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

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1. THE NEW REALITY
2. NEED FOR CHANGE
3. OUR SERVICES TODAY
4. FUTURE VISION
The situation in Lithuania 2020

1. THE NEW REALITY

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
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.
2. NEED FOR CHANGE

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.
2. NEED FOR CHANGE

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.
Route development to Duisburg, Germany

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

We made a test shipment to Trieste, Italy.

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

Testing a stopover in Poznan, Poland.

3. OUR SERVICES TODAY

- 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.
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
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.
4. FUTURE VISION

Terminals in 2050 and Rail Baltica

Via the Port of Klaipėda Connection West - LTU/East ≈120 thousand TEU's in 2050

Multimodal terminal Rail Baltica North-South Connector ≈120K TEU's in 2050

Multimodal terminal Industrial center ≈560 thousand TEU's in 2050

1435/1520 transhipment point Alternative transhipment solutions ≈120 thousand TEU's in 2050

Industrial center West-East Connector ≈700 thousand TEU's in 2050
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.
The European Green Deal: 30 by 2030

Cargo CO2e in Lithuania exceeds 8.2 million tonnes in 2021.

Achieving 30% rail transport would result in CO2e of 7.3 million tonnes.

Achieving 50% rail transport would result in CO2e of 5.4 million tonnes.
Thank you for attention
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CONCLUSIONS
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Thank you for your kind attention.