

Round Table local meeting report: Poland

Activity: WP 2, Activity 2.1.2.3

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Drafted by: Ewa Jaskólska, Marcin Foltyński

Institute of Logistics and Warehousing

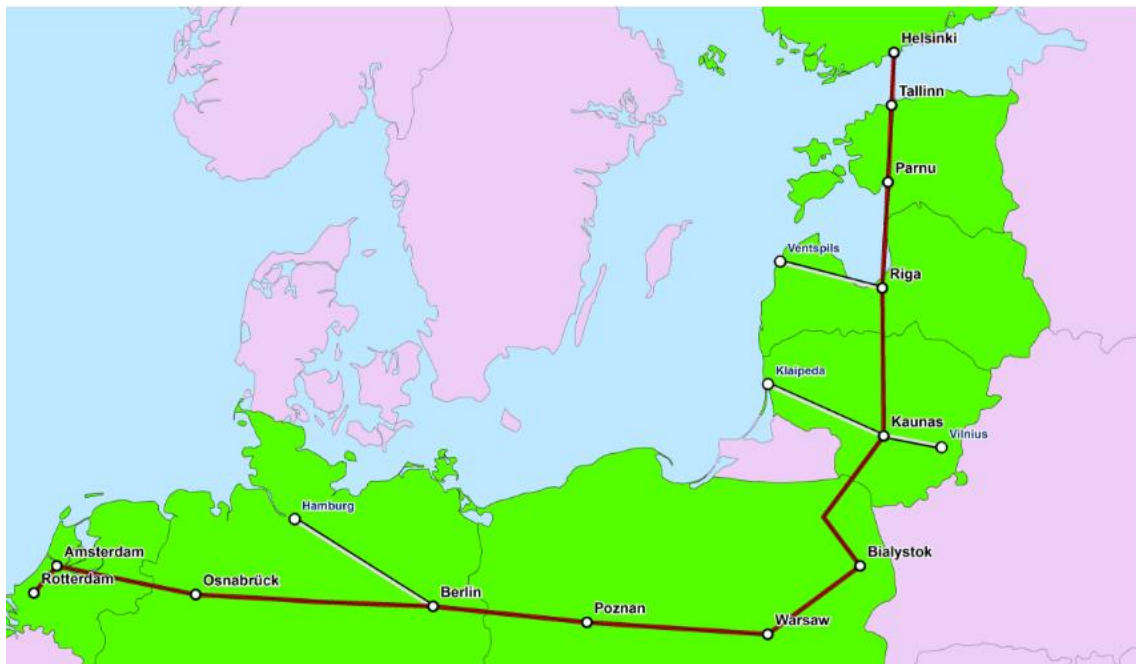


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1 Executive summary

The topic of the Round Table meeting held in Sopot 19.06.2017 are the logistics requirements of Shippers and Logistics Service Providers and their commitment to intermodal supply chains on the North Sea Baltic Corridor (detailed route of the corridor is shown on the map below). The target of this meeting was to receive relevant experts' views on factors and trends influencing the freight transport in NSB Core project area.



Drawing 1 – North Sea Baltic Corridor map

The specific objectives of the Round Table workshops carried by ILiM were:

- increasing knowledge of logistics operators and shippers in the field of NSB CoRe project,
- increasing knowledge of logistics operators and shippers in a field of planned Rail Baltica investment,
- potential and barriers identification for a development of intermodal transport realized by North Sea Baltic corridor, with a specific focus on projected railway line – Rail Baltica,
- a collection of information how projected investment is seen by Logistic Service Providers and Shippers, what are they fears and expectation about the project,

- increasing awareness among stakeholders of the importance of regional development in the north-eastern part of the Baltic Sea Region by improving the internal and external availability of the North Sea Baltic corridor region.

Round Table workshop was divided into two parts:

1. In the first part the following presentations were presented, during with there was an active discussion between members:
 - NSB CoRe general project presentation (assumptions, objectives, project structure, consortium),
 - Structured interviews with Logistics Service Providers (presenting survey result, which was done among Logistic Service Providers and Shippers, to identify potential and barriers for development of intermodal transport realized by North Sea Baltic corridor),
 - Rail Baltica - new solutions for intermodal transport (scope and stages of project implementation of Rail Baltica, result of Cost-Benefit Analysis, Ernst & Young).
2. In second part of Round Table, workshops were conducted using Design Thinking method, during which Rail Baltica issue was discussed as cooperative or competitive project to services provided by Logistics Service Providers. Design Thinking attempts to inspire the essential element of creativity, the ability to take an abstract idea and create something with it. It's based upon the fundamental belief that an unexecuted idea, one that is never realized, is a worthless proposition and that doing is equally as valuable as thinking.

A big part of the Design Thinking concept involves empathy for those you are designing for. It's often manifested through a series of activities, which attempt to create an experience of what or how your idea will ultimately be consumed.

The interesting part of Design Thinking is like the creativity it attempts to foster, the very concept itself is continually evolving. One example of a design thinking process could have several stages: Empathize, Define, Ideate, Prototype and Test. Within these steps, problems can be framed, the right questions can be asked, more ideas can be created, and the best answers can be chosen. The steps aren't linear; they can occur simultaneously and can be repeated.

As a summary of the Round Table workshops and discussion by participants, it should be noted that:

- construction and development of the Rail Baltica railway line is an essential element for the development of intermodal transport and the close integration of the Baltic States with other European Union countries,
- the main potential for railway delivery of goods realized by Rail Baltica has been identified in transit transportation area, i.e. handling of cargos which come from and go to Finland and CIS countries (Commonwealth of Independent States),
- according to participants in the meeting, Rail Baltica passenger transport will not be for Poland added value,
- NSB CoRe project is great opportunity to create new business possibilities and making possible sustainable regional development,
- among participants of the meeting, representing mainly Polish sea container terminals (Gdańsk, Gdynia) and intermodal operators cooperating with Ports the biggest fears are connected with the potential of marginalization polish sea ports and the amount of reloaded containers reduction (especially in transit transport to Russia and Baltic countries directions) at the time of launching Rail Baltica – they see Rail Baltica as competition for their business.

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

Table 1 – Participant list

No	Name	Organization	Companies Profile
1	Dębicki Tomasz	Institute of Logistics and Warehousing	NSB CoRe Project Partner
2	Dorna Anna	Institute of Logistics and Warehousing	NSB CoRe Project Partner
3	Dziewierska Barbara	Loconi Intermodal S.A.	Intermodal operator
4	Foltyński Marcin	Institute of Logistics and Warehousing	NSB CoRe Project Partner
5	Frąckowiak Piotr	BCT Gdynia Sp. z o.o.	Container terminal
6	Galar Przemysław	Loconi Intermodal S.A.	Intermodal operator
7	Gołębiewska Katarzyna	PCC INTERMODAL	Intermodal operator
8	Guszczak Bartosz	Institute of Logistics and Warehousing	NSB CoRe Project Partner
9	Jaskólska Ewa	Institute of Logistics and Warehousing	NSB CoRe Project Partner
10	Kaczmarek Jan	Loconi Intermodal S.A.	Intermodal operator
11	Kirchner Małgorzata	Institute of Logistics and Warehousing	NSB CoRe Project Partner
12	Klasa Tomasz	PKP Cargo	Rail Carrier
13	Koliński Adam	Institute of Logistics and Warehousing	NSB CoRe Project Partner
14	Krakowska Agnieszka	PKP CARGO CONNECT Sp. z o.o.	Rail carrier
15	Krzewowski Artur	Rail Cargo Operator CSKD – branch in Poland	Rail carrier
16	Mielewczyk Roma	PCC Intermodal	Intermodal operator
17	Osmólski Waldemar	Institute of Logistics and Warehousing	NSB CoRe Project Partner
18	Potrykus Gabriela	Spedcont Sp. z o.o.	Intermodal operator
19	Rojek Cyprian	PCC Intermodal	Intermodal operator
20	Ruchniewicz Adrian	PKP CARGO S.A. Północny Zakład Spółki	Rail carrier
21	Skrzeczowski Andrzej	Qumak SA	IT solutions provider
22	Smejliś Bartosz	Polsin Overseas Shipping Ltd. sp. z o.o.	Freight forwarder
23	Wlazło Karolina	Loconi Intermodal S.A.	Intermodal operator
24	Zdziarska Martyna	Institute of Logistics and Warehousing	NSB CoRe Project Partner
25	Zielaskiewicz Henryk	PKP Cargo S.A.	Rail carrier
26	Zięba Kacper	Rail Cargo Operator CSKD - branch in Poland	Rail carrier

3.2 Round Table Meeting agenda

12:00 – 13:00 Lunch

13:00 - 13:45

- **NSB CoRe general project presentation** – Mr. Marcin Foltyński (ILiM)

13:45 - 15:00

- **Structured interviews with Logistics Service Providers** – Mr. Marcin Foltyński (ILiM)

15:00 – 15:15 Coffee break

15:15 - 15:45

- **Rail Baltica - new solutions for intermodal transport** – Mr. Marcin Foltyński (ILiM)

15:45 - 16:45

- **Workshops "Design thinking" - Rail Baltica – competition or cooperation**
Ms. Ewa Jaskólska (ILiM)

16:45 - 17:00

- **Rail Baltica – workshops summary** – Mr. Marcin Foltyński, Ms. Ewa Jaskólska (ILiM)

3.3 Key findings coming from the discussion

The following are the results of the Round Table discussion broken down by topic (questions).

1. What are the benefits of launching Rail Baltica?

The stakeholders identified the development and modernization of railway infrastructure as a positive element in the context of the constantly growth of intermodal transport volume.

The new railway between the Baltic Sea countries and the EU will have a positive impact on the sustainable development of the entire Central and Eastern Europe region and will positively influence the growth of Polish exports. It's also important to create a comprehensive and interoperable rail system connecting Central and Eastern Europe with Scandinavia, CIS countries and China (via Silk Road), which will contribute to the creation of new industrial zones and communication nodes and will affect the development of distribution centers in national markets. It will also create conditions for the emergence of new business opportunities, such as the construction in Poland of an international hub for products imported from China via Silk Road.

The positive impact of the investment on the environment, in particular as an alternative to existing road transport connections, has also been noticed.

2. What kind of threats can be connected with launching of Rail Baltica?

- ***What impact will the Rail Baltica have on feeder and ferry connections?***
- ***Will Rail Baltica be the competition for Polish ports and container terminals?***

Representatives of sea container terminals, expressed concerns about the development of Rail Baltica railway, due to the potential diminishing importance of Polish Baltic ports, affecting the decrease in the amount of cargo handling by feeder connections from Gdańsk and Gdynia to Baltic Sea states and Russia.

Other participants of the meeting believed that the development of rail transport (Rail Baltica) wouldn't be a threat to Polish ports because of lower sea transport costs comparing to rail connections, especially for long distances, due to the high costs of access to railway infrastructure.

Rail Baltica can create competition for Polish ports, however, according to the Logistics Service Providers, the potential outflow of cargo will be balanced by the globally ever-growing volume of container shipments.

As a threat/barrier for development of Rail Baltica, was found potential decrease in railway capacity as a result of the increasing number of trains, what is noticed now in the Lodz Container Terminal (Spedcont) impact area - situation is caused by the constantly increasing number of trains on the land connection from China (Silk Road).

3. Which conditions must Rail Baltica meet to be competitive to deliveries currently realized by road transport?

- ***What is the prospect of transfer of deliveries from realized by truck to rail in Rail Baltica area?***

Participants have stated, that thanks to the unified rail infrastructure in the entire European Union, there is considerable potential for the freight shift from truck transport to rail. As a key factor in increasing the importance of Rail Baltica was found the fee for railway carriers for access to

infrastructure. Exact existing fees are too high and should be decreased to make Rail Baltica competitive to road transport. Some of the stakeholders expressed an opinion that Rail Baltica will never become competitive for truck deliveries because of low freight rate at road transport.

In order to obtain a strong competitive position for rail transport, Rail Baltica need to implement a series of measures:

- streamlining the functioning of the container terminals network (investment expenditures for their modernization and reconstruction),
- consolidation between intermodal operators,
- the openness of terminals for all railway carriers,
- increased cooperation between rail network administrators in the particular country,

A unified transport policy in the EU should be also implemented, in terms of equalizing external transport costs and cross-border integration.

During the discussion, there were also concerns about the success of the Rail Baltica project as depended on Russian carriage of goods (embargo) and the reluctance of the Baltic States to make their ports, railway infrastructure and transport market open. Participants considered to what extent railway infrastructure administrators from the Baltic States will be open to running business activities for logistic operators from other countries in their area (this barrier was identified mainly in Lithuania).

4. What are possible options / variants of cooperation between Silk Road and Rail Baltica, and how it will affect Polish logistics?

- **How launching of Rail Baltica together with China's rail link (Silk Road) will affect the economy of the country?**

Poland is an attractive place for locating European hub for products imported from China by land, both due to geographical conditions (central location in Europe, accessibility to the Baltic Sea) as well as political conditions (neighboring with Germany and other countries or be the external border of the European Union).

Combination of cooperation between dynamically developing Silk Road and projected Rail Baltica will effect on increasing participation of railway transport, and container terminals located inside the country (e.g. Łódź) which will need to be prepared for the development of infrastructure to handling transport of goods from China.

4 General summary

Since Poland is situated in the centre of Europe and the main transport corridors run across its territory (North Sea Baltic and Baltic – Adriatic), it can use practically all modes of transport for intermodal carriage, i.e. road transport, rail transport, sea transport and inland waterway transport.

Currently road transport is dominant in the Polish transport system, which should be changed (75,7% road transport, 14% railway transport).

Unfortunately, despite many attempts to develop intermodal transport, its share in Poland remains very low – for instance, the share of intermodal transport in rail transport at the end of 2016, estimated based on data from the Office for Rail Transportation (UTK), calculated by freight weight, was 5,8%. Combined with the continuous growth of trade (domestic transport, export, import, transit), this results in a situation where a growing number of transport routes, especially in road transport, reach their maximum capacity, and it is becoming increasingly difficult or practically impossible to organise transport processes efficiently and effectively.

The progressing European integration and globalisation processes have been continuously increasing the distance that freight has to travel. And this is where a special advantage of rail freight transport and Rail Baltica project can be found. Other trends, such as the systematically growing volume of container cargo transhipped in Polish sea ports – 2,03 mln TEU (in 2016 it grew by almost 9,3% TEUs when compared to 2015), development of the infrastructure of container terminals or the increasing significance of energy efficiency of particular modes of transport (the system advantage of rail transport) open new possibilities for intermodal transport as well. Additionally, intermodal transport has become more competitive and more customer-oriented due to the opening of the market, competition growth, and the resultant variety of services offered.

Use of rail transport by companies to transport goods is a source of benefits not only for the companies but also for the society, by reducing freight traffic on the road and taking care of the environment by reducing CO2 emissions.

The topic of rail transport development, and therefore intermodal transport in the Baltic Sea area, met with the understanding and acceptance of the invited stakeholders, who showed their active participation in the Round Table workshops. Rail Baltica investment is main concern among the representatives of sea container terminals, which is due to the possible reduction of the quantity of handling cargos. Despite this, the project of development and integration of rail infrastructure in the Baltic States in North Sea Baltic transport corridor area is seen as an important and necessary investment, both for the transport of goods and people.

5 Attachments

- Photos,
- List of participants scan,











Foto 2



Foto 3

Table 2 – Participant list – scan

**NSB CoRe (North Sea Baltic Connector of Regions)
Meeting in Sopot, Poland, 19.06.2017**

	SURNAME	NAME	INSTITUTION	SIGNATURE
1	Dębicki	Tomasz	ILiM	
2	Dorna	Anna	ILiM	
3	Dziewierska	Barbara	Loconi Intermodal S.A.	
4	Foltyński	Marcin	ILiM	
5	Frankiewicz	Mateusz	DCT Gdańsk S.A.	
6	Frąckowiak	Piotr	BCT Gdynia	
7	Galar	Przemysław	Loconi Intermodal S.A.	
8	Gołębiewska	Katarzyna	PCC INTERMODAL	
9	Guszczak	Bartosz	ILiM	
10	Janiszewski	Adam	Rail Cargo Operator CSKD - Oddział w Polsce	

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11	Jaskólska	Ewa	ILiM	<i>Jasod.</i>
12	Kaczmarek	Jan	Loconi Intermodal S.A.	<i>Kaczmarek</i>
13	Kamola	Marcin	DCT Gdańsk S.A.	
14	Kirchner	Małgorzata	ILiM	<i>MKirchner</i>
15	Kłasa	Tomasz	PKP Cargo	<i>Kłasa</i>
16	Koliński	Adam	ILiM	<i>Koliński</i>
17	Krakowska	Agnieszka	PKP CARGO CONNECT Sp. z o.o.	<i>Krakowska</i>
18	Krzewowski	Artur	Rail Cargo Operator CSKD - Oddział w Polsce	<i>Krzewowski</i>
19	Mielewczyk	Roma	PCC Intermodal	<i>Mielewczyk</i>
20	Osmólski	Waldemar	ILiM	<i>Osmólski</i>
21	Rojek	Cyprian	PCC Intermodal	<i>Rojek</i>
22	Ruchniewicz	Adrian	PKP CARGO S.A. Północny Zakład Spółki	<i>Ruchniewicz</i>
23	Skrzeczkowski	Andrzej	Qumak SA	<i>Skrzeczkowski</i>
24	Smejliś	Bartosz	Polsin Overseas Shipping Ltd. sp. z o.o.	<i>Smejliś</i>
25	Toczek	Janusz	PKP Cargo	<i>Toczek</i>

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26	Wlazio	Karolina	Loconi Intermodal S.A.	<i>OK</i>
27	Zdziarska	Martyna	ILiM	<i>Zoliana</i>
28	Zielaskiewicz	Henryk	PKP Cargo S.A.	<i>OK</i>
29	Zięba	Kacper	Rail Cargo Operator CSKD - Oddział w Polsce	
30	Żuchowski	Wiktor	ILiM	
31	<i>POTRYKUS</i>	<i>GABRIELA</i>	<i>SPEEDCONT Sp. z o.o.</i>	<i>OK</i>
32				
33				
34				

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