Baltic Intermodal Transport Corridor as a promising section of the Asia - Europe Continental Landbridge

Dr. Algirdas Šakalys, President of EWTCR
Content of presentation

• Baltic intermodal (co-modal) corridor - definition, geography;
• Strategy;
• EWTCA as an instrument for implementation strategy;
• First results and challenges;
• Next steps.
Baltic intermodal (co-modal) corridor - definition, geography
It is evident that it is impossible to fit transport into a single country’s geographical framework. Transport is fundamentally international.

The necessity to synchronize the infrastructure development and support efficient and innovative intermodal transport services along international distribution chains and transport corridors requires new instruments for cooperation among business, research and public institutions on international level.

The development of intermodal (co-modal) transport corridors is essential to serve the existing trade flows. It is even more important for landlocked countries as intermodality (co-modality) would improve connectivity of inland area to ports, markets and production centres.
Baltic intermodal (co-modal) transport corridor

The Baltic intermodal (co-modal) transport corridor stretches from Esbjerg, Denmark and Sassnitz, Germany in the west to Vilnius, Lithuania in the east has potential to become important East-West trade route. The eastern part of the corridor is a gateway to and from the Baltic Sea Region connecting it with Russia, Kazakhstan and China to the east and Belarus, Ukraine and Turkey to the south-east.

It is interesting to note, that global financial crisis and economic downturn had minor impact on trade flows from/to Scandinavian and Baltic countries to/from China.

Source: EWTC II project, 2012
Scandinavian and Baltic countries
External trade with China (Value=billion EUR)
Annual cargo turnover of Klaipeda Seaport

Source: Klaipėda Seaport, 2013
Strategy
Baltic East-West Transport Corridor Development Strategy

The Corridor’s Strategy (until 2030) and Action Plan for further development were prepared in the framework EWTCII project co-financed by the European Development Fund, European Neighbourhood and Partnership Instrument; the EU Baltic Sea Region Programme and project partners.

Around 70 financial and associated partners from Sweden, Lithuania, Germany, Russia, Italy, China and Denmark has taken part in the project under leadership of Blekinge Regional Administration (Sweden).
Main outcomes of Baltic EWTC Strategy

Added value to the Baltic corridor and to BSR in general, the EWTC II project has contributed with following values:

• New business concepts for railway transports;
• Recommendations for the improving transport service in ports and terminals;
• Recommendations on development infrastructure within the EWTC;
• Information broker system;
• Joint Action program for logistics centres (Esbjerg, Taulov/Fredericia, Høje/Tastrup, Wismar, Rostock, Skåne, Karlshamn, Karlskrona, Kaunas/Vilnius and Sassnitz);
• Short Sea Shipping concept German side of the Baltic sea;
• Global Study on trade and Transports in the East – West transport corridor;
• Green Corridor Manual;
• Establishment of the East – West Transport Corridor Association.
EWTCAs as an instrument for implementation strategy
EWTCA – as an innovative instrument for management of transport corridor

Real implementation of the EWTC strategy requires constant and continuous interaction among transport sector stakeholders along EWTC.

The EWTC Association which was established on 29th June, 2010 is a triple-helix organization of stakeholders from the public, private, and the academic sector acting as an organization promoting the EWTC (in BSR) concept with the main mission to stimulate new business opportunities along this corridor.

The main motivation for the establishing a management structure for the development EWTC is that while business mostly has a short term perspective – the EWTC Association could add more medium and long term perspective to the corridor, when it is needed to improve its functions and capacity.

This includes the necessary dialogue with regional, national or the EU important institutions – a dialogue that could not be successfully handled by individual companies.

Also the EWTC Association’s partnership is build on the idea that all partners can be more successful through cooperation. It is some answer to the challenges of globalisation.

Since the EWTC transport corridor is the sum facilities supplied and offered through partnership, the core of the product of EWTC Association is quality of cooperation between the EWTCA partners and the extension of partnership: the wider and better the cooperation and the better the integration of provided services, the better is the product.
Main functions of EWTC Association

Among them:

• to strengthen the co-operation between transportation, logistics companies, intermodal terminal operators, shippers and consignees, national, regional and domestic authorities, science and research institutions along the EWTC;

• to initiate the simplification of procedures and documentation;

• to initiate and promote implementation of common KPI’s and services standards along EWTC (with focus on green transport);

• to disseminate best practices and modern logistics solutions;

• to support IT networks development among EWTC partners;

• to represent the associated EWTC partners in the European Commission and international transportation organizations, as well as in the national and regional authority institutions.
## Members of EWTCA

<table>
<thead>
<tr>
<th>Forwarders, Logistics, Transport Associations (Companies)</th>
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<tbody>
<tr>
<td>Asia Continental Landbridge Logistics Association Council</td>
<td>China</td>
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<td>COSCO</td>
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<td>Lithuanian Stevedoring Companies Association</td>
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<td>Tuuchin Co. Ltd.</td>
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<td>Belarusian Association of International Forwarders</td>
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<td>JSC Rubicon</td>
<td>Russia</td>
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<td>BELINTERTRANS-transport-logistics center</td>
<td>Belarus</td>
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<td>UKRZOVNISTRANS, LLC</td>
<td>Ukraine</td>
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<td>PPL 33-55</td>
<td>Ukraine</td>
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<td>Linava</td>
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<td>EIA</td>
<td>Belgium</td>
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<td>JSC Vilteda</td>
<td>Lithuania</td>
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<td>Terminal of Mockava</td>
<td>Lithuania</td>
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<td>Lithuanian Intermodal Transport Technology Platform</td>
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### Members of EWTCRA

<table>
<thead>
<tr>
<th>Category</th>
<th>Organization</th>
<th>Country</th>
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<tbody>
<tr>
<td>Universities and research</td>
<td>Vilnius Gediminas Technical University</td>
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<tr>
<td>institutions</td>
<td>Wismar University of Technology</td>
<td>Germany</td>
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<td></td>
<td>NetPort.Karshamn AB</td>
<td>Sweden</td>
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<td></td>
<td>Transport Economics Centre University of Maribor</td>
<td>Slovenia</td>
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<td></td>
<td>Institute of Spatial Planning, Development and</td>
<td>Russia</td>
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<td>Foreign Relations</td>
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<td>Railways Companies</td>
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<td>Ukraine Railways</td>
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<td>National Company Kazakhstan TemyrZholy</td>
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<td>Maritime, ports, Companies and</td>
<td>DFDS Sea ways</td>
<td>Denmark</td>
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<td>Associations</td>
<td>Port of Karshamn</td>
<td>Sweden</td>
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<td>Lithuanian Shipowners Association</td>
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<td>Limarko JSC</td>
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<td>Regional Administrators,</td>
<td>Region Blekinge</td>
<td>Sweden</td>
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<td>Municipalities</td>
<td>Karlshamn city Municipality</td>
<td>Sweden</td>
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<td></td>
<td>Baltijsk Municipal District</td>
<td>Russia</td>
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<td></td>
<td>Šiauliai City Municipality</td>
<td>Lithuania</td>
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<tr>
<td>Others</td>
<td>Hohhot Export Processing Zone</td>
<td>China</td>
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<td></td>
<td>LOHR Industrie</td>
<td>France</td>
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<td>Šiauliai Airport</td>
<td>Lithuania</td>
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</table>
Totally EWTCAn consists of 7 international and national business associations, 16 companies, 5 public administrative institutions, 3 universities. Altogether – approx. 2000 companies and institutions from 13 countries (Belarus, Denmark, Germany, Kazakhstan, China, Lithuania, Mongolia, France, Belgium (EIA), Russia, Ukraine, Sweden and Slovenia).
Current activities

Current EWTC activities are focused on strengthening the cooperation between EWTC partners, as well as, development of partnership network. This is done through a wide range of activities, the most important of which are: dissemination of information and development of dialogues on offers and needs with the partners.

Identification and removal of bottlenecks are among the priority actions of the Association. The main activities in this area are:

• To carry out a network sensitivity analysis in order to identify the weakest transport growth links;
• To establish a method for network performance (monitoring/feedback).

One of the main bottlenecks in terms of the system performance is the delays in the transportation process due to documentation and clearance procedures at border crossings and modal shift points in this area.

And these activities are on line of the expectations (according to results of interview) of members of the Association.
## Prioritization of the EWTCA functions and activities based on survey (2012)

<table>
<thead>
<tr>
<th>Function Description</th>
<th>Category</th>
<th>Priority</th>
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<tbody>
<tr>
<td>To elaborate research studies on removal of bottlenecks in the development of infrastructure and operations along the EWTC</td>
<td>R&amp;D</td>
<td>8.3</td>
</tr>
<tr>
<td>To present common EWTCA interests to the European Commission, international organizations, also to national, regional and municipal structures</td>
<td>Apply to governments</td>
<td>8.2</td>
</tr>
<tr>
<td>To strengthen cooperation between transportation, logistics companies, intermodal operators, shippers and consignees along the EWTC</td>
<td>Strengthen Cooperation</td>
<td>8.1</td>
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<tr>
<td>To promote implementation of common performance indicators for services along EWTC</td>
<td>Common indicators</td>
<td>7.8</td>
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<tr>
<td>To initiate simplification of procedures and documentation (including single transport document)</td>
<td>Simplification</td>
<td>7.5</td>
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<tr>
<td>To initiate the development of links and services between different Europe–Asia regions</td>
<td>Euro-Asia links</td>
<td>7.4</td>
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<tr>
<td>To initiate meetings and negotiations in case of disagreement on tariffs, taxes or other economic (financial) issues</td>
<td>Economic issues</td>
<td>7.3</td>
</tr>
<tr>
<td>To present interests of EWTCA in international exhibitions, conferences and other events</td>
<td>Represent EWTCA</td>
<td>7.2</td>
</tr>
<tr>
<td>To disseminate information on best practices, modern management and technological solutions, and to organize workshops on the exchange of experience, as well as training and other activities</td>
<td>Disseminate information</td>
<td>7.2</td>
</tr>
<tr>
<td>To disseminate information about the activities of the EWTCA via the mass media</td>
<td>Best practise</td>
<td>7.1</td>
</tr>
<tr>
<td>To expand the network of the EWTCA partners</td>
<td>Expand partnership network</td>
<td>7.0</td>
</tr>
<tr>
<td>To support IT networks development among the EWTCA partners</td>
<td>IT support</td>
<td>6.9</td>
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</table>
First results and challenges
Introduction and promotion of EWTCA in international Forums and events

1. EWTCA presented at EXPO 2010 (the valuable dialogues with China International Freight Forwarders Association (CIFA) and China Communications & Transport Association - (CCTA)).
2. Business seminars in Klaipeda and Karlshamn, Sweden (8-9th November 2010)
3. 12-13th November 2010 EWTCA was presented at an international conference in Fort Lauderdale (USA).
5. Potsdam (Germany) – June 20th, 2011. LNBB|Logistics conference 2011: "Berlin-Brandenburg as a hub for East-West-transportation”
10. October 21st 2012, Brussels, EU Eastern partnership transport panel. EWTCA- an innovative instrument for implementation of EU Eastern Partnership policy in the transport sector. Presentation by President of EWTCA.
11. 28-29 February 2012 Geneva (Switzerland) UN/ECE 74th session of the Inland Transport Committee
12. 14-17th March 2012 Ulaan Bator (Mongolia), EWTCA presented „To develop a Project of new routing „West Europe-Mongolia-China via Lithuania and Scandinavian countries” at Mongolian Vector 10th year anniversary.
13. 28th March 2012 Istanbul (Turkey), conference "VIKING". Intermodal Solutions, Development and Prospects”
14. 5th June 2012, Shanghai (China), EWTCA China Forum
15. 28th June 2012, EWCTA Council meeting in Vilnius (Lithuania)
16. 13th July 2012, Rotterdam, (Netherlands): Consultative meeting on cooperation between Rotterdam seaport and EWCTA members
18. 25-26th October, EWCTA Berlin Forum (Germany),
20. 4th April,2013, EWCTA Council meeting
21. 28 – 29 May, 2013. EWCTA Odessa Forum
The container train *Viking* serves the itinerary *Klaipeda-Minsk-Odessa Ilyitchovsk (Ukraine)*

The train was launched in 2003. It departs 6 times per week.

Klaipėda–Ilyitchovsk (Ukraine) 1 734 km 55 hours.
The container train *Mercury* serves the itinerary Klaipeda-Moscow (Russia).

The train was launched in 2011. It departs 3 times per week.

The operator of the train *Mercury* is AAA Intermodal. www.aaaim.eu
Intermodal train “Saulė” (Sun)

- The container train Saule (Sun) serves the itinerary *Klaipeda-Vilnius-Dostyk (Kazakhstan) – Chongqing (China)*.
- The train was launched in 2011. It departs on *ad hoc* basis.
- The operator of the train *Saule (Sun)* is VPA Logistics. www.belogic.lt

![Map of the train route](image)
EWTC A PARTNERS INTEREST IN DEVELOPMENT OF GLOBAL EAST - WEST TRANSPORT CORRIDOR

- Fast moving consumer goods in the container (containerized cargo: TEU containers, tank containers ref- containers);
- Paper, forest product;
- Ro-ro cargo (palletized cargo, bulk cargo).
Challenges

Regarding the weak points, it is necessary to note that East-West Transport Corridor (and its branches) cross territories of more than 10 countries which belong to different economic communities and systems. This determines different national transport policies, their legal regulation and different mentality of transport stakeholders. All the above are the obstacles in developing cooperation and mutual trust of the EWTC Association partners.

Concerning the risk factors, it is necessary to emphasise the fact that EWTC Association is an open organisation which doesn’t have an internal regulation defining responsibility of separate partners. Any partner of the Association free from legally binding commitments to EWTC Association can, after terminating its activity in EWTC (or even without terminating the activity) work in the competing transport corridor.
Next steps
Deployment of ITS services

ITS services are needed to support transportation activities along the corridor. This is especially important for the EWTC due to its physical nature, interchange points, multi-language and cross boarder interaction. The information on constantly updated traffic situation and interchange status, tracking of goods, booking and confirmation services, intelligent truck parkings and services opening faster border crossings routes, would ensure more efficient transportation and handling thereof. Therefore members of the EWTC Association is interested to establish collaborative ITS solutions.

Information broker system developed by NetPort (Sweden) could be basis for such solution.
Information Broker system

Source: East West Transport Corridor Strategy and Action Plan, 2012
Freight Transportation with GPS/GSM Applications pilot project

The aim of the Project is to give recommendations to business organisations and national authorities on application of innovations in organising the control of border crossing procedures. At the same time the efforts will be taken to identify cross-border bottlenecks, and to compare the duration of border crossing procedures between different countries and with respect to different transport modes. The focus will be given to the Baltic-Black Sea transport links.

GPS/GSM tracking device enables online monitoring of goods transportation, and accumulation of the statistical data. These devices are permanently installed in railway, road transport and sea containers. They also perform the function of lock (seal) corresponding to the requirements of institutions responsible for goods transportation. The device has identification number; it registers the exact time of door lock/unlock and other relevant parameters. GPS/GSM applications are commercial property, whereas customs and other public institutions are provided with the measures allowing to monitor (from distance) goods movement and lock action (unlocked/locked).
Remote monitoring equipment

Components:
- GPS/GSM tracking device
- Antenna
- Door indicators
Establishment of EWTC R&D platform

With aim to support innovations and research along Baltic EWTC:

• Together with national transport agencies, universities and research institutions, establish an EWTC R&D platform (incubators in cooperation with universities, development of intermodal tech solutions etc.);

• Initiate pilot projects and case studies;

• Facilitate the creation of cooperation platforms and clusters;

• Identify and communicate needs for future competences among the workforce within the transport sector (vocational training etc.).
Strategic aim – increasing of market share (twice up to 2030)

Asia – Europe trade flows - 552 billion Euro, 2010

Source: EWTCII project, 2012
Study on Baltic intermodal transport corridor prepared by researchers from Denmark, Sweden and Lithuania with support of prof. Wang Peng (COSCO, China)
Instead conclusions - Invitation for cooperation
Thank you for your attention

For more information please contact:
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