

Round Table local meeting report

Activity: WP 2, Activity 2.1.2.3

Version: 1.1 Draft

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Drafted by: Kaunas District Municipality



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1 Executive summary

Executive summary elements:

- work objectives,
- what has been done,
- conclusions.

2 General Background of Activity

Activities in 2.1 are focusing on gathering the background knowledge and building up the initial conditions for project's demonstration, evaluation and knowledge sharing activities, stronger networks between stakeholders and to make them work together regarding specific challenges.

Activity 2.1.2.3 from a side will set the picture of the current intermodal logistics situations within the North Sea Baltic Corridor and from the other side will define the main goals and needs of the relevant stakeholders (Logistics Service providers and Shippers) and will identify the main challenges, opportunities and priorities.

Round Table serve as the feedback occasion for the companies (Logistics Service Providers and Shippers) that have participated in the interviews – Activities 2.1.2.1 and 2.1.2.2.

The main focus is to gain more understanding and future users for that intermodal corridor.

3 Round Table Meeting report

3.1 General info

The basic data's introduction of companies, who participated in the Round Table Meeting:

- number of participants - 22,
- list of participants,
- companies profile – company's position in a supply chain.

Table 1 – Participant list

No	Name	Organization
1	Jonas Gurskas	Kauno. r. mero pavaduotojas

2	Gražina Čepulienė	Kauno r. savivaldybė
3	Arijus Ramonas	UAB „Arijus“
4	Nerijus Kaučikas	LR Susisiekimo ministerija
5	Mantas Kaušylas	UAB „Rail Baltica statyba“
6	Ignas Gedgaudas	AB „Lietuvos geležinkeliai“, krovinių vežimo direkcija
7	Violeta Boreikienė	Kauno r. mero patarėja
8	Donatas Indrašius	DHL Lietuva UAB
9	Aistė Sinkevičienė	VŠĮ Kauno r. TVIC
10	Vaidas Gričius	Ūkio ministerija
11	Vera Mileikienė	Kauno pramonės, prekybos ir amatų rūmai
12	Vytautas Petružis	Kauno Laisvoji ekonomikos zona
13	Dovilė Bartašiūnaitė	Kauno r. savivaldybė
14	Virgilijus Kancleris	Baltic Fish export
15	Justina Belkevičiūtė	Kauno r. savivaldybė
16	Arūnas Urbonas	AB „Lietuvos geležinkeliai“, terminalų valdymo centras
17	Sigitas Baltokas	AB „Lietuvos geležinkeliai“, Kauno intermodalinis terminalas
18	Vilija Zakarauskienė	Kauno miesto savivaldybė
19	Malla Paajanen	Helsinki-Uusimaa Regionas
20	Gediminas Petrauskas	Kauno mero patarėjas
21	Ignas Juknevičius	Kauno Laisvoji ekonomikos zona
22	Andrius Jaržemskis	Smart Continent

3.2 Round Table Meeting agenda

13:00 – 13:30

- **Arrival (registration, welcome coffee and snacks)**

13:30 – 13:40

- **Welcome speech.** Deputy Mayor of Kaunas district, Jonas Gurskas.

13:40 – 14:00

- **North Sea - development of infrastructure of the Baltic Sea Corridor: Lithuania and the project Rail Baltica.** Deputy Director of the Development and International Relations Department of the Ministry of Transport and Communications of the Republic of Lithuania, Nerijus Kaučikas.

14:00 – 14:20

- **Promotion of industrial enterprises.** Director of the Department of Industry and Trade of the Ministry of Economy of the Republic of Lithuania, Vaidas Gričius.

14:20 – 14:35

- **Presentation of the Project NSB Core.** Helsinki-Uusimaa Regional Council Chief adviser, lead partner representative of NSB CoRe, Malla Paajanen. « *This project is co-financed by the ERDF and made possible by the Interreg Baltic Sea Region programme* »

14:35 – 14:45

- **Perspective of Lithuania railways on the freight carrying to Western countries.** Chief Specialist of the Integration into the European Railway Network, Ignas Gedgaudas.

14:45 – 14:55

- **Development of the Rail Baltica project in Lithuania.** Deputy Director of UAB „Rail Baltica Statyba (construction)“, Mantas Kaušyla.

14:55 – 15:15

- **Results of surveys of Lithuanian companies** Director of Consultative company Smart Continent, Managing Partner, Dr. Doc. Andrius Jaržemskis.

15:15 – 16:15

- **Round table discussion: "What shall we do, that the goods would be transported using intermodal rail terminals?"** Moderator Dr. Andrius Jaržemskis. In the presence of Ministry of Transport and Communications, "Lithuanian Railways", Kaunas Municipality, Kaunas district municipality, the logistics business, industry.

3.3 Key findings coming from the discussion

The question: "What we have to do to transport goods by rail using intermodal terminals?" was raised in the discussion. Discussion was organized in such a form - what can a business do and what does it expect from the state and municipality, what can municipality do and what it expects from a business, what can the state do and what does it expect from a business?"

The key points of the discussion are as follows.

- The representative of the Ministry of Transport and Communications emphasized that the mission of the Ministry is to harmonize the competitive conditions for road and rail transport, which should be realized through more adequate road charging, development of railway infrastructure. However, the main attraction for the use of Rail Baltica is the fact that goods are transported through Lithuania, but not only the Lithuanian section but also Poland and Latvia are important. Unless and until the railway infrastructure in these countries is not adequate and attractive for shippers, Lithuania will not be able to ensure the use of the Rail Baltica line.

-Representative of the Terminal Management Center from the "Lithuanian Railways" AB emphasized the need to take examples from Switzerland and Austria, where truck transport is limited and intermodal solutions offered simultaneously.

- During the discussion, it was emphasized that about 20 million EUR excise duty is paid by the railway company for fuel used for the development of motorways, and this strengthens the road but not the railway sector.
- The representative of JSC "Arijus" emphasized that rail freight transport through Poland is complicated by the tariff policy which is applied by Poland, where the local (more expensive) tariff, instead of the transit (less expensive) tariff, is applied to the Polish railways in the direction of Sestokai (Lithuania), as is the Brest (Belarus) direction.
- It was also emphasized that rail transport in Lithuania should be more differentiated from the infrastructure manager than it is now, as this would lead to better competition. In addition, new carriers have very high entry barriers to investment.
- The Ministry of Economy has emphasized that the time of delivery for companies, and even more precisely, the accuracy of time is very important. Exporting companies have very strict delivery terms from their overseas buyers, and late penalties are subject to fines. As a result, road transport is chosen because it is at least as accurate in this respect.
- UAB Arijus emphasized that very good EU initiatives, such as the Marco Polo program, which funded the launch of such an intermodal container train like Mercury, especially at an early stage.
- Kaunas District Municipality has emphasized that she is ready to contribute to the incentive to use Rail Baltica, especially as regards planning and allocation of territories.
- Taking advantage of the opportunity, the representative of the Terminal Management Center from AB "Lithuanian Railways" presented an invitation to the business to move to the terminals they manage, to consolidate the cargo and transport by rail already.
- The representative of the Directorate of Freight Transportation of the "Lithuanian Railways" AB expressed the need for a fair distribution of fuel excise duties for road and rail infrastructure, in particular the part that is paid by the carriers themselves.

Before the event, representatives of limited liability company "Vinges Terminalas" (one of the largest warehouse business representatives) sent a letter. The representative of this company apologized for not being able to attend the event but asked to include his key ideas to the protocol of discussion:

The volume of cargo to the third countries is a little grown. The potential exist and it could be significantly higher. There is a lack of cooperation between government institutions and the policy of promoting the distribution of business, transit and re-export through Lithuania. After the entry into force of the new Customs Code of the European Union, freight forwarders see the relevant Lithuanian customs policy, which has a policy of tightening control, expediting and punishment policies, and imposing superfluous administrative requirements. For these reasons, the flow of transit and re-exports is already bypassing Lithuania.

Summarizing the whole discussion, **the main conclusions and recommendations** would be:

- Price and delivery time remain the most important criteria for choosing transport.

- There is a need for harmonization of the competitive conditions for road and rail transport in particular regarding the redistribution of excise duty on infrastructure financing.
- Municipality will contribute to the spatial planning solutions.
- The support of the Baltic Sea, along with the development of infrastructure and tariff policy, is required in Poland, Latvia and other countries along the North Sea Corridor.

4 General summary

Deputy Mayor of Kaunas District, Jonas Gurskas, opened the event and congratulated participants.

Representative of the Ministry of Transport and Communications of the Republic of Lithuania Nerijus Kaučikas introduced the EU TEN-T network policy, pointed out that one of the corridors of the North Sea - the South Sea extends through Lithuania. Introduced the European transport policy to shift freight flows from road to rail.

Representative of the Ministry of Economy, Vaidas Gričius presented the contribution of the Ministry of Economy to the promotion of industrial enterprises. The focus is on EU-funded tools that can be used by small and medium-sized businesses.

The Helsinki-Uusimaa region spokeswoman, Malla Paajanen, presented the goals, participants, project collaboration with other projects and place in the Baltic Sea Strategy for the NSB CORE project.

Representative of Ltd. "Lithuanian Railways" Ignas Gedgaudas presented the company with a vision for the development of freight transport, new planned services and new markets. An important emphasis is placed on the transportation of intermodal cargo, the attraction of cargo flows to the intermodal terminals of Vilnius and Kaunas.

UAB "Rail Baltica statyba" representative Mantas Kaušylas presented the technical parameters, main sections and objects of the Rail Baltica line launched and planned in Lithuania. Presented passenger flow and cargo flows, current and planned investment volumes.

The public adviser for transport and transport of Kaunas City Mayor Gediminas Petrauskas briefed on the needs of Kaunas city and also the possible money for Rail Baltica and other transport infrastructure solutions for the city.

Andrius Jaržemskis, director of consulting company Smart Continent LT, presented the results of the survey of industry and logistics companies under the project NSB CoRe. During the presentation, it was emphasized that the main criteria for the competitiveness of both transport service customers

- industrial companies and the logistics companies themselves are the cost and duration of the connection. While road transport solutions are cheaper and faster when calculating cargo pickup from the starting point to the delivery point to the end point, this mode will be chosen.

5 Attachments

- Photos,
- List of participants scan,
- Presentations.

Connection between the North Sea and Baltic Sea Roundtable Discussion Protocol June 28, 2017

This protocol describes the main results of the round table discussion.

Agenda

Place:
Raudondvaris Castle (Pilies takas 1, Raudondvaris, Kaunas district)

13:00 – 13:30 Arrival (registration, Welcome Coffee & Snack)

13:30 – 13:40 Greetings (Mayor of Kaunas District Municipality)

- 13:40 – 14:00** **Lithuanian Business Opportunities in the TEN-T Corridor North Sea - Baltic Sea.** Deputy Director of the Development and International Relations Department of the Ministry of Transport and Communications of the Republic of Lithuania Nerijus Kaučikas.
- 14:00 – 14:20** **Promotion of industrial and commercial enterprises.** Vaidas Gričius, Director of the Department of Industry and Trade of the Ministry of Economy of the Republic of Lithuania.
- 14:20 – 14:35** **Presentation of the INTERREG project NSB Core.** Malla Paajanen, founder and director of Malla Paajanen Consulting.
- 14:35 – 14:45** **Perspectives of Lithuanian Railways and Transportation to the Western Countries.** JSC “Lietuvos geležinkeliai” Ignas Gedgaudas.
- 14:45 – 15:55** **Development of the project Rail Baltica in Lithuania.** Mantas Kaušyla, Deputy Director of "Rail Baltica Statyba".
- 15:55 – 15:15** **Results of surveys of cargo owners and logistics companies in Lithuania and across the corridor Baltic Sea - North Sea.** Director of “Smart Continent”, Managing Partner Dr. Doc. Andrius Jaržemskis.
- 15:15 – 16:15** **Round-table discussion: “What we need to do to transport goods by rail using intermodal terminals”** Moderated by dr Doc. Andrius Jaržemskis. Participants: Ministry of Transport and Communications of the Republic of Lithuania, JSC “Lietuvos geležinkeliai”, Kaunas City Municipality, Kaunas District Municipality Representatives, logistics business representatives, industry representatives.

List of participants

No	Name, surname	Institution
1	Jonas Gurskas	Deputy Mayor of Kaunas District
2	Gražina Čepulienė	Kaunas District Municipality
3	Arijus Ramonas	JSC „Arijus“
4	Nerijus Kaučikas	Ministry of Transport and Communications of the Republic of Lithuania
5	Mantas Kaušylas	JSC „Rail Baltica statyba“
6	Ignas Gedgaudas	JSC „Lietuvos geležinkeliai“, Freight transportation directorate
7	Violeta Boreikienė	Advisor to the Mayor of Kaunas District
8	Donatas Indrašius	DHL Lietuva JSC
9	Aistė Sinkevičienė	Kaunas district tourism and business information center
10	Vaidas Gričius	Ministry of Economy of the Republic of Lithuania
11	Vera Mileikienė	Kaunas chamber of commerce industry and crafts
12	Vytautas Petružis	Kaunas Free Economic Zone (FEZ)
13	Dovilė Bartašiūnaitė	Kaunas District Municipality
14	Virgilijus Kancleris	Baltic Fish export
15	Justina Belkevičiūtė	Kaunas District Municipality
16	Arūbas Urbonas	JSC „Lietuvos geležinkeliai“, terminal management center

17	Sigitas Baltukas	JSC „Lietuvos geležinkeliai“, Kaunas Intermodal Terminal
18	Vilija Zakarauskiene	Kaunas City Municipality
19	Malla Paajanen	Helsinki-Uusimaa Region
20	Gediminas Petrauskas	Advisor to the Mayor of Kaunas
21	Andrius Jaržemskis	Smart Continent

The event was opened by Deputy Mayor of Kaunas District Jonas Gurskas.

Representative of the Ministry of Transport and Communication of Lithuania Nerijus Kaučikas introduced the EU TEN-T network policy. Representative noted that one of the corridors of the North Sea - the South Sea extends through Lithuania. European transport policy was also introduced by stating that freight flows must be shifted from road to freight.

Representative of the Ministry of Economy Vaidas Gricius presented the contribution of the Ministry of Economy to the promotion of industrial enterprises. Attention is drawn to EU-funded measures that can benefit small and medium-sized enterprises.

The Helsinki-Uusimaa region spokeswoman, Malla Paajanen, presented the goal of the NSB CORE project, the participants, the project's cooperation with other projects and place in the development of the Baltic Sea Strategy.



pic. spokeswoman Malla Paajanen

JSC "Lietuvos gelezinkeliai" representative Ignas Gedgaudas presented the vision of freight transportation development, new services and new markets. An important emphasis is placed on the transport of intermodal cargo, the attraction of freight flows to the intermodal terminals of Vilnius and Kaunas

JSC "Rail Baltica statyba" representative Mantas Kaušylas presented the technical parameters, main sections and objects of the Railbaltica line in Lithuania. The representative introduced the projected passenger traffic, freight flows, current and planned investment volumes.

Advisor to the Mayor of Kaunas Gediminas Petrauskas, presented the needs of Kaunas city and the potential benefit of Railbaltica and other transport infrastructure solutions to the city.

Andrius Jaržemskis, director of consulting company Smart Continent LT, presented the results of the survey of industry and logistics companies under the project NSB-CoRe. At the presentation, the emphasis was placed on the main criteria for competitiveness of transport services buyers (industrial enterprises) and logistics companies: the cost and duration of the connection. This mode of transport will be chosen as long as road transport solutions are cheaper and faster.

Discussion. The discussion was moderated by Andrius Jaržemskis. One of the questions: "What we have to do to transport goods by rail using intermodal terminals". The discussion is organized in such a form - what can a business do and what does it expect from the state and self-government, what can self-government do and what it expects from a business, what can the state do and what does it expect from a business? " The key points of the debate are as follows

- The representative of the Ministry of Transport and Communications emphasized that the mission of the Ministry is to harmonize the competitive conditions for road and rail transport, which should be realized through smart road charging and development of railway infrastructure. It is important to note that the goods are transported not only through Lithuania, also in **Poland and Latvia**. Unless and until the railway infrastructure in these countries is unattractive, Lithuania will not be able to ensure the use of the Railbaltica line operations.
- The Lithuanian Railways AB, representative of the Terminal Management Center, emphasized the need to take samples from Switzerland and Austria, where truck transport is limited and intermodal solutions offered simultaneously.
- During the discussion, it was emphasized that about 20 million EUR excise taxes paid by the railway company for fuel intended for the development of road vehicles. It strengthens the road but not the railway sector.
- The representative of JSC "Arijus" emphasized that the transport of railroads through Poland is complicated by the tariff policy. For the carriage of Polish railways, the local (more expensive) tariff applies instead of the transit (cheaper) tariff, as it is in the direction of Brest (Belarus), in the direction of the Šeštokai (Lithuania).
- It was also emphasized that rail transport operations in Lithuania should be more differentiated from the infrastructure management than it is now. This would lead to greater competition. In addition, new entrants are faced with very high entry barriers when entering the market.
- - The Ministry of Economy has emphasized that delivery accuracy is very important for companies. Exporting companies have very strict delivery terms from their overseas buyers. As a result, road transport is being chosen because it is more accurate at the moment.
- JSC "Arijus" emphasized that the EU initiatives are very good, such as the Marco Polo program, which financed the launch of such an intermodal container train as "Mercury".
- Kaunas District Municipality has emphasized that it is ready to contribute to the promotion of Railbaltica, in particular as regards the planning and allocation of territories.
- Taking advantage of the opportunity, the representative of the Terminal Management Center of JSC "Lietuvos gelezinkeliai" presented an invitation to the business to move to the terminals they manage, to consolidate the cargo and transport them by rail.
- The representative of the Directorate for Freight Transportation has expressed the need for a fair distribution of fuel excise duties on road and rail infrastructure, in particular the part paid by the rail carriers

Before the event, representatives of JSC "Vinges Terminalas" (one of the largest warehouse business representatives) sent a letter. They apologized for not taking part in the event and asked to share the key messages and add them to the protocol:

Cargo volumes to third countries increased slightly. The potential really is. There is a lack cooperation between government institutions and business, transit and re-export distribution through Lithuania. After the entry into force of the new EU Customs Code, freight forwarders see the relevant Lithuanian customs policy, which supports a tightened control, expediting and punishment policy. And the administrative requirements are excessive. For these reasons, transit and re-export flows are bypassing Lithuania.

Summarizing the whole discussion, the main conclusions and recommendations would be:

- Choosing a transport, the price and delivery time are the most important criteria.
- There is a need for harmonization of the competitive conditions for road and rail transport.
- Municipalities will contribute with spatial planning solutions.
- Support is needed from Poland, Latvia and other countries along the North Sea - the Baltic Sea Corridor, both in the field of infrastructure development and tariff policy.

The protocol was prepared by Andrius Jaržemskis

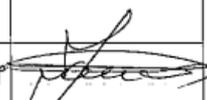
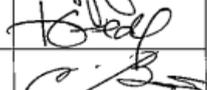


KAUNO RAJONO SAVIVALDYBĖ

Šiaurės jūros ir Baltijos jūros regionų jungtis
Apskritojo stalo diskusija

Raudondvario dvaras (Pilies takas 1, Raudondvaris, Kauno r.)

2017 m. birželio 28 d.

Eil. Nr.	Vardas, pavardė	Pareigos	Parašas
1	Josias Gurskas	Nėro psichologas	
2	Grigina Cepulienė	Kauno r. sav. Ekonomikos sk. ved. pavad.	
3	Andrus Ramonas	#RIZUS UAB BCH. direktorius	
4	Mėnuis Kavčikas	Sunkumo ministerija	
5	Mantas Kaušingas	Paik Baltica Stedra	
6	Ignas Galgautas	AB „Lietuvos geležinkeliai“ Kavinis verslo direktorių	
7	Mirolita Boreikiene	Mero patarija	
8	Donatas Indrašius	DHL Lietuva VAB Juo Oro padalinio vadovas	
9	Asti Siskociene	VSI Kauno r. TIC t.e. direktoriaus pavad.	
10	Vaidas Grišius	Uro ministerija Pramonės prekybos dep. direktorius	
11	Vera Juškevičiūtė	Kauno PPAK verslo LETO sk. vadovė	
12	Vytautas Potvinas	Kauno LEZ dir. asistentas	



Eil. Nr.	Vardas, pavardė	Pareigos	Parašas
13	Dovilė Bartaševičaitė	Kauno 2 sav. administracijos šilumos skyriaus	<i>[Signature]</i>
14	Mirginijus Kaulinis	UAB Baltic fish export	<i>[Signature]</i>
15	Jasmina Belkevičiūtė	Kauno 4 sav. admin. Ekonomikos sk. vyriausioji specialistė	<i>[Signature]</i>
16	ADENAŠ URBONAS	LG INFRASTRUKTŪROS DIREKCIJOS VERTINAVIMO SK. V. 10101	<i>[Signature]</i>
17	Sigitas Balcukas	LG INFRASTRUKTŪROS KAMEROS INFORMATIKOS SK. V. 10101	S. I. 3 <i>[Signature]</i>
18	Antonis Daburavskis	KMST Pleščiūnų prog. ir inov. sk.	<i>[Signature]</i>
19	Malla Paajänen	Helsinki - Viikman Reg. Council, Chief adv.	<i>[Signature]</i>
20	Gediminas Petrauskas	Kauno miesto patalpos	<i>[Signature]</i>
21	Hanas Gulbreničius	Kauno LEZ marketingo vadybininkas	<i>[Signature]</i>
22	Andrius Jazėmskas	Smart Continent	<i>[Signature]</i>

