZILIAN FIRM ICEC/CMI EXPAND WORLDWIDE



UTC Overseas, Inc.'s Project Division has established a deserved reputation as a major global project cargo service provider. Their growth in South America – especially in the dynamic Brazilian marketplace – illustrates the truly multi-national character of the industry.

The Brazilian firm ICEC and its subsidiary CMI, specialize in the construction of turnkey industrial projects for clients in such sectors as cement, steel and renewables. CMI's focus is the design and manufacture of over-sized steel structures and associated freight cargo, for a wide range of customers including petroleum giant Petrobras, mining specialists VALE and MMX, and ship-builder OSX.

Brazilian native Thiago Epiphanyo Pereira joined ICEC in 2006. Today he is a civil engineer, erection supervisor and international coordinator for CMI. "CMI has three industrial plants of its own in Brazil," he explains, "and we also outsource work to trusted partners in China and Korea, especially when the work involves over-dimension and particularly heavy items."

Mr. Pereira first went to China two years ago as a project man-

ager to oversee production of large steel structures with weights of 10-20,000 tons. He performs similar oversight in Korea for a project involving construction and transport of elements for a new Brazilian shipyard. "My responsibilities include vendor qualification, contract compliance, and manufacturing quality control for our management in Brazil.

"We began outsourcing in China in 2009. Our first activities were identifying and qualifying vendors who could meet the first-class quality standards demanded by our customers. Local mechanical engineer Mirko Zhang and our own team of Brazilian engineers have assembled a strong group of highly qualified manufacturers, allowing us to compete for worldwide projects based on quality standards and cost-effective bidding. This enables us to expand our horizons beyond just Brazil. While the concept of 'made in China' can sometimes be a concern for some of our customers, we have the confidence in our vendors to guarantee quality through our own systems, and verify it via independent inspections.

"Quality project cargo logistics services are essential to our ultimate success. The UTC Overseas offices in Brazil and China understand our needs and act in a proactive way. They deliver these massive units around the globe, safely, cost effectively and in accordance with project timetables. Simply loading these units without understanding their specialized requirements in both lifting and transit stowage can result in damage, insurance claims, delays, cost overruns and very unhappy clients. UTC always studies the projects we assign then well in advance, plans for every contingency, and has an unbroken track record of delivery without damages.

"ICEC and CMI are specialists in engineering and manufacturing. We recognize that the logistics process also needs to be handled by specialized firms with the skills, resources and commitment to service quality, safety and cost effectiveness we stress in our own business. UTC Overseas fulfills those standards completely. We're proud to have them as a service partner, playing an important role in our own success worldwide."

## >> UTC OVERSEAS EXPERT CHAIRS BREAK BULK SOUTH AMERICA PANEL



December 4th in Sao Paulo, Brazil.

Mirko Knezevic, Executive Vice President and Global Project Director for UTC Overseas, Inc. moderated a Breakbulk Americas Panel on Project Logistics and Community Relations, held

direct contact with government, can be more complex."

Knezevic, whose career with UTC has included eight years living in Brazil and managing projects throughout South and Central America, said these challenges have taken on a new importance in recent years with the sudden surge in large-scale projects in the vast Amazon basin.

"As countries like Brazil, Peru and Ecuador launch large-scale projects in hydro-electric, wind, petroleum production, and mining, we are increasingly moving major project components to very remote locations with little or no infrastructure. This often brings us into contact with remote villages and peoples. We need to be sensitive to their needs and concerns as part of our planning.

"In developed countries, structures and regulations for dealing with governments and communities in project logistics planning are a given," Knezevic observed. "In developing countries, however, moving large shipments through remote areas with minimal infrastructure, and where racial and ethnic populations have little

"There often is little or no government presence in these areas and the people can be distrustful of outsiders. They often do not understand the projects being undertaken or the potential benefits to themselves or the region. To help mitigate these frictions, we need to reach out to these groups and their leaders, listen to their

### Breakbulk SA Panel Continued

concerns, provide information, and respond proactively. "It may be something as simple as watering dirt roads to minimize dust from the transit of project vehicles. If there is a risk of damage to housing or community structures when moving large shipments through villages, we must be prepared to effect repairs immediately if needed. It may also involve the donation of resources to the community and the hiring of community members to provide needed project services.

"Developing countries are increasingly sensitive to the needs of their people. Brazil, for example has formed agencies to work with indigenous populations and monitor environmental issues. These agencies commonly interface directly with project owners.

"We can also minimize impacts as part of our planning. In the Amazon, for example, infrastructures are often primitive and roads can be impassable in the rainy season. As a result, we rely heavily on Amazon waterways to move shipments as close as possible to

interior destinations and limit overland transport to the final few miles. That in turn can reduce or eliminate potential impacts on rural communities."



Knezevic said the panel, including representatives of two shippers and a trucking firm with experience in the region, was well received by the audience. "There was a lively discussion after our talks. This is a relatively new area for project planners and one of great concern and interest."

## >> UTC OVERSEAS' EXPERT IS PART OF BALTIC MARKET PANEL



István Csépan, Hungarian Country Manager and Regional Manager for central and southeast Europe for the Project Division of UTC Overseas, Inc., was part of a recent panel of project cargo logistics experts analyzing the Baltic region market, including Russia and Eastern Europe. Joining Mr. Csépan on the Breakbulk Europe 2012

(Antwerp) panel were logistics experts representing manufacturers, customs brokers and logistics providers.

Csépan, who joined UTC in 2009, has extensive experience in project logistics management, both for major multi-national manufacturers and logistics service providers – a useful perspective for analyzing regional trends.

"The Baltics can best be described as a region in transition for project cargoes," he comments. "The shift to more open economies has also brought a flood of new providers, eager to sell their services, despite a lack of demonstrated experience or working relationships with tested and vetted third-party resource vendors.

"In the current economy, many manufacturing and engineering firms planning project cargo moves have limited staffs and may use logistics managers with limited experience. As a result, they sometimes lack the time or skills to thoroughly review all submissions, and make sure they are comparing 'apples to apples'. The often-costly temptation is to simply select the lowest bidder.

"Because UTC Overseas serves customers worldwide, we have established relationships with multi-national firms now expanding their Baltic networks. They choose providers based on personal relationships and trust. That, in turn, gives us the stability to serve their needs in this area and the market credibility to pursue new business opportunities. UTC is known as a logistics leader...one that can be trusted to deliver cost-effective and reliable services. "Much of our panel discussion at the conference focused on the

complexities of cross-border project cargo logistics in Russia and the Russian republics. It was agreed that solid partnerships with reliable brokers, knowledgeable in customs documentation and procedures is vital to success in that market. It is also vital that customs planning begin early in the process.

"UTC's growing global office network is a huge sales plus for us in serving the needs of our customers worldwide. We operate throughout North America and in South America, Europe (including Eastern Europe and the Balkans), Asia, and Australia. We have most recently opened offices in Baku, Azerbaijan and Pittsburgh, PA. That means UTC's skilled staff can work together to move cargoes across oceans and continents for our customers.

### > DID YOU KNOW – METHYL BROMIDE?

Debates about environmental protection regulations demonstrate that many of these issues are not black and white. In the case of a chemical called Methyl Bromide (MB), this is especially true. The US Environmental Protection Agency (EPA) recognizes that MB is an ozone-depleting substance. However, it is the only fumigant permitted for treating wood packaging materials used in international commerce. Without it, borders could be opened to non-native insects capable of massive damage to domestic trees, plants and crops. So, while EPA agrees that MB needs to be phased out, it is seeking exemptions, at least for the near term, to allow continued use in wood fumigation.

Wood used for pallets and bracing must be properly stamped to indicate it has undergone approved fumigation. Latest information about this issue can be found at the National Wooden Pallet (NWPCA) website, [www.palletcentral.com](http://www.palletcentral.com). (NOTE: NWPCA advises that while not all countries may be enforcing current rules, shippers should use compliant materials regardless of destination to avoid potential problems.)



Did You Know