Estonia, Latvia and Lithuania join forces in Rail Baltica

The Prime Ministers and Transport Ministers of Estonia, Latvia and Lithuania confirmed a joint process to focus and speed-up the implementation of Rail Baltica. The Baltic States are establishing a task force and an inter-ministerial coordination group in order to create a joint venture company on Rail Baltica project during 2012.

The Prime Ministers Mr. Andrus Ansip, Estonia, Mr. Valdis Dombrovskis, Latvia and Mr. Andrius Kubilius, Lithuania opened up the process in their meeting in November 2011. They welcomed the European Commission’s initiative to include Rail Baltica as part of the Baltic-Adriatic corridor in the pre-identified list of the core network projects, and they emphasized the importance of support from European financial instruments for the implementation of the project. The Prime Ministers also expressed their political support to the aim to construct a new 1435 mm gauge track for passenger and freight transport through Estonia, Latvia and Lithuania. This was the recommendation by the British company AECOM Ltd. who carried out the Feasibility Study for a Standard Gauge Separate Railway Line within the Rail Baltica corridor. Prime Minister of Finland, Mr. Jyrki Katainen, has also supported Rail Baltica in his article published in several Baltic newspapers in December where he welcomed Baltic Prime Ministers’ joint decision to take this step towards implementation of Rail Baltica, and their intention to set up a joint venture company to take responsibility of the Rail Baltica project.

Towards joint venture and concrete steps in implementation

Following the Prime Ministers’ joint statement and support, in December 2011 the Transport Ministers of the Baltic States took the next steps and signed an agreement on the co-operation in the international rail passenger and freight transport, as well as agreed on the Rail Baltica project’s future direction in Baltic States. Transport Ministers agreed that it is important to invite Poland to join the project in order to completely implement the new Rail Baltica corridor, stressing the need to coordinate the implementation of measures throughout the route between Tallinn and Warsaw. Taking into account the complexity of the issues related to territorial planning, all partner countries should take all the necessary efforts to complete domestic territorial planning processes for the new railway line until 2015. The actual planning phase should be finalized by 2018. With this schedule the new standard gauge Rail Baltica would be operable by year 2022 earliest.

The ministers also confirmed the earlier agreed steps to finish the construction works on existing North-South railway, and start preparations to operate interstate passenger trains on the existing 1520 mm gauge railway by 2016.

A special task force was established to work out detailed plans for the joint venture management structure, legal status, shareholders agreement, financial issues and operational costs, and coordination of short-term and long-term work plans. An inter-ministerial coordination group with representatives from each Baltic States and the EU Commission will steer the planning process and the preparation of establishing the joint venture. It is also expected that Polish and Finnish representation will be invited to the Rail Baltica coordination group.

With these joint statements and concrete plans the Baltic States are taking big steps to realize the new Rail Baltica. And well before that the existing rail connection Tallinn – Warsaw will be operable for railway operators. At least there is the joint commitment of the three ministers of transport now. With this and once the new Rail Baltica line is brought to reality, the transport networks will help to overcome accessibility barriers caused by historical, political and geographical circumstances and become a powerful tool for building political, economic and social cohesion in the Eastern BSR.
The studies investigate public sector perspectives towards development of Rail Baltica through extensive qualitative interviews conducted in Finland, Estonia, Latvia, Lithuania, Poland and Germany. The research was coordinated by Lappeenranta University of Technology, Kouvola Unit (Finland) and conducted in cooperation with other university partners of RBGC; Aalto University, Center for Markets in Transition (Finland), Bialystok University of Technology (Poland), Latvian Transport Development and Education Association (Latvia) and Competence Centre of Intermodal Transport and Logistics of the Vilnius Gediminas Technical University (Lithuania).

The findings are presented in two research reports. First report by Olli-Pekka Hilmola provides a literature review and exploits second hand data to analyze state of transportation sector in Rail Baltica and Russia. The second report by Milla Laisi, Ville Henttu and Olli-Pekka Hilmola highlights and analyzes empirical research findings of qualitative interview study.

Importance and potentials are seen through the challenges

The overall attitude towards Rail Baltica is most positive in the Baltic States and Poland. Finnish and German stakeholders were more pessimistic towards the connection. Finland’s location as an island was noted as a bottleneck to fully utilize the corridor. German stakeholders believe that Rail Baltica will not be efficient and sensible rail transport corridor, unless the rail gauge is the same for the whole corridor. Furthermore, German interviewees stressed that Polish rail network should be improved in order to Rail Baltica to function well.

Main differences between interviewed countries are in the areas of financial support, level of co-operation with private sector, and countries’ future plans concerning transport sector. There are also several similarities between interviewed countries. Decision-making on transport investments is centralized in all Rail Baltica countries, which means that cities and regions have only limited possibilities to influence. Although railway transport is noted as sustainable and environmentally friendly transport mode, road transport still prevails in all countries. However, this might change in the future: according to the research findings, if railway infrastructure is improved, railway volumes are expected to grow heavily. Furthermore, the importance of tourism should not be underestimated, as it is anticipated to increase in near future.

Besides challenges, also new positive viewpoints were identified from the empirical interview data. Interviewees stressed the significance of emerging countries in East as the source of the further economic growth. Russia and Belorussia play important role in the development strategies of cities and regions in Rail Baltica area. Furthermore, China was mentioned in some interviews, even though not as high a priority as the countries which are geographically closer.

Many interviewees stated that Rail Baltica is important transport corridor even, if it does not pass their region directly. Rail Baltica would provide “place on the map” and act as marketing tool for cities, regions and countries within the catchment area. Use of private cars has increased as the most important transport mode in Baltic States and Poland – lack of international airports in northeast Poland and Lithuania as well as Estonia signifies this even further. Rail Baltica as fast, flexible and frequent rail service could increase market share of public transportation. Cities and regions put strong emphasis on tourism development and on high-tech sector in their economic and business policies. This in turn means that good international connectivity plays important role for them.

Reports

Hilmola, O.-P., Rail Baltica Influence Area: State of Operating Environment
Laisi, M., Henttu, V. & Hilmola, O.-P. (editors), Enhancing Accessibility of Rail Baltica Influence Area: Standpoints of Public Sector

The research reports can be downloaded at www.rbgc.eu.
Another research activity of the RBGC project focuses on the private sector perspectives towards the development of transport networks in the Baltic Sea Region. The aim of the study is to clarify the structures of the transport service environment in the BSR. This is done by defining the relevant national private sector service providers of multimodal transport, i.e. rail, road, air and sea transport. The study provides information on the underlying relationships and division of work between national and transnational transport service providers, and the vertical and horizontal networks and clusters in the BSR within the industry. The research also takes a close look at the decision-making processes of transport development, from a transport business point of view. And, it provides in particular, the attitudes and expected potentials of Rail Baltica from the business perspective.

City of Warsaw, as the responsible RBGC partner on this activity commissioned the study entitled “Private transport market stakeholders in the area of Rail Baltica”. The study was carried out by EU-Consult company and Lappeenranta University of Technology, Kouvola Unit. The study covers four countries linked by Rail Baltica – Germany, Poland, Lithuania and Latvia. It was conducted by an in-depth interview technique interviewing representatives of companies in the strategic level, development level and management.

Towards integration and growth

The study shows that the Rail Baltica transport corridor is not only an integral element of the EU policy, but also an object of interest for individual countries. It is perceived as an opportunity to develop the transportation system – a factor that would increase integration with the EU and a possibility for growth of competitiveness in a certain geographical area.

Making Rail Baltica a fully passable transportation route that would constitute an element of the growth corridor requires considering number of factors, classified as follows:

1. Geographical impact – an area of influence not only in the scale of the growth corridor, but also as a transportation link both in continental and even intercontinental range.
2. Infrastructure requirements – the technical options as well as the location of infrastructure, e.g. terminals and required rolling stock.
3. Possibility of choice – both the individual decisions of business actors as well as the competitiveness of the transportation branch in the area.

The Rail Baltica project should reconcile two interests; that of European cohesion and of its attractiveness for Russia. This is the conclusion arising from the surveys. In addition, both the East-West direction and the need for cooperation with Western and Southern Europe are mentioned. Rail Baltica is not a typical transport connection intended to focus on the growth tendencies of all partners. It should be noticed, that Finland, Estonia, Latvia, Lithuania and North-East Poland are located in the periphery of Europe and size of their population is not very large when compared with the entire European Union. On the other hand, the sections of Rail Baltica located in Germany (Berlin–Frankfurt) and in Poland (especially Poznań–Warsaw–Białystok) are used with high intensity.

The next step of this research activity of RBGC will be an on-line questionnaire which will be conducted in six states of the Rail Baltica area: Finland, Estonia, Germany, Poland, Lithuania and Latvia.

The research report “Private transport market stakeholders in the area of Rail Baltica” can be downloaded at www.rbgc.eu

Reconciling two interests on Rail Baltica – European cohesion and attractiveness for Russia

A new study “Private transport market stakeholders in the area of Rail Baltica” presents interests and needs of private sector towards Rail Baltica. The study is an outcome of RBGC work in “Travel and Logistics Service Development and Demand”. 

Rail Baltica Growth Corridor (RBGC)

Funding: Baltic Sea Region Programme 2007–2013
Lead Partner: City of Helsinki
Coordinating Partner: Aalto University
Budget: 3,6 MEUR
Partners: 21 in Germany, Poland, Lithuania, Latvia, Estonia and Finland
Duration: 2011–2013
New Allegro train started to operate between Helsinki and St. Petersburg in December 2010. In 2011 growth of passenger volume was 52%.

RBGC RUSSIA - a sister project starting up

Delegation of the European Union to Russia has awarded a grant to RBGC Russia – a sister project of Rail Baltic Growth Corridor. RBGC Russia aims to strengthen the cooperation of decision-makers in transport development and extends the activities of Rail Baltic Growth Corridor in North-West Russia in order to gain a full geographical partnership for the joint development work in the fields of transport and logistics. The project brings the Russia-EU cooperation into an operational level. The Kick-Off meeting of RBGC Russia was held on 10 February 2012 in St. Petersburg with the local stakeholders representing railway authorities and operators.

RBGC Russia addresses the issues of bottlenecks and transport business networks affecting both passenger and freight transport between the Northern Dimension partners and other countries of Eastern Baltic Sea Region. The project consists of the following activities: Stakeholder research in public and private transport sector; Connectivity Pilot - Introducing a virtual travel planner for St. Petersburg connected with the wider international travel information network for the Baltic Sea Region; Logistics Pilot - Elaboration of viable network for logistics capacities in North-West Russia; and Rail Baltic Growth Corridor Memorandum for St. Petersburg to contribute to the transnational Rail Baltic Growth Strategy.

The partnership in RBGC Russia is built on strong triple-helix cooperation. The project is led by Aalto University. Partnership consists of City of Helsinki, Lappeenranta University of Technology Kouvola Unit, Petersburg State Transport University, North-Western Russian Logistics Development and Information Centre ILOT, and Public Transport Authority Berlin-Brandenburg. City of St. Petersburg, Committee for Transit Transport Policy participates as an associated organisation.

The total budget of the two-year project is approximately 600 000 EUR.

More information about RBGC Russia from www.rbgc.eu.

RBGC contacts

Mr. Olli Keinänen, Lead Partner Representative, olli.keinanen@hel.fi
Ms. Malla Paajanen, Project Manager, malla.paajanen@aalto.fi
Mr. Sakari Saarinen, Communication Manager, sakari.saarinen@hel.fi

Check future RBGC events

http://www.rbgc.eu/calendar-2.html

www.rbgc.eu