



Amber Coast Logistics

Connecting Remote Areas of the Southern
and Eastern Baltic Sea Region



RESULTS AND RECOMMENDATIONS

CONTENTS



<i>Facts and figures about ACL</i>	3
<hr/>	
<i>Accessible</i>	4
Improving accessibility in the southern and eastern Baltic Sea Region by developing seamless transport solutions on a transnational level.	
<hr/>	
<i>Multimodal</i>	8
Supporting the coordinated development of multimodal transport structures, in order to exploit the existing cargo handling potential in the southern and eastern Baltic Sea Region.	
<hr/>	
<i>Special Belarus</i>	14
Outlook on future: Belarus is central for transit transport between Russia and the EU, with up to 100 million tons annually. With the right steps Belarus can almost double its transit throughput by 2025. Failure to do so could almost halve the current figure.	
<hr/>	
<i>Connected</i>	16
Creating a transnational logistics zone in the southern and eastern Baltic Sea Region, requires nurturing cooperation and communication between the worlds of politics and business of EU and non-EU countries in the region.	
<hr/>	
<i>Future tasks</i>	20
Improving infrastructure, furthering development of hinterland connections, coordinating strategies of each country.	
<hr/>	
<i>Project partners and supporters</i>	22
<hr/>	
<i>Contact and imprint</i>	24
<hr/>	



Visit the ACL website:
www.ambercoastlogistics.eu

Facts and figures about ACL

The main aim of Amber Coast Logistics is to support the development of multimodal logistics centres in the southern and eastern Baltic Sea Region, thus improving the accessibility of remote areas and enabling seamless transport flows.

19 project partners from Belarus, Denmark, Germany, Latvia, Lithuania and Poland have worked on achieving this aim, amongst them representatives from ports, logistics companies, public authorities, research institutions and international associations.

Their motive: The service potential of the southern and eastern Baltic Sea Region is of high value for the transport and logistics sector. However, this potential is often hidden, just like amber. Remote areas are in many cases very difficult to reach, logistics players lack a network, border-crossing transports suffer from infrastructural and administrative barriers.

Promoting the Baltic Sea



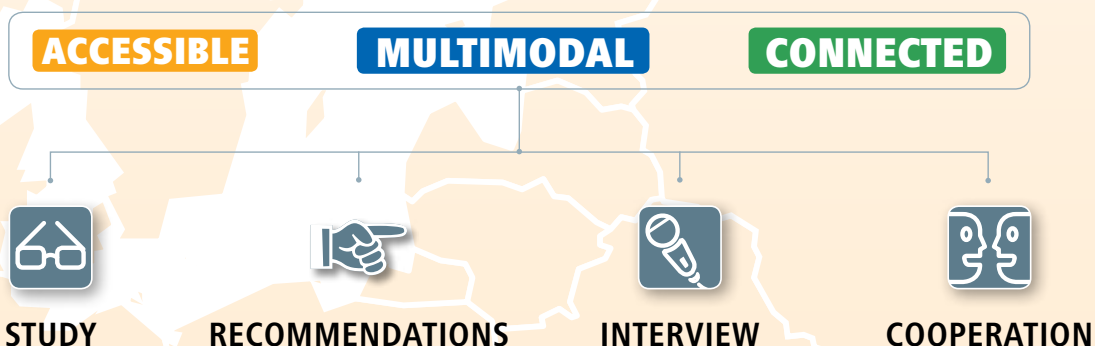
The collaborative logistics project Amber Coast Logistics is funded by the European Union's Baltic Sea Region Programme 2007-2013 and the European Neighbourhood and Partnership Instrument (ENPI).

The European Union's Baltic Sea Region Programme 2007-2013 co-finances projects that aim to foster innovations, enhance internal and external accessibility, promote the Baltic Sea as a common resource, and increase the attractiveness and competitiveness of cities and regions. ACL is one of the projects in the field of internal and external accessibility.

- **Duration:**
From October 2011 till March 2014
- **Countries involved:**
Belarus, Denmark, Germany, Latvia, Lithuania and Poland
- **Participants:**
19 project partners and 25 supporters
- **Lead partner:**
Port of Hamburg Marketing
- **Thematic areas:**
Flow of goods and institutional aspects influencing them, concepts for multimodal transport chains, regional logistics integration.

Reading this brochure at a glance

Three colour-coded chapters describe the main thematic areas of ACL: Accessible, Multimodal and Connected. Each of them contains four content types:





A TASK TO COPE WITH

Improving accessibility in the southern and eastern Baltic Sea Region by developing seamless transport solutions on a transnational level.

The southern and eastern Baltic Sea Region has real potential, with high growth forecasts for the transport and logistics sector, but various hindrances requiring transnational solutions – not each individual country acting alone – to exploit it.

ACCESSIBLE



A region with potential, a region facing challenges

The service potential of the southern and eastern Baltic Sea Region is valuable for the transport and logistics sector. Transport flows have increased substantially in the past years.

The Baltic Sea Region (BSR) has shown a particularly fast economic growth during recent years with the exception of the global economic crisis in 2008/2009 that hit the region especially hard. However, a slowdown of growth was assumed for 2012 which most likely improved slightly in 2013. The short-term forecast for 2014 predicts an average growth of 2.9 to 3.1% for the region which is still below an average regional growth potential of about 4% p.a.

The likelihood of weak growth in nearby markets for several years to come will however have a significant influence on BSR economies. This will necessitate ongoing fostering of initiated re-

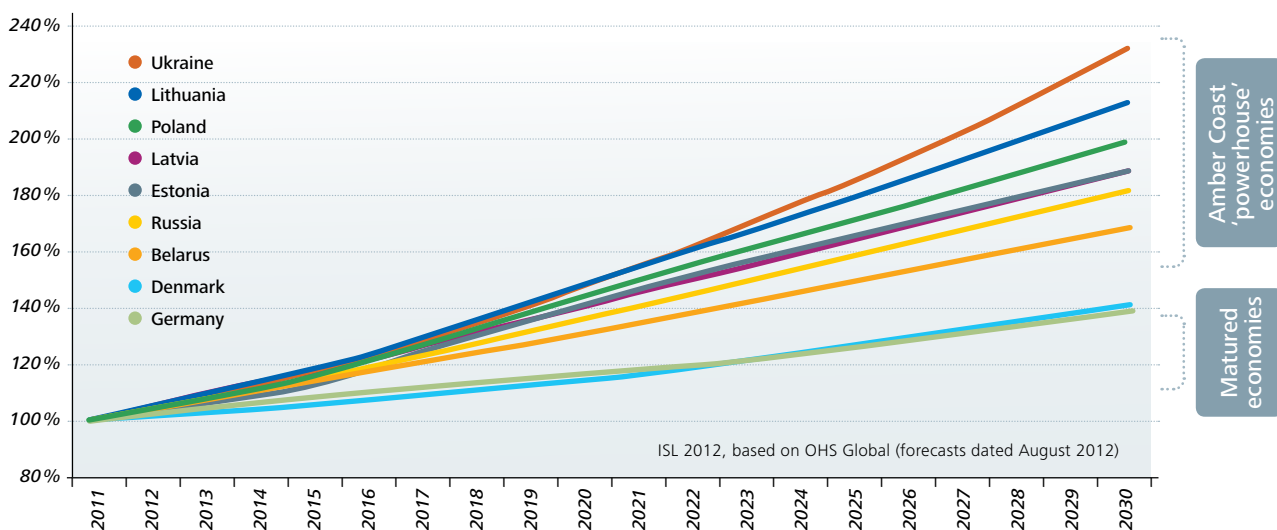
forms, strengthening structural and institutional conditions with the objective of gaining greater competitiveness.

Medium term, external financial resources must be found to invest in regional infrastructure.

More sustainable economic development, especially in the Baltic countries with geographical proximity to Belarus, Russia and Ukraine, can probably be achieved by shifting the focus from production of low-cost industrial goods towards higher value-added services and industrial goods. The long-term average growth rate for the BSR is expected to be between 3.0 and 3.5% p.a.

Growth forecast until 2030

The real GDP growth forecast for Amber Coast economies and their hinterland until 2030: The expected long term real GDP growth rates of the eastern Amber Coast economies range between 2.7 and 4.5%.



The southern and south-eastern Amber Coast economies are set to outperform the economic development in the more mature central and western European economies for the foreseeable future up to 2030. Generally, long term real-GDP growth rates between 2.7 and 4.5% for the developing Amber Coast economies respectively their developing hinterland economies Ukraine, Belarus and Russia are expected. The anticipated growth in

the period 2011 - 2030 thereby incorporates the expectation of a gradual slowdown in expansion compared to the 2000 - 2011 period, which already contains the weak economic period of 2008/2009. Since the demand for trade is derived from the economic activity, the above average growth rates expected in the eastern Amber Coast economies imply an above average growth of handled cargo.



Transnational dimensions of accessibility

In the Baltic Sea Region (BSR) accessibility is highly affected by the ability to combine sea-going transport with hinterland modes, especially road and rail. Accessibility, defined as the positional advantage of one location compared to others, is therefore influenced by five dimensions: physical, political, commercial, technological and organisational.

The BSR not only faces a number of obvious physical-geographical challenges but also suffers from an imbalanced transport system. In the eastern part of the region two main features are a lack of good transport links and the domestic-oriented nature of transport decisions and policies in those countries. Poor accessibility is one



One of the main administrative handicaps of transnational transport: waiting times at border-crossings.

terms. The main administrative handicaps are congestion, with long waiting times at border crossings and bureaucratic bottlenecks in customs clearance.

The lack of capacity, particularly at borders to non-EU countries, and the general backlog in investments in the infrastructure and operation of border crossings are seen by many companies involved in BSR trade as one of the biggest hurdles to the region's economic development. Such administrative and fiscal challenges could be solved by the increased use of ICT – information and communications technology to monitor cargo movements and process documents. Establishing new border crossings, infrastructural modernization of existing ones and harmonization of import/export regulations and border control procedures are further solutions to overcome the mentioned difficulties.

of the consequences. At a political and administrative level, there is evidence that bureaucracy and integrity issues are particularly influential factors, though there are significant differences within the region. The EU members, especially Denmark and Germany are highly accessible, but Belarus, Russia and the Ukraine present a less positive picture in political and administrative

The organisational dimension focuses on the relationship between the EU on the one hand and Belarus, the Ukraine, Russia and Kazakhstan on the other hand. These four countries are investing to consolidate their own position and collaboration with international organisations in the transport and logistics field, especially in the BSR. At the same time, there is a strong demand for “enhanced territorial cohesion” on the part of the EU towards its eastern neighbours.

Border-crossing: obstacles to accessibility

Transport companies in the Amber Coast Region have been asked to rate different aspects, describing the user friendliness of border-crossing movements of goods and customs processing with school marks from 1 – “very good” to 6 – “insufficient”.



For further information scan code.





"The dialogue between politics and business needs to be much closer and more respectful."

Interview with Leif Pedersen, head of ICT Logistics. The forwarding company makes its very own experiences with daily transports in the Baltic Sea Region.

ACL: What kind of hindrances or problems is your company experiencing on shipments via the southern and eastern Baltic Sea Region?

Pedersen: *Our modes of transport are accompanied and unaccompanied trailers, containers, or multimodal by road, sea and rail. We have more than 10,000 units a year on these routes measured in trailers or containers. Most hindrances in the region are related to political issues such as visas and limitations on transport permits.*

ACL: Do you think that the aim of Amber Coast Logistics is a matter of infra-structural development or of strengthening transnational cooperation?

Pedersen: *I consider improvement is needed on both of these factors: Seen from my point of view they go hand in hand. The main responsibility for the improvement of these factors lies with politicians in the countries concerned.*

ACL: Where do you see the future challenges of the Baltic Sea Region regarding the development of transport corridors?

Pedersen: *I consider the rules valid from January 1st, 2015 related to the reduction of sulphur emissions as a big task and problem for multi-modal transport, where short sea operations are involved.*

ACL: In which respect do you consider the ACL project as successful?

Pedersen: *I expect the high demands of the challenges recognized in the ACL project to lead to a serious approach by politicians. I hope that they do start listening and not continue thinking that they are the only ones with the right answers. The dialogue between politics and business needs to be much closer and more respectful than seen so far.*

ACL: Where are the benefits for you cooperating with a project like ACL?

Pedersen: *As a speaker at the ACL mid-term event, and also at the upcoming final conference, I have the chance to participate with my opinion and also to learn something from hearing others' opinions on the project and perspectives.*



Leif Pedersen

is the managing director of ICT Logistics company based in Denmark that offers transport and logistics services by road, rail, sea and inland waterways to the Baltic States, CIS, Central and Eastern Europe and the Balkan States.



RECOMMENDATIONS

- Promote direct contact between people from all BSR countries. Facilitate them getting to know each other for a better understanding of language, culture, rules and regulations. The human factor is the key success factor.
- Harmonize technical rail standards for rolling stock and infrastructure between EU and non-EU countries.
- Make administrative enforcement more transparent, eliminating instability in the matter of law and corruption.



A TASK TO COPE WITH

Supporting the coordinated development of multimodal transport structures, in order to exploit the existing cargo handling potential in the southern and eastern Baltic Sea Region.

Studies show that the local ports are a vital interface for the global trade of the Amber Coast economies. They are the gateways for Europe's emerging national markets: Above average growth is anticipated. But what is a gateway or a vital interface without the essential hinterland infrastructure, if not the recipe for clogged chaotic ports and faltering economies.

MULTIMODAL



Transport potential in the southern and eastern Baltic Sea Region

In the years prior to the major global recession of 2009, maritime containers were the fastest growing segment for European ports and consequently for hinterland traffic. Forecasts of the potential container demand in the Amber Coast Region in 2030 are again very optimistic.

Before the economic crisis the accent of port development plans was on coping with the envisaged traffic growth, ensuring continuous accessibility to the infrastructure.

The recession then severely reduced container handling volumes – also along the Amber Coast. This position was happily reversed, reaching a new record in 2011, whereas northern and western ports needed longer.

The real GDP growth forecast for the eastern Amber Coast economies and their hinterlands range between 2.7 and 4.5% until 2030, outperforming more mature central and west European economies. In 2011 the Amber Coast ports handled a total volume of 3.4 million TEU, thereof 2.5 million with their origin or destination immediately in their hinterland or transit hinterland economies, i.e. Russia, Belarus or Ukraine.

The analysis of current traffic flows formed the basis for a forecast of the potential container demand in 2030. The evaluation of three scenarios took into account the economic development in the hinterland of these ports and shipping regulations in the Baltic, especially the SECA (Sulphur Emission

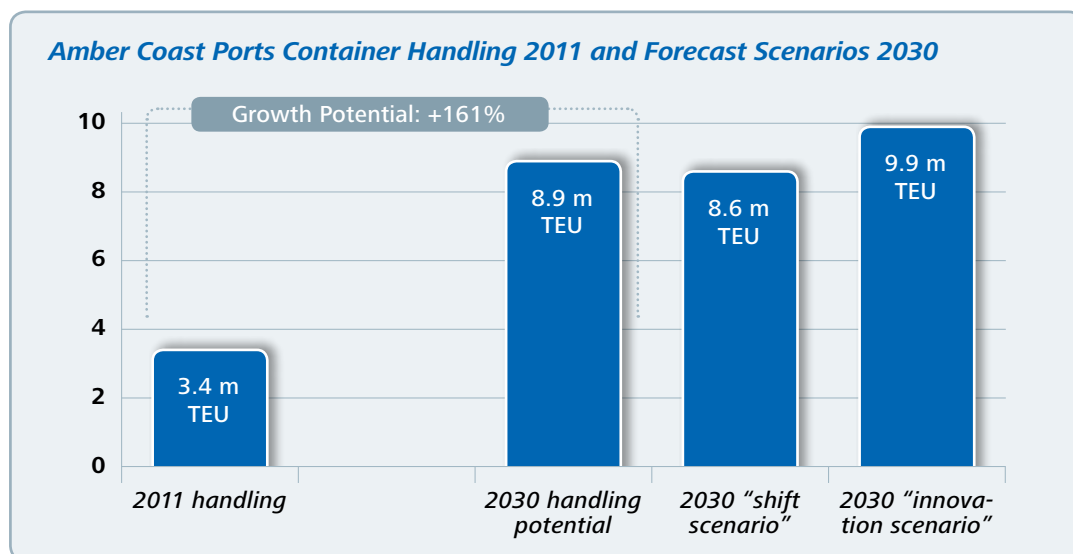
Control Areas) regulations: The “shift scenario” forecasts that handling will increase to 8.6 million TEU by 2030. The forecast for the “handling potential” scenario is 8.9 million TEU. The “innovation scenario” predicts 9.9 million TEU with global trade predominating. This will lead to an increasing volume of direct deepsea traffic.

However, containerized traffic only adds up to almost one third of all trade: waterborne non-containerized trade amounts to two-thirds, including inland waterway traffic trade in the Amber Coast Region. Traffic is expected to continually increase from 402,910 tons in 2010 to 579,393 in 2030 that is an annual increase of 1.83%.

The three scenarios forecast a great opportunity. The cargo will come to the Amber Coast ports. But what is a gateway or a vital interface without the essential hinterland infrastructure, if not the recipe for clogged chaotic ports and faltering economies.



For further information scan code.



"Handling potential" based on IHS Global container unit trade forecast on country level, "shift scenario" based on likely developments (mainly SECA), "innovation scenario" based on assumed political and private interaction/investments increasing the potential for direct calls in Amber Coast ports.



Identifying and analyzing ACL transport corridors

Fostering seamless transportation in the southern and eastern Baltic Sea Region is one of the key aims of Amber Coast Logistics. The ACL partners took a hard look, identified five potential transport corridors, and analyzed them.

Five innovative east-west operational corridors (see map upper right) for multimodal transport chains were analyzed highlighting their transport times, environmental impact and cost. Trucking's current time advantage will make a modal shift from road to rail necessary to promote efficient, sustainable transport solutions. The true obstacles are presented in the previous chapter on accessibility.

The three key factors, time, environment and costs involve transit times and delays, length of route, volume of goods transported, environmental emissions data, taxes and freight costs.

Transportation impacts the environment; greenhouse effect, acidification, eco and human toxicity, smog and noise. The analysis shows that emissions by rail and multimodal transportation are lowest. Generally these multimodal concepts are doubly efficient on energy consumption. However, the road transit volumes that could be shifted short-term are limited.

Cost is crucial in designing a transport chain. Costs including road taxes, customs taxes and freight rates proved difficult to assemble during the analysis. Detail was scarce, comparability too, e.g. Denmark, Latvia and Poland raise no road taxes. In Lithuania a vignette is compulsory on almost all transit roads. Belarus, Germany and Russia have their own toll systems. Such varying systems not only hinder the clearance of cross-border shipments, but have also made the crucial question of cost very difficult to assess. However, rail is clearly more economical than road.

Time is often crucial when it comes to transport decisions. Globally connected transport chains, providing reliable just-in-time delivery are a prerequisite for competitiveness and the growth potential of national economies, supported by infrastructure and specific know-how. Given the choice between modes of transport, shippers will frequently choose speed and flexibility.

*For further information
scan code.*



Transport corridors examined in the course of the project

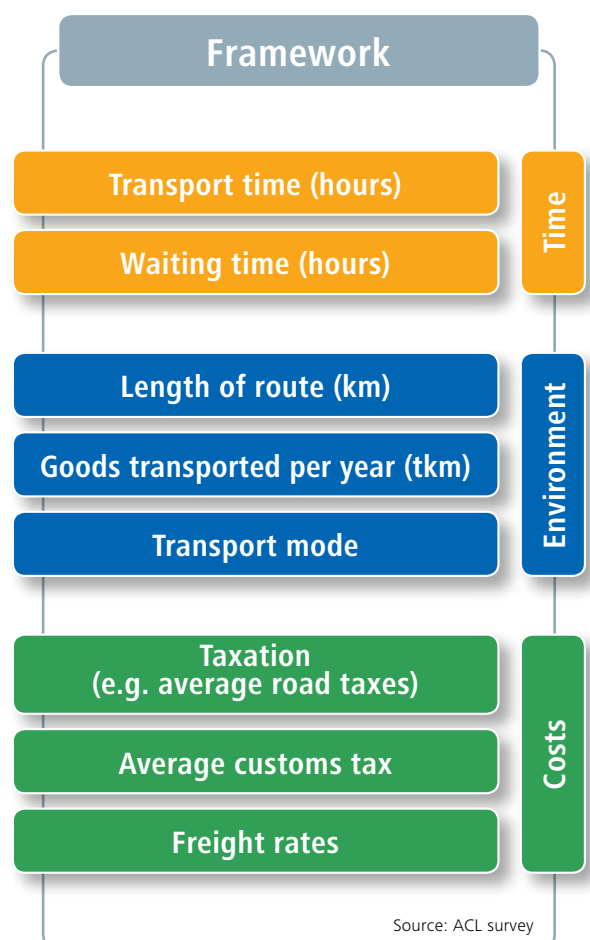


- Ventspils > Riga and on to Russia
- Riga > Vilnius > Minsk and on to Kiev as well as Riga > Smolensk
- Baltic sea routes
- Klaipėda > Vilnius > Minsk and on to Russia and the Ukraine
- Hamburg > Berlin > Warsaw > Brest and on to Minsk

Border waiting times are nebulous: Belarus - Poland 30 minutes, but seven hours in reverse; considerably longer elsewhere – even days. Waiting times vary between road and rail, sometimes with rail being considerably longer.

Road transport is surprisingly faster than rail; 10-20% in some corridors but 80-150% in others. Over and above 300-400km rail should normally have the advantage. But, both the change of gauge, and operational border procedures are delaying railway transport. Through rail liberalization and other measures the EU has overcome deficiencies at its borders; the Belarusian and Russian rail companies today still have a long way to go.

Undoubtedly, rail and multimodal transportation are more efficient, less expensive and environmentally friendlier, but shippers tend to choose the faster mode of transport. This, and precisely this, is the key obstacle to the modal shift.



The ACL corridors have been analyzed by taking a close look on the key factors influencing the decision for a certain transport mode: time, environmental impact and costs.



"The ACL project has established a balanced platform for further cooperation between Europe and Belarus. Logistics specialists require reliable partners to establish or expand businesses around the world."

Belarusian Association of International Forwarders is a non-profit-making association with voluntary membership, uniting a variety of commercially-owned forwarding and logistics companies. Today the association represents a national industry covering 123 forwarding and logistics enterprises.



"The ACL project has created great interest in Belarus from both, the business sector and public authorities."

Interview with Natallia Harbuz, logistics consultant at the Belarusian Association of International Forwarders (BAIF). BAIF is one of three ACL project partners from Belarus. The republic is an important transit country for transportation in the southern and eastern Baltic Sea Region.

ACL: How do you evaluate the results and insights of Amber Coast Logistics?

Harbuz: *It's difficult to assess the practical results of the ACL project yet. We hope that the findings and recommendations of the ACL project will be in demand, including players in the logistics services field, as well as those who are preparing to enter this market.*

In our opinion, the project idea and the teamwork among experienced project members is one of the greatest achievements.

ACL: How does the ACL region in general profit from this project from your point of view?

Harbuz: *We are closely acquainted with the recommendations and findings developed during the project in order to understand the processes of logistics development both in the Republic of Belarus and the ACL region in general. We must admit that we did not expect turnkey solutions. But understanding the actual processes and showing trends will help us to do more objective forecasting of freight traffic in the ACL region, and optimize logistics costs by minimizing transit time and financial costs.*

ACL: What kind of influence by Amber Coast Logistics do you anticipate for the future development of your country?

Harbuz: *Belarus is a transit country. And the ACL project achievements will help Belarus to become a professional link in the overall supply chain of goods between the EU and the member states of the EurAsian Economic Community (EurAsEC), Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan.*



The ACL project has created great interest in Belarus, both from the business sector and public authorities.

It is difficult to assess the economic and political benefits of the project but it has demonstrated tremendous advances in communications that we need to continue. The ACL project has established a balanced platform for further cooperation between Europe and Belarus.

ACL: How did you experience the cooperation between the ACL partners during the project?

Harbuz: *Logistics specialists require reliable partners to establish or expand businesses around the world. The ACL project has helped to build better relationships and find partners, generating more leads and mutually beneficial business in the ACL region.*

“The achievements will help Belarus to become a professional link in the overall supply chain of goods between the EU and the EurAsian Economic Community (EurAsEC).”



RECOMMENDATIONS

- *Extend port and hinterland infrastructure to match significant growth in traffic in the coming years. Secure crucial access to public funding in all BSR countries for this.*
- *Improve efficiency of border and customs processes, especially concerning determination of customs value for imported goods.*
- *Enhance technical equipment and human resources of customs offices and involve customs authorities in common initiatives.*



Outlook on future: Three scenarios for the transit country between Russia and the EU

Belarus is an important transit country for transports between Russia and the EU, with up to 100 million tons annually. With the right steps Belarus can almost double its transit throughput by 2025. Failure to do so could almost halve the current figure.

BELARUS

Belarus is an important player located between the world's largest market, the European Union and one of the biggest raw material suppliers in the world, the Russian Federation. The majority of raw materials exported by Russia go to the EU: Raw material constitutes 90% of Russian exports. In exchange the EU supplies Russia with high value products, e.g. machinery, cars, and fast-moving consumer goods. Consequently there is an imbalance in volumes with far more going west. In 2010, Russia exported over 500 million tons by rail and 6 million by truck. Imports were almost 99 million by rail and over 19 million by truck. By 2025 this may have more than doubled. Total foreign freight throughput in Belarus may currently add up to 100 million tons.

However, the growth of cargo transit flows in Belarus is currently impeded by certain artificial barriers related to customs regulations, technical vehicle rules, market access and tariff policy, driver requirements and other specific requirements.

Which way can Belarus develop? Forecasting transit development between 2015 and 2025, positive, moderate and negative scenarios are in play showing the potential to almost double throughput, or to almost halve it:

Positive scenario nearly doubling throughput:

- *Belarus signs free trade agreement with EU and becomes WTO member*
- *Gradually improving road load-bearing capacity without seasonal restrictions*
- *Road network access fees remain unchanged*
- *Visa-free regime with EU*
- *Compulsory convoying eliminated*

Moderate scenario increasing throughput by 20%:

- *Some improvement to customs legislation, especially determining customs value of goods*
- *Technical requirements for vehicles remain unchanged*
- *Road network access fees remain unchanged*
- *Driver requirements (insurance, visas) remain unchanged*
- *Compulsory convoying gradually decreasing, eliminated in 2025*

Negative scenario almost halving throughput:

- *Parameters mostly remain unchanged*
- *Gradual deterioration of infrastructure reduces maximum axle load*
- *Road network access fees increase*

*For further information
scan code.*



The forecasts are illustrating the transit potential for Belarus. In order to be able to exploit it, further policy changes are needed. The below-mentioned recommendations to the Belarusian government and other national stakeholders involve three assumptions: By 2025, major increase in EU-Russia flow of goods by road, acquiring this traffic means implementing changes to transit legislation. If nothing is done the transit network will deteriorate, suffer congestion and become unattractive.

RECOMMENDATIONS

- *Fostering integration of Belarus into worldwide and regional economic networks such as WTO and EU. Free trade agreements with neighbours will positively impact trade and transit leading to economic welfare. Visa agreements with EU, similar to Ukraine and Georgia, will greatly enhance transit potential.*
- *Aligning goods transport legislation to EU model with major attention paid to technical standards for vehicles and infrastructure, dangerous goods and phytosanitary controls.*
- *Immediately deleting obsolete regulations that create transit obstacles, especially compulsory conveying of selected commodities. Other measures that do not comply with international standards should be improved or deleted.*
- *Improving customs regulations, simplifying procedures, decreasing paperwork, speeding up information processing, including IT solutions, implementing best practice in national customs regulations, especially verification of customs value on imported goods.*
- *Avoid policies encouraging personal gain for officials. This can only be achieved in close cooperation with Latvia, Lithuania and Poland at government level, implementing common customs, technical and other regulations. It otherwise provides a false incentive to choose another route.*



Cooperation contract between PoHM and Belintertrans

An important result regarding transnational cooperation: Belintertrans and Port of Hamburg Marketing (PoHM) have signed a cooperation agreement – another step towards a transnational network of BSR logistics service providers. Belarusian Rail subsidiary Belintertrans – Transport-Logistics Centre, one of 25 supporters of ACL, serves as a very important link to the Belarusian business sector.

PoHM and Belintertrans are both convinced that many transport network players will benefit. Good business relationships between a port and forwarding company ensure joint examination of challenges and searching for solutions. The agreement includes major areas of common work: exchange of information aiming to attract transport volumes and new port services, exchange of experience, development of staff training programs and joint development of new transport routes.



About Belintertrans

Belintertrans – Transport-Logistics Centre established 2009 by merging two major Belarusian Rail subsidiaries Belintertrans & Minskzheldortrans, offering full range of logistics services, incl. freight forwarding, terminal & warehousing services, customs clearance and provision of rolling stock.

About Port of Hamburg Marketing (PoHM)



Responsible for location marketing of the Port of Hamburg and its numerous members throughout the world, PoHM and its representative offices are first point of contact for inquiries relating to the port.



A TASK TO COPE WITH

Creating a transnational logistics zone in the southern and eastern Baltic Sea Region (BSR) requires nurturing cooperation and communication between the worlds of politics and business of EU and non-EU countries in the region.

An integrated BSR can only be achieved by the transnational worlds of politics and business interacting and coordinating the harmonization of transnational logistics services. Promoting knowledge transfer, stimulating mutual understanding and awareness, will strengthen the economic ties between emerging countries including Belarus, Russia, Ukraine and EU member states within the BSR.

CONNECTED



EDI solutions pivotal for communication and cooperation

ACL has inspired the development of two pivotal communication platforms; PORTlog, bringing together potential customers and service providers, and a Transport Border EDI software facilitating improved border crossing.

The PORTlog web service was launched by the lead partner of Amber Coast Logistics, Port of Hamburg Marketing, in June 2013. This business platform for logistics companies, manufacturers and importers/exporters brings together potential customers and service providers. International customers are able to locate the right service provider in the warehousing, logistics or transport fields for their imports and exports via Hamburg and the metropolitan region.

Ultimately, PORTlog is available in English, Polish, Russian, Czech, Hungarian and Chinese. It simplifies market entry for business sector representatives in Eastern Europe and it is already highly accepted. It is especially gratifying that overseas customers are using the online logistics platform to find appropriate service providers.

Multimodal freight services are set up by entities engaged in goods exchange processes. Each entity usually uses its own, specific business processes and procedures as well as its own IT applications. Promoting transport connections between the southern and eastern Baltic Sea Region and Central Europe requires seamless processes both for the shipments and EDI.

The Transport Border EDI software, developed by the Polish project partner Institute of Logistics and Warehousing, facilitates improved accessibility directly related to border crossing procedures. Multimodal freight services require a seamless real time parallel flow of data. Thus, T-Scale Intermodal has been selected as the appropriate EDI tool.

Companies in Poland, Belarus and Russia are testing the Transport Border EDI software. Its benefits include:

- Implementing standardized information and data exchange
- Introducing paperless transshipment for loading and unloading
- Securing universal access to information
- Generating further documents by accessing data already in system
- Generating reports for invoicing, statistics and forecasting

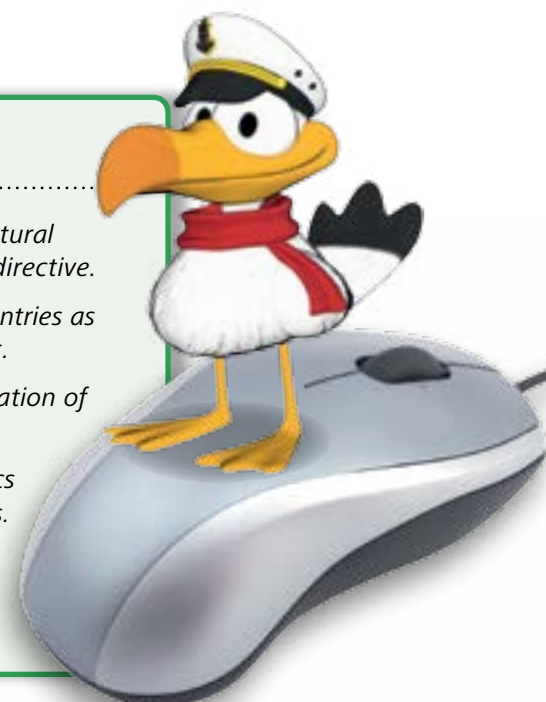


PORTlog lets international im- and exporters, forwarders as well as representatives from the industry, trade and transport branch quickly locate the right service provider.



RECOMMENDATIONS

- Establish joint East-West working platforms to support infrastructural development and cope with regulatory challenges, e.g. sulphur directive.
- Establish closer political cooperation between EU and non-EU countries as prerequisite for eliminating red tape for border-crossing transport.
- Implement public private partnership solutions BSR-wide for operation of logistics centres from West to East.
- Establish high-quality trimodal transport infrastructure for logistics centres and intermodal transport facilities to ensure market success.
- Implement virtual freight villages to jointly promote logistics services along the transport chain.





In retrospect: Learning from each other, getting to know each other

The key to success towards an integrated transport network in the southern and eastern Baltic Sea Region is the strengthening of transnational cooperation. It enables necessary insights into practical day-to-day issues of logistics and transport processes in different countries. But not only this, learning about cultural differences and getting to know the people behind an organization is an important task, too.

35 participants from all ACL partner countries took advantage of the staff exchange week that was held in the biggest German seaport. The aim of this programme: gaining in-depth knowledge on state-of-the-art port and logistics processes in the Port of Hamburg. The participants experienced the Hamburg logistics cluster in both theory and practice, through presentations and lectures, visiting the port and related logistics sites and social events, namely:

- *Fraunhofer CML research institute.*
- *Hamburg Port Authority (HPA), responsible for port management: marine and land-based infrastructure, safety of shipping traffic, port rail facilities and property management, as well as the economic development of the port.*
- *HHLA Container Terminal Altenwerder, one of the most modern container terminals in the world.*
- *Intermodal transport with rail operator Polzug, Eurogate Container Terminal and its on-site rail operator Eurogate Intermodal as well as Maschen Marshalling Yard, the largest marshalling yard in Europe.*
- *Ma-co maritime training center delivering courses in port operations, cargo handling, logistics and maritime shipping.*
- *Baltic Networking Dinner attended by ACL partners and representatives of Hamburg's logistics and port sector, since cooperation is the backbone of all maritime connections between Germany and the Eastern European countries.*

Another Hamburg event was the German-Lithuanian evening reception, organised by ACL and the Consulate of the Republic of Lithuania. The keynote speaker was Deividas Matulionis, Ambassador of the Republic of Lithuania to Germany. Kurt Bodewig, the former Federal Minister of Transport and Honorary Consul of Lithuania in Hamburg, was the host and moderator.

Participants of the ACL coaching workshop in Minsk visited the Beltamozhservice Logistics Center.



One of the highlights of the staff exchange week in Hamburg: The visit of the rail operator Eurogate Intermodal.



Issues affecting multimodal transport between EU countries and Belarus were topic of a coaching workshop in Minsk that was attended by 70 Belarusian logistics players. The four-day coaching workshop concentrated on learning from best practice examples. The event was entitled: "Logistics companies – quality requirements for logistics services and logistics service providers in Belarus". Expert speakers from established logistics companies and institutions gave presentations on 'Challenges and requirements for logistics services in regions difficult to access' and 'Future transit shipments across Belarus'.

The coaching workshop took place in the framework of the international transport and logistics trade fair in Minsk, where the project and its partners were also present with an own ACL booth.

Discussing relationships at the German-Lithuanian evening reception. Among the speakers: Deividas Matulionis, Ambassador of Lithuania in Germany and Kurt Bodevig, former Federal Minister of Transport and Chairman of the Baltic Sea Forum.



The ACL booth at the annual international transport and logistics trade fair in Minsk, Belarus.

Delegates' quotes

"The southern and eastern Baltic Sea Region as well as North-west Russia, Belarus and the Ukraine are among the most promising logistics regions of Europe. However, development of the transport and logistics infrastructure in these countries has been inadequate at best."

Axel Mattern, CEO of Port of Hamburg Marketing

"Borders in the head are slower to disappear than frontiers between countries."

Joint realization by participants at Amber Coast Logistics mid-term event

"One of the biggest challenges is that of changing the attitude of West European logistics companies to the Belarus logistics sector. People are often inclined to pass judgement on the political system of the country."

Dzmitry Babicki, leading economist of Warsaw-based Case Belarus research institute

"Economic cooperation with the EU plays a major role for the eastern European states. We should not be creating any barriers among ourselves. For us ACL is the perfect opportunity to exploit synergies among the logistics locations."

Eugenijus Gentvilas, former CEO of the Port of Klaipėda

"Belarus is still at the beginning of developing a logistics system. To support this development it is necessary to strategically design an effective scheme that positions logistics centres."

Dr Anatoly Molokovitch, Head of Logistics Faculty of the School of Business and Management of Technologies of the Belarusian state university



Future tasks: "Improving infrastructure, furthering development of hinterland connections, coordinating strategies of each country".

Interview with Marina Rimpo and Axel Mattern from Port of Hamburg Marketing, the lead partner of Amber Coast Logistics.



Marina Rimpo

has been responsible for the overall coordination of the activities of ACL.

ACL: Port of Hamburg Marketing initiated the Amber Coast Logistics project. What was the purpose or the motivation to bring a project like ACL into being? And, has it succeeded in its aims?

Mattern: *The Port of Hamburg is located between the North Sea and the Baltic Sea. This geo-political situation determines the responsibility of the Port of Hamburg as a hub connecting the East and West of Europe. Our port is transshipment centre for goods of all kinds and one of the leading logistics locations in Northern Europe and on a worldwide basis. The Kiel Canal connects Hamburg with Scandinavia and the whole Baltic Sea Region (BSR). The Elbe-Lübeck Canal provides an inland waterway from Hamburg to the Baltic Sea.*

We have various partnerships and cooperate closely with other ports in order to jointly face the new developments in the region. On the other hand, we felt that there is still a lack of knowledge and information about the new markets. On the basis of our existing networks and together with our partners we developed the ACL project idea. It took us about two years of intensive work just to prepare the project, but it was worth it. It is not a secret, that with ACL we aim to build up strategic networks in ports with many trade routes from/to Hamburg. ACL is helping us a lot with this issue and we do believe that this project has created a win-win situation for all project partners.

ACL: ACL is one of only a few EU-funded projects with the participation of Belarus. How was the cooperation with the Belarusian partners? How did the project benefit from the participation of Belarus?

Rimpo: *Belarus is among the six countries that have taken part in the Amber Coast Logistics project. The country is expected to become one of the important players in the region. Belarus has been a full-blown, equal participant in the project. The Belarusian partners have a very valuable expertise and knowledge and they gladly share them with project partners from the EU countries. Considering the tendency of increasing the number of logistics centres in Belarus, expansion of the provided services and increased volume of traffic, we are sure to be on this market at the right time and in the right place. The project has created a new 'bridge' between the EU member states and Belarus regarding road, rail and maritime transport.*

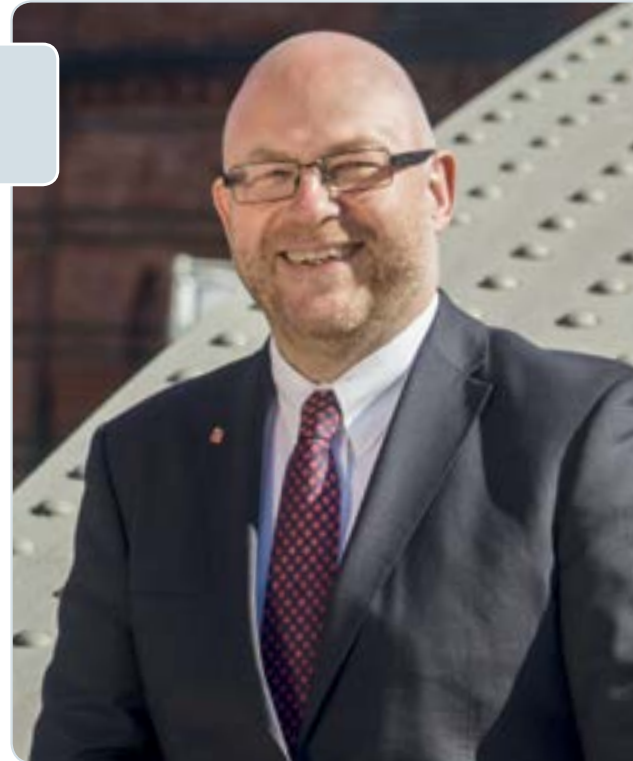
ACL: Now that the project has nearly come to an end, where do you see the biggest need for action in the Amber Coast Region relating to the transport and logistics sector?

Rimpo: *One of the main tasks for the future is improving the infrastructure, furthering development of hinterland connections, especially in the southern and eastern region of the Baltic Sea.*

This involves coordinating the strategies of each country to meet new demands, such as the SECA regulations. This new situation will cause a quite massive flow of container and trailer traffic on the over-burdened European road systems. Therefore the general task is to create a sustainable and cost efficient multi-modal transport system over land and sea. Looking at future developments, alternative fuels with

Axel Mattern

has been Member of the Board at Port of Hamburg Marketing since 2011.



lower emissions and other coming environmental-friendly developments are necessary to avoid a fall back. It is essential to develop and to promote clean and environmentally friendly transport in the whole BSR.

ACL: Do you think that the aim of Amber Coast Logistics is a matter of infrastructural development or of strengthening transnational cooperation?

Rimpo: *The project has not been about creating material assets such as new road or rail links, but an opportunity for experts to meet regularly, share best practice, discuss issues and find solutions. We do believe that our project has provided a good platform for bringing about closer, more coordinated and more focused cooperation. This will enable all parties involved to plan, prioritize and implement activities towards the same goals. This cooperation will promote and support a cost-effective and efficient door-to-door transport solution, linking trade to transport and facilitating growth in the entire region. Through our international cooperation in the project we are facilitating an efficient, environmentally friendly and attractive intermodal transport solution and improving access to markets.*

ACL: Where do you see the future challenges for the Baltic Sea Region?

Mattern: *Many new challenges lie ahead for the transport sector. The region is mostly experiencing infrastructural challenges such as a lack of roads, inland waterways and the position of ports. Port-related challenges are mainly congestion, growing costs and over-capacities on the market, limited handling capacity and the generation of additional volumes.*

ACL: The Amber Coast Region in 10 years time: How will the transport and logistics sector have developed by then and with what effect on the economy in general?

Rimpo: *When developing a general strategy, it must be borne in mind that the conditions for economic development in the Baltic Sea Region will change over the coming decades. The ongoing structural change towards service and knowledge-based societies, innovations, increasing integration within the Baltic Sea Region and demographic change will all have a considerable influence on the region.*

Nevertheless, openness is the key word for us. We have enjoyed working together with our partners and are open to meet new developments on the market and to create new business opportunities.

ACL: What is your overall résumé after two and a half years of project lifetime?

Mattern: *Much has been done and much remains to be done, but we are pretty sure, that the local and regional economies will benefit from the on-going cooperation. We have already created synergies, providing better services, attracting more cargo and achieving a win-win situation. We are convinced that through the high profile of the project and the people behind it, its clear task and forward-thinking strategies, the Amber Coast Logistics project will be a cornerstone for future cooperation.*



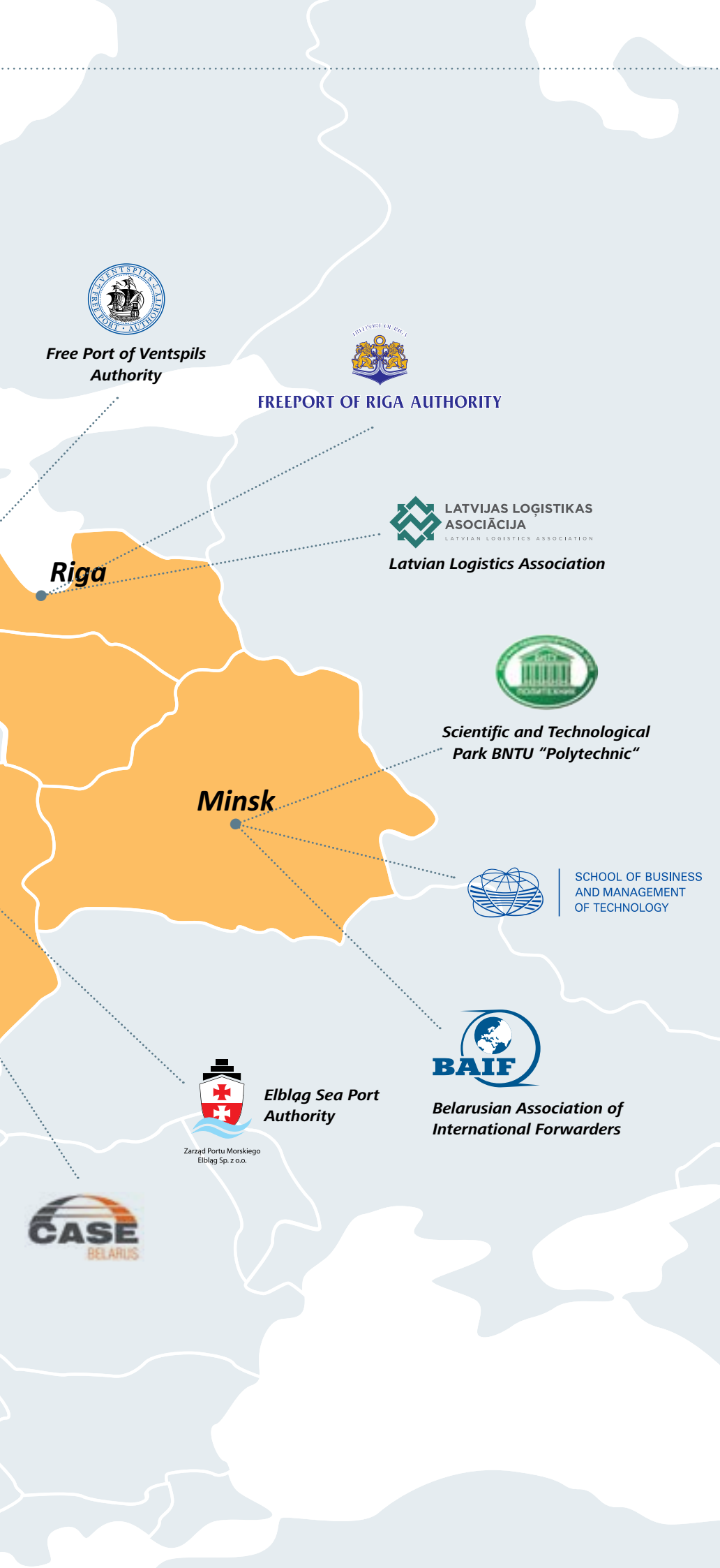
Port of Hamburg Marketing

is a business association under private law. With location marketing activities it contributes to the long-term strengthening of the competitive position of the Port of Hamburg, the ports of the Metropolitan Region as well as numerous other firms of the transport and logistics sector.

Project partners

The geographical spread of the partners.





Free Port of Ventspils
Authority



FREEPORT OF RIGA AUTHORITY



LATVIJAS LOĢISTIKAS
ASOCIĀCIJA
LATVIAN LOGISTICS ASSOCIATION
Latvian Logistics Association



**Scientific and Technological
Park BNTU "Polytechnic"**



SCHOOL OF BUSINESS
AND MANAGEMENT
OF TECHNOLOGY



BAIF
**Belarusian Association of
International Forwarders**



**Elbląg Sea Port
Authority**

Zarząd Portu Morskiego
Elbląg Sp. z o.o.



Supporters of ACL

- *AlevTrans JLC (BY)*
- *Baltic Sea States Subregional Co-operation (Int.)*
- *BELINTERTRANS (BY)*
- *Belarusian Research and Development Institute of Transport (BY)*
- *Beltamozhservice (BY)*
- *City of Sassnitz (DE)*
- *Deutsche GVZ-Gesellschaft (DE)*
- *East West Transport Corridor Association (LV)*
- *East West Transport Corridor II Project (Int.)*
- *European Intermodal Association (Int.)*
- *Emons Ekspeditsia SOOO (BY)*
- *Emons Rail Cargo GmbH (DE)*
- *City of Hamburg, Federal Ministry of Transport, Building and Urban Development (DE)*
- *International Transport Academy (RUS)*
- *KTL Ltd. (BY)*
- *Luebeck Business Development Corporation (DE)*
- *Lutsk City Council (UA)*
- *Logistics Initiative Mecklenburg-Vorpommern (DE)*
- *Ministry of Transport (LV)*
- *Ministry of Transport and Communications (BY)*
- *National Logistics Association (RUS)*
- *POLZUG Intermodal GmbH (DE)*
- *Rosmorport Kaliningrad Branch (RUS)*
- *Self-Government of the Warmińsko-Mazurskie Voivodeship (PL)*
- *St. Petersburg State Polytechnical University (RUS)*

Contact and imprint

Lead Partner:

Port of Hamburg Marketing

Marina Rimpo
rimpo@hafen-hamburg.de

Adina Cailliaux
cailliaux@hafen-hamburg.de

Pickhuben 6
20457 Hamburg
Germany
Phone: +49 40 377 09 - 0
www.portofhamburg.com

Project Management:

PLANCO Consulting GmbH

Gunnar Platz
gp@planco.de

Björn Gabler
bg@planco.de

Am Waldthausenpark 11
45127 Essen
Germany
Phone: +49 201 437 71 - 0
www.planco.de

Communications:

BONUM news+marketing GmbH

Janina Arndt
arndt@bonum.net

Mattentwiete 6
20457 Hamburg
Germany

Phone: +49 40 697 963 - 85
www.bonum.net

Content Responsibility: Port of Hamburg Marketing

Production: BONUM news+marketing GmbH

Printing: Zertani GmbH & Co. Die Druckerei KG

Images: Port of Hamburg Marketing, fotolia,
SBMT BSU, BAIF, LINAFA, Mintrans Belarus,
ICT Logistics

This report has been produced with financial assistance of the Federal Programme for Transnational Cooperation of the German Federal Ministry for Transport, Building and Urban Development. Its content is the sole responsibility of the authors and does not necessarily reflect the opinion of the Ministry.

Release Date: February 2014
