

# BALTIC LOOP PROJECT

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## ***TO DISCOVER NEW POTENTIAL***

**Project BALTIC LOOP focuses on developing solutions to transportation bottlenecks along the East-West corridors to smoothen the transportation flows.**

Project covers three selected corridors running in the West-East direction (Northern, Middle and Southern) within the Central Baltic Region, namely Orebro-Turku/Tallinn/Riga-St.Petersburg.

The project seeks to minimize the impact and/or number of different traffic hindrances or bottlenecks.

The overall aim is to minimize travelling and cargo time in the corridors, and reduce emissions. Developing traffic corridors with shortened travel and transport times will make the corridors more attractive to new businesses and innovations.

*The first Newsletter will outline the main objectives of the project. Future editions will provide updates on the progress of the work and project activities, news and events.*

# WHY?

## THREE DEFINED TRANSPORT CORRIDORS

Baltic Sea is connecting Estonia, Finland, Latvia and Sweden into wide network of intertwined connections. We are physically around worlds most vulnerable sea basin and we are so related, that this little sea (0,45 % of the world oceans) is enjoying 10% of world sea-traffic. This puts us into difficult situation as logistics and transport are globally growing and prosperity is in direct connection with the intensity of trade. We all want to enjoy both strong economy and clean environment. The only option is to make transport chains and logistics more effective and sustainable. Interreg Central Baltic Programme 2014-2020 project Baltic Loop is analyzing the situation in the heart of Baltic Sea by investigating 3 corridors crossing the sea from east to west in Central Baltic Sea. The first task is to understand and identify bottlenecks and recognize potential for trade and logistics. At the same time the project is looking for ways to innovate our business models and see what is there in regards to digitalization and technology.



## UNDISCOVERED FUTURE OF NEW EAST-WEST TRANSPORTATION CONNECTIONS

### WHAT WE PLAN TO DO

The project tackles the bottlenecks\* in time saving along the corridors through four themes:

1. TECHNICAL TIME SAVING SOLUTIONS
2. BUSINESS MODELS FOR SMART AND SUSTAINABLE HUBS
3. NON-TECHNICAL TIME SAVING SOLUTIONS
4. DIALOGUE BETWEEN TRANSPORTATION ACTORS ALONG THE CORRIDORS

*\*Bottlenecks are things or situations which prevents fluent traffic flow during processes, like narrow road, closed tunnel or bridge, weight limits, accidents, missing drivers, slow check in, difficult modal shift etc.*



# A NEW CONTRIBUTION TO THE TRANSPORT SECTOR; A NEW CHAPTER



An interview with the project lead partner Jari Hietaranta, Turku university of applied sciences (FINLAND) to find out more about the project BALTIC LOOP

**The Central Baltic Programme 2014-2020 finances result orientated cross-border cooperation projects in Estonia, Finland (incl Åland), Latvia and Sweden. The programme supports four priorities: Competitive economy, Sustainable use of common resources, Well-connected region and Skilled and socially inclusive region. What about Baltic Loop?**

Baltic Loop project is going to fulfill one of the Programme priorities, which is "well-connected region". This will be done bearing in mind the specific object 3.1. Improved transport flows of people and goods. However, the work will also take place in parallel with the horizontal objective of a low-carbon economy defined by the programme.

**It is said that well developed infrastructure (including roads) is the basic key for the territory development. I guess the idea of this project is to go more deeper and deal with management and planning issues. Is that so?**

Yes, the core idea is shortening transport or travelling time in selected corridors. The value of travel time and travel time savings are closely linked to costs, while travel savings are the primary justification when some improvements are planned to be implemented. Transport costs are closely related to producer, consumer and production costs, while for passengers the time is set as a core value to maintain the well being and satisfaction.

**The project has chosen to work towards the East-West corridors. Why this choice?**

It has to be recognized that the direction is underdeveloped at the moment, while Russia is considered to be a market with high potential.



## TO KNOW

MAIN TARGET THE BALTIC LOOP IS GOING TO REACH IS SHORTEN TRAVELLING AND CARGO TIME, LESS EMISSIONS, LESS TIME CONSUME AND LESS EXPENCIES

## **What will be the main activities that are crucial for developing new potential of the transport corridors?**

Main activities will be by optimizing terminal locations and operations in terminals, including modal shift between sea and land transport. The task is also to find the bottlenecks along the three corridors. The project is going to be very practical, meaning it is oriented towards problem solving rather towards academic research.



## **TO KNOW**

### **THE CURRENT STATUS OF THE PROJECT:**

PROJECT IS IN ITS EARLY STEPS AND LOTS OF WORK IS AHEAD. NOW WE ARE PREPARING QUESTIONNAIRE TO STAKEHOLDERS FOLLOWED BY FACE-TO-FACE INTERVIEWS. LOCAL MEETINGS WITH STAKEHOLDERS ARE IN THE TO DO LIST.

## **What is the difference between technical and non-technical solutions? Could you give an example?**

Main difference is human behavior and bureaucracy (non-technical) and problems which can be solved through technical manners and development (technical).

## **Why it is important to choose transnational partnership to deal with those bottlenecks? Why EU project?**

Traffic and transport are basically international and business as well. Bottlenecks are mostly cross border issues and should be solved internationally.

## **Will there be some practical result that will be possible to use by SME's for example to improve their management system or at least analyse it to see where are their own possible bottlenecks?**

Yes, SME's are planned to be involved in survey which will be proceed by following the trucks during their trip from ie. Helsinki to Örebro. The target of this activity is to show time wasting incidents during the trip. The results can be integrated into their management system and used for their development.

## **What is the strength of the Baltic Loop partnership? What are the basic competences that can be used to successfully implement this project? What is your personal motivation to work in EU projects?**

Holistic approach to the problems can be identified and solved with good and specialized partners. Partners are familiar with business, transport and traffic development as well as land use problems. It is interesting and rewarding to work important issues in sophisticated international environment.



# WHO WE ARE

EVERYTHING STARTS WITH  
AN ENTHUSIASTIC TEAM



## TO KNOW

CAREFULLY SELECTED  
PARTNERSHIP HAVING FULL SET  
OF COMPETENCES AND POWER

3 REGIONAL  
PLANNING AUTHORITIES  
2 UNIVERSITIES  
1 PARK OF TECHNOLOGIES  
1 UNION OF MUNICIPALITIES

The BALTIC LOOP project is carried out as a partnership of institutions from four Baltic Sea Region countries – Estonia, Finland, Latvia and Sweden, among which Turku University of Applied Sciences is the Lead partner. Every partner has been selected carefully based on the knowledge and ability about the subject. With this consortium the project has the best possibilities to achieve the project main goal which is to minimize traveling and cargo time within the corridors. Partners are covering all aspects of transportation flows from road transport, harbors, shipping along the East – West corridor.



# PROJECT KICK-OFF

## 24TH SEPTEMBER/TALLINN/ESTONIA

By Kaarel Kose, Union of Harju County Municipalities  
BALTIC LOOP project partner, Estonia



**On 24th of September Baltic Loop project had Kick-Off Event in Tallinn. The discussions on two panels were only scratching the surface of the ambitious task.**

Policy makers panel was discussing the role of the public authority for transport and logistics. According to Inna Nosach from Estonian Ministry of Economic Affairs and Communications, we are in the midst of changing environment and need to respond to new challenges. The ministry is preparing Transport and Mobility Master Plan 2021+. The plan is setting targets to create all accessible (8-80 year old principle), attractive, competitive, healthy and safe mobility and transport environment.

In the words of Association of Local Authorities Ida-Viru County development expert **Hardi Murula**, the transport flows in eastern border of Estonia have declined from heydays and all initiatives to smoothen the transport flows, to invite tourism and investments into infrastructure are welcomed with open arms.

**Tõnis Hintsov**, representing Estonian Supply Chain Association ProLog is spearheading the Single Window Initiative, an effort to digitalize the transport. In essence it is a noble task of taking our activities in chains of logistics into 21st century, meaning paperwork, tax, customs etc. and digitalizing the flow of information so that transport operators can concentrate on their main task instead of paperwork.



*Photo: Inna Nosach, Hardi Murula , Tõnis Hintsov  
participating Baltic Loop kick-off panel discussion*



Discussions over digitalization were rather heated and currently we are dealing with the situation initiatives and all solutions in the market are trying to establish their platform as dominant where information is not so easy to acquire even for the noble cause. While technologically it is rather simple process, then exchange between companies, state and other relevant partners needs deeper trust. Additionally, we have several similar initiatives and all solutions in the market are trying to establish their platform as dominant.



Climate goals are going to shape the future of transport. This is one of the things that both panels were agreeing. The Baltic Sea has some initiatives like Sulphur Directive. It has forced the industry to make heavy investments as explained by DFDS Eesti managing director Peeter Ojasaar.

While private sector understands the need for sustainable policies, then practice that offers predictability of new requirements and offers solutions would be appreciated. Logistics operators noted that clients are looking for the best price/timesaving ration in logistics, so paying extra for greener transport is not efficient policy.



*Photo: Margus Sitsi, Aivar Jaeski, Urmas Peterson, Peeter Ojasaar participating Baltic Loop kick-off panel discussion*

Environmental responsibility is appreciated and there are few clients that are asking for certificates, but in order to make sustainable policies to work, there has to be business advantage. Margus Sitsi, Business Manager in Port of Tallinn mentioned that their policy is to offer some discount on port fees for environmentally conscious companies as one simple example.

Port of Tallinn has made some significant investments in Smart Port solutions. Impact of smart queuing systems and just in time arrival for the trucks offer, especially to the ports in the centre of the city like Tallinn Old Harbour, a chance to free land needed for port operations, keep trucks waiting behind city borders and lessen the number of people needed for organizing loading and unloading. These developed Smart Port solutions are going to be adapted by ports of Stockholm and Helsinki.



Dynamics in the Baltic Sea trade are not as balanced as shipping companies would like, the number of Estonian export by the sea to Sweden is much larger than Swedish import to Estonia and only 5-10% of the total passengers to Estonia are coming from Sweden as explained by Peeter Ojasaar from experience of DFDS ferry operations between Paldiski – Kapellskar. The business model of trucking companies isn't helping as well.

Inna Nosach stressed the importance of shift to rail as a policy and the whole region is hoping to a positive structural change in the logistics when Rail Baltic arrives. Aivar Jaeski, Country Manager of RB Rail AS for Estonia and Finland, is convinced that estimated annual load by 2030 on Rail Baltic of 5 million passengers and 16 tons of cargo are heavily underestimated and with sound business models can be exceeded significantly. And some of the main feeder lines for Rail Baltic in our region are these east-west corridors highlighted by project Baltic Loop.

Urmas Peterson from Operail AS, said that the real bottlenecks in railway are due to regulations and rules that can be even more severe obstacles than underdeveloped or outdated infrastructure in some cases.





In real life we are in a situation where road transport is growing faster than railway. Railway is far off from days when mainly oil and oil products from Russia were rolling through Estonian Ports. Since 2007 the decline of transit in Estonia has been heavy and both ports and railway have had to look for other markets and freight segments. The reasons of change in trade is partly due to Russian investments into ports like Ust-Luga, but mainly the reasons are political. Participating panellists expressed hope that pragmatic relations with our eastern neighbour could be possible. It is a hope with a slight chance of success since on the administrative level the discussions are reinstalled.

The second part of the Kick-off meeting was a visit to one of the busiest ports and industry hubs in Estonia, Paldiski.

The history has made it possible to really invite industry into the city and as one of the best natural ports in the Baltic Sea. The town has connections by both road and rail. Paldiski has become strong industrial town and two ports are attractive for logistics. Last large investment of near 1 billion euro in methanol plant has been decided and there is still great potential to attract further investments that serve both growth and carbon neutrality as explained by Peep Siitam, representative of Team Paldiski.

**All Baltic Loop project partners are looking forward to finding common solutions to problems raised during kick off meeting and to continuing dialog with stakeholders in the area.**



# TO POINT OUT IMPORTANCE

## PRESENTING BALTIC LOOP MAIN IDEAS AND CHALLENGES



### 30TH AUGUST, 2019 EUROPE FORUM TURKU

Interreg programs of EU commemorate the European Cooperation Day on 21 September every year. Europe Forum Turku is an event for discussion around the future of Finland and Europe. The event promotes open, science-based dialogue between citizens and policymakers. The Europe Forum was held in Turku from 29 to 31 August 2019. The event was attended by almost 200 experts and influencers and 6,000 participants who conversed with each other both in person and over the Internet.

Baltic Loop project was participating the Europe day Forum at 30th of August under the topic Interreg makes a difference in field of transport. The participation happened through discussion panel. At the beginning each project and program shortly presented the goals and targets. The discussion was linked to transport and traffic projects and their importance to European community. It came out the it is necessary for projects to cooperate with each others.

### 17TH SEPTEMBER, 2019 LOCAL KICK-OFF in RIGA

September 17, 2019 Vidzeme Planning Region and Riga Planning Region participated in MadCity seminar-workshop "Mobility Points in Latvia - Strategic Illusion or Great Regional Opportunity?"

The event brought together specialists and experts responsible for the planning, promotion and implementation of mobility in Latvia on a daily basis, including the Minister of Transport Talis Linkits.

Given the wide representation of the industry in the audience, it was a great opportunity to share the plans of the recently launched Interreg Central Baltic Program project BALTIC LOOP, which raises issues of a similar nature.





# Baltic Loop project in 1 minute



7 partners



4 countries



3 transport corridors



**East-West**  
direction to evolve  
its full potential



## Overall target

Improving transport flows of people and goods in three selected corridors of Central Baltic region, at the same time reducing the CO<sub>2</sub> emissions



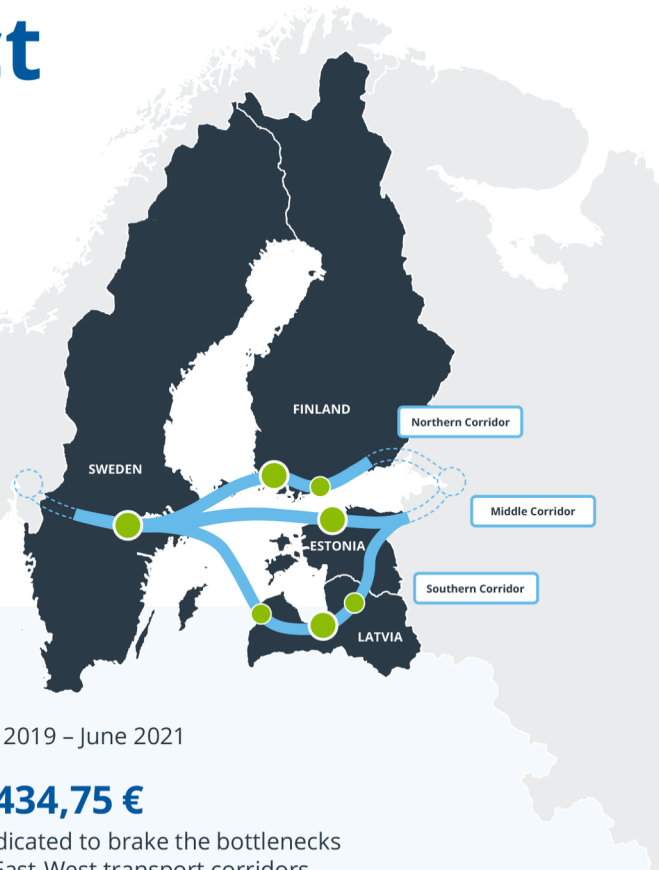
**2 years**

to implement April 2019 – June 2021



**1 983 434,75 €**

budget dedicated to brake the bottlenecks along the East-West transport corridors



## Main activities:



**Non-technical solutions**  
for cross-border corridors



**Technical solutions**  
along the corridors



**Business models** for smart and sustainable sea logistics and port operations

## Join us!

**1**

final conference

**6**

local kick-off events

**7**

local and international conferences

**8**

- international stakeholder meetings
- international workshops
- seminars

**21**

local stakeholder meetings

## Partners:

- Turku University of Applied Sciences** (Finland)
- Region Örebro County** (Sweden)
- Vidzeme Planning Region** (Latvia)
- Åbo Akademi University** (Finland)
- Riga Planning Region** (Latvia)
- Ventspils High Technology Park Foundation** (Latvia)
- Union of Harju County Municipalities** (Estonia)

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