

Finnish View on Rail Baltica

... and how we could seek for win-win scenarios

Rail Baltica: Dream, politics or business?

Tallinn, 30.11.2012

**Malla Paajanen, project manager
Aalto University School of Business
Small Business Center**

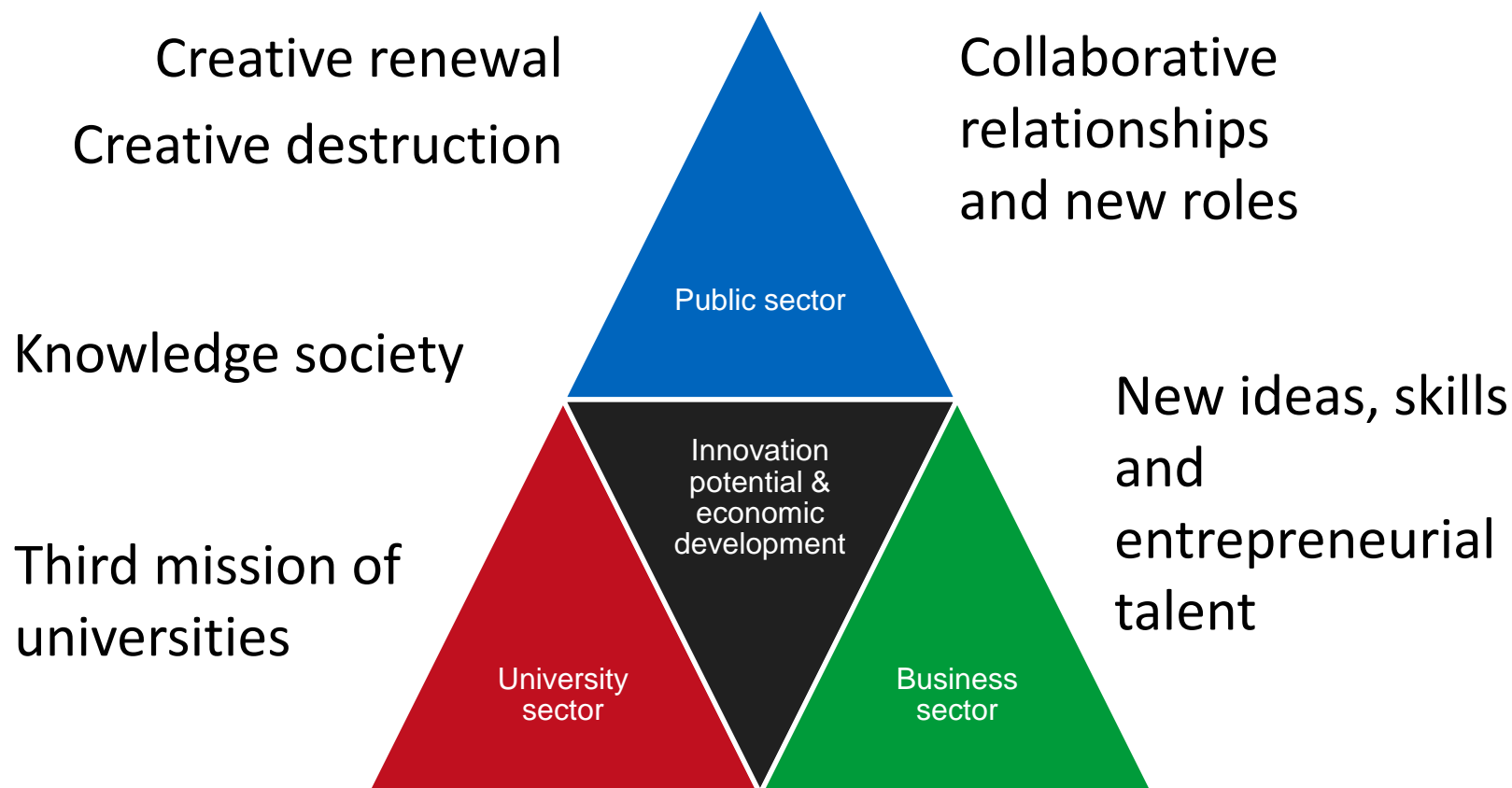
Building the Finnish View on Rail Baltica

Rail Baltica Growth Corridor and RBGC Russia

A bottom-up approach based on our stakeholder cooperation during the initiation and implementation of the Project

- City, regional and national perspective
- Business sector perspective
- University sector perspective

Triple helix stakeholder cooperation



Ministry of Transport and Communication on Rail Baltica

- Ministry of Transport and Communication signed Rail Baltica MoU in Zaragoza on 8.6.2010
- Prime Minister Katainen has presented political support to RB in a press article in December 2011.
- Finland emphasizes the strategic development of the traffic in Northern Europe.
- Rail Baltica can attract Finnish companies to allocate production to its catchment area.
- As a side effect it will generate more traffic cross the Gulf of Finland.
- A new route for international trade and travel.
- The rail link would allow cargo and passenger transport from Finland through Baltic States to Central and Southern Europe.
- The project will improve strategic importance of raw material resources in the northern areas in the short and long term, as well as the accessibility of resources to the European market.

Cities and regions: Rail Baltica as catalyst for economic development

- The concept of ‘growth corridors’
 - Helsinki – Tampere Growth Zone
 - Helsinki – Tallinn – St. Petersburg (Gulf of Finland triangle)
 - Tallinn – Riga – Kaunas/Vilnius (Baltic capitals)
 - Warsaw – Bialystok
 - Warsaw – Lodz /Poznan – Berlin
- Rail Baltica Growth Strategy
 - Series of transnational and inter-regional roundtable meetings
 - Research on economic growth and employment potential along growth corridors, based on stakeholder analysis of public and private sectors
- Rail Baltica chain of logistics centers
- Multimodal travel planner along Rail Baltica cities

Universities and research sector: knowledge base for Rail Baltica Growth Strategy

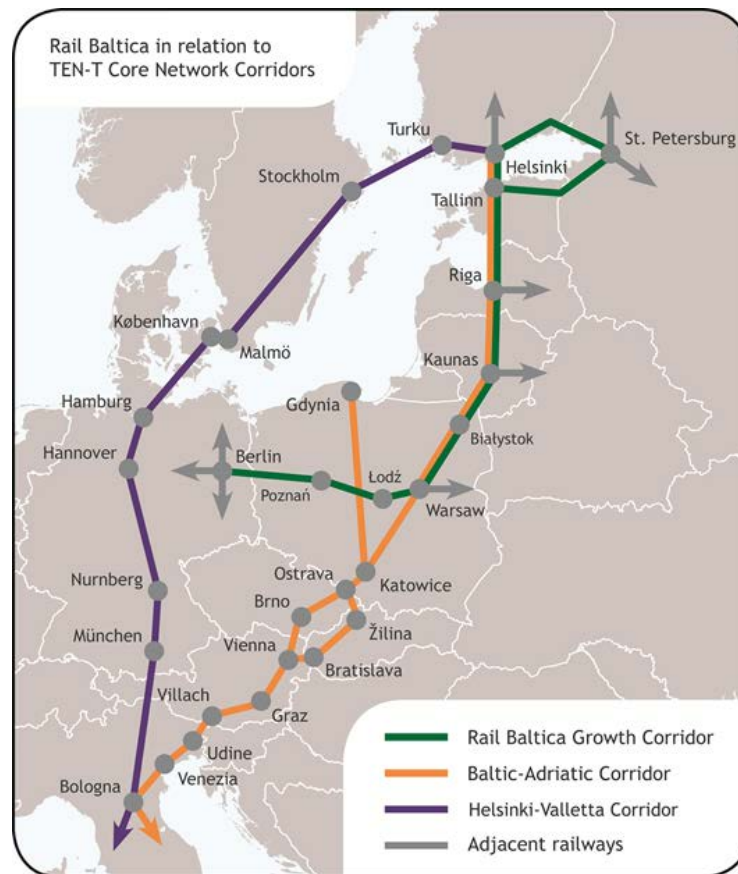
- RBGC and RBGC Russia studies of stakeholder cooperation in public and private sectors → towards decision-making maps.
- Research on economic growth, employment, and multi-level governance (WP7), based on stakeholder analysis of public and private sectors (WP3-4).
- Academic research in the third mission of university sector: best implementation of research results.

Business sector

- Sulphur oxides (SOx) – Regulation 14 in 2015 has driven the export industry to actively look for alternatives to maritime transport.
- Mixed interests in forest industry: business sector is starting to take part in Rail Baltica process; Finnish Forest Industries Federation is more keen to postpone sulphur regulation.
- Logistics operations along RB open for international competition, which will challenge national railway operators and traditional business models.
- One of many potential business scenarios: Export company + transport operator.

Yardsticks and challenges in RBGC and RBGC Russia

- Rail Baltica event at European Parliament in April 2013 (Corridor 1)
- RBGC Final Event in Berlin on 13.-14.6.2013
- BDF Summit 2013 as an opportunity to emphasize north-south transport axis in EUSBSR?
- The case of Russia/RZD: the argument of business potential differs from ours – or does it?



Win-win

- Transito in Eastern BSR (especially FI) may/will decrease because of sulphur regulation and because of fast development of Russian ports.
- Rail Baltic 1 and Rail Baltic 2 when fully operationalized will increase total transport volumes incl. transito.
- More and more exports onto railways.
- Dual system of RB 1 and RB 2 is needed to secure linkage between EU and Russian transport networks.
- Increasing amount of pressure for the Northern Sea Route in global trade.
- Increasing amount of pressure for railways in exports between Central Europe and Eastern BSR.
- Logistics operations in RB call for creative entrepreneurship and business models. 'Old school' may have harder times.

Thank you!

malla.paajanen@aalto.fi

+358 50 366 7391