

## TRANSPORT SITUATION IN LITHUANIA IN 2004

### 1. Traffic trends.

The dynamic of transportation (including forecasts data) of transport modes and types by year is shown in the table below:

**Lithuanian transport development indicators and forecasts**

Mode \ Year	Unit	2001	2002	2003	2004 forecast	2005 forecast	2010 forecast
<b>Freight transport</b>	mil.t	<b>79,5</b>	<b>87,0</b>	<b>100,9</b>	<b>98,8</b>	<b>101,6</b>	<b>119,3</b>
Railway transport	mil.t	29,2	36,6	43,4	45,3	46,9	53,4
Road transport	mil.t	45,1	45,0	52,2	48,0	49,0	59,0
Maritime transport	mil.t	4,7	4,8	4,7	4,8	5,0	5,9
Inland waterways transport	mil.t	0,54	0,52	0,65	0,65	0,75	1,0
<i>Goods handled from seagoing vessels</i>	<i>mil.t</i>	<i>22,4</i>	<i>25,8</i>	<i>31,9</i>	<i>28,0</i>	<i>30</i>	<i>40,0</i>
<i>of which in Klaipėda State Seaport</i>	<i>mil.t</i>	<i>17,3</i>	<i>19,7</i>	<i>21,2</i>	<i>20,2</i>	<i>22,0</i>	<i>31,0</i>
<b>Public transport</b>	mil. pass.	<b>355,9</b>	<b>358,3</b>	<b>373,6</b>	<b>383,2</b>	<b>389,8</b>	<b>431,5</b>
Railway transport	mil. pass.	7,7	7,2	7,0	6,9	7,0	7,8
Road transport (buses+trolleybuses)	mil. pass.	346,4	347,8	364,1	374,5	380,0	420,0
Inland waterways transport	mil. pass.	1,3	2,9	2,0	2,0	2,2	3,0
Maritime transport	thous. pass.	68,8	58,4	98,9	135	160	300
Air transport	thous. pass.	363	376	398	550	600	900
<i>Passenger traffic at Lithuanian airports</i>	<i>thous. pass.</i>	<i>651</i>	<i>702</i>	<i>792,6</i>	<i>1045</i>	<i>1100</i>	<i>2150</i>

It is forecasted that GDP share of transport sector will reach 9.7 % in 2004. In 2004 transport sector employed 5.2 % of the total amount of employed people in Lithuania. It shows a good competitive position of transport sector in comparison with other sectors and a relatively higher productivity in transport sector as well.

**Freight transport.** During three quarters of 2004 the transportation of goods has increased by 8 % comparing with the adequate period of 2003. The main factors influencing the increase of freight volumes in 2004 are an economic growth and in consequence increase of import, export and domestic transportation and increasing transit freight volumes in Kaliningrad district direction (8,8 %). The total transit volumes decreased by 3,2 % due to Russian government's policy, which protects transportation through Russia's eastern Baltic sea costs' ports.

Volume of goods handled in Klaipėda State Seaport decreased by 10,3. During the three quarters of 2003 containers handling amounted to 123,3 thous. of TEU which is 37,9% more than last year. Reaching these results Klaipėda now stands for leader position by containers handling amount between Baltic countries. In total during the three quarters goods handled in Klaipėda State Seaport and Būtingė Sea Terminal amounted to 21.4 mln. t. – 32,5 %.

Road traffic loading is still growing: it is foreseen that average road traffic loading per day will increase up to 2,5-3 % during 2004.

**Public transport.** Amount of passengers carried by public transport buses keeps growing and in comparison with the adequate period of 2003 it has increased by 3.7% during the three quarters in 2004.

Neither essentials nor structural changes have appeared in railway transport. During the three quarters of 2004 5.3 mln. passengers were carried (less by 0.6% in comparison with 2003). The passenger trains routes optimizations program is further pursued: the most loss-making routes are being closed, frequency and periodicity are being rationalised.

During the three quarters in 2004, sea ferries and cruise ships passengers traffic amounted respectively to 115.4 thous. ( it is 13.8 % more than in 2003) and to 14,2 thous. (62 % more than in 2003).

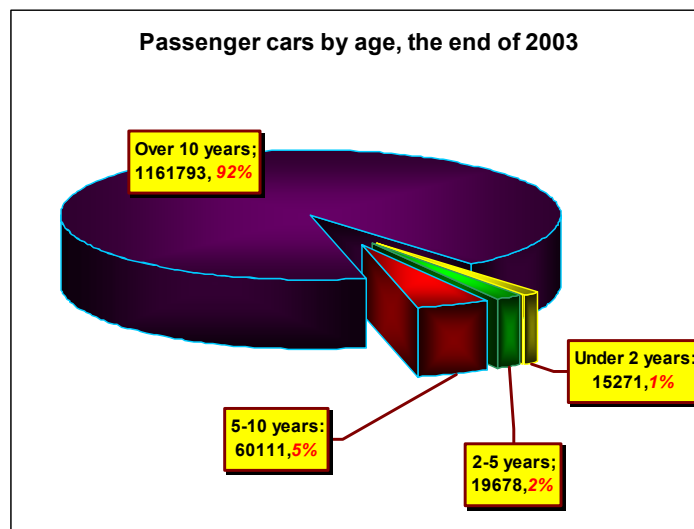
Passenger traffic in the international Lithuanian airports has increased noticeably this year: during 9 months it has increased by 37% in comparison with 2003 and will exceed one million.

## 2. Obstacles to the development of transport

The main obstacles to the development of transport in Lithuania are:

- Physical amortisation of the railways infrastructure;
- Old rolling-stock of the railways;
- Insufficiently developed network of electrified railway lines;
- Insufficiently developed network of Klaipėda Seaport access roads and railroads;
- Poorly developed railway transport connection with EU states via Poland;
- Major Lithuanian towns have no by-passes;
- Urban and interurban public buses fleet is worn out physically and obsolete, unsafe and polluting road transport vehicles. Congestion problems become more and more acute in major towns;

Number of passenger cars by age is shown in a figure below. Bearing in mind, that number of new manufactured cars at the end of 2003 amounted just to 1 percent and a fleet of old cars is very significant – 92 percents, threat of pollution and congestion problems are arising. On the other hand, number of new manufactured cars starts to increase more intensively each year.



- Aircraft fleet does not correspond to up-to-date requirements;
- Inland waterways transport is poorly developed;
- High and growing rate of road accidents;
- Negative environmental impact of aged road vehicle fleet;
- Establishment of multimodal service purpose Logistic centres is in the primary stage.

### Regulatory developments.

- As an example of good practice we can mention The Long Term (until the year 2025) Lithuanian Transport System Development Strategy. The strategy was prepared according to necessity of having clear transport policy after accession to EU and harmonizing main Lithuania's transport policy goals with the EU ones: to foster intermodality, interoperability, safe, sustainable and balanced multimodal transport development. Development measures for different transport modes are envisaged according to EU financial perspectives: until the year 2006, from 2007 to 2013 and long term perspective until 2025.

- In July 2004 Japanese International Cooperation Agency (JICA) completed Klaipėda's State Seaport Development Study on Lithuanian Ministry's of Transport and Communication incentive. Based on the study, the Conception of Deep Seaport (up to 17 m) was subjected to Lithuanian Government and a General Plan of Klaipėda's State Seaport Development (until 2025) as well as Ports' Development Plan until 2015.

- In April 2004 Rail Baltica project was included in the list of EU transport priority projects. It is a project connecting the Baltic countries and Poland with a new European gauge line. Completion of Rail Baltica connecting Poland with Finland through the Baltic States will create conditions for modern transportation of freight and passengers and will further enhance the integration of this region into the railway networks of EU states and reduce the traffic loading on I road

Corridor.

- In 2004 Reform of Railway Sector was begin to implement according to new legislation: The Law on Lithuanian railways sector reform and Railway Transport Code. This year all other necessary legislation to ensure a free entry in a railway market has also been legislated: Rules on Allocation of Public Railway Infrastructure and Rules on Taxation for Use of Public Railways Infrastructure.

- In November 2004 Lithuanian Government approved plans to rebuilt historic Šventoji port, which will serve as a port for lifeboats, state's border protection vessels, small fishers, fire-boats, spilled oil gathering vessels, small cruise ships, sport and pleasure boats, yachts and other small seagoing vessels.

- The main Lithuania's river Nemunas is foreseen to become attractive sightseeing object. In year 2004, Lithuanian Government approved the project of mobile and stationary quays construction along the river Nemunas in Lithuania's territory. This will speed up the development of inland waterways.

#### **Infrastructure developments.**

- 1,5 % of GDP was assigned for financing and investments in transport sector in year 2004.

- Good example of intermodal transport promotion is "Viking"- the shuttle combined freight trains line Odessa (the Ukraine)-Klaipėda (Lithuania) (open in 2003) is further increasing the volumes of goods carried, thus reducing freight traffic loading in roads (IXB Corridor). It carries goods by general cargo wagons, wagons - refrigerators, tank-cars as well as containers (up to 40 feet (45 feet in near future)), contrailers and auto-trains. The main reason of such line success is streamlined custom procedures applied for the "Viking", as well as possible transhipments in intermediary stations – Kiev (the Ukraine), Minsk (Belarus) and Vilnius (Lithuania).

- **„E” networks.** During the 2004 reconstruction and modernization of TEN- Tr network corridors (both railways and roads) IXB, IXD, I and IA as well as the reconstruction of others of "E" category are being continued. This ongoing transport infrastructure development process could be an example of the application of phased approach when using subsequent stages the final goal is to be achieved constructing infrastructure in line with the expected growth in traffic demand. For instance, the development of **I road corridor** –Via Baltica encompasses reconstruction works in different roads' sections so that these sections could be reconstructed according to determined traffic flows and avoidance of obstacles. In year 2004 the southwest by-pass of Šiauliai (8.7 km) and the northwest by- pass of Joniskis (3 km) were complete, overpass through railway Šiauliai - Ryga was built, 6,3 km of road were widened, 4,4 km were reconstructed and 4,6 km were strengthened.

In the **IXB road corridor** reconstruction works are being continued: 13 km were widened and strengthened, 45 km were reconstructed, 6 bridges and overpasses were reconstructed and environmental safety instruments were implemented.

60km of railway tracks were reconstructed this year in the **IX railway corridor**; reconstruction of Kybartai border transmission station was complete, modernization of power supply lines, signalization and telecommunications is being continued.