



# **Fast Access to the Center of Europe**

## **Baltic Ports and Shipping**

**Riga 26 September 2018**

**Thank You!**

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## Baltic Rail

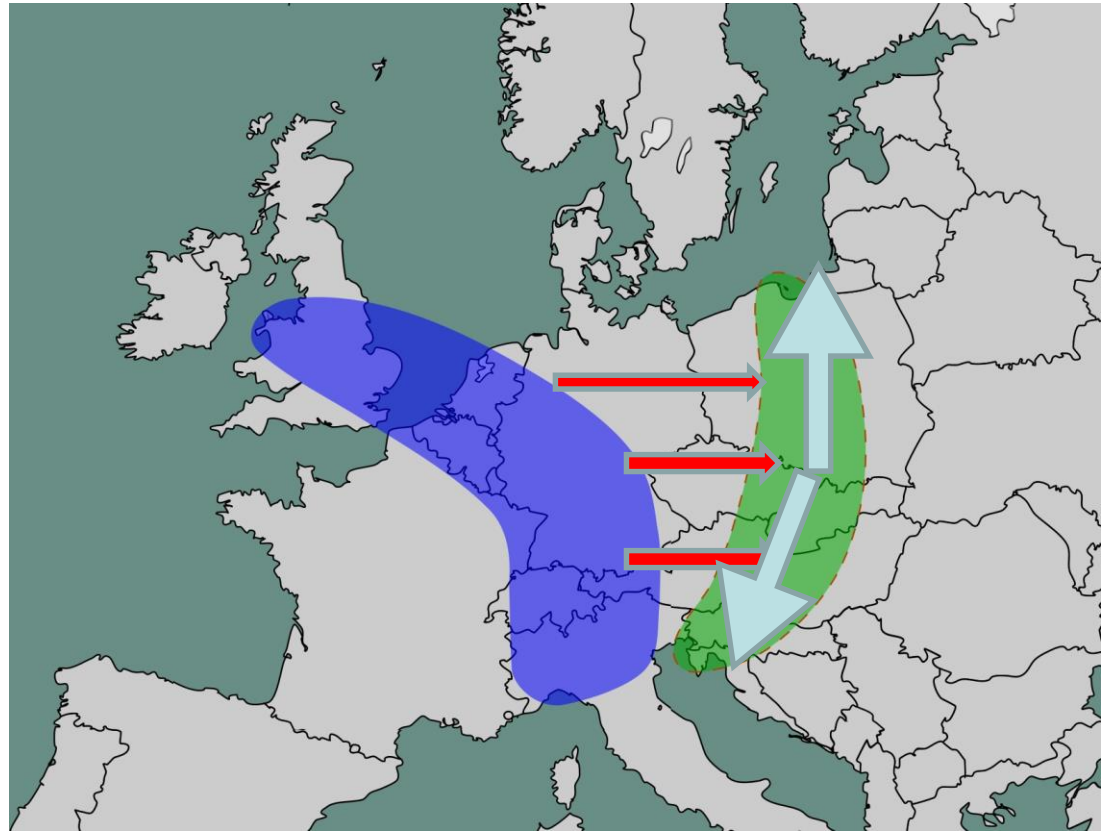
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- **Privately owned** – allowing innovation and fast response to customer needs and market opportunities;
- **Independence** – together with Rail Polska we have our own locomotives, wagons and terminals and utilize the open market railroad access provided under EU law;
- **Neutrality** – we work with all shipping lines and forwarders allowing you cost benefits without risk – happy to offer you single container or block train - **you can book even one box one way**;
- **Return cargo** opportunities and container re-use option available.
- **Track record** – 8 years of providing the only direct intermodal service between Adriatic and Poland;
- **4,600 km and 7 days** shorter transit compared to North Sea ports;
- **Korea and China supply chains** already well connected through Koper;
- Knowledge of the demanding **Automotive, Electronics and Steel** supply chain requirements.



## Why the Baltic Adriatic Corridor ?

- Last 3 decades has seen the manufacturing and service base shift to new areas in Central and Eastern Europe – shown here as the 'Green Banana'.
- Transport requirements changed as well. Initially focused on the developments of road and rail links from the traditional North Sea Ports.
- The Baltic Adriatic Corridor is developing rail connections to / from the Polish and Adriatic ports



**New Routes for New Economies**



## Fast rail access to the Center of Europe

- Over 25 mln people in the 180 km radius coverage area of our 4 terminals
- Industrial heart of the Central Europe in the center of the continent
- Total Europe is a market of 600 million people
- Markets of Poland, Czechia, Slovakia  
55 mln people





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← Producers exporting



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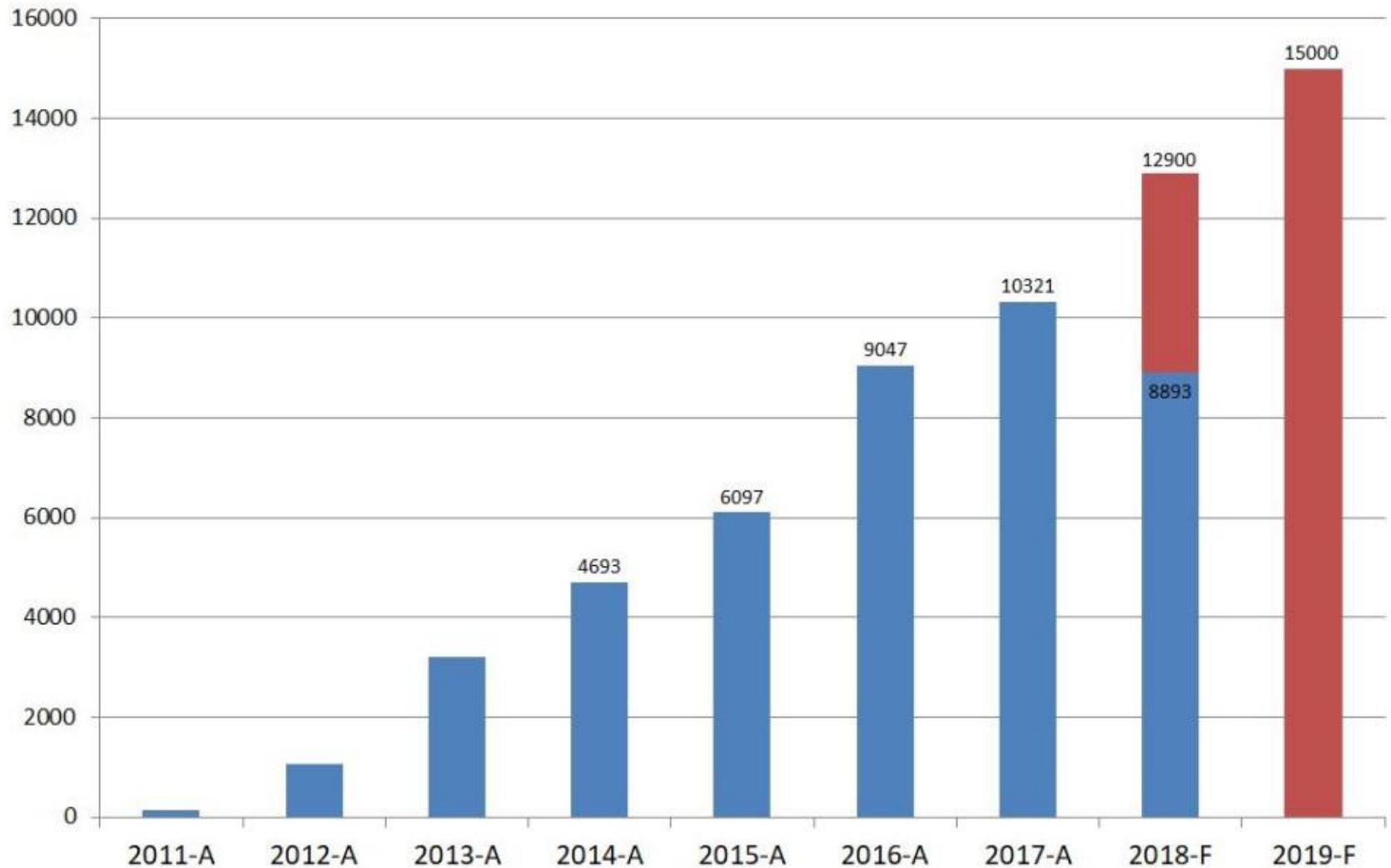


➔ Consumers importing



# Baltic Rail

**Baltic Rail train volume between Koper and Poland (TEU per year)**







# 8 years of trains between Koper and Poland

2011      2012      2013      2014      2015      2016      2017      2018      2019      2020

0-1 trains per week      1-2 trains per week      2-3 trains per week      3-4 trains per week

INCREASE in frequency, regularity, RELIABILITY, VALUE, flexibility, number of ocean and feeder services

DECREASE in prices, lead time, turnaround time of equipment, RISK







# Cargo from Asia to Europe is choosing

## Between modes of transport

*transit-time versus costs*

Ship 33 days 3,000 USD 

Train 12-25 days 8,000 USD 

Air 3 days 37,000 USD 

## Between available routes

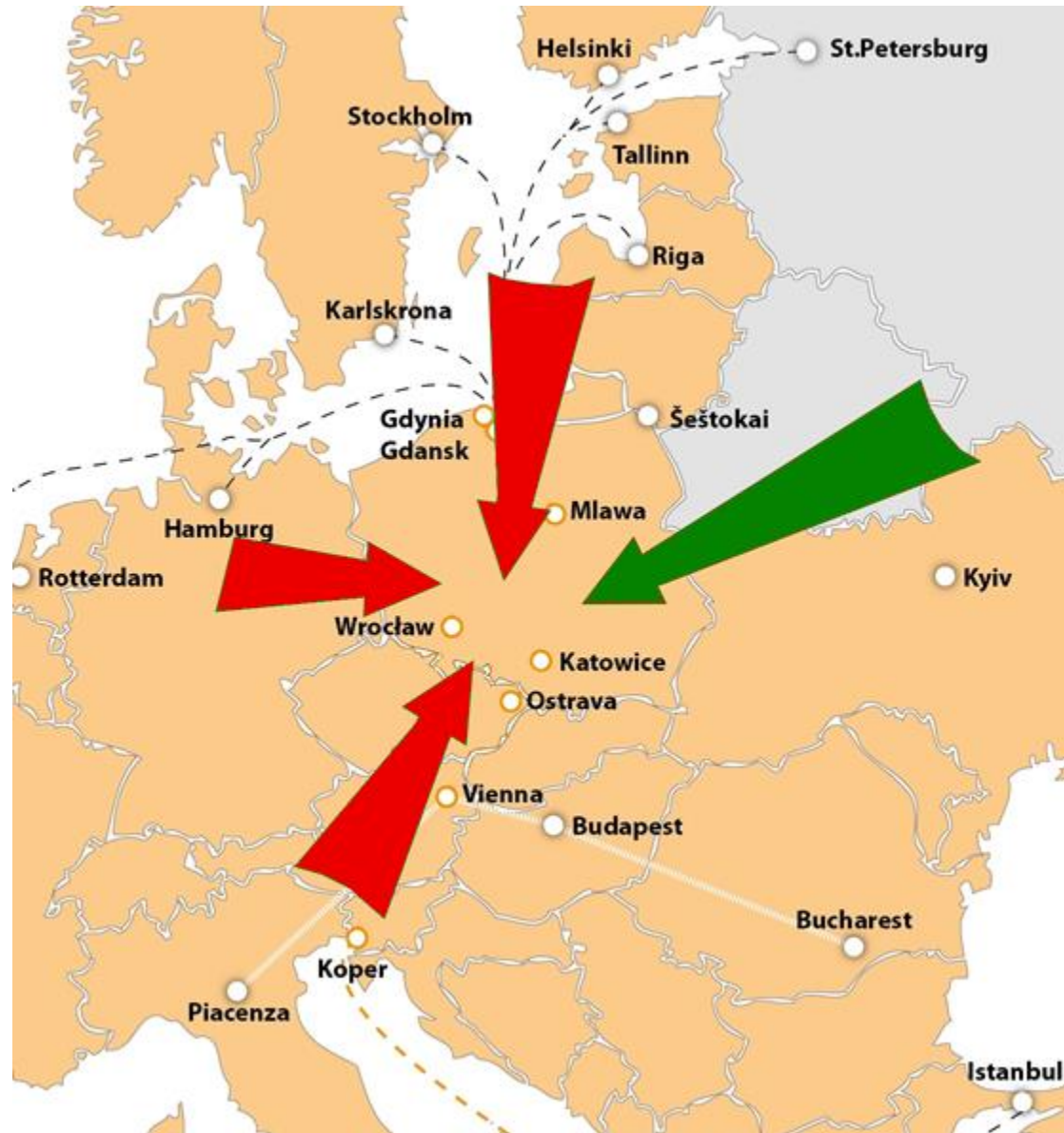
*transit-time versus costs*

Baltic Sea

North Sea

Adriatic Sea

Trans-Siberian Railway.





## Baltic Rail's terminal network

- Service to be established to Warsaw area.
- 1 port office and 3 asset light terminals cover territory of whole Poland for door deliveries and container stock services.
- 2 reachstackers + cntr office + cntr workers room = enough to secure 2-3 shifts per day
- 2 shift capacity in each terminal means up to 2 trains per day = 14 trains per week in each terminal
- Cost efficient partner for all shipping lines and rail operators
- Flexibility of doing „triangles“ instead of straight point-to-point trains provided by own railway operator.



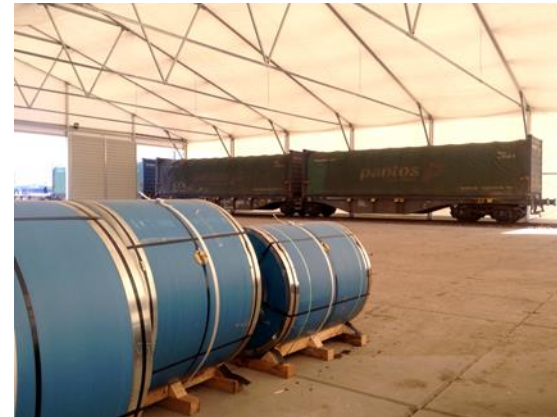
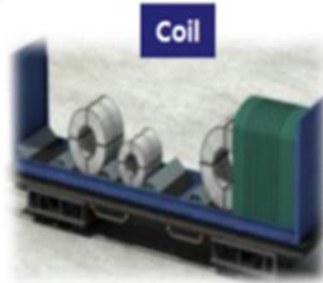


## Baltic Rail's terminals at Wroclaw and Katowice

- Terminal capable of single man operation during quiet periods.
- Reach stacker driver connected by tablet to IT system for loading and dispatch information
- Shared duties of train shunting and terminal crews.
- Bespoke software for multi-location management.
- Specialist intermodal steel handling equipment and capabilities.
- Minimal local traffic congestion



# Steel handling technology





# Rail terminal Katowice Wlosienica



- Purpose build container terminal completed March 2016.
- Weighbridge for VGM certification
- Tank cleaning facilities for both rail and road tanks
- Reefer plugs for temperature controlled freight. Vegetable and fruit imports – apple exports.
- Container maintenance services





## Rail or sea depends time value

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- Value being the appraisal of cost and service – usually transit time.
- Frequency of service important – a weekly service by sea – by rail?
- How close is shipper / receiver from port in Asia and Europe
  - West China to Southern Poland easier than Shanghai to Hamburg.
- Last mile solution. How far from rail head to receiver / shipper.
  - More European destinations required for competitive services
  - Pre carriage from more Chinese origins
  - Network configurations and consolidated freight flows
- Are trains more reliable than sea? Storm delays v. strikes in ports v. border crossings v. sufficiency of rolling stock?
- Do established corridors have balanced flows for efficient use of equipment and sustainable service?



## Road or rail depends on rail performance

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- Customers have become used to the flexibility that shipments by truck provide.
- Majority of new factories and warehouses do not have rail access.
- Last mile delivery will need to be by road chassis.
- Terminals need to be as close to shipper to reduce last mile road cost.
- One solution is small and flexible terminals.
- Flexible and versatile train timetabling and train routing.
- Dedicated rolling stock and multi system locomotives for fast transit performance.
- Heavy containers limited to 150km from Port or Rail Head by road.





# Issues for Intermodal development

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- Fair competition with State owned 'private' competitors for access to funding by small and medium sized innovative companies
- Equal and fair infrastructure access charging regimes
- Better homologation processes for engineering innovation
- Interoperability of railways:
  - Better border integration
  - Single language for drivers
- Axle limits for better competitiveness against trucks
  - Higher limits for railways (32.5 tonnes in US)
  - Limits for last mile on road for heavy containers
- Scrutiny of anti competitive practices by large , monopolistic and state owned companies.



## Will Rail Baltica be successful?

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- Engineers will confirm it can be built ( maybe it will be late; maybe it will be over budget).
- EU officials will confirm that it will connect Europe's periphery with its Centre.
- Historians will assess the geopolitical impact at some point in the future.
- Priced correctly the intermodal sector will embrace the additional opportunity of faster transit time and cheaper freight charges.
- Baltic Rail are already moving traffic from the Baltic countries to Mediterranean and Middle East. Volumes will only grow and speed of growth will depend only on pricing policies.



# Adriatic trains service



fast access

to Asia, Africa and Mediterranean Turkey, Israel, Egypt

- 2 trains per week between Poland and Port of Koper. Inland rail transit time 30 hours
- 3 direct ocean services per week to Far East
- Increasing connections to Mediterranean, North Africa and Middle East
- Polish export, fruits and vegetables





## Summary

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- 8 year's of operation.
- Baltic Rail's open independent terminals
  - Wroclaw Siechnice
  - Katowice Wlosienica
  - Adjacent to importer and exporter facilities
- Competitive and Innovative Services
  - Effective connection to 21<sup>st</sup> Century factories and distribution centers.
  - Reliable and sustainable
  - Service quality and customer care
  - Value for money independent service meeting the needs of the shipping community.



## Try Us – We're fast!

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