

DEVELOPING AND PROMOTING THE MIDNORDIC GREEN TRANSPORT CORRIDOR

[www.midnordictc.net](http://www.midnordictc.net)

**In this letter:**

**The role of ports  
on the Midnordic  
Transport Corridor**

**Developing intermodality**

**Important connections to Russia**



## The importance of well-functioning transports to regional growth

**Governor Bo Källstrand, from County Administrative Board of Västernorrland, Sweden, claims that better east-west communication in the Midnordic region can offer significant benefits for all the regions within the area. For example for the industry in the county of Västernorrland more effective and faster transports is a powerful way of increasing competitiveness.**

— I think that North East Cargo Link II is an important project that will provide business opportunities and the east-west Midnordic Green Transport Corridor will in the future play an important role in decreasing the over-burdened transport routes both in Sweden and Europe.

The Midnordic Transport Corridor is uniting the regions of Sundsvall with Trondheim and Östersund by roads and railways. The connection has crucial importance for the hinterland to the coast. Cooperation between for example universities, hospitals and economics is dependent upon well-functioning east-west transports. In order to get the corridor good and effective standards it is essential that a number of gaps in the transport infrastructure must be handled.

### **Future changes in transport infrastructure**

For example the transport infrastructure in the county of Västernorrland is facing big changes which will create new possibilities for regional growth, increase attractiveness and faster development. The improvements will provide better chances for climate friendly travels and transports. For example tourism is an important branch where needs must be fostered, eg. the mountain resorts in Åre area are growing and put special demands on the infrastructure. Also development of using more wind power can be achieved by investing on increased capacity.



Photo by Örjan Leek

Especially the electrification of the Meråker Line in Norway and an increased intermodality including terminal capacity in Östersund and region of Sundsvall would considerably improve the preconditions for goods transports.

The region is also scanning the possibilities of utilizing railways for transporting forest raw material to the plants by building triple tracks. This would also enable more efficient use of the ports in the region.

— Another positive effect of the joint development of the corridor is the increased cooperation in the Midnordic region, claims Bo Källstrand and welcomes all interested to join the activities.

County Administrative Board of Västernorrland represents the Leadpartner of NECL II -project and Bo Källstrand is the chairman in the steering committee of the project.

(Source partly : Regional transportplan för Västernorrlands län 2010-21).

## Study tours along the corridor

Ca. 20 representatives of NECL II -project made a study tour through Sweden and Norway - from sea to sea - during 15-16 of June 2011.

The purpose of the tour was to visit interesting places on the Midnordic Transport Corridor and get more information on the cases. The participants visited eg. the Ports of Sundsvall and Trondheim, and heard newest facts about establishment of combiterminals in Ånge and Östersund and plans of new Goods center in Trondheim. At most places the development is proceeding according to plans and timetables.

Travel report on web: [www.midnordictc.net/newsevents/newsarchive/studytourfromseato seawassuccessful](http://www.midnordictc.net/newsevents/newsarchive/studytourfromseato seawassuccessful)

### Study tour in Finland 28-30 September

Similar study tour was arranged in Finland in late September: starting from the coast in Vasa and Kaskinen and travelling further to hinterland via Seinäjoki and Jyväskylä to the south-east Finnish border, Parikkala.

During the tour participants visited eg. the Port of Kaskinen, got more information about the new planned logistic centers in Vasa and Seinäjoki, heard about the new studies of main road 18 in Central Finland and finally when arriving in Parikkala, visited the local border crossing point. In Parikkala there was also a seminar including topics like the importance of Russian tourism to Finland and international transports.

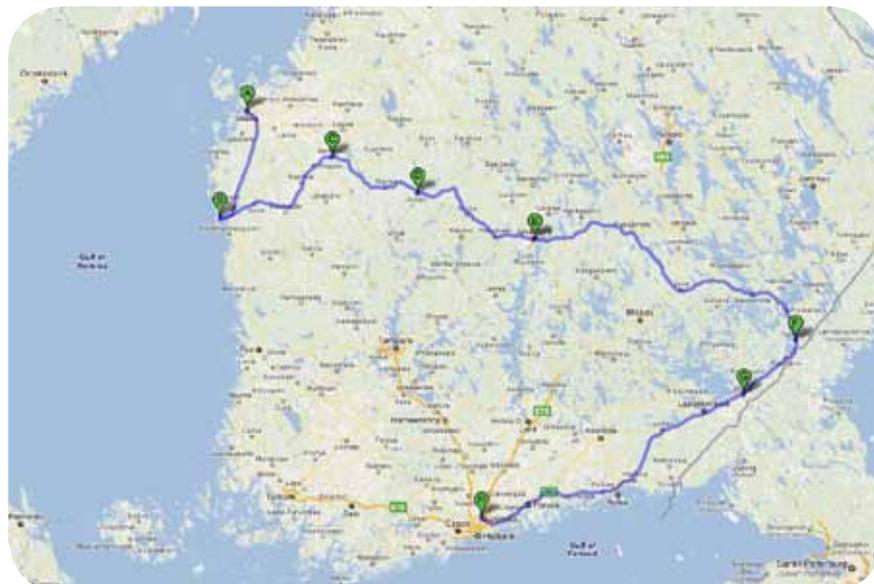
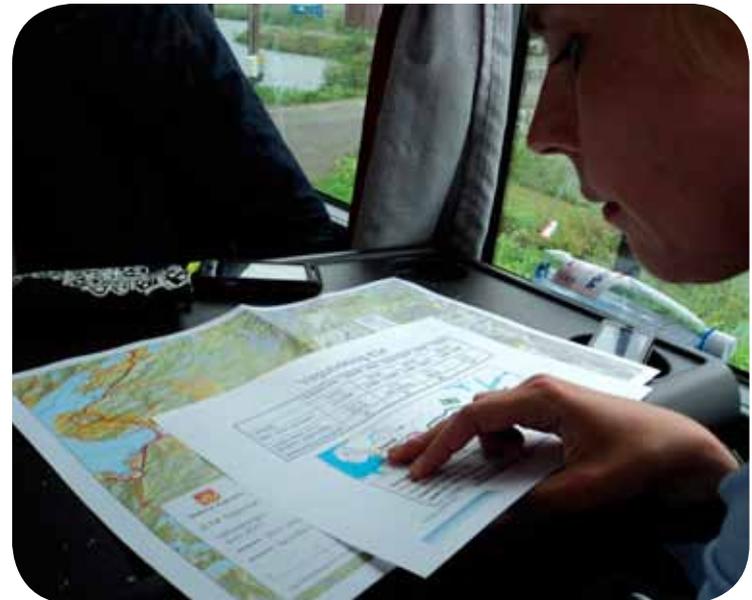
More about the study tour on pages 8-11.

### News on web in three languages

The website [www.midnordictc.net](http://www.midnordictc.net) includes now news about the project and corridor in English, Swedish and Finnish. The pages include interesting related articles and news.



The study tour from sea to sea was made by train and bus.



## Ports play important role on the Midnordic T

### Customer Port Day in Kaskinen 15 September

Ca. 30 participants got information about the Port of Kaskinen, also from the point of view of local operators. Those present emphasized the excellent development possibilities at the Port of Kaskinen and despite fairly demanding times have bright attitude towards the future.

Among the speakers was Mr. Markku Mylly, the Managing Director of Finnish Port Association, who told that administratively the Finnish ports are facing reforms, as in the future (2012-13) the port business must be in form of a corporation. Most ports are still owned by municipalities today, but there are also some private ports owned by industrial companies.

There are four operators in the Port of Kaskinen, for example Silva Shipping Ltd. and Baltic Tank who praised the preconditions in the port of Kaskinen. The infrastructure and equipment needed are in place, and the operators cooperate excellently. In addition road and railway transports function well.

Especially important is also the railway line between Kaskinen and Seinäjoki which must be improved and maintained to transports.



### Impact of new environmental demands?

Godby Shipping Ab is a privately owned shipping company, located in Mariehamn, Åland Islands. Company's fleet now consist of seven vessels and it offers sea transportation for the forest industry. Mr. Alpo Mikkola, representing Godby Shipping, told in his presentation that the new sulfur regulation will effect strongly shipping companies. The costs and environment demands have risen,

In photo from left: Lasse Ahtola/Silva Shipping, Alpo Mikkola/Godby Shipping, Timo Onnela/Port of Kaskinen and Tommy Mattila/Gasum.

but shipping companies are in a difficult position in demanding more environmentally friendly ships from shipyards. Therefore many of today's ships are not matching up to demands and changes would demand huge investments. For example the use of diesel costs ca. 60% more and transferring the ships into using LNG would cost ca. 8M€. Also ballast water convention and scrubbers are costly.

Basically Alpo Mikkola claimed that the options are either to move the ships to operate outside the Baltic Sea or worst case scenario to sell the ships. But most likely Godby Shipping will solve the problems by bying scrubbers or changing some ships into LNG-ships.

### Decision by the IMO will reduce carbon dioxide emissions from shipping

#### NEW ENERGY EFFICIENCY REGULATIONS FOR SHIPS

In July 2011 the International Maritime Organization adopted regulations that will increase the energy efficiency of new ships. The fuel consumption of new ships will decrease and carbon dioxide emissions from ships will be reduced. The newly passed regulations have been in preparation for several years.

Further information: [www.imo.org](http://www.imo.org)

Related: NECL II -project will produce a feasibility study on renewable bio-fuels in cargo ships.

## Transport Corridor

### Use of LNG as shipping fuel?

Business Manager LNG Mr. **Tommy Mattila** from Gasum Ltd. told about the natural gas networks at the Finnish and Baltic level. Gasum sells liquefied natural gas (LNG) for gas engine product development and testing purposes, industrial uses, for use as a vehicle and vessel fuel as well as a reserve fuel for biogas and natural gas. LNG is transported in special tank trailers, so the usage sites do not need to be located in the vicinity of the natural gas network. Gasum also exports LNG to Sweden and Norway. Gasum has made a commitment to promote the use of LNG as a shipping fuel. In the initial stage the aim is to achieve the use of LNG as a fuel for coastal ferries, with a further aim to launch its more extensive use in Baltic Sea shipping.

### Cooperation between ports in the corridor

Mr. **Johan Sten** from Deltaterminal/Sundfrakt Ltd. explained how the ports in Sundsvall region have invested in eg. new trailers, railways etc.

He also called for new innovative ways of financing investments, eg. by leasing logistics areas to private companies. The ports of Sundsvall and Kaskinen are looking forward to a stronger cooperation.

Port Captain **Timo Onnela** thinks the Port Day achieved the goals:

- The room was filled with port customers and the operators in the port got the opportunity to tell the customers about the present and future service possibilities. The potential of the Midnordic Green Transport Corridor in future transports received notable interest. The lecturers presented well the future challenges within shipping, but also presented possible solutions in order to overcome the obstacles.

**More information about the seminar and Port of Kaskinen:**  
Port Captain Timo Onnela, +358 4072 65740, [timo.onnela\(at\)kaskinen.fi](mailto:timo.onnela(at)kaskinen.fi).

[www.kaskinen.fi/port](http://www.kaskinen.fi/port)

Ports have a role to play within the Trans-European Transport Network (TEN-T), by increasing the efficiency of the European transport system, by encouraging the development of the intercommunity trade and trade with third parties. They can also eliminate bottlenecks along the main terrestrial corridors and actively reinforce maritime connections with island and peripheral regions. Last but not least, seaports can consolidate the multimodal aspect of TEN-T. Intermodal transport is an essential component of a common policy on sustainable mobility. That is why the importance of ports is conclusive through the fact that they are key connection points for the shipment of goods and passengers between land and maritime means of transport.

Commercial ports represent a cohesion solution for developing passenger transport services and ferry cargo services. Ports are a direct and indirect source for thousands of jobs, at the same time, ensuring the dynamism and development of regions.

EU aims at the sustainable development of all European ports by promoting industry efficiency, the reduction of the negative impact on the environment and, of course, the integration of ports within the entire chain of transports.

*(source: [www.railwaypro.com/wp/?p=1180](http://www.railwaypro.com/wp/?p=1180))*

### Finnish ports

Finnish ports are important for Finnish business. Almost 90% of Finland's foreign trade passes through our ports. In this sense, Finland could be compared to an island, as the ports located on its approximately 1,000 kilometres of coast function as links in the commercial transport of goods and passengers to and from foreign countries. Most Finnish ports are kept open to serve shipping all year long, in spite of the winter.

*(source: [www.finnports.com](http://www.finnports.com))*



Photo on the left: The port of Kaskinen offers eg. lots of industrial space, 1 km port rail, excellent channel depth etc.

## Developing combiterminals and goods delivery

The intermodality has to be improved in the Midnordic Green Transport Corridor - that is to say the cooperation between the different transport modes through development of existing combiterminals or establishing new ones at suitable places in the corridor. The existing means of transport in the corridor are characterized by an unbalanced rail infrastructure, and limitations in interoperability between the separate countries national rail system. The most crucial missing links is the lack of close connections between sea and rail and intermodal nodes.

NECL II -project will launch 3 different feasibility studies to further investigate the possibility to establish Goods Delivery Center in Port of Kaskinen and Combiterminals in Östersund and Ånge in Sweden and in Seinäjoki, Finland. Important is also cooperation with existing centers, for example Jyväskylä.

### Situation in Ånge and Östersund, Sweden

The new combiterminal in Ånge will be part-financed by EU and NECL II will be handling the environmental investigations as a part of the project. The Swedish Transport Administration will during fall 2011 renew rails, set up new coil brakes etc. on the railway yard area. These costs are ca. 19 million SEK. In addition the access road to the goods terminal will be upgraded to a BK1 -way. The area will be fenced and needed lightning will be built. Further development of the terminal will be started as soon as the agreements of utilizing the area are in place. The interest of utilizing the area is still high. At the moment the areas are used for mid storage and reloading for example roundwood in so called big bags.

In Östersund a preliminary study about a new combiterminal has been made and interviewing transport companies and



estate owners about a suitable location. Soil testing has been implemented in order to check that the ground endures a certain axle load. Studies so far show that the soil and ground must be significantly strengthened.

At the moment the planners are trying to find solutions for the financing of the combiterminal, hopefully with participation from the regional authorities and local municipalities, as well as the Swedish Transport Administration. Preliminary this is planned to be finished during October 2011.

After this the planning and possibly actual construction can be started.



## Logistic centers on the corridor



Photo above: Big bags at Ånge railway yard which will be built to a new combiterminal area.



Photo to the left: NECL II -partners visited the Port of Trondheim in summer and got information about the new plans.

### In Trondheim plans for a new logistic center

Also in Trondheim, Norway, the preparations of establishing a new logistic center are under way. There are three potential places for the new center and a recent study has been out for hearings and the Norwegian National Rail Administration is preparing a statement about the new center.

### In Seinäjoki, Finland concrete planning has started

At the moment the local business service center in Seinäjoki (SEEK) and regional council have chosen a consult to plan the new logistic center area. The goal is to develop a regional logistic cluster as a part of a larger nordic and European logistic network. The planning will include aspects of ecology and smart technologies, and the goal is also energy-efficiency and reducing the impacts of environment.

Well-working connections to Russia are important to the region. The region of Seinäjoki is also being part of the development of the Bothnian Green Logistic Corridor.

In addition the railroad line between Kaskinen and Seinäjoki is being inspected. Ramboll Finland Ltd. is making a survey for the Finnish Transport Agency about the railway line. Municipalities and other actors have gathered arguments and trying to ensure the necessity of renovating the line. The line is especially important for example to the port of Kaskinen. Maintaining and improving railway lines is a part of the Finnish Transport Strategy.

The goal is also to strengthen the cooperation between logistics along the corridor. For example the planned Vaasa Airport Logistics Center (VALC) aims to combine effectively air, road, rail and sea transport.

In Jyväskylä the Innoroadpark is one of the important hubs on the corridor and the planned park aims to combine business, academic research and training, emphasizing development of road transport and vehicle companies.

#### Further information about the new planned combiterminals and centers:

- Ånge: Lotta Kristow, [charlotta.kristow@ange.se](mailto:charlotta.kristow@ange.se)
- Östersund: Sven-Olof Gustafsson: [svenolof.gustafsson@ostersund.se](mailto:svenolof.gustafsson@ostersund.se)
- Seinäjoki: Ari Lehtinen, Seinäjoki Region Business Service Center: [ari.lehtinen@seinajoki.fi](mailto:ari.lehtinen@seinajoki.fi)

## Lessons learned during study tour: the potential

During a study tour across Finland the participants learned a lot about the circumstances and future predictions on the corridor. The potential is obvious, as well as the interest from companies. Main development targets are also clear, especially cross border obstacles. All the facts support that the Parikkala-Syvääro border crossing point needs to be prioritized on the development lists.

In Seinäjoki participants visited Hahkaway Ltd., a company that transports and stores frozen products. The company uses the latest techniques and has invested millions of euros to improvements, and therefore has also high expectations about the new logistics area in Seinäjoki, which will after construction offer companies better possibilities to expand their operations. All savings in transport costs mean more competitiveness for the companies, and also increases cooperation between them.

Maintaining and developing the railway line between Kaskinen and Seinäjoki is crucial for the port of Kaskinen and all the transports on the corridor.

The main road 18 between Ähtäri and Multia in Central Finland is one of the worst bottlenecks on the corridor. Now a preliminary engineering has been started and the goal is to make the road more wide and straight in the future.



Photos above: Meeting with local media in Ähtäri and Informing about the main road 18 on the bus.

Photo below: The special circumstances of storing frozen products were freezingly evident.



## Importance of the corridor is obvious

### Visit in Parikkala

The visit at Parikkala border crossing point offered interesting information about the circumstances on the border.

At the moment there are only cargo transports from Russia to Finland (exporting timber by trucks) and the goal is to develop the cross border station into an international station which would also open it for passenger traffic.

During a seminar in Parikkala following statements were given:

- **Mr. Pasi Nurkka** from TAK Ltd. research center, showed with interesting statistics what it means for Finnish regions to be in the armpit of Russia. The amount of tourists and cooperation with Russian companies surprised many.
- The importance of Parikkala-Syväoro border crossing to the regions of South Karelia and South Savo was presented by Regional Planning Manager **Marjo Wallenius** and Manager **Teppo Leinonen**. They both emphasized that the development of the cross border demands a strong cooperation from both Finnish and Russian parties, but also ENPI -financing.
- **Roman Kurzgunov**, Export Adviser from Viexpo, told about the transito-traffic and Russian import/export. He was very hopeful that the Parikkala-Syväoro border crossing point will be on Russian Karelian priority-lists in the near future.

All the presentations and a travel report are available on:  
[www.midnordictc.net](http://www.midnordictc.net)

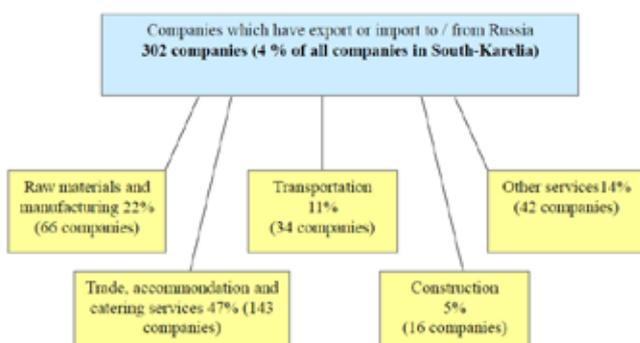


Photo above: Ari Berg, chairman of Parikkala municipality council, and Ilkka Tiainen, chief of Parikkala Border Guard, told about the circumstances on the border.



Parikkala 30.00.2011

### Southkarelian Companies which have Export to Russia or Import from Russia (2010)



### Related: Traffic jams on border stations

In July 2011 Helsingin Sanomat - Finland's leading national paper - wrote that the fast Allegro-trains between St.Petersburg and Finland are causing traffic jams for goods trains on main lines and border stations. Instead Finland and Russia has agreed to open up the line between Imatra-Svetogorsk to all transports, by 2012 or 13. Removing slower goods trains to other railway lines would make the Allegro-railway more safer and also the transports to the ports of Vyborg.

(source: Helsingin Sanomat., [www.hs.fi](http://www.hs.fi)).

## Important connections to Russia

At the moment the border crossing points on the Finnish and Russian border are over-burdened which effect delivery times in transports by causing delays which increases costs for companies. Border checks are constantly growing and the need of increasing the amount of border crossing points is evident. The question is which points will be developed and which opened for international traffic.

There are plans in Russia to build up a motorway from St. Petersburg up north to Sortavala, and the realization of this motorway would have significant implications to the Midnordic Transport Corridor. As important are the railway connections between the countries and the railway conditions should be improved in order to meet future demands.

**It was decided that a joint statement will be made about the urgent need of developing the Parikkala-Syvääro border crossing point.**

**NECL II -representatives thought that current strategies are not responding to the obvious urgent need - more detailed and instant plans must be made.**



The transformation of the Parikkala-Syvääro border crossing point into an international border crossing point is an important goal for eg. local industry and economics.

The Parikkala-Syvääro border crossing station is a logistically advantageous route from southern Finland to the Republic of Karelia, the northern parts of Russia and from central Finland to St. Petersburg and the Leningrad area. It connects the Lakes of Saimaa and Ladoga.

Station will offer versatile transportation alternatives for businesses and tourism, for products and services. In the future, road, railroad and water transportation can be connected all the way to the Black Sea and the Arctic Ocean.

For example from a technical point of view it is easy to connect the Russian railways northwest of Lake Ladoga and the Finnish railroad network by rebuilding the 25 kilometres of railroad between them. One can then select the most cost effective and environmentally friendly alternative among the transportation methods.

### Further information:

Aune Ritola-Grahn, Economic Developer Manager in Parikkala  
aune.ritola@parikkala.fi

Photo below: participants at Parikkala seminar and the information they got from the lecturers.





## Support for Parikkala-Syväoro border crossing point also from Russia

Mr. Valentin V. Luntsevich, Deputy Head of the Republic of Karelia, Minister of Economic Development, sent a letter to the seminar where he informed that the Government of the Republic of Karelia pays great attention to development of the Ladoga area. In order to achieve goals, including development of tourist opportunities, they will work on development of the road infrastructure of the region and raising the status of the Syväoro-Parikkala border crossing point to international.

### Related:

It is fairly difficult to give precise forecast for transport cargo turnover in Russia, but for example cargo flows via St.Petersburg port arises fast and high. Studies show that the foreign trade of Russia has the tendency for increasing. The raw materials export is one of the long term factor in Russia's economic development. According to recent statistics, in January-February 2011 the volume of the exports of EU to Russia grew by 46% and imports to the EU from Russia grew by 33% - compared to the same period in 2010. (source: <http://en.portnews.ru/news/28151/>).

Globalization of economy will increase production of goods and freight flows between main producer powers – Europe and Asia - due to international subcontracting chains. The globalization will increase the share of the Russian ports as an important part of transport route between Europe and Asia, EU and Russia. The share of the Transsiberian Railway (TSR) will grow and the level of development of final points of TSR and other transport corridors as gateways to Europe and Asia are very important, also for the Midnordic Transport Corridor.

were pleased with the outcome of the seminar



(source: TSR webb).

## Updating statistics of cargo flows and other surveys

### Concrete proof is essential when trying to promote the possibilities of the Midnordic Green Transport Corridor.

NECL II -project will update the statistics, for example cargo flow analysis and goods volumes (including passenger statistics). During summer of 2011 surveys have been sent to exporters/importers asking how they want the transports to be developed on the corridor. Companies has also been asked about intermodality and cross border problems - and all the information is confidential. The export/import companies and transportation companies will also be visited during the survey.

Companies were asked questions like: How would you like to develop transport systems in foreign trade? What are the most important problems in foreign delivery chains/ bottlenecks?

The answers will be summarized in details later, but the companies emphasize for example ship and train traffic and reliability of deliveries and price level. The shipping connections between Sweden and Finland arouse questions: during summers there are problems to get ferryplaces for transports. On the other hand one of the most important things in sea transports are the savings in time and distances. The study ends with collecting and analysing cargo flow data and analysing the amount of cargo transported by the cargo liner.

City of Kaskinen and LogiWin Ltd are implementing the above mentioned activities. They will also implement a port survey and a Business Plan for liner shipping connection between Kaskinen and Sundsvall Ports Region.

#### Further information:

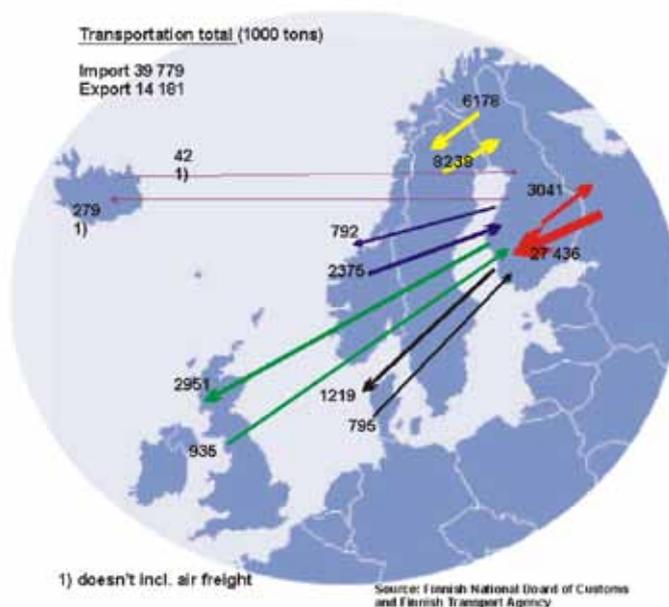
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Finland, exports and imports to/from selected countries 2010 (1000 tons, incl. all traffic modes)



Picture above: Example of Finland's exports and imports.

### Case studies for new ICT-system

#### Empty container management at the Port of Söråker

Today the major part of the containers arriving at the port of Söråker from China is sent all the way back empty. This is not a good policy regarding both economical and environmental costs. In this case study we therefore intend to test, evaluate and demonstrate how the web-based portal developed in ICT-work of NECL II -project can be used to fill the major part of these containers with goods originating from the regional trade and commerce. This case study will start in October 2011 with data extracted from Delta terminal AB that owns the Söråker port and coordinate the container management. This will be the first real world test of the web-based portal.

Further information from WP5/ICT-leader

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## RECENT AND UPCOMING EVENTS

### COORDINATING COUNCIL OF TRANSSIBERIAN TRANSPORTATION (CCTT)

28-29 OF SEPTEMBER, ODESSA, UKRAINE

Representants from NECL II -partnership participated in the coordinating council of Transsiberian Transportation (CCTT).

### SEMINAR ABOUT DEVELOPING EAST-WEST TRANSPORTS

2 NOVEMBER 2011 TRONDHEIM

The goal of the seminar is to discuss and find solutions for developing the east-west connections. Transport authorities from all three countries, Norway, Sweden and Finland, are invited to the seminar, and also politicians, companies and entrepreneurs from the Midnordic region.

**Welcome!**

further information:  
[www.midnordictc.net](http://www.midnordictc.net) and [www.mittnorden.net](http://www.mittnorden.net).

### INTERNATIONAL SEMINAR OF COMBINED TRANSPORTS IN SEINÄJOKI REGION

10 NOVEMBER 2011 SEINÄJOKI

Future logistic center, international transports, City logistics and food transports.

Goals: Consepting future logistics areas and coordinating with current logistics concentration, Improving the preconditions and competitiveness of region's companies.

Further information:  
[www.midnordictc.net](http://www.midnordictc.net) and [www.seek.fi](http://www.seek.fi)

### TRANSRUSSIA - FAIR

24-27 APRIL 2012 MOSCOW

NECL II -project will participate in the fair in order to promote the Midnordic Green Transport Corridor especially to Russian and Baltic operators.

Further information: [www.transrussia.ru](http://www.transrussia.ru)

*We Need Good  
Green Connections Now!*

### North East Cargo Link II

- a Baltic Sea Region 2007-2013 -project

- Ca. 2,7 M€ budget
- Duration: 2010-2013
- 22 partners from Finland, Sweden and Norway.

Leadpartner: County Administrative Board of Västernorrland.

More information: [www.midnordictc.net](http://www.midnordictc.net)

