

Key developments

Services expansion, new routes



In 2023, FESCO continued to actively develop its range of services and became the first Russian company to launch a direct maritime service based on its own assets from ports in China and India to St Petersburg via the deep sea route (through the Suez Canal) without transshipment in European ports. The service, named FESCO Baltorient Line (FBOL), covers all major ports in China.



The FESCO Indian Line West (FIL-W) maritime service operating on the route between the Indian ports of Nhava Sheva and Mundra and Novorossiysk via the Suez Canal was launched. In the middle of the year, the Group increased its capacity by adding a second vessel, and in December, expanded its geography by connecting it through feeder lines with other ports in India, as well as with Pakistan and Bangladesh.



The Company launched the FESCO Egypt Direct Line (FEDL), a direct container shipping service operating between Russia and Africa, which directly connects Alexandria (Egypt) with Novorossiysk (Russia) without calling at transshipment ports. The service is primarily focused on the transportation of goods in refrigerated containers.



In 2023, the Group launched the FESCO Saint-Petersburg Kaliningrad Line (FSKL), its first domestic shipping service in the Baltic Basin, which connects St Petersburg and the Kaliningrad Region. The service provides residents and businesses in Russia's westernmost region with all necessary cargoes.



FESCO continued to expand its railway container transportation geography by launching more than 10 new routes, including those from Novorossiysk to Moscow, from St Petersburg to Krasnoyarsk and Yekaterinburg, and from Vladivostok to Irkutsk, etc.



In addition to traditional services, in 2023 FESCO introduced comprehensive logistics solutions for supply chain management in specific industries: FESCO Automotive for the automotive industry and FESCO Agro for the agricultural sector.



To develop import and export railway transportation in Belarus, the Group established a subsidiary company in Minsk. Another subsidiary was set up in Turkey, with its head office in Mersin. The Company provides a full range of transportation and logistics services with a focus on project cargo transportation.

FESCO improved key operational indicators across all core business segments

The Group achieved record container cargo handling volumes in the Port of Vladivostok, reaching its all-time high of **859 thousand TEU**. For four consecutive years, the Port of Vladivostok has maintained its leadership in container handling in Russia.

International shipping increased by **23%**, reaching **419 thousand TEU** thanks to active commercial efforts and the launch of new routes.

Domestic maritime transportation went up by **24%**, totalling **105 thousand TEU**.

Intermodal transportation increased by **23%** to **625 thousand TEU**.

To broaden its transportation geography and support core operations, in 2023, the Group continued to expand its core assets.

To meet the new challenges, FESCO significantly expanded and updated its fleet. Specifically for its deep sea FBOL service, the Group constructed a series of six modern container vessels with a capacity of **2,471 TEU** each at a shipyard in China. Five vessels commenced operations in 2023, while the remaining one will join in 2024. Additionally, three container vessels were acquired to expand maritime transportation on domestic routes and in the Black Sea.

FESCO expanded the container fleet to its new historical high of **170 thousand TEU**. By the end of 2023, the number of refrigerated containers operated by Dalreftrans reached almost **5 thousand** units for the first time ever, and the Group operated over **13 thousand** fitting platforms.

Thanks to the Group's strong operational performance and strengthened market leadership in container transportation, NCR LLC upgraded FESCO's long-term credit rating from BBB+ to A, with a positive outlook.