

Table 27 - Contains a summary of the estimated existing volume of international air passengers.

	Description	Passengers per day
E S T O N I A		
Tallinn – Riga	From Tallinn Airport Statistics/ Riga Airport Statistics	430
Tallinn – Kaunas	From Tallinn Airport Statistics/ Lithuanian Airport Statistics	0
Tallinn – Vilnius	From Tallinn Airport Statistics/ Lithuanian Airport Statistics	220
Tallinn - Warsaw	From Tallinn Airport Statistics	100
L A T V I A		
Riga – Tallinn	From Tallinn Airport Statistics/ Riga Airport Statistics	430
Riga – Vilnius	From Riga Airport Statistics/ Lithuanian Airport Statistics	420
Riga – Kaunas	From Riga Airport Statistics/ Lithuanian Airport Statistics	70
Riga - Warsaw	From Riga Airport Statistics	100
L I T H U A N I A		
Vilnius – Riga	From Lithuanian Airport Statistics / Riga Airport Statistics	420
Vilnius – Warsaw	From Lithuanian Airport Statistics	120
Vilnius – Tallinn	From Lithuanian Airport Statistics / Tallinn Airport Statistics	220
Kaunas – Riga	From Lithuanian Airport Statistics / Riga Airport Statistics	70
Kaunas - Warsaw	From Lithuanian Airport Statistics	0
Kaunas - Tallinn	From Lithuanian Airport Statistics / Tallinn Airport Statistics	0

Table 28 - Contains a summary, by all modes, of international transport volumes for key international movements relating to the Rail Baltica scheme.

	Rail	Road (Car)	Road (Coach)	Air	Total
E S T O N I A					
Tallinn – Riga	0	1520	320	430	1,650
Tallinn – Kaunas	0	60	8	0	128
Tallinn – Vilnius	0	160	40	200	400
Tallinn - Warsaw	0	30	2	100	142
L A T V I A					
Riga – Tallinn	0	1520	320	430	1,650
Riga – Vilnius	0	560	300	420	1,680
Riga – Kaunas	0	340	120	70	770
Riga - Warsaw	0	45	6	100	186
L I T H U A N I A					
Vilnius – Riga	0	560	300	420	1,680
Vilnius – Warsaw	14	80	60	120	254
Vilnius – Tallinn	0	160	40	220	480
Kaunas – Riga	0	340	120	70	770
Kaunas - Warsaw	10	420	40	0	350
Kaunas - Tallinn	0	60	8	0	88

4.3.3 Existing Freight Demand

Destinations and Connectivity

Rail Baltica is designed to fill a gap on a North-South axis linking key destinations in the Baltic States of Estonia, Latvia and Lithuania into the European Union rail network in Poland. It is considered that to give the new railway the best chance of obtaining a positive business case the new route will be capable of carrying mixed traffic, including express passenger and a variety of freight trains.

The corridor will connect Tallinn, Riga or Jelgava, Kaunas and Warsaw. In terms of route option development this means in effect connecting Tallinn, Riga, Kaunas and Seštakai, the existing connection into the Polish rail network on the Lithuania / Polish

border. To maximise potential demand on the route it is important to consider how the route will serve/connect to other key cities, industrial areas, ports, etc. The main potential international destinations for freight via Rail Baltica are likely to be those shown on the map below. Analysis has been carried out using these as a starting point and eliminating origins / destinations where Rail Baltica either cannot provide competitive pricing or significant volumes which could use the line do not exist.

Figure 14 - Main potential international destinations for freight via Rail Baltica



Key Information Used in Determining the Number of Trains Required

The following key information has been used in determining the number of freight trains likely to run on Rail Baltica.

- What is the current situation
- Who will use the new line
- What is the anticipated growth in freight transport
- Potential journey times versus other modes
- Potential journey cost versus other modes
- Reliability of service

Likely Train or Logistics Companies that might use Rail Baltica

There are various rail freight operators or bigger logistics companies that might be interested in operating services along the Rail Baltica corridor and they include;

- Freight operator DB Schenker whose rail Division expects to spend €410m on fleet modernisation this year to support a large expansion plan throughout Europe
- Captrain Deutschland, owned by SNCF, is actively looking to expand across Europe.
- DSV Transport AS, DSV is a global supplier of transport and logistics services. Following the acquisition of ABX Logistics, in 2008, it has become one of the leading transport and logistics companies in Europe.
- Unieveem Eesti OÜ is an Estonian based logistics company.
- Contimer OÜ use various transport methods - maritime, road, rail - to satisfy the specific needs of each of our customers, resulting in improved efficiency costs and on time delivery through one central point of control.
- LDz Cargo Loģistika Ltd. works in close collaboration with LDz Cargo Ltd., ports and terminals, to provide transport services for clients.
- Baltijas Ekspresis operates freight services and were the first licensed private sector rail freight company in Latvia.

- Lithuanian Railways (AB Lietuvos Geležinkeliai) moved 19,3 million tonnes of Oil products – (45,2 per cent of the total freight), and 9 million tonnes of fertilizers in 2009 together making up 66% of all the traffic. But container traffic is becoming the main trend in developing freight services due to its versatility. The Viking project of combined traffic has been running successfully and a total of 39.5 thousand containers (TEU) were carried on this award winning container train in 2009.
- Estonian Railways Ltd. (AS Eesti Raudtee) founded two new affiliates: AS EVR Infra and AS EVR Cargo and the latter provides rail freight services.
- CTL Logistics S.A. is the largest privately-owned logistics company in Poland operating in the area of rail transportation.
- PKP is the national railway company in Poland, both providing transport services and managing rail infrastructure.
- Rail Polska Sp. operates rail freight business in Poland.
- Freightliner Poland, mainly run bulk trains but operate container trains in the UK.
- TXCARGOSTAR is a German operator specialising in intermodal transport

Market Segments to Consider – Commodity Types

Rail traditionally offers benefits over road when there is a flow of a large volume between two fixed points over a reasonably long distance where the network is available. Hence the reason why the movement of coal, metals, petrochemicals and aggregates have been suited to rail. However one of the fastest growing markets in rail freight has been the movement of deep-sea containers bringing imports often from the Far East, and the intermodal movements of boxes and swapbodies. This latter sector is interesting in that several logistics integrators are combining goods from several companies on to trains.

We have examined the potential north – south rail flows using trade data and consulted with various companies and organisations. It is our view that the following represents the main flows of over 300,000 tonnes per annum

Table 29 - Main flows of over 300,000 tonnes per annum

O-D	Commodity	Tonnes
Finland - Germany	Paper	2,549,000
Latvia - Finland	Wood Products	1,257,000
Finland – Poland	Mineral Fuels & Oils	1,149,000
Finland – Germany	Wood Products	1,094,000
Lithuania - Latvia	Mineral Fuels & Oils	825,000
Lithuania - Estonia	Mineral Fuels & Oils	599,000
Lithuania - Finland	Wood Products	411,000
Finland - Poland	Paper	404,000
Germany - Finland	Iron & Steel	404,000
Finland - Germany	Mineral Fuels & Oils	347,000
Latvia - Germany	Wood Products	325,000
Poland - Lithuania	Food	305,000

(Tonnages have been estimated using trade data from the Finnish value per tonne for traffics which do not travel to/from Finland)

Those highlighted in orange could be containerised in future years. Increasing containerisation is a global trend and this will be input within the model when forecasting the structure of future demand.

In addition to the statistics gained, 3 trade associations have provided opinions of what type of traffics they see using the line. These were:

1. Timber and paper products – unanimous agreement
2. Goods currently carried by truck e.g. food – unanimous agreement
3. Trailers – unanimous agreement
4. Containers – one thought yes, one thought no, one unsure
5. Oil and Petrochemicals – mentioned by 1
6. Fertilizers – mentioned by 1

Based upon the available information it is thought Rail Baltica will most likely carry timber and paper products, food, containers and potentially some other products in lower volumes such as fertilizers, fuel and chemical products and manufactured goods.

Rail Baltica in being a new mixed railway is likely to attract a wide variety of commodities over time providing it is set up correctly. The range of products that could be handled and the type of wagons that would probably be used are listed in this section and include:

Current Inter Baltic Traffic

Some of the current rail traffic between Baltic States may shift due to decreased journey times on the new route. Traffic that is more likely to switch are time sensitive goods for example intermodal and post/parcels. This proportion is likely to be small for the reasons that most existing rail users are content with their current service and perhaps have their own dedicated rolling stock which they are unlikely to change in the short term. If companies have not been happy with the rail service they probably have already switched to road and it will be difficult to attract them back to rail.

Automotive Products (cartics and cargo wagons)

With production of certain car models being centred in just one or two factories across Europe there is a significant number of movements of components, spare parts and finished cars to and from Central Europe. Much of this goes by road but it is believed there may be scope for more of this type of traffic by rail through from the production heartlands to the regional markets.

Agricultural Products (intermodal flats or cargo wagons or tanks or grainflow wagons)

There is a considerable volume of agricultural products using coastal shipping and more could move by rail. The movement of fertiliser is a well established trade by rail for example 9 million tonnes moved in 2009 in Lithuania but it is a low margin product and fluctuates with seasonal requirements. The new line could provide not only a wider potential catchment for fertiliser travels south but an enhanced ability to bring seasonal agricultural products that are grown in Central and Southern Europe such as fruit and vegetables north to the Baltic States. There are modern grain wagons running on several European railways and there could be potential for using these on the line. Apart from grain for human consumption there could be business in the movement of animal feedstuff.

Biomass (closed top hoppers)

Biomass is an emerging market and is unknown in terms of volume. As various sources can be used including wood chips, nut husks and various bi-products from food processing there is a potential rail market. It is understood that there is a need to use closed top wagons to keep the product dry. It is likely that this product will replace a proportion of the current coal movements to coal fired power stations. But as it is more bulky than mineral coal it may require more trains.

Construction Materials / Aggregates (hoppers)

There is a definitely potential for the aggregate market and many demolition projects generate large volumes of material to take away and then in the construction phase there are significant volumes of aggregates, cement, steel members and other material required. Assuming the building of the new line goes ahead there will be significant volumes of construction material required for this alone. When building the line materials such as aggregates and metals will be required. This should provide new work for existing business and much of this material could be brought to site by rail. In addition the building of a new line can create what is known as the "sparks" effect – where new facilities such as logistics parks and other businesses set up next the new line due to increased connectivity provided. For example in the UK when the East Coast Mainline was electrified and journey times improved, people moved to live near to the new line and all the major towns on the route grew, house prices doubled and new businesses came in along the route. The new railway represents a completely new facility to Latvia, Lithuania and Estonia (a through connection to Western Europe and a much quicker connection north-south between the 3 countries) therefore there is likely to be some level of induced demand.

Container Traffic (Deep-Sea) (intermodal flats)

There is a continuing growth in the use of Deep Sea Maritime Containers and as more products are imported/exported by this method there is an opportunity to create a network of terminals and services by rail feeding to/from the container ports. There is a need to understand the effect of Deep Sea movements and the interaction between intermodal and feeder vessels and how will this affect traffic migration. Increasing the number of transshipments increases the total costs of the whole operation. Coastal feeders do take boxes to Baltic ports where road vehicles often complete the final leg. But there could be potential for some urgent boxes to be transhipped at ports such as Rotterdam for onward movement to Germany, Poland and possibly some Baltic countries.

European Intermodal (intermodal flats)

There is strong agreement that this market is evolving and if sensibly nurtured will deliver good volumes in the future for the rail sector. However reliability is essential, seven day operation is important, quick journey times are valuable to at least match road and the availability of contingency plans should incidents happen is critical, such as the provision of alternative routes. Although this sector is being led by the integrators there are good opportunities for major retailers and manufacturers as well.

Express Parcels (swapbodies and cargo wagons)

The postal and parcel companies traditionally used rail but due to the need for urgent deliveries much of this market either goes by direct lorry or air freight. However rail could offer an express service for mail and parcels between key airports and European cities. Air France and DHL both have business models exploring the opportunity to link a European network of express freight by rail. This could replace some short-haul flights in Europe which would be better for the environment.

Food & Drink Production and Retailing (intermodal flats / swapbodies / cargo wagons)

There is a significant volume of freight movements associated with the food and drinks industry. This might include the imports of fresh produce from mainly Mediterranean countries of vegetables and fruits and some of this requires keeping at chilled or frozen temperatures. The potential for rail, could be significant and could supply National Distribution Centres of food retailers in the Baltic Countries. Produce is likely to come in cargo vans or chilled/freezer boxes.

Groupage (cargo wagons / swapbodies)

It is believed that an addressable market for rail is groupage – particularly less than full train loads that aren't time sensitive. This represents a significant market that has only been touched upon in previous works. There are various Pallet Networks which tend to have freight exchanges building up considerable volumes that then are moved on the main roads/motorways at night when there would be capacity on the rail network. A rail network of trunking between key European cities should be considered. For regular full-load and part-load services, intermodal services such as DHLs offers an alternative to road transport. Since fuel is less of a determining factor in the cost price, the price range for intermodal transportation is more stable. This means intermodal transportation isn't just an environmental alternative, but also an economical one, to pure road haulage.

Manufactured Goods (intermodal flats / cargo wagons / swapbodies)

There is potential for rail services to move manufactured and part processed goods. These either go for further manufacturing or to distribution centres for onward movement to retailers. Products can come in a range of sizes and hence could either go in containers, swapbodies of conventional wagons.

Metals (flats/steeliners)

This is another traditional market for rail that could have some flows on the new line. There are various different types of steel, from fairly cheap grades for the mass market to specialist grades of steel. If less metal production happens in the Baltic states then potentially more flows will either arrive at ports for example imports from the Far East whilst potentially other metals could be exported to other European countries.

Minerals and Ore (hoppers)

It is important to not forget the movement of coal and iron ore which are still some of the biggest markets for rail and likely to continue to be. Although many coal movements are associated with the power generators there are still some industrial users. But the main flows of coal and minerals are still likely to remain on the east-west axis to/from Russia and hence are less likely to need large numbers of freight train paths on Rail Baltica.

Oil and Petrochemical Industry (tankers)

The movement of oil and chemicals between refineries and terminals where there is insufficient volume to justify a pipeline is an addressable market for rail. Oil is already the largest commodity moved by Lithuanian Railways and the introduction of a new railway line will certainly not reduce that but may in fact stimulate new opportunities in other countries. Similarly the movement of chemicals from production plants are suited to the use of rail. There could be significant interest in running rail tankers of

chemicals from Central Europe through to the Baltic States providing direct links can be made from Rail Baltica as this avoids the need to change wheels on the tank wagons. One of the best known private rail freight operators in Europe, Rail4chem, was set up in 2000 under the initiative of German chemical firm BASF to have better control over the chemical supply chain by rail. This company was successful in expanding the market and has more recently been bought by Veolia Cargo which has been incorporated into Captrain Deutschland, owned by SNCF.

Hazardous Goods

Rail Baltica would be suitable to carry hazardous goods in its various forms, liquid or dry bulk and in tanks, tanktainers or packaged goods in containers or in cargo wagons. For hazardous goods moving between Central Europe and the Baltic States the very fact that the train may not have to change gauge or be transhipped will be a very positive move in reducing the chance of a serious Health & Safety incident. This alone could attract new tonnage to the line.

Waste (hoppers)

There is an emerging understanding of recycling and how society wants to treat waste in the future. Instead of flows going to a convenient landfill site there are several differentiated flows including recyclates, reformed waste in combustible briquettes, specialist higher value waste and possibly the remainder destined to "waste to energy" plants. These flows could be suitable to the rail market in the future.

Wood & Forest Products (flats / cargo wagons)

Wood and Forest products such as timber, paper and pulp are potentially a large market for Rail Baltica. The movement of logs, timber and paper from countries such as Finland are significant in volumes and although the movement by water on the Baltic Sea is cheap there are destinations in central Europe that cannot easily be reached by water. According to Eurostat information there was approximately 325,000 tonnes of forest products going by sea last year from Latvia to Germany and there is likely to be more of a potential market for products that travels to Central and southern Germany than the area near the ports in the north.

Potential Customers

We canvassed a range of logistics companies and freight forwarders to ascertain their views on Rail Baltica. In conducting this Market Research we used a number of techniques including telephone surveys and electronic mail. We made contact with over twenty companies in each of the following countries, Estonia, Finland, Latvia and Lithuania. Many companies responded even if it was to say they would not be interested in the prospective new railway, and in these cases the conversation ended there. Some companies said they would send responses but did not and were followed up, but in general the response rate was reasonable. The following section outlines the main responses by country and gives some information on the companies that expressed a view, even if it was a negative observation. It is important to draw realistic conclusions from the information collected.

Latvia

11 Latvian Freight Forwarders don't use rail and will not do so in the future. This is not necessarily saying that the Rail Baltica project is not required but merely suggesting that for many companies rail is not on the freight companies' agenda. However, three Latvian Freight Forwarders were more positive and had some positive comments:

- One forwarder operates several dry cargo terminals at the Riga Free Port, where they offer a stevedoring service for the receipt, storage and reloading of cargo. They also offer a processing, screening, crushing and magnetic clearing of steel coil and handle the transportation and Forwarding services of 5 million tonnes of coal per year to Russia. The company is comfortable with the current rail lines, and see the main potential for the proposed line as passenger orientated and the new line will be a key factor in ensuring the development of tourism.
- Another respondent was one of the leading retailers in food and fast moving consumer goods in Latvia, operating through different retail chains suiting different customers. They have established their own distribution centre that is the largest and most up-to-date distribution centre in the Baltic States. At the time of writing the company had 107 stores including 15 hypermarkets, and 92 other stores. The company does not currently use railway, as there is not a suitable rail route to meet the needs of the business. However they would be interested in Rail Baltica to transfer goods to or from Estonia, and Poland. The main operational factors the new line should offer are that it needs to be fast enough and have the capability to carry frozen food products in containers.
- A large plywood producer sited along the proposed railway route said that they have seen a decrease in incoming goods in 2009 due to the recession from around 700 wagons monthly to about 30 and they only take goods via road. However the company plans to sell around 190,000 tons of plywood in 2010 and has seen its production volumes return to the 2008 level with a 50% increase in turnover in the first six months of 2010 compared to 2009. The higher volumes may suit some movement by rail in the future.

There has been a recent trade conference proving that new cooperation between Latvia and the United States has much potential. Around 15,000 containers of U.S. freight have been shipped via Latvian ports in transit so far, representing food industry, construction, household appliance production and other sectors. It is possible that some of this transit traffic could go by rail depending on the destinations.

Lithuania

10 Lithuanian Freight Forwarders said they would not use Rail Baltica mainly as the majority of traffic is on the east-west axis and hence have no need of the line. However, 10 Lithuanian Freight Forwarders had more in-depth comments:

- One respondent was the official agent of the shipping line Hyundai Merchant Marine (HMM) in the Baltics offering cargo carrying services along the HMM line's routes. The main carriage directions are the Far and Middle East and North America. As this company only provides shipping services for Hyundai containers they would not have any real interest in transporting by rail in the future.
- Another respondent is a maritime agency that carries out various freight forwarding, shipping and other transportation and logistics services. The company provides transportation services for all types of marine, rail and road transport and has extensive experience in organizing transportation of sea containers. They were unable to provide an exact percentage of freight they move by rail but stated that they prefer to send by sea to the nearest port and use rail over a shorter distance. They do move freight to Tallinn, Warsaw, Belarus and Ukraine meaning they could utilise Rail Baltica for freight as it provides a direct connection to Tallinn and Warsaw and a connection to Belarus and Ukraine.
- Another respondent operates mainly by sea, road and air. They maintain a fleet of over 5,000 trucks on four continents and also have specialist air freight teams located across five continents constantly monitoring direct flights and offer freight consolidation, door-to-door and express traffic. They also offer port-to-port, door-to-door pick-ups and deliveries for FCL, LCL, groupage or breakbulk goods, plus Roll-On/Roll-Off services and complete logistics packages. Currently, 5% of their containers received by sea are forwarded via rail with 1% of their rail freight being transported to Kazakhstan. Rail Baltica would provide a transfer point to rail connections to Kazakhstan via Warsaw. Hellmann said that it is conceivable that Rail Baltica may allow them to extend their rail forwarding operation to Tallinn and Warsaw.
- Another shipping company said that they provide a number of services such as cargo clearance for freight arriving / leaving port by sea, ordering of railway and road transport as well as forwarding of cargo arriving by containers. This allows clients to collect cargo arriving by different types of transport for onward movement, and arranging "door-to-door" delivery to final destination. The types of cargo usually carried are frozen fish, frozen meat and poultry, fruits and general cargo. They move 10% of their freight by rail to such destinations as Belarus, Kazakhstan, Warsaw and Tallinn. They mainly move freight to the Ukraine by lorry as costs are too high to use rail. With the introduction of Rail Baltica it is possible that they may use rail to transport freight to the Ukraine in future, providing the costs are competitive.
- Another respondent was a merchant shipping company offering services that connect ports in the area of Baltic Sea, Mediterranean Sea, North Sea, Black Sea, Azov Sea and Atlantic Ocean. They are an independent freight forwarding company based in Lithuania offering cost effective sea, road, railway and air freight forwarding services around the world and are capable of delivering any cargo to any port including offshore operation. They already transport 100% of their freight to such destinations as Latvia (Liepaja), Belarus and Russia by rail. Rail Baltica would improve connections to their current destinations and provide additional interchange points.
- Another company specialises in railway transportation to and from the Baltic States and CIS, with 100% of their freight being transported between Klaipeda and Russia goes by rail. They are interested in extending their operation to include transporting heavy cargo from Germany and Poland which would be possible using Rail Baltica.
- Another respondent is a freight forwarder who guarantees a high quality service. They currently transport the majority, between 80% and 100%, of their freight via rail. They specialise in transporting frozen products to Kyrgyzstan and Kazakhstan. The speed and efficiency with which goods can be transported to Kyrgyzstan and Kazakhstan could be greatly improved with the Rail Baltica link to connecting railway.
- One of the leading companies in the Baltic states dealing with shipping agency services, brokerage, freight forwarding and transportation said that they have long-term experience in transporting various goods from the USA, Greece, the Netherlands, France, Germany, Russia and many other countries. They currently transport 50% of their cargo via rail. They would be interested in increasing the proportion of freight they move by rail by using Rail Baltica but it would depend on how competitively priced the service will be.

- One of the largest cargo carriers and forwarding companies in Lithuania providing logistics services for cargo movement in Western, Eastern and Central Europe, Scandinavia, Poland, other Baltic and CIS countries and within Lithuania itself said that they transport reefer cargo, metals, fertilizers, timber and bulk products as well as cargo with special requirements in terms of temperature, packaging, etc. They deliver cargo "door to door" by combining transportation by sea, by land and by air. They are interested in increasing the amount of freight they move by rail and would be very interested in using Rail Baltica in the future to achieve this. They believe it would help to increase the amount of liquid cargo that they transport across Europe due to the easy link provided by Rail Baltica as it will decrease the time taken to transport goods from Poland to the Baltic region by negating the need to change wheels between rail gauges.
- An international logistics and maritime service provider specialising in door-to-door transports of FCL, LCL, project and break bulk cargoes from/to overseas destinations with special focus on the Asia CIS trade said that they receive 30% of the freight from Europe and 50% from China and send more than 50% of their freight by rail. They think, however, that this new rail line will not provide significant competition to marine transportation services due to cheap sea tariffs for containers but may be competitive against road in transporting goods in cargo wagons.

Estonia

9 Freight Forwarders said they would not use Rail Baltica mainly as they were mainly in sea transport only or their traffic is on the east-west axis and hence have no need of the line. 6 Estonian Freight Forwarders had more in-depth comments:

- A negative view from a director of a freight forwarding company was "Rail rates are always twice as expensive as maritime rates. When you have an international "transit" journey you have several countries, all of whom have different tariffs, taxes and each will want to earn money, or one combined company that will serve the whole line will want to quickly recover the investment and the tariffs are likely to be too high and our children will have to repay debts! The only ones who can send their goods along the new rail to Latvia and Estonia are the Poles, and this will be in small quantities. Poland also has a port through which it is more profitable to send the cargo to Latvia and Estonia."
- A port agency providing freight forwarding services in all Baltic ports said that they currently move all their freight by road but would be interested in moving loads, such as peat, wood and wooden houses, by rail in future. Rail Baltica could aid them in doing this, if it is priced competitively to compete with road transport.
- A company providing worldwide door-to-door freight transportation services across Europe, Russia, C.I.S. and the Baltic States said that they provide freight forwarding services using rail, road, air and marine transport. Of these modes they use rail to transport 50% of their freight and this is only to Russia currently. They would be interested in expanding their operations to other areas and in using Rail Baltica to do this, though how much of their trade they would be able to transfer to rail would depend on their clients.
- Another respondent was an independent provider of port agency and shipbroking services across the international shipping markets providing the full scope of liner shipping agency services for container, general cargo, ro-ro and passenger lines. They currently move their freight by sea but would be interested in moving a proportion of this, possibly 5000 tons / month, by rail in the future using Rail Baltica if it was competitively priced.
- Another respondent's main activity is sea transport management which includes: full ship's management, shipping, chartering, technical supervision, carrying out technical inspections on ships and brokerage. They do not currently use rail to transport goods but are interested in Rail Baltica for future operations. They currently move 1000 tons/month of frozen foods which could potentially be moved by rail.
- A well known shipper dealing mainly in containers, but also general cargo said that some of their freight is carried by rail. They move 20-40 containers / month and approximately 500 tonnes of general cargo, including various non hazardous goods amounting to approximately 1000 tons per month. The traffic flows to the Baltic states are mainly to/from Germany, Holland, Italy, Belgium and France. The following items would be the main requirements for them to use the new line, good price, short transit-time, and ready availability of rail platforms / wagons. The journey time is now spread over several days and it is acceptable to have a 5-10 day journey depending on destination / origin. To start with a weekly service frequency from the main origins would be acceptable. The level of reliability would need to have a performance of about 95% of trains arriving within 15 minutes of the planned time. There are two main reasons why they might not use the line firstly if the freight booked needed to be carried on the East – West axis and not North – South and secondly it depends on rates. They are happy with current modes of transport but lower prices would entice them to change. The key factors to ensure that the line attracts new traffic are; competitive rates, service reliability, good transit-time, availability of terminals, containers and wagons.

Finland

18 Freight Forwarders said they would not use Rail Baltica as they were mainly in sea or road transport only or their traffic is on the east-west axis from Finland to Russia and hence have no need of the line and did not contribute further to the survey. There were a number of companies that did comment about Rail Baltica;

- An independent Finnish freight forwarding and transportation company moving regular road-traffic to / from all European and Baltic countries said that they offer access to a range air, sea and railway transportation, customs clearances, distribution and logistical services. Significantly they have subsidiaries in the following countries: Estonia, Latvia, Lithuania, Poland and Hungary, which closely mirrors the route of Rail Baltica. The group has been expanding their Latvian operations and built a logistics centre in the town of Marupe in Latvia in 2007. Currently they carry all kinds of goods from Hungary to Finland, but only via road, would use rail if there would be railway line going through Poland. Main potential is the transfer of wood all over the world. A key factor in whether the line is successful is in providing a tracking service on the goods/wagons so there is visibility as to the location of the products at any time.
- A Finnish third party logistics company operating in international logistics, warehousing, supply chain management and forwarding services said that they carry any kind of goods, mainly from the Far East to Finland and Finnish exports are electronics, metal, paper and forest products. They use rail but for less than 5% of their freight. The new line must be competitive to road, and offer similar or better timings. They see high potential for this line and would like through services to run at least 2 or 3 times a week, from Finland to Poland.
- A well known third party logistics operator carries all kind of goods to Finland, but not via rail. However their European arm does offer services when customers need to move single wagons, wagon groups or complete trains across Europe from siding to siding or door to door. The main potential for the line is for the transfer of goods all over the Europe, for every type of goods. A key factor is in offering a tracking service. Their European rail division can offer a "Track and trace" service throughout the whole transport chain and they can also offer ADR capabilities for the movement of hazardous goods. Their intermodal division concentrates on putting high payloads into various compatible loading units, be it a container, a swap body or semi-trailer. The loading unit itself is compatible with all road, rail and ocean transport.
- An international shipping and logistics company said that they offer a wide range of logistics solutions both in Northern Europe and worldwide. They carry anything from electrical goods to machinery, worldwide. They move, more by sea and air, and rail is less than 10% of volumes. However they think that Rail Baltica could be a good solution and would use rail if and when they have specific cargo needing that route.
- A Finnish agency carrying different exhibition goods said that they currently only use road, air, and sea as they think that rail is more expensive than road. However they consider there could be potential for new line for companies from Finland.
- A Container Terminal operator said that they think that rail is more expensive and pricing would have to be competitive to attract customers to Rail Baltica.
- A Freight Forwarding/Port Operator said that they currently move about 50.000 – 100.000 tonnes of electronic, industrial and forest products per year from Finland to Poland and Germany via Tallinn. So there is a possibility of moving containers, and paper and board in normal cargo wagons on the line. As a price indication for a round trip from Tallinn to the Southern part of Poland it costs 800 euros per 40' container. The current journey times between Finland and key destinations are; to the southern part of Poland is 4 days, and to Germany depending on the location varies from 5 days to 7 days. They said that good reliability is important where 95% of trains arrive within 15 minutes of the planned time. According to this company the key factors in ensuring that the line attracts new traffic are that Continental gauge is a must, and frequent services are wanted with a frequency of at least twice a week to different destinations. They also suggested that there should be a network of terminals to allow the possibility of reloading and backloading.
- An international transport and forwarding company located in Lahtio offering transport, customs clearance services said that they offer road, air and sea transport and have services between Italy-Finland and Spain-Finland. They carry kitchen appliances, furniture, olive oil, and wine and only use trucks from Italy and Spain to Finland as they believe rail is too slow. A new railway that offers faster journey times would potentially be of interest but would have to offer something new.

The Finnish Transport Agency, Liikennevirasto is a government agency responsible for Finnish land and sea transport network infrastructure. The Agency was created combining parts of Finnish Maritime, Road and Railway Administrations. We have received a personal view on the potential for freight traffic to use the Rail Baltica line.

They stated that on the map Rail Baltica looks interesting; it could be an alternative for the usual transport routes by sea to the established terminals on the south coast of the Baltic sea (Kiel, Lubeck, Travemunde, Rostock). The export industry have expressed their interest in principle, but in practical terms it could prove difficult to convince freight forwarders to shift the transports to Rail Baltica as the present routes are well established and previous investments in infrastructure, in dedicated slots, in handling equipment, in terminals on the continent guarantee a service level which is accepted by both the customers and the export industry.

Routing the export goods via Tallinn requires a crossing of the Gulf of Finland which may add an extra loading procedure. These comments are valid for the main export streams from Finland to Western and Central Europe. Export volumes to the Baltic markets themselves are thought to be too small for regular train services.

Looking for future prospects and to use the advantage of transports on broad gauge (no reloading), the markets in the south-east of Europe offer worthwhile potential to develop. This is also a route to avoid the congested areas of central Europe. However customers have to bear in mind that as they leave the EU the experience is that they are confronted with problems of an administrative nature. Trials made by rail, have not worked out well.

The main export ports in South of Finland are Kotka/Hamina, Hanko and Rauma. They all have daily services to the mentioned ports in the southern part of the Baltic. These regular shipping services cover the distance in less than 48 hours. The fastest Ferries (Hanko) do it in less than 24 hours in the summer time. Ships leave normally in the afternoon. Export goods from the papermills are fed on a regular and continuous basis by lorries to the port warehouses (Rauma is serviced by train).

They stated that they do not see Riga as a feeding port for goods to be transported along RB. In the east-west transports all the Baltic ports (Kaliningrad, Klaipeda, Ventspils, Riga, Tallinn) have been actively offering rail services.

The main export products suitable for rail transportation (paper, board, steel) are delivered to the consumers in a seamless logistics chain minimizing stocks, therefore reliability is most important. How it is defined is a contract matter varying from customer to customer.

As to what time of day services would be required to run i.e. would night-time only work, or 16 hours per day or more required it depends on how the service between Finnish ports and Tallinn will be organized and how the logistics chain to the consumer will be worked out.

Planning of inland hubs should take into consideration how the expected crossing traffic is planned to be developed. In the Baltic area the connections are to the south-east Europe, in Poland and Germany the connections are to central Europe.

4.3.4 Freight Demand Matrices

The following tables give the total volumes of freight, both bulk and non-bulk in the base year of 2008.

Table 30 - Bulk Freight

Road	Latvia Total	Riga Region	Kurzeme Region	Latgale Region	Zemgale Region	Vidzeme Region	Riga City	Lithuania Total	Vilnius city municipa lity	Kaunas city municipa lity	Klaipēda city municipa lity	Panevėžys city municipa lity	Šiauliai city municipa lity	Alytus city municipa lity	Telsiai	Taurage	Marijam pole	Utena	Estonia Total	Põhja- Eesti	Lääne- Eesti	Kesk- Eesti	Kirde- Eesti	Lõuna- Eesti	Finland	Germany	Poland	Austria	Northwe stern economi c region of Russia	Czech Republic	Ukraine	Belarus	Italy	Hungary	
Latvia Total	36453	6080	7993	4207	6443	4557	7173	305	39	51	83		131						210	87	20	38	20	44	21	196	152		514	6					
Riga Region	6361	1061	1395	734	1124	795	1252	8	1	1	2		3																						
Kurzeme Region	7331	1223	1607	846	1296	916	1443	61	8	10	17		26																						
Latgale Region	3896	650	854	450	689	487	767	8	1	1	2		4						150	63	14	28	15	31											
Zemgale Region	5429	906	1190	627	960	679	1068	16	2	3	4		7																						
Vidzeme Region	4402	734	965	508	778	550	866	13	2	2	4		6						59	25	6	11	6	12											
Riga City	9035	1507	1981	1043	1597	1129	1778	198	26	33	54		85															150							
Lithuania Total	420	20	104	53	50	18	175	28094	6356	5844	4152	2200	2808	1493	1883	777	1117	1463	66	39				28	239	348	283		600					6	
Vilnius city municipality	87	4	21	11	10	4	36	6917	1565	1439	1022	542	691	368	464	191	275	360	44	26					18			165							
Kaunas city municipality	107	5	26	13	13	5	44	5276	1194	1098	780	413	527	280	354	146	210	275	22	13					9		118								
Klaipēda city municipality	116	5	29	15	14	5	48	4168	943	867	616	326	417	221	279	115	166	217																	
Panevėžys city municipality	50	2	12	6	6	2	21	2452	555	510	362	192	245	130	164	68	98	128																	
Šiauliai city municipality	60	3	15	8	7	3	25	2495	565	519	369	195	249	133	167	69	99	130																	
Alytus city municipality								1445	327	300	213	113	144	77	97	40	57	75																	
Telsiai								1638	371	341	242	128	164	87	110	45	65	85																	
Taurage								857	194	178	127	67	86	46	57	24	34	45																	
Marijampole								1367	309	284	202	107	137	73	92	38	54	71																	
Utena								1480	335	308	219	116	148	79	99	41	59	77																	
Estonia Total	289	227				62		92	20	71									22905	7958	2724	8094	2475	1655	156	62			323	3					
Põhja-Eesti	142	112				30		45	10	35									7834	2722	931	2768	846	566			100								
Lääne-Eesti																			3233	1123	384	1142	349	234											
Kesk-Eesti	23	18				5		7	2	6									7783	2704	926	2750	841	562											
Kirde-Eesti																			2754	957	328	973	298	199											
Lõuna-Eesti	124	98				26		39	9	31									1301	452	155	460	141	94											
Finland	26							16											210						158432	25	114	2	290	11				7	
Germany	243							317											103						15		7592		1						
Poland	83							268	108	160									18						111	7796	651725		1092	614				82	
Austria	16							19											14						1	2367	443	2	1	903				830	
NW economic region of Russia																																			
	105							75											189						504	1	132			27					
Czech Republic	19							57																	12	978	1398		51						
Ukraine	6							5																											
Belarus	42							30												13															
Hungary	2							17												3															
Italy	2							15												20															

Sea	Latvia Total	Riga Region	Kurzeme Region	Latgale Region	Zemgale Region	Vidzeme Region	Riga City	Lithuania Total	Vilnius city municipa- lity	Kaunas city municipa- lity	Klaipēda city municipa- lity	Panevėžys city municipa- lity	Šiauliai city municipa- lity	Alytus city municipa- lity	Telsiai	Taurage	Marijam- pole	Utena	Estonia Total	Põhja- Eesti	Lääne- Eesti	Kesk- Eesti	Kirde- Eesti	Lõuna- Eesti	Finland	Germany	Poland	Austria	Northwe- stern economi- c region of Russia	Czech Republic	Ukraine	Belarus	Italy	Hungary
Latvia Total								3			3								73	73						2394	3856	17		7				230
Riga Region																																		
Kurzeme Region								3			3								15	15						717	895	6		6				82
Latgale Region																																		
Zemgale Region																																		
Vidzeme Region																																		
Riga City																			58	58						1677	2961	11		1				148
Lithuania Total	97		97																1	1						341	607	87		27				23
Vilnius city municipality																																		
Kaunas city municipality																																		
Klaipēda city municipality	97		97																1	1						341	607	87		27				23
Panevėžys city municipality																																		
Šiauliai city municipality																																		
Alytus city municipality																																		
Telsiai																																		
Taurage																																		
Marijampole																																		
Utena																																		
Estonia Total	32		7				25																			3003	676							
Põhja-Eesti	32		7				25																			2244	572							
Lääne-Eesti																										311	76							
Kesk-Eesti																										448	28							
Kirde-Eesti																																		
Lõuna-Eesti																																		
Finland	207		170				37	64			64								2151	2090		11	50				3245	244						809
Germany	102		69				33	144			144								211	166		34	11			1456				289				
Poland	10						10	166			166								6	6						294								
Austria																																		
Northwestern economic region of Russia	99		6				93	29			29																2271							
Czech Republic																																		
Ukraine																										7								
Belarus																																		
Hungary																																		
Italy																										43								

[illegible]

Sea	Latvia Total	Riga Region	Kurzeme Region	Latgale Region	Zemgale Region	Vidzeme Region	Riga City	Lithuania Total	Vilnius city municipal ity	Kaunas city municipal ity	Klaipēda city municipal ity	Panevėžys city municipal ity	Šiauliai city municipal ity	Alytus city municipal ity	Telsiai	Taurage	Marijamp ole	Utena	Estonia Total	Põhja- Eesti	Lääne- Eesti	Kesk-Eesti	Kirde- Eesti	Lõuna- Eesti	Finland	Germany	Poland	Austria	Northwes tern economic region of Russia	Czech Republic	Ukraine	Belarus	Italy	Hungary
Latvia Total																									61	1031	17		1					
Riga Region																																		
Kurzeme Region																										387	6		1					
Latgale Region																																		
Zemgale Region																																		
Vidzeme Region																																		
Riga City																									61	644	11							
Lithuania Total	13						13													5	5					474	87							
Vilnius city municipality																																		
Kaunas city municipality																																		
Klaipēda city municipality	13						13													5	5					474	87							
Panevėžys city municipality																																		
Šiauliai city municipality																																		
Alytus city municipality																																		
Telsiai																																		
Taurage																																		
Marijampole																																		
Utena																																		
Estonia Total	4						4	18			18														108	248								
Põhja-Eesti	4						4	18			18														108	248								
Lääne-Eesti																																		
Kesk-Eesti																																		
Kirde-Eesti																																		
Lõuna-Eesti																																		
Finland	78		9				69	98			98									145	145					6601	244							
Germany	1157		294				863	993			993									524	524				6167				6392					
Poland	10						10	166			166									6	6				294									
PL1																																		
PL2																																		
PL3																																		
PL4																																		
PL5																																		
PL6																																		
Austria																																		
Northwestern economic region of Russia	8		7				1	5			5															3200								
Czech Republic																																		
Ukraine																																		
Belarus																																		
Hungary																																		
Italy																																		

Current Rail	Latvia Total	Riga Region	Kurzeme Region	Latgale Region	Zemgale Region	Vidzeme Region	Riga City	Lithuania Total	Vilnius city municipal ity	Kaunas city municipal ity	Klaipėda city municipal ity	Panevėžys city municipal ity	Šiauliai city municipal ity	Alytus city municipal ity	Telsiai	Taurage	Marijamp ole	Utena	Estonia Total	Põhja- Eesti	Lääne- Eesti	Kesk-Eesti	Kirde- Eesti	Lõuna- Eesti	Finland	Germany	Poland	Austria	Northwes tern economic region of Russia	Czech Republic	Ukraine	Belarus	Italy	Hungary
Latvia Total	6				3	3		107		107									39	39														
Riga Region								107		107									39	39														
Kurzeme Region																																		
Latgale Region																																		
Zemgale Region		3					3																											
Vidzeme Region		3				3																												
Riga City																																		
Lithuania Total	114	114						101				3		98														89						
Vilnius city municipality																												89						
Kaunas city municipality	114	114																											89					
Klaipėda city municipality																																		
Panevėžys city municipality								98						98																				
Šiauliai city municipality																																		
Alytus city municipality								3				3																						
Telsiai																																		
Taurage																																		
Marijampole																																		
Utena																																		
Estonia Total	14	14																	95	47					47	4								
Põhja-Eesti	14	14																	47						47	4								
Lääne-Eesti																																		
Kesk-Eesti																																		
Kirde-Eesti																																		
Lõuna-Eesti																			47	47														
Finland																																		
Germany																													2					
Poland								23		23																	6							
PL1																																		
PL2																																		
PL3																																		
PL4																																		
PL5																																		
PL6																																		
Austria																																		
Northwestern economic region of Russia																																		
Czech Republic																																		
Ukraine																																		
Belarus																																		
Hungary																																		
Italy																												6						