

Crossroad between East and West — Vilnius public logistics centre (Vilnius freight centre)

The establishment of a public logistics centre is already well advanced in Lithuania. Based on the results of a feasibility study prepared last year which showed that: there were insufficient areas for storage; that the level of GDP was significantly falling behind the Eaverage and a level of cargo flows was low, it was decided to establish three public logistics centres (PLC): in Vilnius, Kaunas and Klaipėda regions. It is predicted that the first one — the Vilnius public logistics centre — should start the activity in 2013. "We are planning to lay the first brick as soon as 2010", Saulius Stasiūnas, Deputy Director of Lithuanian Railways Freight Transportation Directorate, said as he shared his forecasts.

PLC implements the concept of an "inland port" and will function as a part of intermodal transport infrastructure. Intermodal transport is understood as the carriage of freight by several means of transport relocating them from one to another instead of reloading. The development of such transport is also supported by the European Union envisaging the economic and environmental benefits from the interaction between different types of transport. "We believe that the concept of PLC will provide the structure and organization necessary for the development of intermodal transport services in Lithuania and will contribute to the development of systematic work. The development of intermodal transport will provide more opportunities to transport freights by using more environment-friendly and cost-efficient transport means, which will bring benefits to be enjoyed not only by the transport operators, but also by the society", stressed S. Stasiūnas.

The president of the Lithuanian national freight forwarders association LINEKA, Vytautas Levickas, stressed that, according to the opinion

of business representatives, the establishment of such a logistics centre is essential even under the conditions of hard economic times. "The time will come when the hard times will be over, the flow of cargos will move forward again and the trading relation between countries will be revitalized. It is very important to be ready for the start instead of waiting until you have to work and compete", said V. Levickas.

Lithuanian Railways, promoters and managers of Vilnius PLC intermodal railway terminal, are in charge of the development of the terminal and installation of the required infrastructure, as well as the construction of warehouses and other buildings adding value to the logistics centre. The management of the state-controlled enterprise as an independent neutral legal entity will ensure free competition. According to the president of the Association LINEKA, it is of high importance for future investors: "Most functioning terminals and warehouses are used for one particular type of cargo, provide service to an exclusive customer and are not open for all interested transport companies (not everyone is provided with equal conditions and the range of provided services is rather narrow)."

The concept of the logistics centre

PLC will be understood as a place (territorial unit), in which all activities in relation to transport, logistics and distribution of goods are carried out on a commercial basis for various operators. Usually, operators are either the owners of or renting buildings and equipment (warehouses, distribution centres, offices, truck service centres, etc.).

It will perform the functions of both, the import distribution and of reloading, storage, repair and rent of export and containers, as well as other functions. Companies undertaking business in such a centre would have a better choice of

different transport modes. PLC will accommodate not only those companies engaged in logistics and transport, but also other value-added companies (gas stations, wash houses, catering institutions, banks, insurance companies, hotels, etc.) and this will allow all services to be provided at one place, thus saving time and money.

In the first stage, the main part of Vilnius PLC will be given to container railway terminal, the establishment of which is planned to be financed by using the allocations of the EU Cohesion Fund. In addition to quality-based services of reloading from trains to trucks and vice versa, the terminal will also be used for storing containers and housing the means of transport, as well as undertaking containers' maintenance and repair works. The terminal will consist of: 4-way rails (approx. 1,000 m in length), 2 of them will be finished during the first stage of construction, whereas the other 2 - during the further stages of development; 2 gantry container cranes with the maximum lifting power of 40t each; storage container — up to 96 TEUs (twenty-foot equivalent unit) with the potential for development for up to 180 TEUs.

Work already done for establishment of PLC

In establishing the public logistics centres in Lithuania, a feasibility study was performed, identifying the most appropriate places for their establishment, project promoters and administrators have been assigned. The greatest progress has been achieved in establishing PLC in the Vilnius district municipality: the land provided for which amounts for approx. 460 ha, from which 53.9 ha is present in the range of Vilnius city municipality and 406.1 ha —.

The development of Vilnius PLC is divided into 2 main stages:

- in the course of the first stage of development, only part of the area will be developed,

provided by the Decision of the Government of the Republic of Lithuania, that is a land of approx. 150 ha up to the southern bypass of Vilnius city; in this land, present next to Vaidotai railway distribution station, railway container terminal, providing the missing link for the development of intermodal transport in Lithuania and adjacent regions and creating the concept of Vilnius PLC as "land port", will be built.

- in the course of the second stage, southern part of the land will be developed.

Implementing the project in stages, assessment report for land planning documentation and an environmental assessment report will be prepared. At the moment, the invitation to tender for the preparation of the detailed and special designs are complete together with the environmental assessment of the whole land.

PLC role in Lithuania

The measurable potential of the development of logistics centres remains positive even during the economic recession. Therefore the establishment of PLC has been included in the most important Lithuanian strategic documents. As S.Stasiūnas said, in order for the Vilnius PLC

to meet the needs of the interested parties, it is constantly bargaining with potential clients and investors, aiming to develop their activities.

PLC in Lithuania will perform the following functions of state importance:

- will enlarge the range of market maintained by Klaipėda port;
- will serve for import distribution into the trading centres of Lithuania, Poland, Belarus, Russia and other countries;
- will perform the function of export transfer (loading containers with production for export).

"Today, for the transport of freight not only companies and countries compete, but entire logistic chains. Thus, it is of high importance for us to become the participants of these logistic chains and not the observers". Thus argued the president of the Lithuanian national freight forwarding association LINEKA on the benefits of PLC.

Thus, an up-to-date and modern inland container terminal will improve the competitive position of Lithuania as a logistic country, transporting freights between East and West, and will attract a higher level of freight transport.

Furthermore, Vilnius PLC will allow the following:

- redirection of the flow of heavy duty vehicles from the city centre;
- vacation of the city land from areas of warehousing;
- encouragement of the development of the city infrastructure;
- creation of new working places;
- improvement of business conditions in the region;
- acceleration of development of small and medium business;
- collection of higher income into state and municipality budgets.

Part of freights, travelling between Vilnius and Klaipėda roads, will be transferred to railway, thus, not only roads will be less busy, but also the environment will be protected.

Advantages of Vilnius PLC

Lithuania aims at establishment of a PLC and development of intermodal transport due to two main reasons:

- it wishes to increase the transport of freight;
- it seeks to attract as many participants of logistic market as possible.

A strategically successful place has been selected for the first public logistics centre – Vilnius:

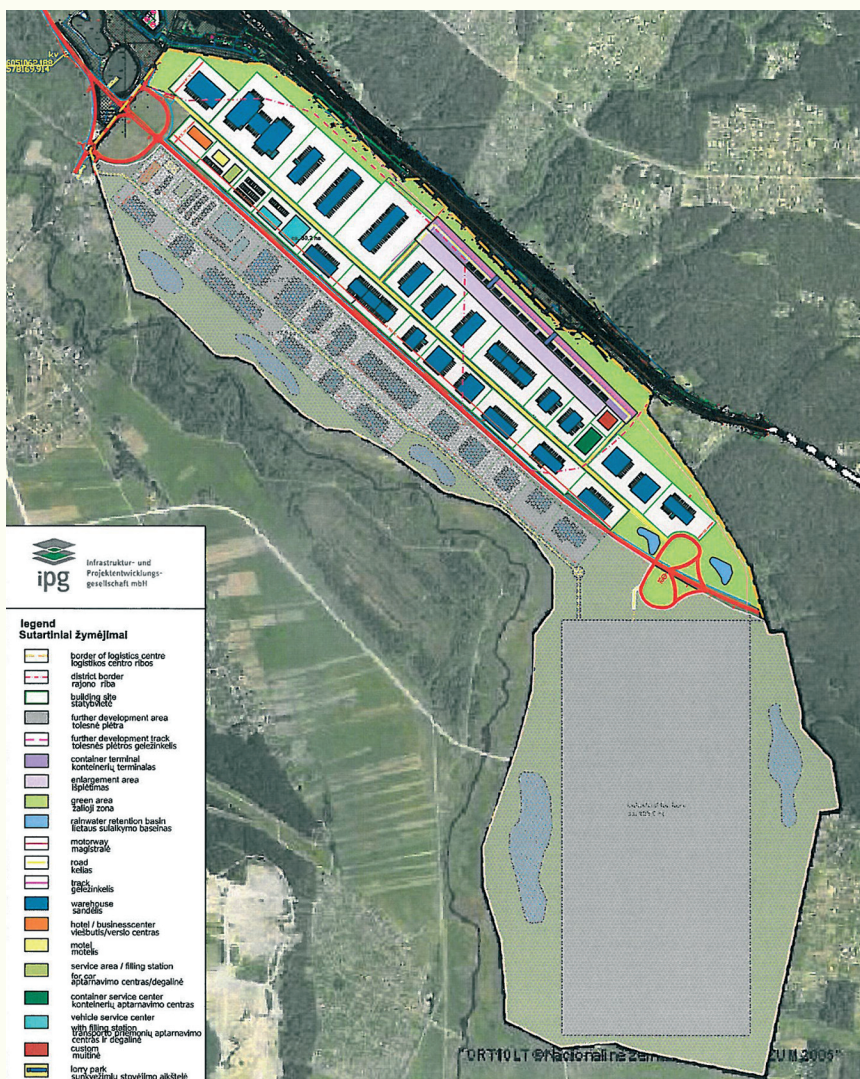
- approx 40% of the total VAT of Lithuania is created there;
- it borders with Belarus and Poland, having a high potential and a shortage of areas for warehousing;
- according to its location, it is strategically near to CIS countries, to and from which high levels of export are performed, thus it is a convenient place for the preparation for the other markets.

Vilnius PLC is the optimum place, concerning accessibility, as:

- there is Vilnius southern bypass planned to be built;
- the land borders with the biggest and most modern Vaidotai railway distribution station, which directly on the railway transport corridor IX;
- there is direct and adequate communication with Vilnius airport;
- it joins such roads as E28, E85, A4, E272, and A14, which in turn redirects the heavy duty traffic off the city.

Assessing all the advantages of Vilnius PLC, there is no doubt that, according to Rimvydas Vaštakas, the Vice Minister of Transport and Communication of the Republic of Lithuania, responsible for PLC projects, "The benefit of such logistic centres is enormous, if strategic actions are taken for the implementation of these projects. The development of infrastructure, with the flow of investments and production give more attractiveness to such places"; and this is very topical during the economic recession, which, according to him, enforces awarding decisions that would be more efficient.

Vice Minister R. Vaštakas believes that PLC will encourage investments, development of regions, transit and will strengthen positions of Lithuania as a logistic country.



Public Logistics Centre Vilnius – Masterplan. Final Variant