



MINISTRY OF TRANSPORT  
AND COMMUNICATIONS FINLAND

# Border crossing issues: Finland – Russia

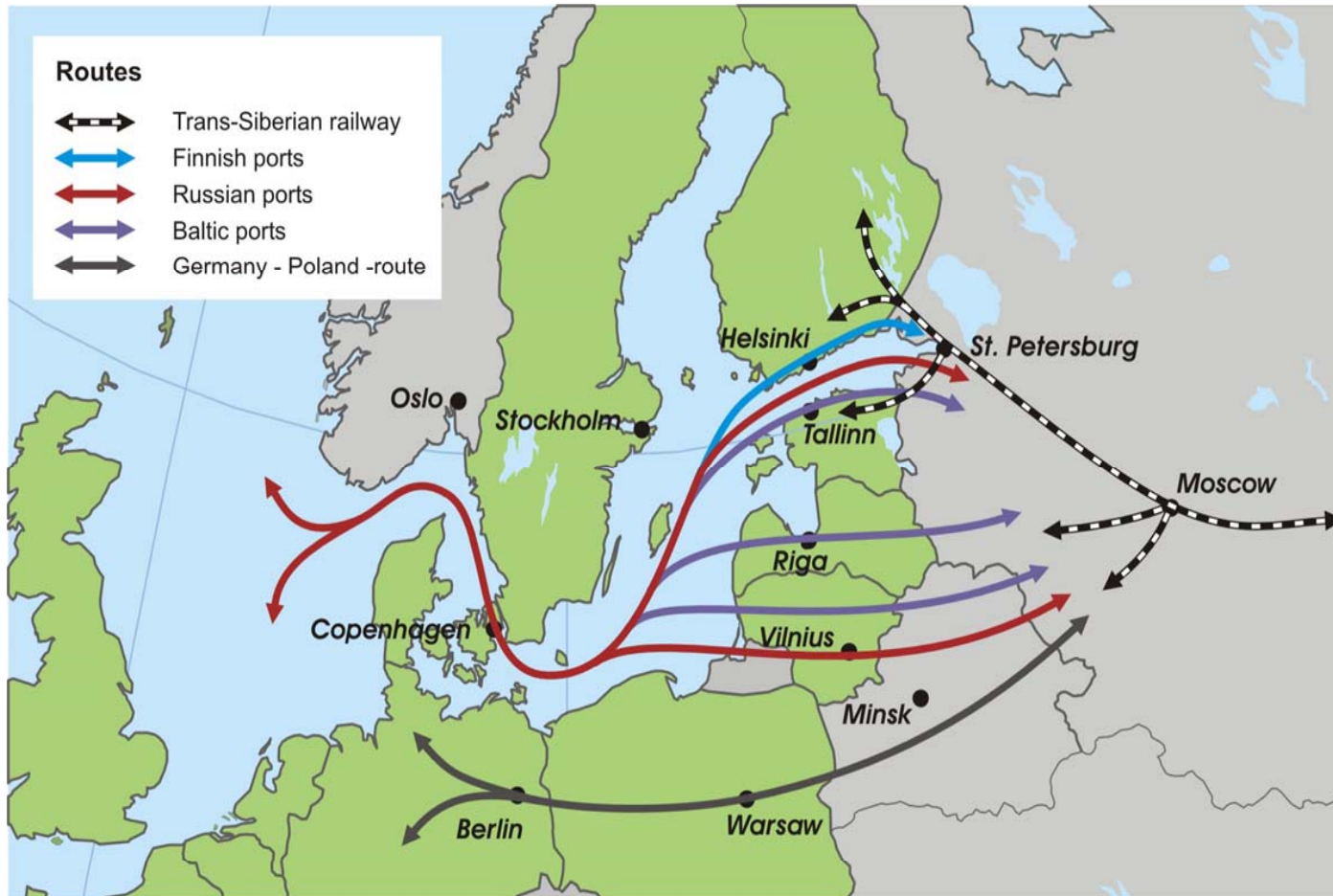
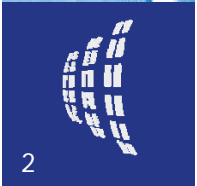
Paris, 5-6 March, 2009

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Ministerial Adviser





# Baltic Sea region's connections to the East



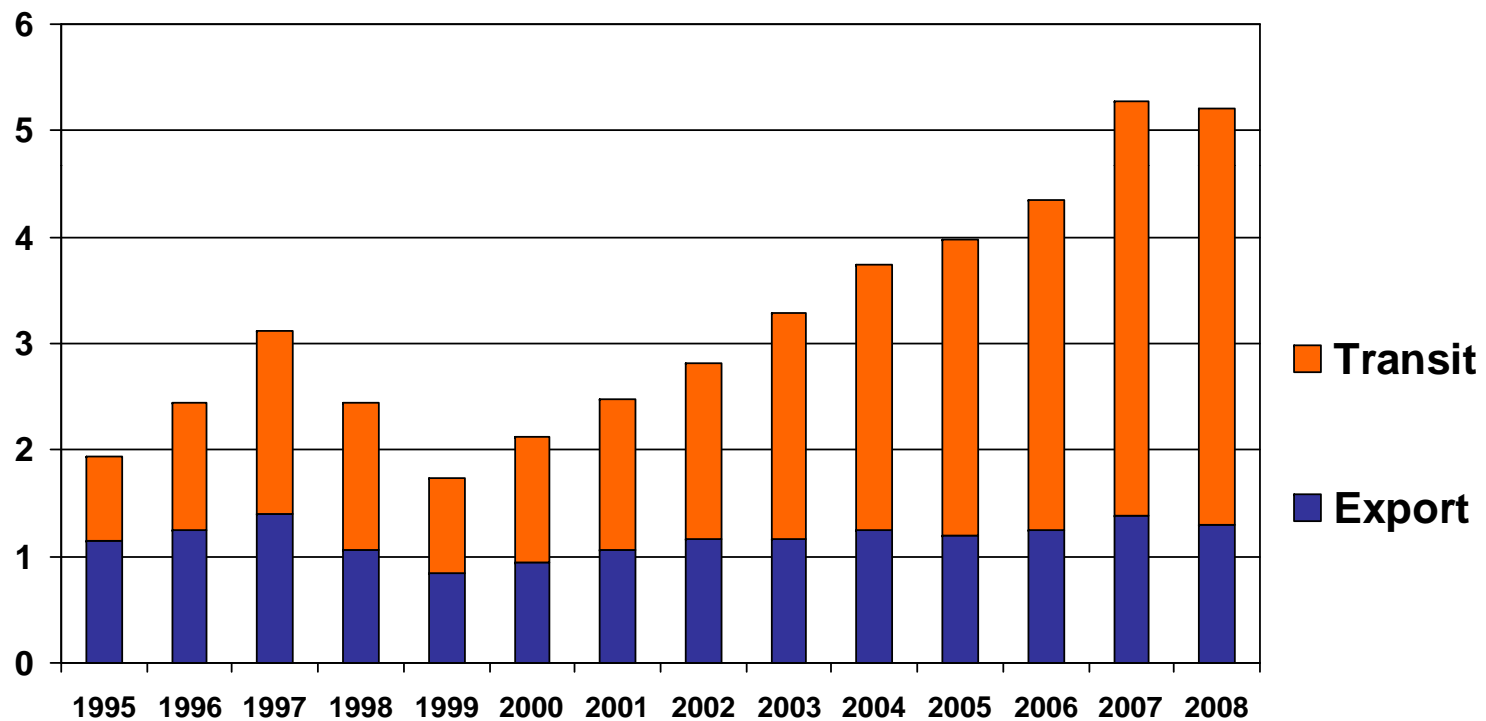
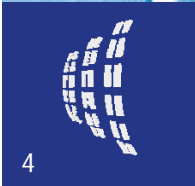


# Connections between Finland and Russia



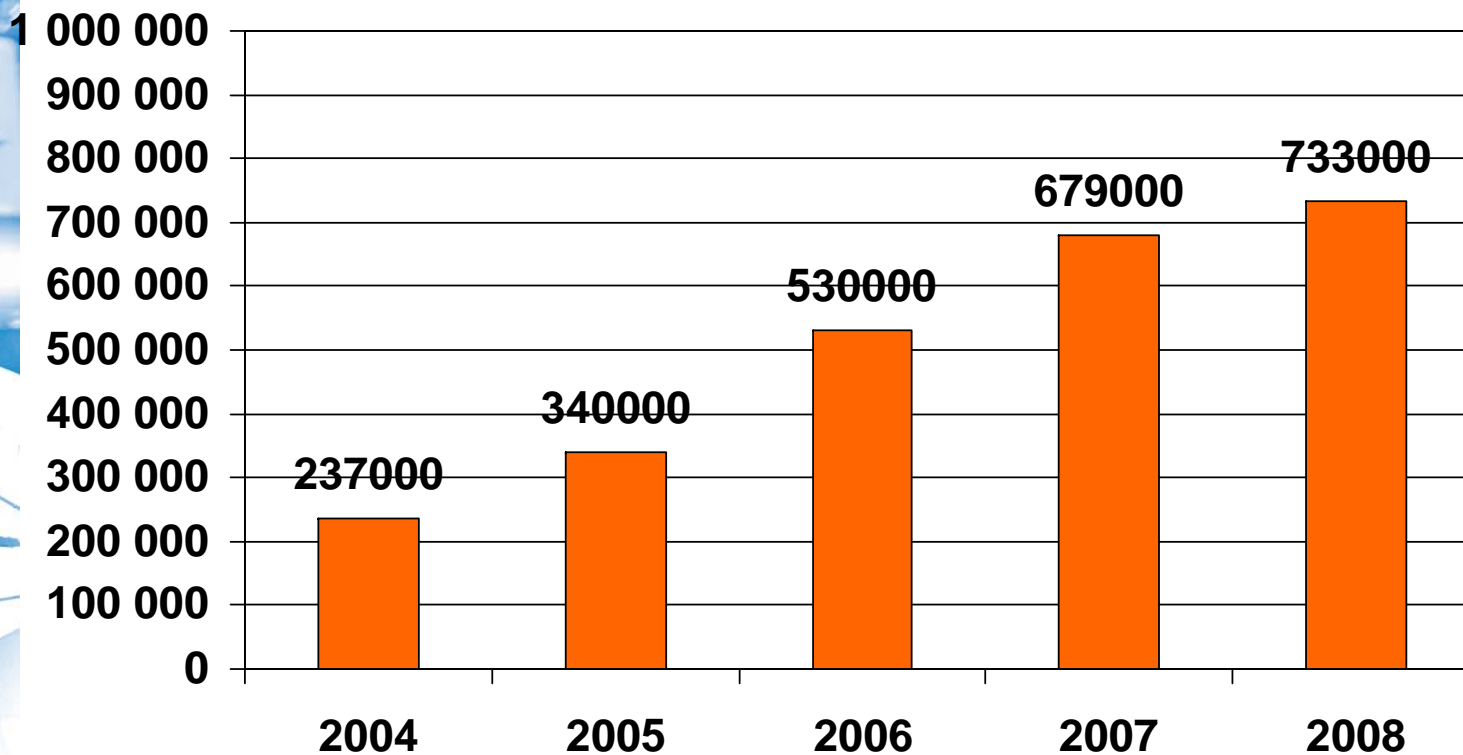


## Road traffic from Finland to Russia (trucks) Export / transit mill. tonns 1995 - 2008





# Road transit of new cars by truck-trailers via Finland to Russia 2004-2008



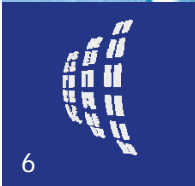


## FIN-RUS TRAFFIC/summary

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- Annual increase 12-15% (turning point at the end of 2008)
- 85-90% uses TIR-Carnet
- 75-80% of trucks are carrying other than Finnish export
- 65-70% of imported cars comes via Finland
- Appr. 30% of the value of the total import via Finland





## Savings through flexible traffic

- Around 2 days of the total transport time (6 days to Moscow and back) is spent on waiting; in Finland, at the border and in customs in Russia. As a result:
- transport costs increase by at least 300 euros / drive
- total impact is more than 6 million euros a month affecting the price of the end product
- the need for transport fleet increases by around 30-40%



## Actions so far to remove the problems

- Negotiations at different political levels and between relevant authorities
- Local co-operation of Finnish and Russian customs and border authorities
- EU – Russia logistics co-operation
- Implementation of the pilot project on EU-Russia information exchanges (1.1.2009)
- Use of electronic exchange of information
- Developing border-crossing and customs infrastructure





# Enhanced interoperability in logistics and its ITC (Study, not finalized)



- The aim is to enhance the interoperability:
  - In ICT systems and
  - In Transport and in the Supply Chain.
- By coordinated action together with 8 Finnish companies and their Russian partners.
- Real life field tests.
- Financed by Finnish Ministry of transport and communications.
- Supported by the Russian Ministry of transport.



# Tools for Management of Logistics – Three Topics

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Platform for information exchange by GSM based automatic services.



Common interfaces for e-documents and interoperability of ICT systems.

Automatic identification of material flows and transport fleet by Radio-frequency Identification (RFID).





# Pilots

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- Information Integration to Increase Transparency in Logistics Chain
- Pre-arrival Information Required by EU Customs Code
  - Operator Based Solution
  - Import/Export of Wood Products
- Real- time Transport Database
- Real-time Transport Data From Different Actors to Broker in Russia

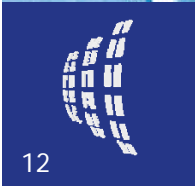


## Results

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- ICT requirements and guidelines for a common platform in mobile phone environment was determined
- Mobile solution for real time status information exchange and processing in transport was piloted
- A Solution for logistics operators at all levels to give the pre-arrival information at EU borders (to fulfil the 1 hour requirement) using their own ICT systems and data bases.





more...

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- Real- time transport database is tested and technically working.
- The use of RFID- technology is workable (but requires common solutions between customers, operators, infrastructure managers and authorities)
- Costs savings and enhanced service in the management of the fleet and individual shipments.





## Still to develop –only partly achieved



- ICT- platform: to establish a comprehensive platform proved to be too big for a pilot project.
- Action Models: testing the models requires better commitment from the companies in the whole chain. Especially the broker in Russia was missing.
- Pre-advice: testing the models takes more time.
- RFID: Technically proved, but organisations require more time for changes.

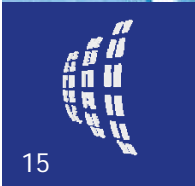




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# Proposals for future activities in co-operation

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## **Electronic tracking and tracing in intermodal transport**

- Vehicle Guidance and Tracking  
Based on a Mobile Solution etc.

## **Operations models for logistics centres and goods terminals in the context of electronic information exchange and automatic identification**

- Vehicle Guidance and Tracking  
Based on a Mobile Solution,
- Real- time transport database, 3PL / Broker / Trading models etc.

## **Information systems to communicate with the relevant authorities**

- Pre-arrival information required by EU Customs code etc





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Thank you for your attention!