

# Rail Baltica – Is this project economically justified?

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*CEE Rail Infrastructure Forum 2008:  
High speed operations within  
an efficient railway system*

# Points of reference

- TEN-T goals and objectives
- Environmental sustainability
- National/regional transport policies
- Regional development and transport needs
- Specific Reports
  - *EU DG Regional Policy: Feasibility study on Rail Baltica railways (COWI Report)*
  - *Republic of Latvia: Rail Baltica Corridor Study (SIA NK konsultaciju birojs)*

# Existing situation

- Rail Baltica reports very well done:
  - *High quality data and analysis*
  - *Clear recommendations*
  - *Recognize need for more detailed study*
- Complicated problems
  - *Russian vs. European gauge*
  - *New route vs. renovate existing route*
  - *Market for North-South vs. East-West transport*
  - *Financing and staging*

# Question 1:

## Are the models accurate?

- *It's difficult for transport models to evaluate truly new services like Rail Baltica.*
- *Models are built and calibrated on the existing way of doing things ... is this really valid for the Rail Baltica corridor?*
- *Can we use the Rail Baltica project to stimulate innovative new forms of economic development or new ways of production/distribution that fundamentally change underlying transport demand?*

## Question 2: How does Rail Baltica fit into TEN-T objectives?

- *A strong linkage to EU countries*
- *A sustainable transport mode*
- *A tool for fostering regional development*
- *Combined with social innovation a shining example of how EU members can work together to achieve common goals*

## Question 3:

# What are the project objectives?

- *Improve the existing system: faster, safer trains operating on the existing routes*
- *Use Rail Baltica to create new economic and social opportunities*
- *Create a sustainable link between the Baltic countries and the rest of the European Union*

# Answers

- Sorry, there are no easy answers ....
- But, here are some ideas:

# Rehabilitate or build a new line?

- *COWI and SIA reports both show that renovating the existing tracks will be economically beneficial.*
- *Renovating existing tracks can help reduce existing bottlenecks (e.g. Tallinn - Tartu).*
- *Reports also show that several sections of new track are economically beneficial.*
- *Clearly there are synergistic opportunities to improve regional traffic and East-West traffic as part of a Rail Baltica project.*



# European HSR - Russian gauge?

- Interoperability means European gauge - high speed on mostly new track (e.g. Package 3).
- Economic justification depends on:
  - *Value of interoperability/EU linkage: putting money behind words.*
  - *Value of induced traffic: can new line generate new economic development or change the landscape in ways that cannot be modeled?*
  - *Value of sustainability: again, words or money?*

# Rail Baltica strategic plan?

- *Phasing of European gauge HSR along a new corridor*
- *Rehabilitation of existing route*
- *Synergistic improvement of regional/urban rail systems & East-West lines with Rail Baltica*
- *Direct linkages to economic development (e.g. innovative trans-shipment centres)*
- *Innovative finance and project delivery*
- *Developing a constructive new way for EU countries to work together on rail corridor improvement projects*



# References

- Rail Baltica: <http://www.rail-baltica.net/pub/>
- COWI Report Conclusions:  
[http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/railbaltica/concl\\_en.PD](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/railbaltica/concl_en.PD)
- COWI Report Annexes:  
[http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/railbaltica/annex.PDF](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/railbaltica/annex.PDF)

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