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The intergraded transport system in the Baltic Sea region – the transit role of Latvia

Photo: Riga's Transport and Telecommunication Institute

Getting connected

The transport sector should be perceived as a whole, rather than separate industries and logistics connections. Still the transport network in the EU must not only be united, but also green, as the environmentally friendly approach hits the big time. The TransBaltic Stakeholders Debate, held in Riga on 14th of September, was devoted to the holistic and green development of European transport, with special attention to the transit role of Riga.

A major part of the TransBaltic work is dedicated to investigate "The BSR as a transport gateway area". A subtask in this investigation is to perform "Forecasts and scenarios for BSR corridor flows" by the modelling of traffic flows. The forecast includes a projection of transcontinental flows between and through the BSR to/from the Far East, Central Asia and Russia considering their possible freight volumes, collection/distribution regions and physical routes. In this context TransBaltic arranged a debate in Riga to discuss the importance of Latvia's transit role.

The main goal of the new EU transport policy is aimed at creating a system that supports the development of the European economy, increases competitiveness, provides high quality mobility services, but which at the same time uses existing resources more effectively. Also the European Commission's position on the future of transport planning is clear – transport is viewed as a basic necessity in the context of other priorities or sectors. The transport network should serve as the backbone for overall development – the better and healthier it is, the overall condition of the organism is better, too.

Three main trends in transport and logistics in the BSR, as pointed out by Igor Kabashkin, president of Riga's Transport and Telecommunications Institute, are globalization (the BSR as a gateway for global freight transport), regionalization and unification (documents, services, procedures and so forth).

The mentioned tendencies are facing several problems, like the difficulty to alter the mindset of politicians (the so-called "administrative bottlenecks" along with the clash between political and economic agendas), troubling legislation, environment and safety issues (i.e. to what extent a corridor can be made green and secure and yet yield profits), along with customs and border crossing nuisances. Despite these difficulties, the BSR can be a future logistics and distribution centre (or a web of such centres), providing value-added production in the custom-free zones and special economic zones. The Baltic Sea region has the advantage of a good location, priceless if we take into consideration the potential of the Russian market; the BSR also offers skilled labour, which has a good command of English and Russian. Not without meaning are also the Baltic hinterland ports, supporting other transport and logistics chains.

Co-ompetition (co-operation plus competition at all levels) will be the key to future successful development, according to Kabashkin. If co-ompetition is to become a common practice, a vast number of parties much cooperate – central and local governments, organizations (BPO, IMO, various associations, including ecological organizations), private business and last but not least societies, which are going to be affected by the transport and logistics infrastructures. The second future key aspect will be optimodality – the way to optimize each mode of transport considered separately and draw the best of the combination of diverse modes of transport (rail, road, maritime, inland waterways, air) to the benefit of the user as well as the individual consumers. Integration is the vital condition for the success of the whole idea; but such integration is needed which doesn't rule out specialization, while saving money and still providing the BSR with the advantage of versatil-

ity. As history shows ongoing technology improvements (i.e. co-modality, ITS, cross border innovations) are also required to burst the integration. In this regard the European Union has to take some recommendations into consideration. If the EU wants to develop an efficient Trans-European Network of Transport (TEN-T), more attention needs to be placed on Baltic transport corridors, as many countries along the Baltic Sea are a border between EU and non-EU nations. The European Union should also harmonize the customs legislation between the EU and the customs union of Russia, Belarus, Kazakhstan and Ukraine.

And that's the point of departure for the discussions on Latvia's opportunities as an attractive and important player in the transit axis both bearing in mind its location as the middle of the three Baltic States as well as a transit country to and from Russia. Alongside Estonia and Lithuania, Latvia is mobilising its forces not to be left off the map when the growing Asian economies plan their future transport routes. Latvia – as a case study – has the advantage of bordering with both Russia and Belarus and the institutionalised customs union between these two neighbouring countries and Kazakhstan is perceived as an excellent opportunity to attract freight flows. Development of logistics and distribution centres could also be on the agenda with the value-added production in the custom-free zones. However, the competition between the three Baltic States is not a desirable outlook. While rivalling for funding to develop TEN-T infrastructure links and green transport technologies, Latvia, Lithuania and Estonia can still cooperate to harmonize planning concepts and develop their own profiles as transit countries. Thus, co-ompetition at relevant governance levels and across the territories could be more suitable as a means to find the right focus in transport policy planning. Also knowledge is essential for co-ompetition within BSR, but it's widely recognised that a decision-support basis for public authorities does not exist due to scattered traffic flow data as well as different methodologies and models applied for individual networks. The TransBaltic Outlook (BTO), recalled as an action of the ministries in the EU Baltic Sea Strategy document, may partially fill this gap by describing current and predicted goods traffic between both BSR countries and regions As for now Latvia is preparing its national transport policy 2014-2020, but plans are meaningful without actions, a notion which politicians must bear in mind to improve their country in detail, and the EU in general.

The direction: green

During the debate much care was also taken regarding the green corridors concept.

Photos: Riga's Transport and Telecommunication Institute

The concept for imposing greener transport is both a possibility and a threat, meaning that this challenge can turn out very well, but also bring interested parties to ruin. One of the key factors is the governments' enforcement of green thinking onto public and private actors or green corridors will rather become ghost corridors with no companies using them, thus large investments will be written off. As for now the concept was considered by the Latvian stakeholders as not much more than just a slogan, since today all corridors are far from being green. Nonetheless, TransBaltic's disputants perceive the green corridors as the only possible future for cost-efficient transport, although it will also need a lot of careful investigations before being developed and implemented.

So what are the necessary conditions for implementing green corridors? First of all, policies must be changed, both on the national and EU level, i.e. fighting off bureaucratic burdens, harmonizing national regulations, as well as creating easy terms for the development of green corridors and enabling the greening of existing ones. If effective green corridors are to be established, then the economic gaps between neighbourhood countries must be filled, because a fragmented "corridor" running across many countries isn't a corridor at all. Furthermore, border crossings have to be as simple as possible with less administration for efficient (low emission) transportation. The EU must work their fingers to the bone on optimizing customs unions and legislations; in this regard joint actions with Russia, Kazakhstan, Belarus and Ukraine should be undertaken, as these countries form a common custom union. Russia needs to be involved in the "green" discussion to invest in the right corridors, too. Not without meaning is also spreading the good news that green corridors are the best solution, not only from an environmental point of view, but also in terms of economics. To do so it's necessary to develop a common language and understanding of the green corridor concept for all involved actors (public and private) to understand each other and to come out with a widely recognized solution.

As the debate was held in Latvia, the case of importance of green corridors to this country was raised. If the Latvian government becomes more proactive, the strategic consequences for Latvia should be positive. If Latvia lives for the day it could become the most important hub for freight transportation throughout the Baltic States. If green corridors succeed, everybody who has the know-how and experience in dealing with them will gain an advantage over lesser committed countries. ■

Przemysław Myszka

Photo: Waterways Forward

Inland waterway transport in the BSR

Time to take action

As transport needs are growing, while restrictions in the transport sector are increasing in number, the development of inland water transport in the Baltic Sea region is an undeniable chance to meet market demands and to boost the region's competitiveness on an international scale.

The European Union's transport policy sets out clear goals to increase the economic efficiency of transport, keeping environmental issues in mind. Such concepts as co-modality and green corridors promote the vision of a technologically advanced, integrated transport system where different transport modes cooperate with one another optimally, while staying eco-friendly. TransBaltic incorporates the key EU objectives and aims at creating a comprehensive multimodal transport system in the BSR. A recent report issued by the project shows that the development of Inland Waterway Transport (IWT) in the BSR is a factor of a great potential in achieving the main project aim and EU policy goals. The report gives an insight into the present state of the inland transportation system in the BSR and shows the importance of integrating IWT into the system as well as proposes actions needed to be carried out in order to do so.

Main features of IWT

Inland waterways are competitors to other modes of transport as far as serving port hinterland traffic is concerned. Although inland water shipping usually takes more time than road or rail transport, it has huge advantages which make it gain a top position in the sector. Such characteristics as low external costs, environmental safety and low energy consumption undoubtedly make up for the time loss and are worth investing in. Inland navigation has the potential to play a complementary part in maritime transport in the following specialized markets: river-sea transport, container traffic, continental container shipping, transport of new cars by ship as well as transport of heavy loads, scrap, coal, biomass as an energy feedstock and hazardous goods. What is more, IWT can be an important factor in the development of tourism in the Baltic Sea region, offering high quality services.

A potential to take advantage of

According to the White Paper for the transport sector, presented in Brussels on 28 March 2011, the policy for years to come is strongly heading in a 'green' direction with focus on reducing transportation emissions. These postulates are largely in favour of developing inland waterways as eco-friendly modes of transport and are planned to be expanded. Hence, cargo shipping on distances over 300 km is expected to move from road transport to rail and IWT. Today inland benefits of waterways seem to be underestimated and are used for shipping purposes mostly in the eastern and southern Baltic areas. IWT plays a significant role in Germany, on the three great rivers: Rhine, Danube and Elbe, where the river Rhine carries 63% of the overall European inland waterways freight, as well as in Finland, where waterways total up to 8,000 km in length and the Saimaa Canal, being the most important connection, brings high turnovers both in freight and passengers.

Yet, a potential to expand the scope does exist as all inland waterways of Baltic Sea countries pass through important economic regions and almost all of them have transport capacity. Such problems as shallow rivers and too low bridges as well as a limited size and number of sluices weaken the usage of many waterways and should be dealt with. These difficulties appear in Lithuania, Latvia and Estonia where hydropower dams without functional locks hamper inland navigation on important rivers (Neman River, Daugava River, Narva River). In Russia and in Poland, on the other hand, there is a need for modernization of infrastructure and maintenance works which would increase the use of existing waterways. Moreover, improvement of transport regulations would enable their more efficient utilization. Poland's waterway network stretches over 3,500 km, where the most significant for transport are the Oder and Vistula rivers which are connected by the Bydgoszcz Canal. In Russia, the 72,000 km-long network of waterways provides transport routes across Europe by linking the Baltic Sea, White Sea, Caspian Sea, Sea of Azov, and the Black Sea.

IWT development

The efficiency of IWT is largely dependent on its integration with other transport modes. Successful cooperation with sea transport is especially significant as hinterland connections to seaports are the most beneficial for IWT. Today, the dominating load units in both land and sea transport are containers. At present, more than 500 mln TEU is transported by containers worldwide and it is expected that the number will grow to 700 mln TEU by the year 2014. Due to the development of containerisation, IWT can be a part of the integrated transport chains and contribute to their effectiveness. A large amount of cargo in ports is containerised, hence ready for multimodal transport. Containers can be easily transhipped to barges which are able to carry (depending on the type of vessel) up to 3,000 tonnes of cargo, which corresponds to 120 lorries or 75 rail carriages. What is more, a special container fleet can be employed for the shipment of containerised general cargo by inland

waterways. This is practised on the Rhine river where specially built vessels used to transport containers carry over 1 mln TEU annually (the largest container ship on the Rhine has a capacity of 500 TEU).

The development of transport corridors in the Baltic Sea region should consider sea transport above all and what follows the idea of IWT as a reliable and efficient means of shipping goods and people, bringing benefits to the entire region. Of course investments into the construction and maintenance of waterways will be necessary and the costs are higher than those for road infrastructure, yet the low external costs of IWT make them a worthy investment for the future. IWT can be a more environmentally friendly alternative to road transport and special initiatives should be undertaken to foster its development.

Putting theory into practise

With all the abovementioned advantages of IWT and plans for development, an important question arises – how to take action and make inland navigation a success in reality? The answer to this question lies in the field of technology, communication and forms of crew training. An excellent example of well-planned utilisation of waterways for shipping purposes is the initiative DIPCITY, focused on strengthening the port-city connection and transporting waste by IWT in four cities: Liège, Brussels (Belgium), Paris and Lille (France). The INLATRANS project (part of the INTERREG IIC project for the BSR) is aimed at making use of the existing potential of waterways in the BSR as well as to implement innovative ideas. Its overall goal is to promote freight shipping by waterways and to find partners who share the interest of creating an efficient inland water transportation system in the region. The project results are believed to enhance cooperation between Baltic Sea countries and foster the development of IWT. A website with a database of the infrastructure and facilities of each participating country is being created and is one of the outcomes of the project.

INTRASEA (a follow-up project to INLATRANS) has foreseen a bright future for the inland waterways in the Baltic Sea region. The presented Vision 2020 + gives the picture of a highly utilised waterway system that largely contributes to the widening of pan-European markets. By the year 2020, as a result of extending the utilisation of IWT, the market of the Baltic Sea region will grow, and hence transported volumes of freight and passengers will increase; logistical strategies of the global market will be reflected regionally; short sea shipping (SSS) will be the main transport mode in the BSR all year round; the Baltic Sea region, along with western Russia, will benefit from inland navigation on an everyday basis; ports located at river, rail and road junctions will serve as intermodal terminals for freight. In accordance with the EU's transport policy, IWT will be eco-friendly and contribute to road safety. Moreover, logistical systems supported by IT will be perfectly protected from water influence. These future visions and the strategy of how to reach them dwell in the outcomes of the INTRASEA project. Here is a straightforward appeal to the transport industry and to stakeholders to cooperate and transform these views into feasible plans and create an integrated waterway transportation system which will strengthen the region for years to come. As stated by the authors of the hereby report, "the Baltic Sea region cannot afford to neglect the development of inland navigation." ■

Monika Mikołajczyk

The article is based on the report "Inland transport in the BSR Transport System" available on TransBaltic website www.transbaltic.eu.

Photo: Waterways Forward