Finnish Business Opportunities with Rail Baltica

Jorma Härkönen
LIMOWA Asociation Finland

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LIMOWA Logistics Centre Cluster Finland

- Finnish logistics development program, combining several business sectors around the logistics theme
- The main focus are logistics centres ja logistics areas in the whole complexity: planning, building, developing and operational models and services. International intermodal corridors often connect these nodal points.
- We are building an European-wide co-operation network. LIMOWA is a member of ALICE and Europlatforms
- LIMOWA on is nationwide, open and impartial organisation with international reach.
- Partner in NSB Core project WP2 in co-operation with IliM Institute Poland


North Sea Baltic – Connector of Regions
NSB CoRe regions and cities
NSB CoRe
North Sea Baltic CNC
NSB CoRe partners:
• Helsinki-Uusimaa Regional Council, Finland (Lead Partner)
• City of Helsinki, Finland
• City of Hämeenlinna, Finland
• Limowa Association, Finland
• Kvarken Council, Finland
• City of Tallinn, Estonia
• Riga Planning Region, Latvia
• State Regional Development Agency, VASAB Secretariat, Latvia
• Kaunas City Municipal administration, Lithuania
• Municipality of Kaunas District, Lithuania
• Marshal's Office of the Podlaskie Voivodeship, Poland
• Self-Government of Mazowieckie Voivodeship, Poland
• Institute of Logistics and Warehousing (ILiM), Poland
• Investor Center Ostbrandenburg, Germany
• State of Berlin, Senate Department for Urban Development and the Environment, Germany
• Port of Hamburg Marketing, Germany
NSB CoRe
• Interreg Baltic Sea Programme
• Lead Partner Helsinki-Uusimaa Regional Council
• 16 partners in 6 countries
• 40 associate partners
• Budget 3,3 M€
• 2016–2019 (36 months)

Outcomes of NSB CoRe

•INTERMODAL LOGISTICS

- Bottlenecks and business needs
- ICT development
- Recommendations for interconnectivity and interoperability

•MACRO-REGIONAL SPATIAL PLANNING

- Case studies on regional development
- Joint transnational spatial vision on regional development, logistics and mobility

•COMMUTING GROWTH CORRIDORS

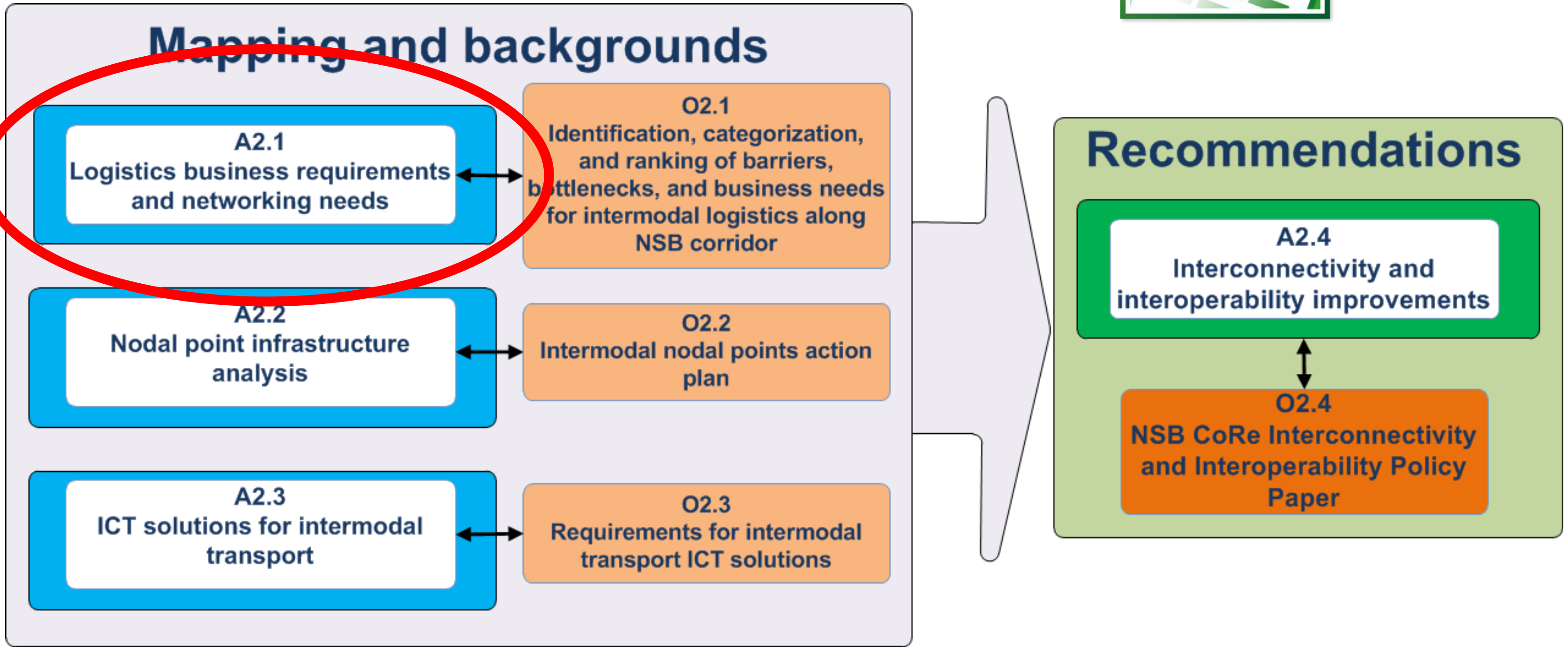
- Berlin-Poznań-Warsaw-Białystok
- Tallinn-Riga-Kaunas
- Tampere-Helsinki-Tallinn
- Innovation labs, smart mobility concepts and passenger service development in urban nodes

•BRANDING AND

•COMMUNITY BUILDING

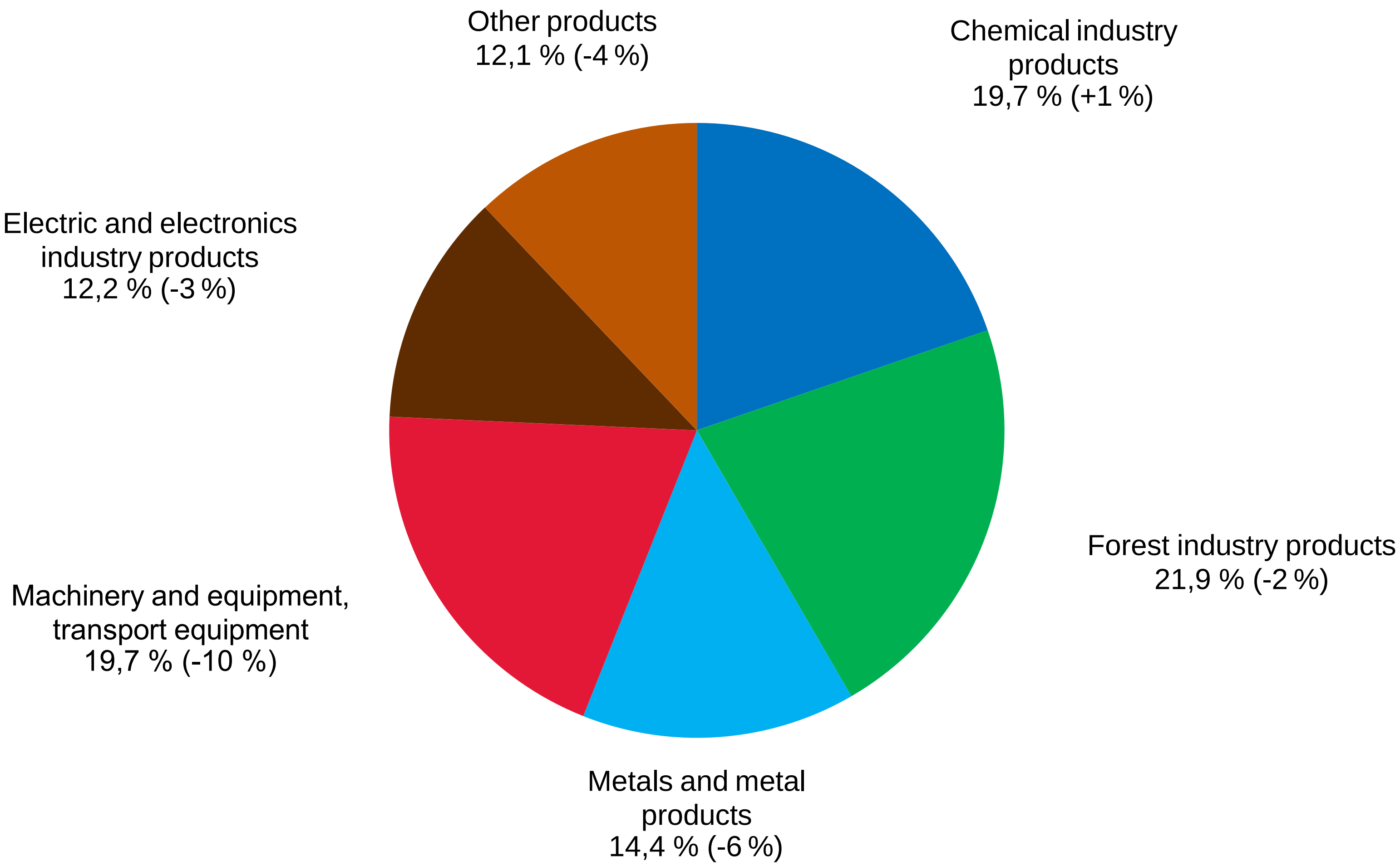
- North Sea Baltic Growth Strategy
- Case of Rail Baltica branding
- Transnational cooperation and joint conferences

Breakdown of WP2

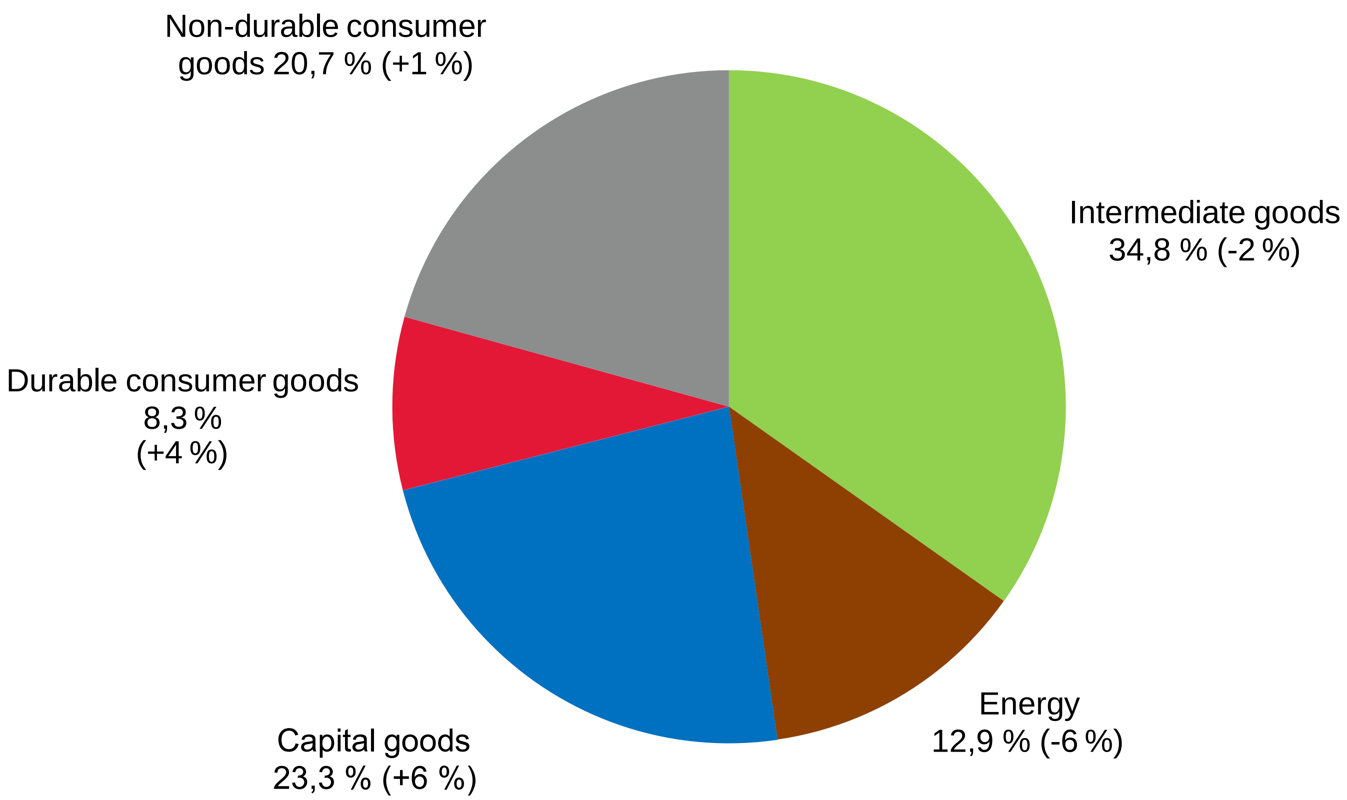


FINLAND EXPORTS BY PRODUCTS BY ACTIVITY (CPA) 2016

Share and change from previous year (%)



FINLAND IMPORTS BY USE OF GOODS 2016
(CPA); Share and change from previous year (%)



Shippers survey – Finland Main Findings

Interreg Baltic Sea Region

EUROPEAN UNION
EUROPEAN REGIONAL DEVELOPMENT FUND

Identification of Finland’s most potential industries for the intermodal transport along the corridor

Sectors with significant potential

- Forest industry (paper, board, wood products, bio products)
- Technology industry (metal products, machinery)
- Retail trade

- Note: The industries’ potential is in export, retailers’ interest in import. No balance in volumes

Main players in industries

- Forest industry: UPM, Metsä Group, Stora Enso
- Technological industry: Outokumpu, SSAB, ABB, Wärtsilä, Valmet, Metso
- Retail trade: SOK Group, K Group, (Lidl)

Outcomes, trends of interviews on national level

- There is a **big interest towards the new corridor** as a new alternative for Finnish export industry
- However part of the, the interest focuses clearly in the new Rail Baltic corridor as Finnish export industry is actively seeking new solutions for their transports to **Central Eastern Europe (mainly countries south of Poland)**
- Very big part of this **volume nowadays is carried by lorries** along Via Baltica. This is where the Finnish potential mainly comes from.

Outcomes, trends of interviews on national level (continued)

- It is notable that the growth rate of Finland – Central European trade exceeds the **average growth rate to other markets significantly (3-4% per annum)**
- The crossing statistics from/to Helsinki to Tallinn reveal that the volume of lorries and semitrailers at present is as much as **18 000 – 20 000 units per month**. The carrier Tallink estimates that this figure will be 25% bigger in 2025. 40% of this volume is to/from Baltic countries, 30% Polish traffic and 30 % other Eastern Central European traffic
- **Early estimate: If just 25% of the non-Baltic traffic would change over to Rail Baltica the potential would be 112 500 tons = 9375 units per month in 2025 = About 300 units per day.**

Further remarks based on interviews

- Practically every interviewee **underlined the importance of competitive ability** of the new route. Companies do have the performance KPI’s but the cost level of transport is still the main decisive factor
- However, it was also mentioned that their customers more and more **favour green transport solutions.** This was seen as a growing trend.
- Because the distances in intermodal transports are long, **the need for better interoperability** was mentioned. Many of the interviewed companies had experiences of intermodal transports in Central Europe and they had faced some difficulties in this respect.

Conlusions / most important findings

- A new alternative especially for Finland – Eastern Central Europe is something that **companies are eagerly waiting**.
- As Finland is “behind the sea” and the export companies are so big, they have their **own sea based transport solutions to Germany and to North Sea area**, partly to Poland as well. This means that their interest in big part is limited to Rail Baltic part of the corridor. The opinions of Poland varied, depending on which part of Poland is important to them. It is probable that Poland has bigger import than export interest (for retail trade particularly)
- **The key finding is that there is a big volume potential**. To make an exact estimate it should be decided how big part of the present lorry and semitrailer traffic form the potential.

Contact information

LIMOWA Logistics Centre Cluster Finland

- Jorma Härkönen, director
  ph: +358 40 3517 621
  jorma.harkonen@techvilla.fi

- Heikki Lahtinen, project manager
  ph: +358 50 3424056
  heikki.lahtinen@techvilla.fi

- www.limowa.fi