

CONTEMPORARY CHALLENGES IN COMBINED TRANSPORT FROM A POLICY AND BUSINESS PERSPECTIVE

**UIC COMBINED TRANSPORT
OCTOBER 12TH, 2023**

WEBINAR START AT 10.00H



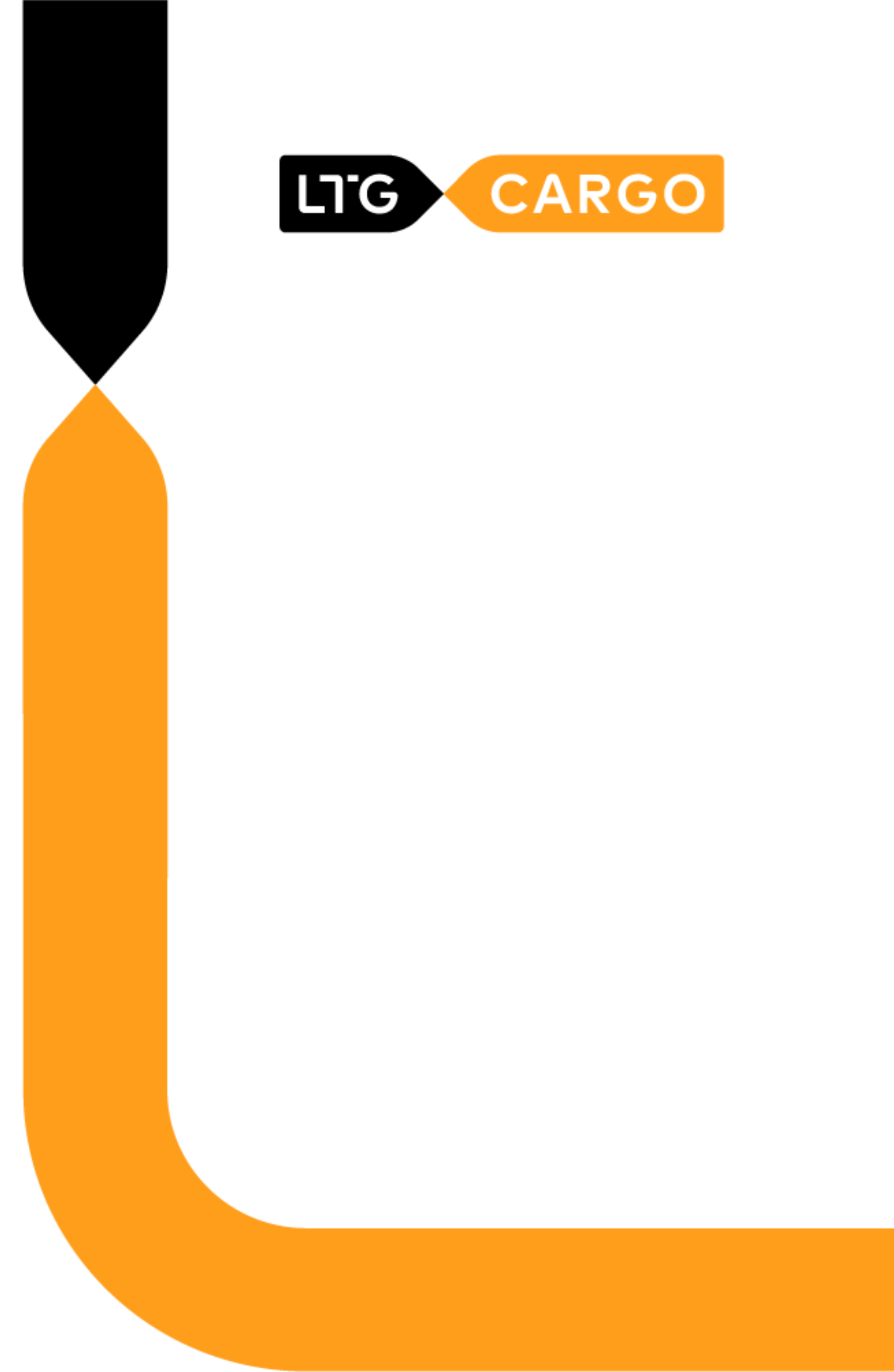
Combined transport in the new Eastern Europe reality

Andrius Sinkevicius, „LTG Cargo“ Business Development



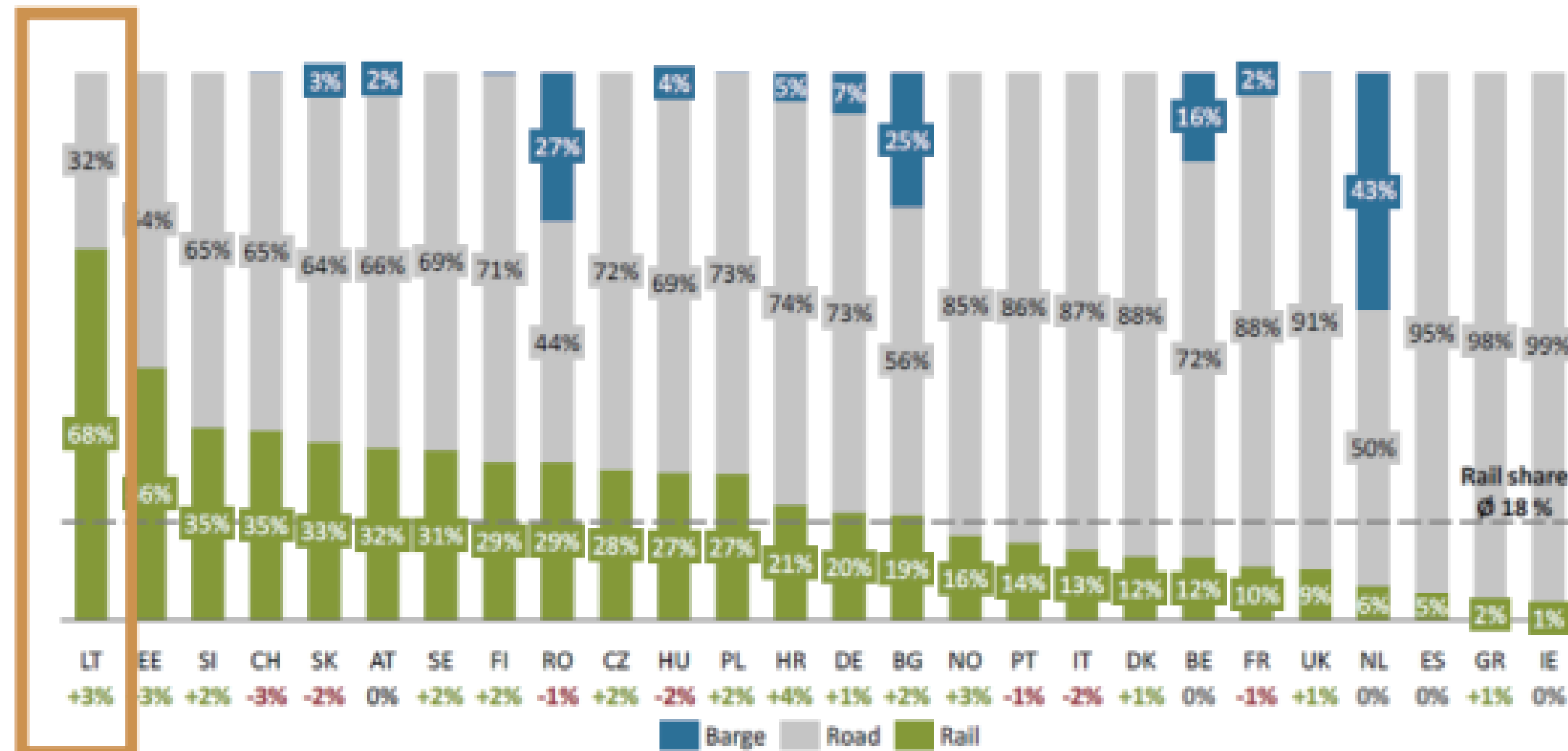
Content

- ▶ 1. THE NEW REALITY
- ▶ 2. NEED FOR CHANGE
- ▶ 3. OUR SERVICES TODAY
- ▶ 4. FUTURE VISION



The situation in Lithuania 2020

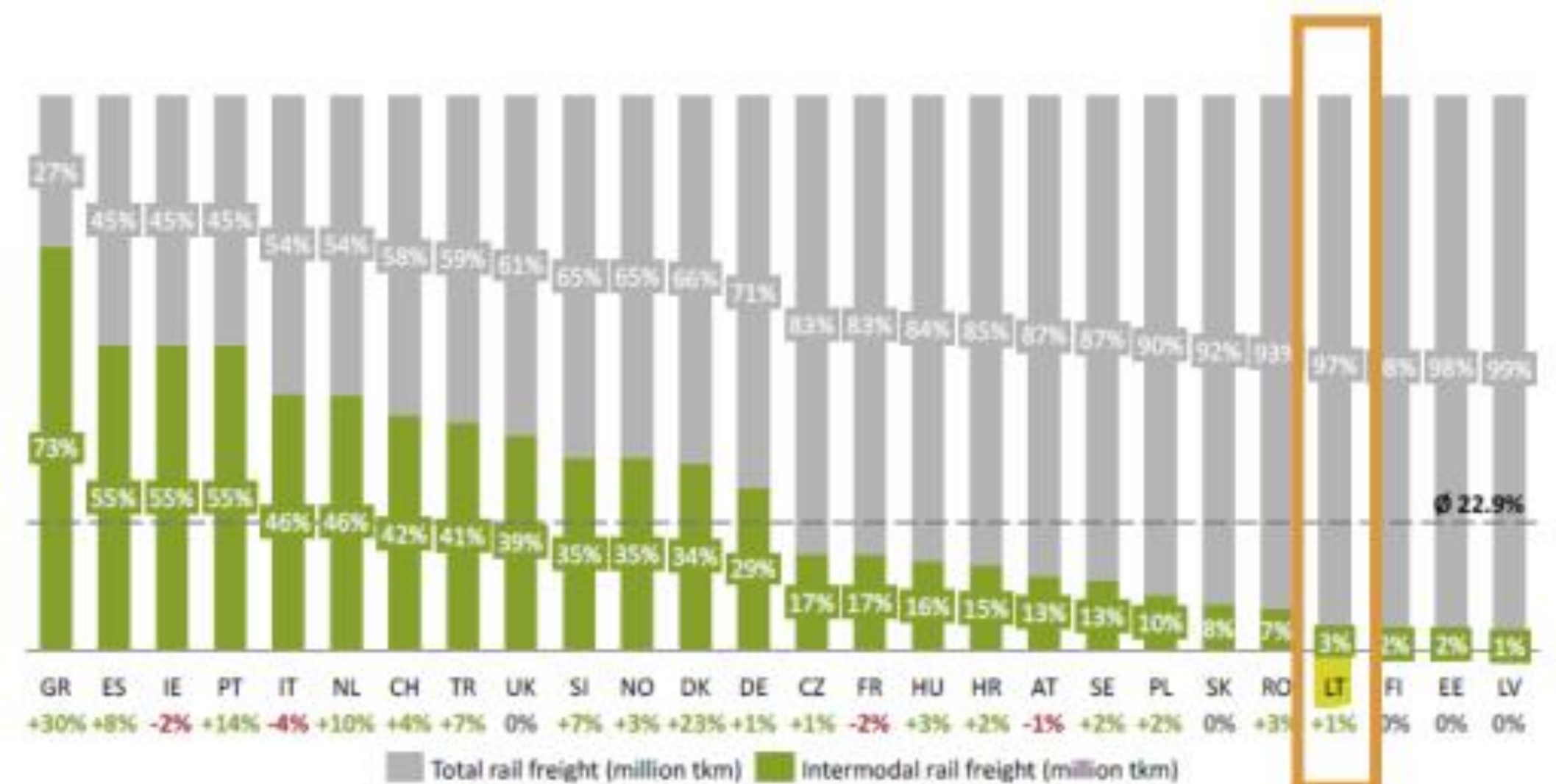
Freight breakdown by type (% tkm), comparing 2018 with 2016



Note: Selection of countries based on data availability and in line with previous report editions. Rounding differences may occur.

Source: Eurostat (2020), last database update by Eurostat: modal split (tran_hv_fmod) April 1, 2020.

Intermodal freight distribution on railways by country (% tkm), comparing 2018 with 2016



Note: Selection of countries based on data availability and in line with previous report editions. Rounding differences may occur.

Source: Eurostat (2020), last database update by Eurostat: intermodal rail freight (rail_go_contwgt) 24 September 2020, total rail freight (rail_go_typeall) 25 September 2020.2

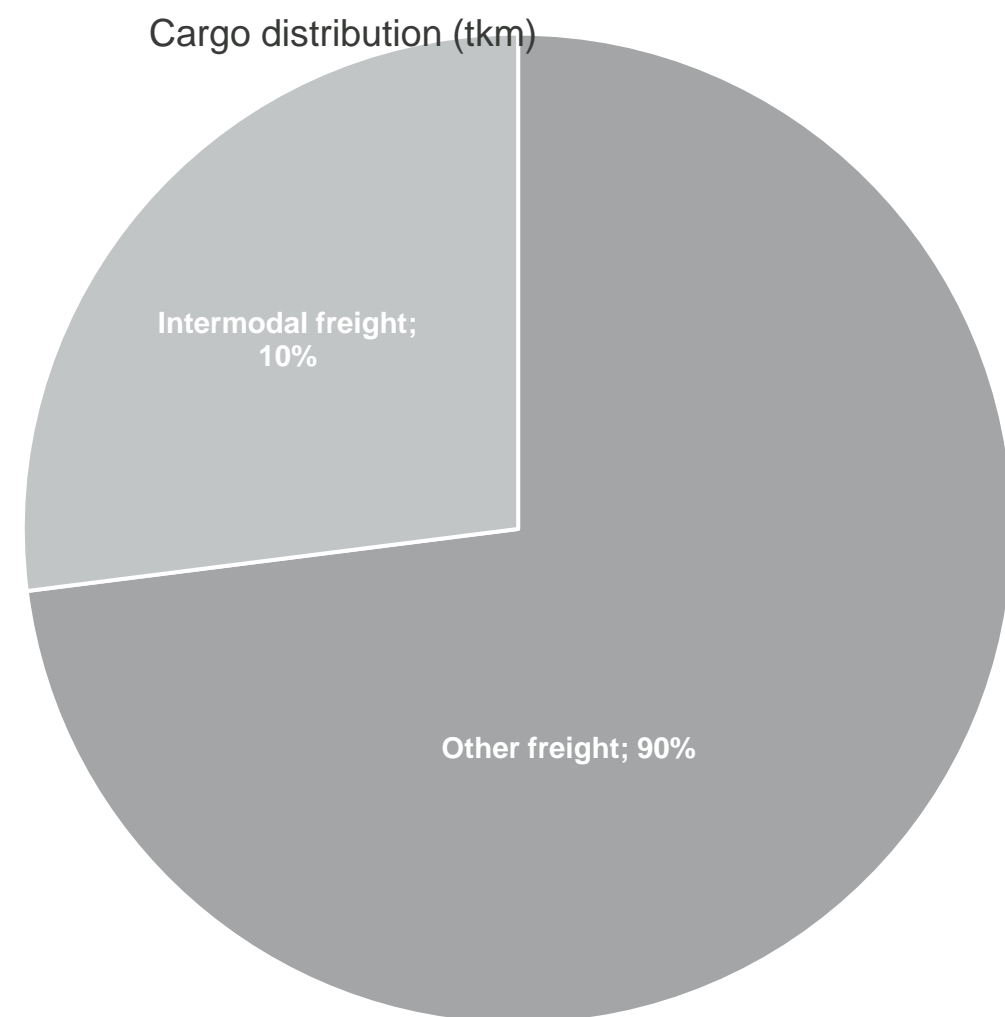
LT ranks first in the EU for rail freight (68%)

LT is almost last in the ranking with only 3% of intermodal freight carried by rail

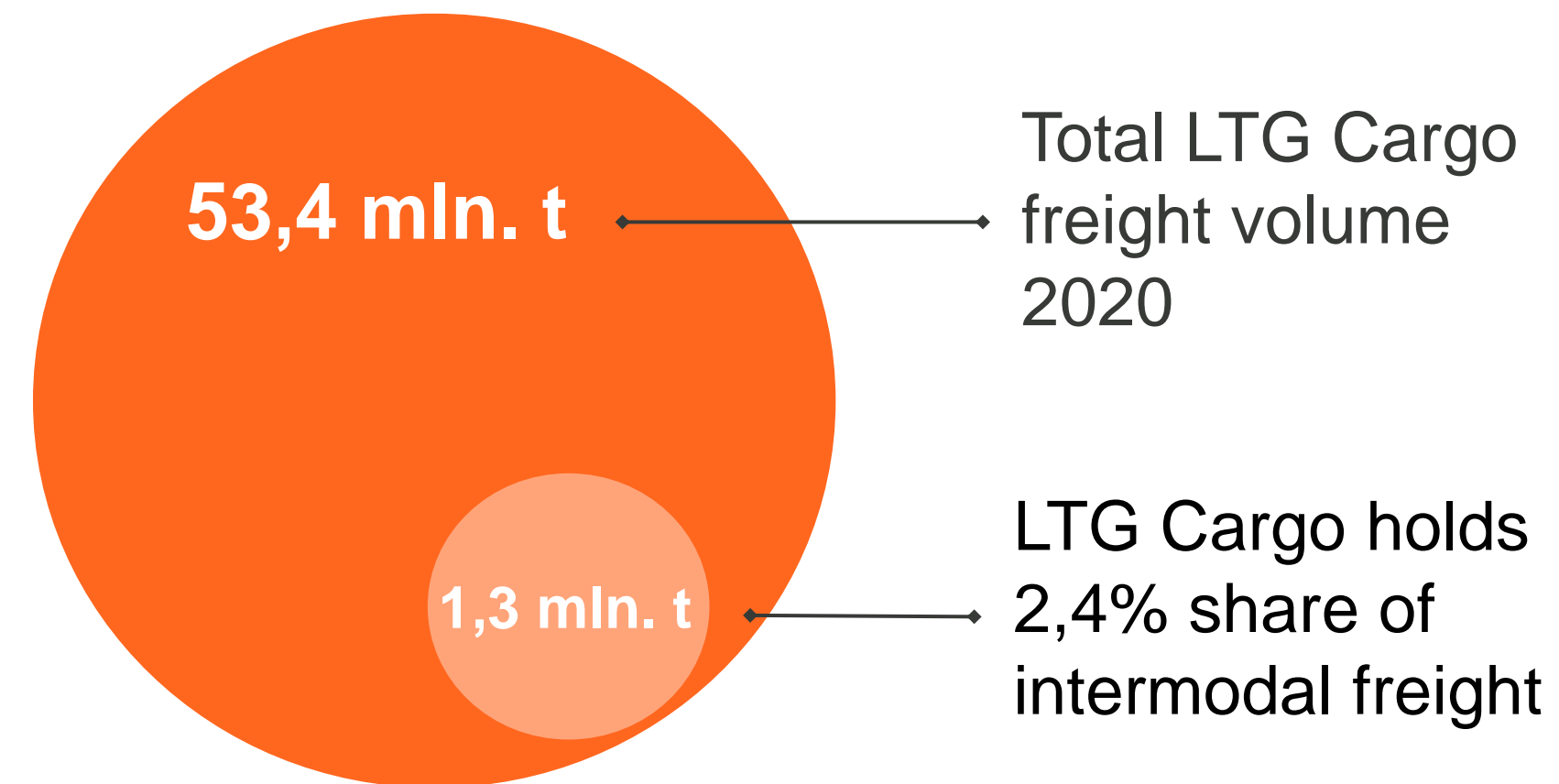
The change is needed



INTERMODAL POLAND



LTG CARGO INTERMODAL FREIGHT SHARE



INSIGHTS

- Intermodal transport is not fully developed in the country.
- The orientation of the country's businesses towards sustainability and greener logistics is low.
- EU forecasts significant growth in intermodal freight.

LTG Cargo's expansion into foreign (Western) markets is vital for the development of intermodal transport, as there is a lack of capacity in Lithuania to ensure sufficient organic growth of this mode of freight.

To the West: how and where to?



"Know how"



Market specifics



Infrastructure



Technology



Change management

LTG Cargo solution



Lithuania: International company providing railway transportation services in Europe on 1435 and 1520 gauges



Poland: development in Poland with "LTG Cargo Polska" – connecting Lithuania with Western and Southern Europe



Ukraine: "LTG Cargo Ukraine" is an operator of transports between Ukraine and Lithuania



FIRST regular direct train Kaunas-Tilburg

- Transfers **started in July 2021**. The **Kaunas Intermodal Terminal** was connected to the European standard gauge.
- The shipments were transported **directly terminal to terminal**.
- Target: **1,700 km in 50 hours**, 2 roundtrips per week from Kaunas to Tilburg.
- One train has a capacity of **1800 t, 36 semi-trailers or 72 TEU**.



Lessons learned and solutions



ACHIEVEMENTS

- Amount of freight transported – **1000 TEU**.
- **~1500 t less CO2** emissions.
- Increased train occupancy **from 20% to 90%**.



CHALLENGES

- Partners **adapting to change**.
- Keeping to the **timetable**.
- Timely **communication**.
- Crossing **3 countries**.



SOLUTIONS

- Developing **in-house capacity** in other countries.
- **Additional train departures**.
- **Agreements with partners** on additional capacity and other connections.

3. OUR SERVICES TODAY



Route development to Duisburg, Germany



5 330 TEU of intermodal freight to/from Duisburg in 2022.

We started going to Duisburg, Germany, 4 times a week.

We made a test shipment to Trieste, Italy.

Testing a stopover in Poznan, Poland.

- From April 2021;
- 36 semi-trailers or containers;
- 1520 km, in 3 days;
- 4 times a week.

3. OUR SERVICES TODAY



2020 – 2022 (+25%)

Kaunas–Prushkow–Sławków–Kaunas

- 44 containers;
- 740 km;
- Faster than 2 days;
- 2 times a week.

Baltic Gates train (Vilnius/Kaunas–Klaipeda)

- 20 semi-trailers and 15 containers;
- The service is being developed with a partner;
- LTG Cargo developed equipment;
- 350 km in 12 hours;
- 6 times a week.

Amber train (Kaunas–Muuga)

- Test trains 2022 09 and 2023 03;
- 20 semi-trailers and 15 containers;
- Project between LT, EE, LV;
- Equipment developed by LTG Cargo;
- 671 km in 1 day.

3. OUR SERVICES TODAY

Routes from Ukraine through Poland to Lithuania

- LTG Cargo Ukraine is developing **2 routes**:
 - Yahodyn - Dorohusk
 - Mostyska II - Medyka
- Since June 2022, **full container trains** (40, 44 or 60 TEU) have been transported to Klaipeda port terminals and back;
- **Cargo types:** corn, sunflower oil, rapeseed, wheat, Back cardboard, pet granules, fertilizers, fuel, metal products.
- **Projects:** wagon and rails transportation, fuel transfer.



The importance of CO2 reduction

GREEN KILOMETRES CERTIFICATE 2022

155 Certificates were given to customers

67 500 tonnes of CO₂e saved by transporting intermodal freight

940 000 tonnes of CO₂e saved by transporting a wide range of goods by rail



LTG Cargo's intermodal customers collectively

saved
67,5K tonnes of CO₂e

by transporting goods with LTG Cargo in 2022

LTG Cargo certifies that in 2022 LTG Cargo's intermodal customers, by opting to transport their goods by rail with LTG Cargo, collectively saved 67,5K t of CO₂ emissions compared to the CO₂ quantity which would have been released into the environment when transporting goods by road. The calculations were made according to the Methodology for the Assessment of Greenhouse Gas Emissions from Intermodal Freight Transport No. M/FN13/LTG/6 AB, developed and approved by Lietuvos geležinkeliai AB. The greenhouse gas assessment indicated in the methodology complies with the provisions of the LST EN 16258:2013 standard.



Certificate No. 2022

Eglė Šimė
CEO of LTG Cargo

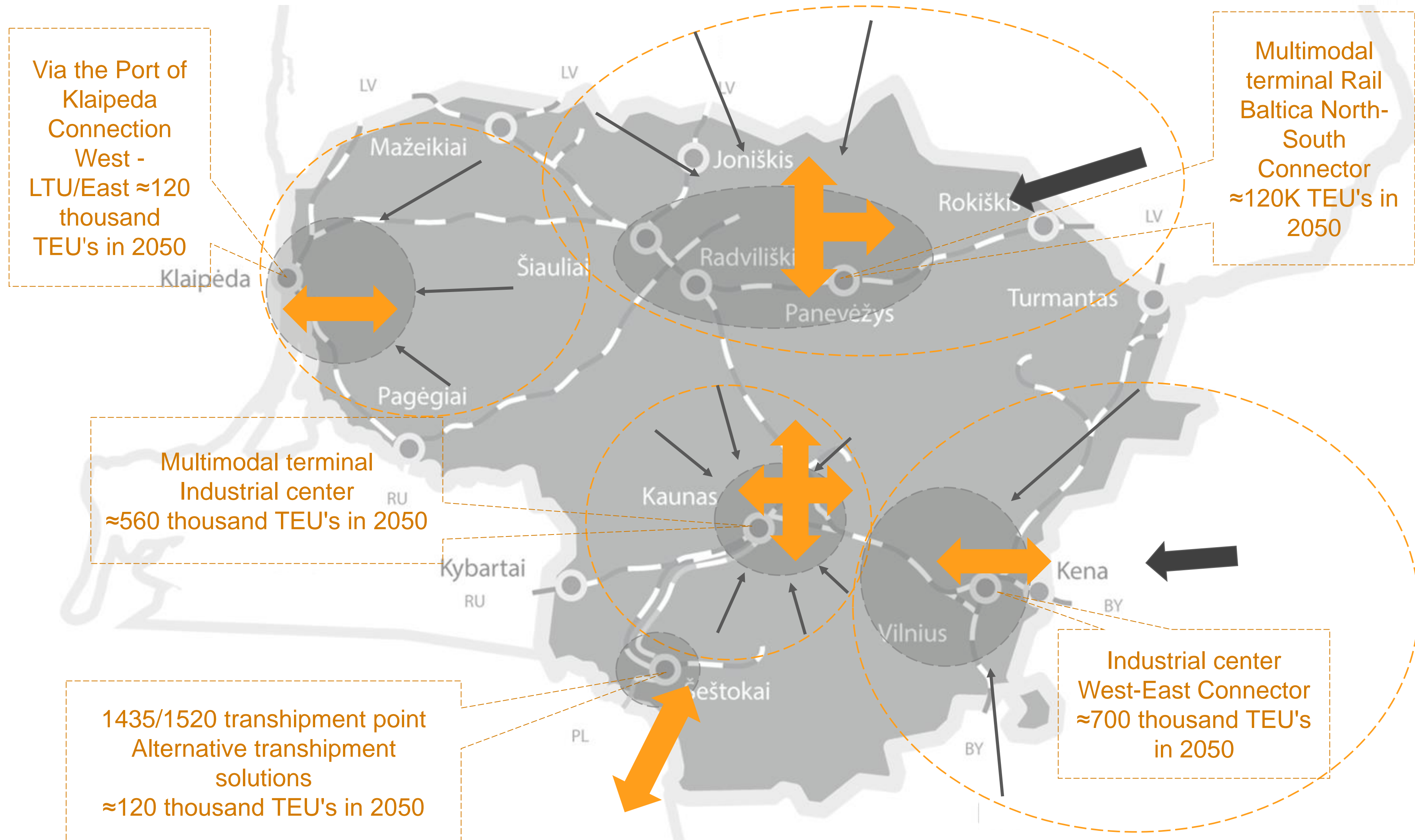


Future challenges for intermodal transport

1. Provide reliable services.
2. Lack of flexibility in transport chain.
3. Infrastructure limitations.
4. Profitability of projects.
5. New customer tendencies: smaller volumes with shorter notice.



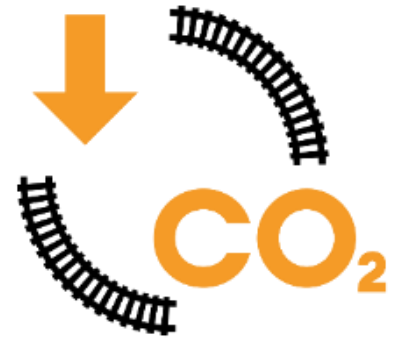
Terminals in 2050 and Rail Baltica



Positive expectations



From **2024 road tolls** in Lithuania will increase, which will promote intermodal railway transportations.



From **2027** the EU will **tax carbon emissions** from transport and heating, which aims for a climate-neutral economy by 2050.

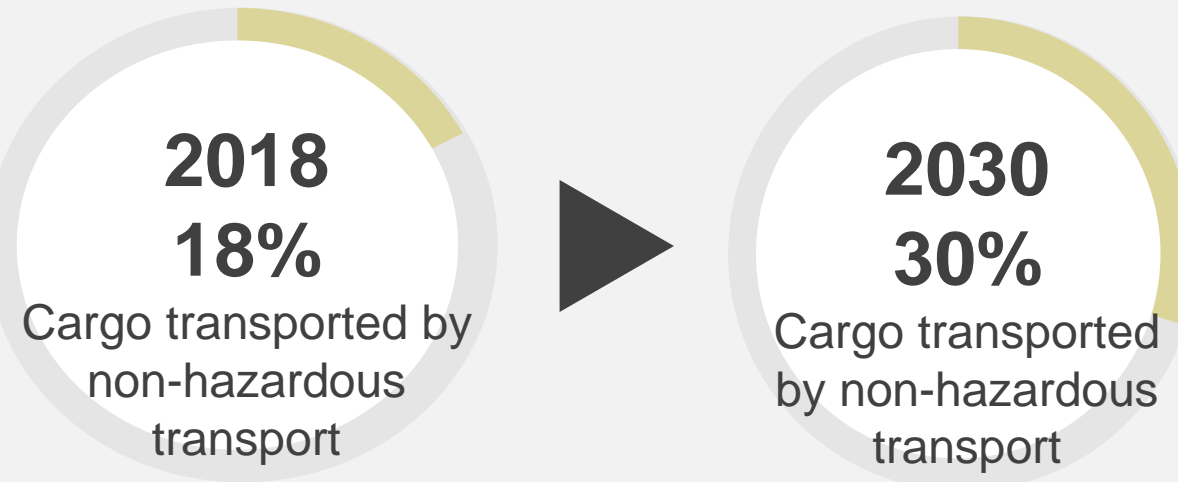


Newly adopted **EU ESG requirements** (Environmental, Social & Governance), which are already mandatory from **2023**:

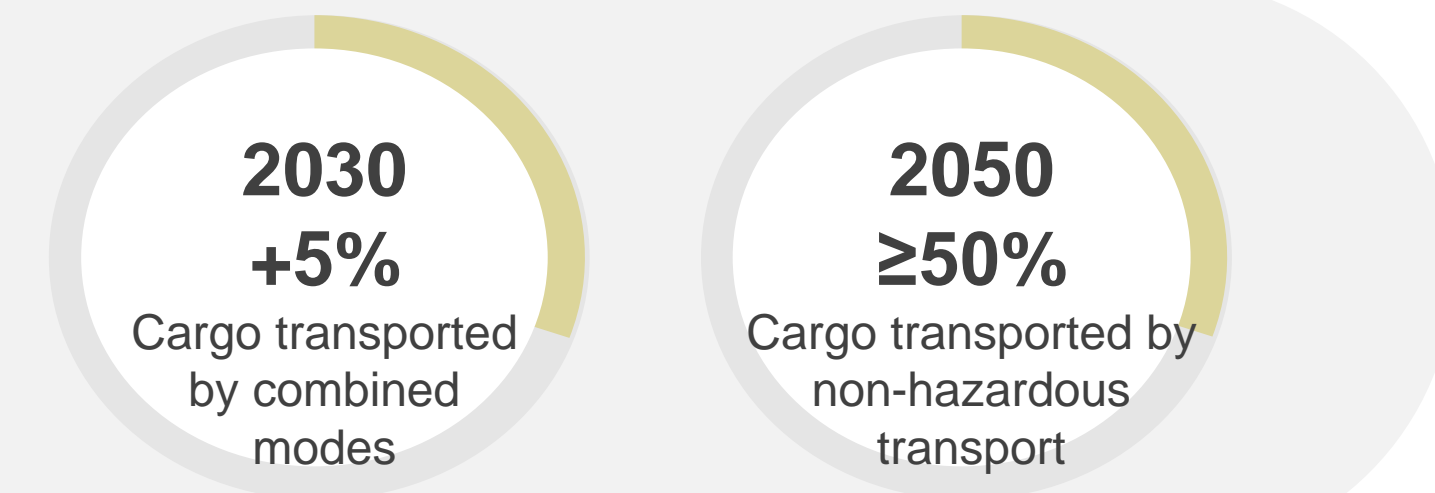
- **SFDR (Sustainable Finance Disclosure Regulation)**
- **CSRD (Corporate Sustainability Reporting Directive)**
- The **EU Taxonomy**.

Why it matters...

The European Green Deal: 30by2030



Policies and action plans of LT Government



Cargo CO₂e in Lithuania exceeds 8.2 million tonnes in 2021



Achieving 30% rail transport would result in CO₂e of 7,3 mln. t



Achieving 50% rail transport would result in CO₂e of 5,4 mln. t



Thank you for attention

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CONCLUSIONS
OCTOBER 12TH, 2023



INTERNATIONAL UNION
OF RAILWAYS

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Thank you for your kind attention.