# With an eye to growth: MRC celebrates the 10th anniversary of the first cargo

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This year the Multipurpose Reloading Complex in Ust-Luga celebrates the 10th anniversary since the first cargo operation. If we scroll all these years as a reel of film in fast forward mode, million tons of cargoes and thousands of vessels will float before our eyes; new super modern loaders, cranes, mobile conveyors will emerge as if out of thin air. We'll see how construction of the port has changed the region for the better. And a significant contribution to that was made by MRC. One of the most important results of the company's activity is the influence it has had on social and economic situation. How the company is growing, why there is no labour turnover and why a successful company would need social projects – these were the main topics of conversation with the managing director of the Multipurpose Reloading Complex Sergey Chelyadin.

— Sergey Valentinovich, let's remember how it all started. In December 2008 the first 42 railcars with 3 thousand tons of pig iron arrived to MRC's storage area. Results of the following years showed positive dynamics of development. At the stage of planning pig iron was chosen as the main cargo – 1.8 mln tons per year. The figure of 2012 was 2.9 mln tons, which meant that the company reached its projected annual cargo turnover – up to 3 mln tons. And then strange things started to happen: 2013 – 3.5 mln tons, 2017 – 5.5 mln tons. Are you up to further growth?

— According to Aristotle, life needs motion. Now we have practically reached the limit of the terminal's capacity and this year we are going to retain the volumes of 2017 – 5.5 mln tons. Next year we plan to handle 6 mln tons. And then we consider the possibility to increase our capacity up to 8 mln tons. It's a very ambitious goal and we'll be able to achieve it only on condition that the project proves feasible.

#### - But how will MRC increase its production capacities?

—By fundamental change of the terminal's railroad facilities. The main focus will be on the development of rail tracks in the loading/discharge area. We hope that this will increase the terminal's throughput capacity and will allow us to carry out quicker shunting operations and discharge. At the moment the designers are developing a comprehensive programme. It will include changes in the terminal's engineering system, ecological actions, construction of new water treatment facility, modernization of dust-suppression system.

— Improvement of performance always means investments in the company's development: new equipment, renewed infrastructure. Now the main cargo of the company is coal. When investing in the development, do you continue to count on this type of cargo?

— Initially the complex was constructed as a universal terminal. We can handle both general and loose cargoes. And we prefer to retain this flexibility rather than go into specialization. Philosophy of the terminal's development implies that at any given time we must be able to go back to flexibility and start handling pig iron, scrap metals, stone chippings.

#### - What of the latest acquisitions proved to be the most efficient?

— We have been involved in technical renewal programme for several years now. In 2016-2017 we spent 200 mln rbls for development of the terminal's production capacity. We purchased articulating cranes Liebherr, bucket loaders. We ordered the powerful crane "Vytyaz" to be able to switch to handling of metals, slabs. Every year equipment is upgraded, labour of dock workers becomes easier. Modern machinery is equipped with surveillance cameras. Lifting cabins and surveillance allow us not only to load/discharge railcars but also to avoid damage of railcars because the operator can see what's happening around him. In practice upgrading of the equipment resulted in reduction of vibration and noise loads on the operators of articulating cranes. The new equipment allowed the terminal to increase the intensity of cargo handling, enhance safety during loading-discharge operations and ensure growth of cargo turnover.

— As a result of 2017 the Multi-purpose Reloading Complex won the contest "Leader of the industry" organized by the Federal Agency of Sea and River transport in the nomination "Marine Stevedoring Company" and was marked by the Association of Sea Ports as the best stevedoring company. What gave occasion to such high opinions?

— It goes without saying that such high opinions which we received from the experts of the industry were caused by excellent performance results and successful realization of investment projects connected with renewal of equipment and port infrastructure. However this could never have happened without hard work of the company's personnel. It was due to high professional level of our employees in everyday tasks solution that MRC showed such a result. And I fully accredit our win to achievements of port workers.

— By the way, when the complex was constructed, there was no personnel in place. You invited tractor drivers from nearby regions, employed people from Kingisepp who had become unemployed because of staff reductions at the town-forming enterprise during crisis. And your company grew professionals by its own efforts, sent people for training. What is the current situation with the company's staff?

— The port of Ust-Luga which comprises 11 operators, including MRC, breathed life into the town of Kingisepp.

90% of the terminals' employees live in Kingisepp. The town has started to live a new life. The culture and mentality have definitely changed. Our staff is very united and I don't see any risks coming from the personnel. Labour turnover is very low – less than 1%. This means that people like working in our company.

#### - But how do you manage to achieve that - social policy, wages, labour environment?

— We have a good salary level. And our wages get indexed to inflation on a regular basis. Apart from that, the collective bargaining agreement envisages a whole package of compensations. The staff of MRC is well-adjusted though quite small in number – just 172 people. Many functions in the company have been given away to outsourcing. It's a correct approach and it works.

— From year to year one of the items on MRC's social agenda has been training. If the staff is as you say well-adjusted, what kind of training do professionals need?

— There are three branches of training. The first one is compulsory training. The employees have to pass competency assessment tests on a regular basis because their work is associated with increased danger. The second branch is for the people who want to upgrade their skills and grow professionally. For instance, our chief stevedore and controller are now getting higher education in "Makarovka" (The State University of Marine and River Fleet named after Admiral Makarov). If there is a vacancy, our existing specialists are the first ones to be invited. And people know it. The third branch is opening of jobs with new competencies. We try to react to market changes, to the demand to upgrade our operational activities, hence we open new jobs. For instance, the chief mechanic is now very much involved in automation of processes.

### — For many years now the significant part of MRC's social programme has been charity. One of the examples is financing of construction of Kingisepp family library. What does this project mean to you personally?

— I like Leo Tolstoy's words: "In order to believe in good deeds you should start doing them". Business in Russia has traditionally supported arts, culture, invested in the social sphere. We have agreed with the region's administration that we give targeted support: we discuss concrete objects of support and then agree upon volumes of financing. As far as our investments are concerned, we place the priority on the social projects being relevant also to our employees – citizens of Kingisepp. The town library meets all the modern standards of library services: it has both children's area and literature in electronic format.

— At the end of last year the regional authorities awarded to MRC a plaque "For the contribution to social and economic partnership". This was an excellent grade which the company got from Kingisepp region and Leningrad Oblast as the high appraisal of close cooperation in the important social initiatives. Will there be other joint projects?

Every year we discuss social actions which are mainly aimed at improvement of Kingisepp's people quality of life. Social responsibility is my principled stand. For us it is very important that the people of the region could be proud of the place where they live and could feel that they belong to the modern cultural space. This also includes positive changes in the town image, new construction activity. The library is just the start. Now we are considering new joint projects.

— Managing a company often includes involvement in activities which are not directly related to it. Not long ago you became the Board member of the Association of Sea Commercial Ports. It's a very important nomination which will help you advocate the interests of port business. What are you going to focus on in this new capacity?

Our business has one peculiar feature: we all are on friendly terms with each other. For us it's a normal state of things to come to the port and to show new technologies and implemented projects. It takes one phone call to get "Come over!" in return. We host our colleagues on a regular basis, we have nothing to hide. Want to share

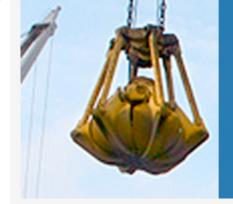
the achieved success? - You are most welcome! In the Association we discuss everything that worries the industry – from modern technologies of cargo handling to environmental issues, security requirements and cooperation with state authorities. The Association is primarily a venue for discussion of long-standing problems. There is a lot of pressing issues, and exchange of opinions helps us come up with a common, consolidated position of all stevedores.

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### CORPORATE BOOKLET



## **KEY FIGURES**

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