



TransBaltic scenarios and foresight 2030

Foresight debates

July 2010





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1 Introduction

Region Västerbotten, as work package leader for the TransBaltic work package 3, has committed Tetraplan to develop scenario descriptions and monitor the foresight process for 5 foresight debates during the spring of 2010, concerning TransBaltic task 3.3: The Baltic Sea Region intermodal transport foresight process.

The work includes applying a foresight method through a participatory process involving stakeholders in order to develop concerted visions of the future of transport in the Baltic Sea Region and development paths to obtain these visions.

The project includes following three work tasks:

- Creating scenarios
- Moderating 5 debates on the future visions
- Report on the results

4 Moderating debates

The foresight process in task 3.3 was organized by means of 5 participatory debates, where stakeholders from different areas were invited to take active part in the discussions about the future of the freight transports in the TransBaltic area. Region Västerbotten prepared and organised the debates, selected the invitees and ensured their participation. The consultant moderated the debates and participated in the interactive discussions about the scenarios.

The debates were arranged in an even distribution across the Baltic Sea Region, with the inaugurating debate held in mid-March Malmö, Sweden in connection with the TransBaltic Conference 2010.

The outcome of the debates was different scenarios for 2030, which the stakeholders in general could agree to. Following each of the debates, a short summary on the outcome of the debates was produced, which then was taken forward to the next debate and presented there.

4.1 Introduction to the Gateway Scenario

The Gateway Scenario places BSR as a vital link in the European trade with Russia and Asia, and hereby strengthens the BSR role as the gateway to and from Europe for Russia and the countries in East Asia. Further the BSR is also the gateway between all parts of the Baltic Sea Region and the rest of Europe. The trade development within the BSR is also a vital part of this scenario, whereas the gateway function serves as the base for connection of all parts of the Baltic Sea Region.

There are a number of hubs in the BSR with excellent hinterland connections both rail and road, in order to handle the large transport volumes expected. Further the Motorways of the Sea are developed in order to create a network across the Baltic Sea, connecting the different parts of the whole Baltic Sea Region and thereby offering the Gateway function.

The scenario does not take into account the sustainability of the whole transport system in the region, as it is more focussed on the growth in trade between Russian and Europe as well as between East Asia and Europe, via the BSR Gateway. Some parts of the system will be sustainable, whereas others, mainly on the Eastern parts of the region, will not have reached a very high level of sustainability in the system. Here the focus is more on attaining better infrastructure conditions on both rail and road, as well as on issues as safety and security in the transport chain.

Through different landbridge connections the BSR is the connecting node for large traffic volumes. The landbridge connections are mainly rail and road corridors between East Asia and BSR, in order to facilitate the trade development by offering the shorter routes on land as competitive alternatives to the long sea route.

Further the Gateway Scenario includes the Arctic sub-scenario, where it is also expected that the North Sea Route will be available for traffic during a longer navigable season compared with today, and thereby shortening the sea route between East Asia and Europe considerably. This is further described below. This also means that sustainability is not as much in focus, as the main reason for longer navigability is climate change.

As an introduction to the debate about the Gateway Scenario, Wang Peng who works in the R&D department of the Chinese shipping company COSCO elaborated on the land-bridge between Asia and Europe at the TransBaltic Conference 2010. The Trans Siberian railway from Vostochny to the border of Finland, takes 11 days, and the transport rates are high (2-3 times of the cost compared to sea way) and the infrastructure is busy. COSCO sent their first container train started from Lianyungang in October 2007 and it arrived in Moscow 15 days later. The Lianyungang-Moscow international container train uses the 8,301 km route via Kazakhstan and the trip takes 16 days, which is 20 days less than the sea way and 10 days less than via the Trans Siberian railway.

Some obstacles for the Europe-Asia Continental Land Bridge:

- High cost (2-3 times of the cost compared to sea way)
- Longer transport time due to customs procedures etc.
- Imbalance of the cargo (cost of unnecessary empty return of containers)
- Safety of the cargo
- Shortage of cargo tracing information service

Therefore it necessary to create smooth transport systems on the Asia-Europe Continental corridor by:

- Efficient customs procedures based on ITS
- Coordinated inspection systems, based on risk, taking into account companies with good records
- Acceptable level of congestion on roads
- Attractive international train paths
- No congestion at intermodal nodes

Kirsi-Maarit Poljatschenko, General Manager of the shipping line Hyundai Merchant Marine Ltd talked about Container Shipping Today at the TransBaltic Conference 2010. As much as 70% of Russia's incoming cargo arrives at Baltic ports. The global shipping lines are planning for the future and the global order book for new capacity reads 732 vessels

and 4.5 million TEU capacities (which is comparable to some 35% of the existing total fleet). The order book contains different vessel sizes, but 242 vessels in the pipeline are >7,500 TEU each (with 2.5 million TEU capacities).

In 2009 a total of 400,000 TEU of vessel capacity was scrapped. The key word is still uncertainty – in 2009 basically no new vessel orders were placed and many of existing orders were deferred. Another interesting fact is that between October 2009 and February 2010 container freight rates increased by 38% (source: Clarkson). What will we see in the future - larger vessels, less frequency, slow steaming and other efforts to reduce costs, maybe further mergers of shipping lines? Another idea would be joint hub arrangements in order to reduce sub optimisation in the separate organisations.

Gateway & National Competition: ports versus ports are not only about geography, it is also about politics. Some ports are natural gateways – some can be made into gateway hubs. Russia will set the speed on which gateways and hubs that will be important for Russia in the future and the Russian middle class will set the volume by their selection of products.

Who decides which gateway to use? – The hierarchy in logistics decision making is complex.

Domestic Competition: ports versus ports are also about politics, not only geography. Port organizations are looking for means for efficiency and this means survival of the fittest. Where to do sales work and whom to promote port services? There will probably be collaboration across the country borders in the BSR and the tendency towards this can already be seen, in order to promote different Motorways of the Sea etc.

Signals, trends and wild cards towards more Green Shipping, and the environmental aspect is being utilized for better economy, but also for investor relations and PR. Environmental actions and plans of companies must be manifested in a standardized way and this cannot be overlooked by any global player in the Shipping business in the future. One mean for greener shipping is slow steaming for reducing the fuel cost, but also for reducing the emissions. Will the consumers' 'learning curve' change and how selective will they be in the future? What about the professional buyers' selection criteria? The social media such as facebook has something to say, and can be a powerful force for the future generations.

4.1.1 The Arctic sub-scenario

As an introduction to the debate about the Arctic scenario, some researchers and experts informed about their findings within the TransBaltic Conference 2010. Vladimir Semenov from the A. M. Obukov Institute of Atmospheric Physics, Russian Academy of Science in Moscow, Russia presented his findings after simulation of the arctic sea ice, following satellite data observations over the past 30 years and using different models in order to simulate the estimated navigation season length along the Northern Sea Route (NSR) for the 21st century.

Navigation season length was defined as the number of days with free passage through the whole route. They analyzed 30% and 50% sea ice concentration as threshold for the potential navigation. Simulations show prolongation of the NSR navigation season with

about 4-5 months of free passage by the end of the 21st century. The navigation season was in 1985 some 30 days and is now some 45 days. In the summer of 2007, the North-west Passage was ice-free and navigable over its entire length for the first time during the whole period of satellite observations.

Development of the Arctic marine navigation in the coming decades will be mainly driven by exploration of oil and gas fields in the Arctic Shelf. Melting Arctic ice will make easier transit traffic through the Northern Passages. The increase of marine navigation season may significantly reduce expenses for icebreaker escort and ice reinforcement for cargo ships, shorten mean shipping time and diminish the risks. This will result in increased reliability and decreased transit traffic cost which may significantly raise a commercial attraction of the Arctic transportation compared to the Suez or Panama Canals. Besides, given the current growth of world marine transportation (6% per year), capacity limits for both the Suez and Panama Canals may be reached by the middle of the century.

- Simulations show prolongation of the NSR navigation season with about 4-5 months of free passage by the end of 21st century according to A1B scenario.
- Economical benefit from the Arctic transportation may become competitive to the traditional Europe-Asia routes through the Suez or Panama Canals by the middle of the 21st century
- According to the model estimates, the year-round transit cost from Western Europe to the Far East through the NSR may be 15% lower, in comparison with transit through the Suez Canal, by the end of the 21st century.
- To make use of the NSR potential, however, a considerable modernization of the Arctic transport system and construction of new ice reinforced container ships is required.

Another interesting presentation was made by Jerome Verny, Associate Professor (transport/logistics), Rouen Business School in France. He won the International young researcher award from International Transport Forum – ITF in 2009. He elaborated around container shipping on the Northern Sea Route.

Containerized freight transported on shipping lanes Asia – Europe reached 21.6 million TEU in 2008 (30% of globally shipped containers) and Hamburg Institute of International Economics (HWWI) estimates:

- Annual growth rate of 5-6 % between 2008 and 2015
- Annual growth rate of 2-4 % between 2015 and 2030

The Northern Sea Route is 7,700 nautical miles and this takes 18-20 days. The Royal Route via the Suez Canal is 10,200 nautical miles and takes 28-30 days.

At the same time the European economic centre of gravity is moving towards the Eastern European countries and this could lead to a large potential for the Baltic Sea region in

connecting the Northern Sea Route via the large Russian Arctic ports. Hereby the BSR could serve both internal and intercontinental flows.

Mårten Edberg from Region Västerbotten in Sweden presented some interesting facts about the Barents Region throughout the series of debates. The Barents region includes the following regions:

- Norway: Nordland, Troms and Finnmark
- Sweden: Västerbotten and Norrbotten
- Finland: Kainuu, Oulu and Lapland
- Russia: Murmansk, Karelia, Archangelsk, Komi and Nenets

There are some 5 million people living in the region and the population density is 3.2 per km². The largest cities are situated in Northwestern Russia, namely Archangelsk with 348,000 inhabitants; Murmansk with 311,000; Petrozavodsk with 271,000; Syktyvkar with 233,000; and Severodvinsk with 189,000 inhabitants.

The Barents region has vast resources and a large number of the mines in Europe are situated in the region. Sweden and Finland together account for 88% of the production of iron ore in Europe – 28 million tons annually. Another interesting fact is that Sweden and Finland account for 52% of the gold production in the EU, with some 22 tons per year. There are also large findings of Copper, Zinc, Lead and Silver.

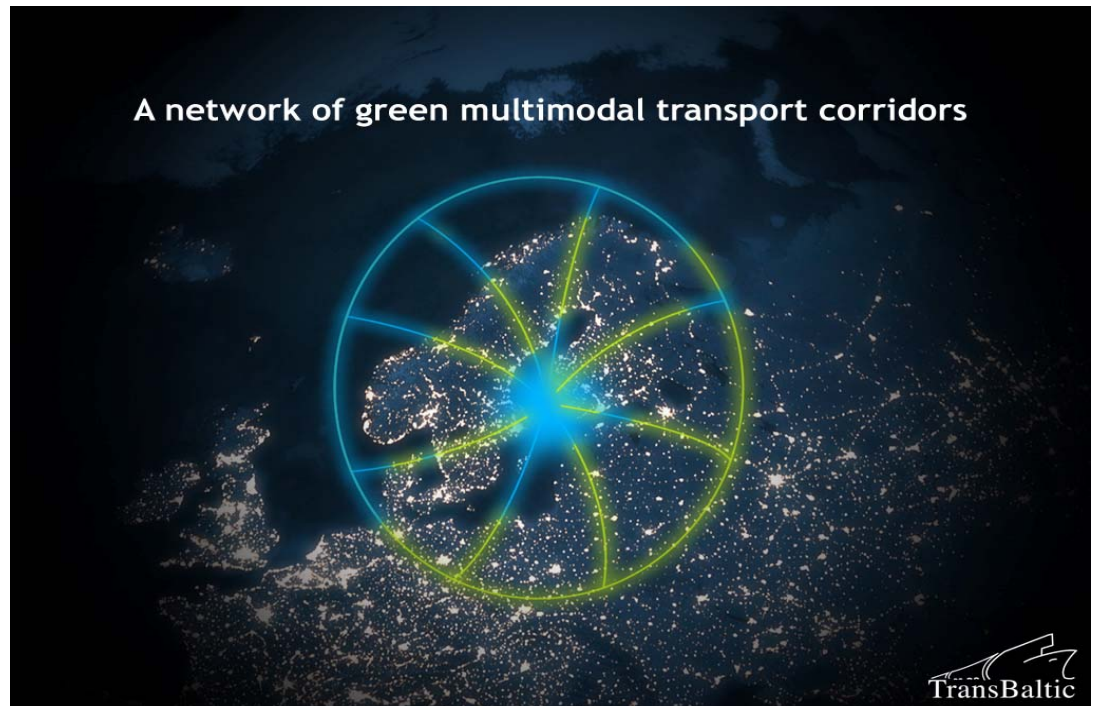
The raw materials need to be transported towards the processing industry and then onto the largest markets, mainly in Western Europe, whereas the markets in the Eastern Europe are growing. This means that the North-South landbridge connections between the Barents Area and the Central parts of Europe are vital to support the industry in Europe.

The East-West landbridge connections are also vital in order to support the growing trade with Russia and beyond and here BSR can play a vital role as Gateway for Europe. Some 70% of the Russian import is transported via Baltic ports and also large parts of the export.

4.2 Introduction to the Green Scenario

The Green Scenario has sustainability of the transport system in focus and this means in all aspects of sustainability, namely economical, environmental and societal. In order to meet the different targets set as regards the reduction of Green House Gas emissions, where the transport system has a large share of the emissions, it is vital to have sustainability as the leading star for the development of the future transport system. The EU goal of 20-20-20, and the further goal of 80% reduction in GHG emissions of developed countries by 2050 calls for action already now.

The EU regulations and rules of the EU neighbouring countries lay ground for developing a network of green multimodal transport corridors as a priority network in the BSR (corresponding to present TEN-T network).



Green means that the system should strive for being climate neutral. Green Corridors are developed, as base for the Green Scenario and these corridors are based on:

- Sustainable logistic solutions
- Co-modality
- Harmonised system of rules
- Concentration of freight flows
- Efficient transshipment points
- Platform for innovation

Menno M. Menist, Managing Director NEA Transport research and training in The Netherlands elaborated on Green Corridors during the TransBaltic Conference 2010. Some of the main features of a green corridor are safety standards; green and safe should go hand in hand. The green corridor should emphasis a continuous improvement program on the corridor reducing accidents and casualties, whereby accidents are monitored for each mode. There is a need for good infrastructure as well as requirements on vehicles

and staff. Standardisation is important as well as reducing language barriers. There should be sufficient resting facilities along the corridor.

What makes a corridor a green corridor is the use of green alternatives and green techniques within the different modes. Further it is vital with efficient transport within the modes: efficiency and sustainability are not opposing objectives. The corridor should have high safety standards and reliable transport times

Green alternatives are supporting co-modality. It is also important to de-rush transport needs and as an example can be mentioned, the use of sensors to plan the need for deliveries at an early stage. There should also be a supporting policy in pricing, as internalisation of externalities. Another important issue are agreements once deciding for new investments.

Menno Menist concluded that transport will continue to grow and should - for economic reasons - be facilitated. It is a challenge to separate transport from its external effects and Green corridors are the right answer to this challenge. Each modality has its own role in the green corridor.

4.3 TransBaltic Conference 2010 Foresight Debate 17-18/03/2010

The TransBaltic Conference 2010 took place in Malmö on 17th and 18th of March 2010, and as a part of the agenda, the first set of foresight debates took place. The headlines of the discussions were the Green Scenario and the Arctic Scenario and some 50 people participated in the debates.

4.3.1 Comments on the Green Scenario

The population will probably not increase in the BSR, but there will be a decrease in the West, whereas there will be an increase in the eastern parts of the BSR. Migration towards urban areas will continue, thereby challenging the large rural areas in the region. The inhabitants in the BSR will all be more environmentally aware and therefore easier to persuade to think about and demand greening of transport. Consumer awareness will make a difference in the future.

A spatially balanced development is therefore needed. The infrastructure investments should mainly focus on the eastern parts where there is a much larger need for upgrading as well as investing in new infrastructure, in order to ensure an equal standard as in the Western parts.

The green scenario calls for green multimodal transport corridors in a priority network in the region.

A green scenario will require a spatially balanced development. Administrative obstacles are gone on border crossings. The main North - South corridors are completed. Multimodal hubs will be really important and are running efficiently. Administrative obstacles are removed, procedures are harmonized. There is increased transparency in logistics chains. The modal shares of rail, IWW and SSS have increased. GHG emissions have been reduced. The logistic chains are operating more efficiently.

4.3.2 Comments on the Arctic Scenario

The Arctic Scenario discussions resulted in only a few believers that the North East Passage really could make a difference in the near future of 2030, as it would call for large investments and still not be open for more than a small part of the year. The northern route is more likely to be used for the raw material markets in the Barents region.

The use of the Northern Sea Route is dependent on the flexibility of shipping companies. Russian politics will be a main factor. The North-West passage can be part of a solution, but there is a stronger belief that this will emerge around 2050 as 2030 is quite close. Investments and competing structures are important. The NSR is an additional solution for BSR.

The lack of capacity on the Transsiberian railway could lead to an earlier investment in the NSR. The Arctic passage will lead to larger concentration of cargo in Baltic ports, and this calls for larger investments in the ports and the hinterland connections. Legal status of the passage will have to be established.

The usability of the Northern passage depends on the pace of climate change in the years to come. Perhaps that doesn't come until the end of this century. In order for the Arctic Passage to be feasible, there is a need for expensive transport infrastructure on the route and legal status should be settled.

As a result of this debate, it was decided to shift to a Gateway Scenario, including the Arctic as a sub-scenario, in the following debates.

4.4 South Baltic Foresight Debate 30/03/2010

The focus of the participants of the Southeast foresight debate was mainly in their own part of the BSR and issues as border crossing with non-EU countries were high on the agenda. Unified political action was called for, especially between Russia and EU, in order to suppress the border problematic. The infrastructural and administrative bottlenecks need to be solved. The middleclass in Russia is getting richer and this will lead to increased consumption and thereby also larger transport volumes to be handled. These consumers will drive the economy.

There is a need to develop intermodal transports and this means both ports and the hinterland connections. In Lithuania public logistics centres are created for international transports and trade. These will have open access and private companies will be invited

to build their own warehouses within the centre. In these centres the transit traffic will also be consolidated and value-added services will be created in order to gain market shares.

Good connections with neighbouring countries are necessary for the development and Rail Baltica is a project to support this. There were, however, comments that there are no large transport flows in the north-south direction in the Baltic countries, so it will mainly be used for passenger transport.

4.4.1 Comments on the Green Scenario

There are 3 solutions for the green scenario – investments, harmonisation and business concepts (some incentives needed).

We need to go for the next practice and be a real forerunner, taking the lead towards the Green Scenario. In 2030 network of Green Corridors has been established and there will be new commercial concepts for rail on Rail Baltica. There is a need to develop intermodal transports with open access logistic centres. In Southern Baltic, the aim should be to concentrate on developing the ports and the hinterland connections. However, the sulphur directive will possibly counteract good development of ports and increase lorry traffic. The future foresees less competition and more cooperation, higher environmental awareness, yet slow progress. The decision making processes will be more efficient in the future.

Bottlenecks can be of infrastructure character or administrative and must be solved. The soft barriers dominate the picture. Border crossing problems, unification of political acts between the countries - Russia and EU Member States - must be prioritised. The cooperation with Eastern partners will increase, as the border barriers will cease. BSR must be well-connected with the neighbouring countries for the development.

Transit will be green, fast and cheap. This will be done through limitation from the government - or steering mechanisms to use green transports. For example discount on taxes for green transports. The trade with the Northern part of Russia will increase and so will the use the Viking train to Odessa and onwards to Turkey. There is a strong believe in finding more cargo in the Nordic countries that can use this route, via Klaipeda and Viking.

Rich people are driving the economy - the population will be wealthier and the demand for transport will increase. The increase of consumption in Russia will have major impact on transport and there is a need to increase access to the global market and global logistics chains. There will be more Chinese investments in Europe and between China and Europe.

4.4.2 Comments on the Gateway Scenario

St. Peterburg will play a key role in the Southern Baltic. The cargo owners create demand and supply. Russia will still keep a very strong position in sea and rail transport. More

hubs are anticipated determined by decisions of global investors (e.g. case of Gdansk DHT container terminal with Australian capital). Gdansk and Gdynia ports are investing in infrastructure to increase cargo flow with Asia. The ports that can attract operators, and have a good strategic location in connection to the market, and have good hinterland connection, will be the winners.

Russia will still be in the focus as a rich source of raw materials and they will be focused on their priorities and security. The centralisation in Russia will still be strong and controlled by Moscow. The road system in Russia is quite weak and there are safety issues. Archangelsk will be developed very strongly because it is better connected, also than St. Petersburg. Kaliningrad has problems with transit. Today's situation in Kaliningrad is complicated due to political matters.

All Russian cargo flows will go through Russian ports and Kaliningrad will more be used for the local market. The importance of Odessa will increase. The growing middle class in Russia and China will be drivers for transport flows – but which routes will be used? The future routing (Arctic Sea, oceanic shipping and landbridge) is depending on the price differences and scale of restrictions but the first actor will have strong influence on the future developments.

4.5 North West Russia Foresight Debate 29/04/2010

The third foresight debate took place in St. Petersburg on 29 April with more than 50 participants; where of the majority were Russian. The debates were very lively and there were many interesting facts presented by the participants during the day. In the North-Western parts of Russia the main focus is on better infrastructure both on rail and road, as well as safety and security issues. Green transport is not yet on the agenda.

The Russian youth is looking at their European equivalent and wish for mobility, and that is something that is harder to come by in Russia. The middleclass is increasing heavily and this means that they will be in the lead on decision making, by choosing what they want to buy in the future. This calls for further import of a variety of goods and here the border issues are vital to solve. Harmonisation of national transport legislation, and improvement and unification of border-crossing procedures and rules are therefore a very important goal, in order to ease the way for the future trade volumes.

4.5.1 Comments from the Scenario debates

Green corridors are quite sophisticated and complex (not one component only). In North-West Russia many important minerals and materials are being produced. Green corridors are more than CO₂ and other emissions – also safety, security need to be considered. Problems with piracy and terrorism must be taken into consideration. ITS/ICT systems must be harmonized and so must legislation – all with the aim of a sustainable Baltic Sea Region. Transport safety is getting more and more important after terrorist attacks and similar activities. It is necessary to have an intact logistics chain and a common safety standard. A standard doesn't guarantee full protection against threats – there are no guarantees of safety. Is it as simple as implementing the same standards in all countries?

The transport system is a question of supply and demand. A corridor should be stable and sustainable, no matter the economical fluxuations. Global corridor/vessel capacities are overloaded. There is not one single hub in the North Sea in the moment – all in the Mediterranean Sea so why should there be many hubs in the Baltic Sea? Corridors promote speedy transports and logistics. Mental barriers must be removed. Chinese shipping companies will survive the crisis.

St Petersburg will never be a hub according to the business/private sector, although there have been trials with ocean-line service South-America – St Petersburg without going through other ports.

Where are the bottlenecks today and can they be removed? Custom procedures are bottlenecks, no question about it. More focus on the consumer instead of the producer. The business companies prefer a free market to a market restricted by administrative obstacles.

4.6 Central Baltic Foresight Debate 18/05/2010

The Central Baltic area is dominated by metropolitan areas and capitals and this brings complexity and requires local and regional institutional frameworks for interregional and EU-related cooperation. In Sweden there is a new institutional framework as from April 2010, with the Swedish Transport Administration (Trafikverket). The Stockholm-Mälarenregion is not a self-governing region as for example Skåne Region and Västra Götaland Region and recently transport issues were transferred from the regional planning office to the public transport department in the Stockholm Region, SL.

With the above as background, the foresight debate in the Central Baltic Region was not as well-visited as anticipated, when looking at the number of inhabitants in this part of the BSR.

Olli Keinänen, Deputy Head of International Relation of the City of Helsinki presented the findings of the projects Baltic Palette I (1999-2000) and II (2001-2004). During the projects the maritime and road transports were priorities and the metropolitan scale dominated.



The Baltic Palette region was commonly known as the “Baltic C”, referring to the shape of the unified region, its location around the Baltic Sea and its reputation as a region of connectivity, creativity, contacts and competence. The Baltic Palette resulted in agreement of cooperation with dynamic relationships and a permanent joint committee and secretariat, but unfortunately this has not been developed thereafter.

4.6.1 Comments on the Green Scenario

One trend is that there will be fewer corridors with more and more traffic, logistic centres will move closer to the market. There will be a need for more hubs, connecting rail/sea links/routes to road transport for last mile transportation. Bigger, multifunctional ports will be seen.

The transport will not only be market driven but also consumer driven. Concentration of flows (and economical activity) will support the thoughts on transport corridors. Centralisation, concentration and development of corridors go hand in hand. The internalisation of external costs will be an important driver.

More transport and greener transport at the same time – that is the challenge. But the challenge could be solved with clear regulations. The market adjusts to regulations as long as the market knows what is expected - level playing field that is the same over time. The problem with this solution is the present weak leadership. There is a need for management and leadership at EU, national and regional level, with market driven solutions.

Another important matter is the need for education measures towards green solutions. For example, disseminate the success story of the Port of Gothenburg in development of rail freight services to connect to the hinterland.

Another important issue is to develop good terminals with open access to all actors. There will also be certification and product labelling of terminals and other services.

4.6.2 Comments on the Gateway Scenario

St Petersburg's port will be the port for intercontinental flows. Russia sets the rules for intercontinental landbridge flows. Asia will soon "discover" the environmental crisis and there will be stronger growth in India than in China, as the latter is entering the manufacturing phase.

The future of hubs is depending of the foreign policies of the Baltic States and Russia (political matters), while in the Western parts of the BSR the market decides. New capacities in the Baltic States are purchased by Russian companies (quays, terminals etc.), as Russia does not have enough capacity for serving cargo through domestic ports. The trend is that there will be a division, so that domestic Russian cargo will go through domestic ports, while transit cargo will go through Baltic States' ports.

The Transsiberian Railway and the railway link from Western China via Kazakhstan will complement each other; especially as the Eastern part of the Transsib is heavily loaded with Chinese-Russian cargo. The highly competitive situation will prevail and Central Baltic ports will be in fierce competition, but may not be winners in fight for new intercontinental flows. Central Baltic ports will have to find niches and develop hinterland connections, and at the same time there are reasons to cooperate, e.g. harmonization of regulatory framework to develop the transport market as a whole or in order to create same service standards to offer to the market. Private investments are needed.

4.7 North Baltic Foresight Debate 31/05/2010

The fifth and concluding debate was held in Norwegian Bodø and there the focus was much more on the Barents region and the activities to enhance the northern part of the BSR. This part of the region is very rich on minerals and actually accounts for large parts of the total raw material market in Europe. There was also a larger interest in the Arctic Scenario.

The Northern Sea Route will not be viable for all kinds of goods, some important cargo types will prevail. It is mostly a question of building slighter stronger ships – and that is not rocket science. The ports in northern Russia could also be interesting – Murmansk and Archangelsk, but there is a need for new port infrastructure. There aren't too many ports in the BSR, but there is large competition between them.

The future freight corridors are also depending on politics – and the political agenda in China, Kazakhstan and Russia will set the rules. Eastern Europe will continue to grow and thereby consume and produce more. The flows will depend on the market.

With the large amount of raw material in the north, the processing industry should move closer and thereby reducing the vast transports of raw material through the congested

areas in Europe. But, there is one important shortcoming for this, the lack of qualified labour in the very thinly populated areas of the northern BSR.

The East-West corridors are very interesting and have many opportunities, but there is a need for a common strategy on this. Environmental factors need to enter in reality and steering by taxes and fees are important to overcome this. Certification and continuous standards are also important, in order to get better functionality out of the system.