The Baltics: Europe's Eastern Flank

Paldiski Northern Port: Estonia's defense logistics gateway to Northern Europe



Paldiski Northern Port (aerial) – strategic positioning at the heart of Nordic-Baltic logistics infrastructure

“ For EU policymakers evaluating Baltic logistics, Paldiski presents a straightforward value proposition: NATO approval, proven handling experience, and expansion capacity. ”

When Finland and Sweden joined NATO, the Baltic Sea transformed from a geographic feature into a strategic corridor. Defense planners across Europe are now rethinking supply chains, looking for infrastructure that can move military equipment efficiently between member states. Paldiski Northern Port in Estonia is positioning itself as the answer.

Located about 42 nautical miles from Finland and about 154 nautical miles from Sweden, the port sits at the centre of the Nordic-Baltic defense network. "We are right in the centre of all these countries and we are very nicely connected with all of them," says Aleksandr Kovaljov, CEO and board member at Paldiski Northern Port. "Paldiski can be a very important point in the defense supply chain in the Baltic, not only the Baltic states but including Finland and Sweden."

The port's credentials go beyond geography. Paldiski is ice-free year-round due to strong currents and natural depth, eliminating the seasonal constraints that affect other Baltic ports. Ships have direct access to the harbor without approach channels, allowing captains to adjust entry based on weather conditions, railway access, road access and even air access."

Proven operations

Paldiski isn't theoretical infrastructure. The port has handled commercial heavy machinery exceeding 50 tons for years, experience that translates directly to military equipment. NATO has inspected and approved the facility multiple times as a port of entry for defense materials, including tanks, armoured vehicles, and explosives.

Two years ago, the port hosted Danish Military Logistics Reconnaissance Exercise performed by Logistic Regiment of Support Battalion from Denmark for a major training. "We got a letter of appreciation from the commander of the training due to our conduct and support," Kovaljov says. "More than 50 officers participated." Thereafter the port has been inspected by British Army Divers. Finnish forces have also used Paldiski as an entry point for Baltic military exercises.

The port operates a free economic zone, offering commercial flexibility that state-owned facilities typically cannot match. A daily ferry service operated by DFDS runs between Paldiski and Kapellskär in Sweden, completing round trips within 24 hours. "That allows us to be very flexible in logistics," Kovaljov says. "We are capable to provide our services as a port and also as a hub."

Private ownership, military focus

In 2025, PNP Investment Management Fund, registered on the Luxembourg stock exchange, acquired Paldiski. The private ownership structure has opened the port to foreign capital while accelerating decision-making. "We should not ask for permission from the top," Kovaljov explains. "If we see that we can be useful and we can do that, we just do it. We are making decisions and going straight forward to assist our customers, military people, navy people."

The port is now in discussions with a UK company licensed by the British government to trade and handle highly explosive materials including TNT and C4. Paldiski has designated storage areas surrounded by solid rock formations exceeding 10 meters in height. The site is positioned so that any explosion would direct the blast wave toward the sea, away from port site and populated areas. "This gives us a unique possibility to store these products at our harbor even for longer periods," Kovaljov says, "and to provide good distribution using the logistic opportunities of the harbor either by railway delivery or delivery by trucks."

Expansion plans

Paldiski has already secured approvals from local authorities, the climate ministry, and the environment ministry to extend its shoreline, build new terminals, and develop shore compounds. The port can also accommodate manufacturing facilities. "The only thing we need is customers who are looking for strategic location and efficient management, very quick in making decisions," Kovaljov says. "We are open for commercial clients and also for military customers."

The ideal defense clients include European defense manufacturers, exporters, and logistics providers seeking a central Baltic hub. With Sweden and Finland now NATO members, the regional security architecture has shifted. Equipment that once moved through fragmented national networks now requires integrated logistics. Paldiski offers the infrastructure, the approvals, and the operational flexibility to support that integration.



Aleksandr Kovaljov, CEO of Paldiski Northern Port, receives memorable coat of arms of Danish batallion from Commander Officer Christian Nielsen

The case for Paldiski

For EU policymakers and defense executives evaluating Baltic logistics, Paldiski presents a straightforward value proposition. The port combines natural advantages with purpose-built infrastructure. It has NATO approval, proven handling experience, and expansion capacity. Private ownership means faster decision cycles than state-run alternatives.

"We are a trustful and capable company which is not afraid of any challenges," Kovaljov says. "We like challenges and we always reach our goals. We are quick, efficient, cost efficient, and management efficient."

The Nordic-Baltic region now operates under a unified defense framework for the first time in decades. Infrastructure that can move equipment between member states efficiently will determine how effectively that framework functions in practice. Paldiski Northern Port is built for exactly that role.

For defense planners mapping supply routes, manufacturers seeking export channels, or investors evaluating Baltic infrastructure, the message from Paldiski is direct: the port is operational, approved, and ready. As Kovaljov puts it, "Just knock on our door."

Strategic Location • Proven Capability • NATO-Approved Infrastructure
www.portofpaldiski.ee
www.pnpfund.lu

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Discover Paldiski Port.

Paldiski NORTHERN PORT

PNP Investment Management