

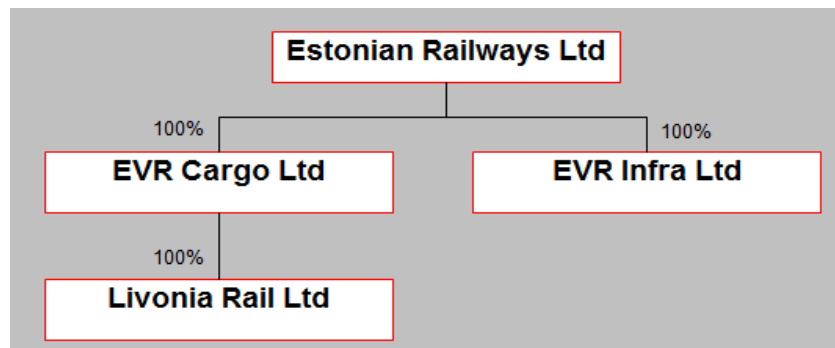
# **Estonian Railways: Start of a journey on 1520mm railway network**

Kaido Simmermann  
Managing Director, Chairman of the Management Board

Tallinn  
November 2011



# About us

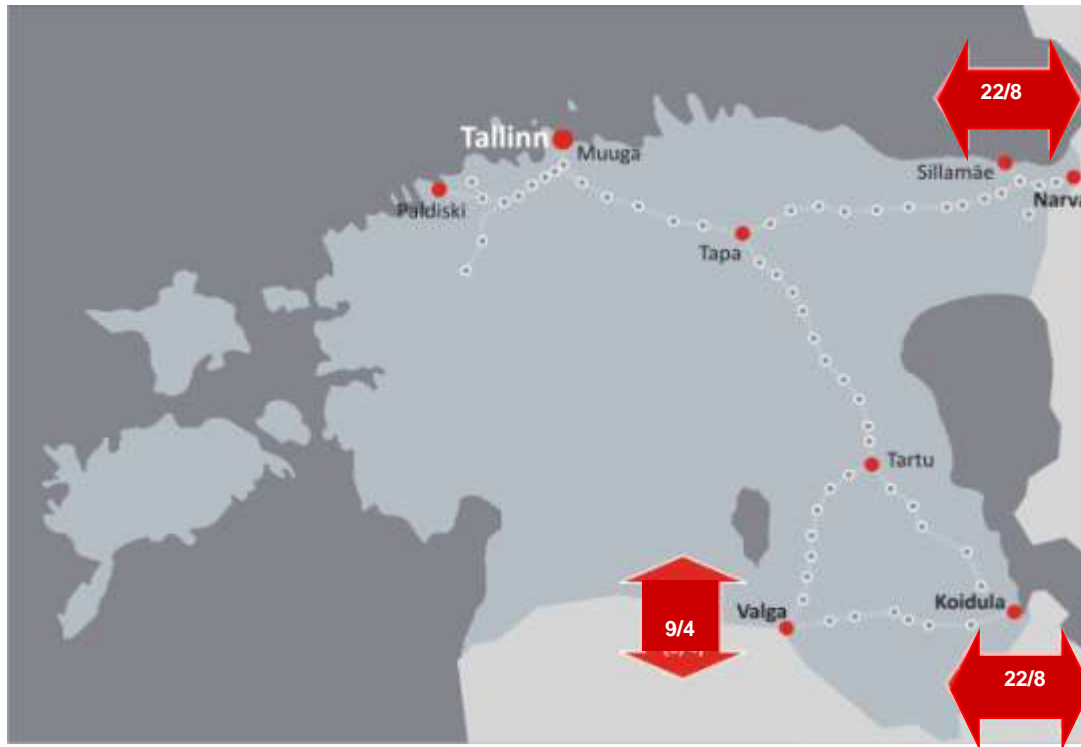


1870	First route opened between Paldiski – Tallinn – Narva – Gatshina (near St. Petersburg)
1918	Independent Estonian Railways (EVR) was established
1992	State-owned company AS Estonian Railways established
2009	Restructuring of Estonian Railways: EVR Infra (infrastructure) EVR Cargo (transport)
2012	Separation of AS EVR Cargo

We are part of 1520 mm network



# Infrastructure in Estonia



- Three border stations:
  - Narva (to/from Russia)
  - Koidula (to/from Russia)
  - Valga (to/from Latvia)
- Total length of tracks: 1320 km
- Length of EVR owned main railway lines: 691 km
- After each 30km, tracks for long (1500m) trains

*Maximum throughput/today's average throughput of a border station*



## Sufficient and efficient locomotive fleet



- C36-7i, US origin (56)

- ЧМЕ-3, Check origin shunting locomotives (15)
- Will be replaced in 2012-2013



- 2TE116, Ukraine origin (4)



## Variety of wagons for different type of cargo

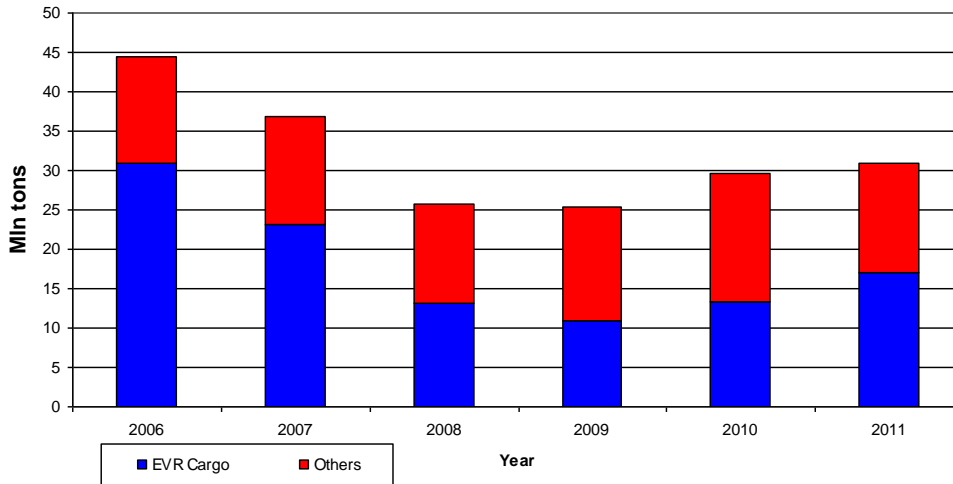


- Variety of wagons for different cargo i.e heavy and oversized cargo, containers, liquid and dry bulk, fertilizers etc
- 3353 own wagons in total, increasing about 5% per year



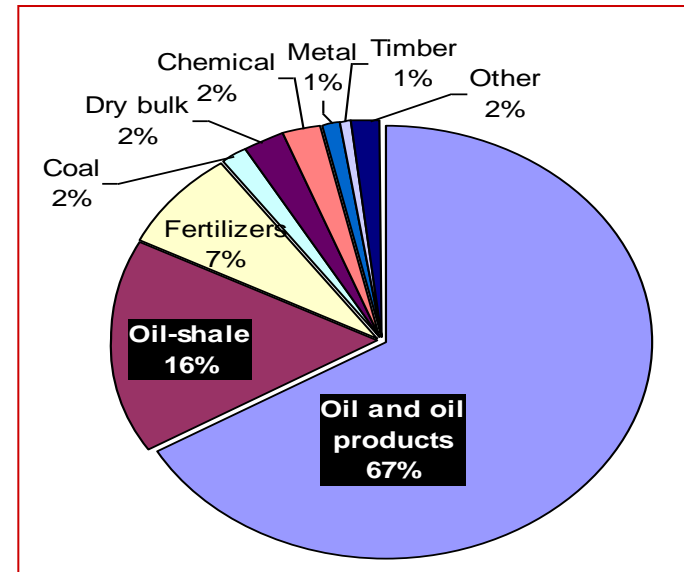
# Estonian Railways has historically been mainly a “bulk” carrier

Cargo volumes on Estonian Railway's infrastructure



- Today, two carriers on Estonian Railways infrastructure:
  - EVR Cargo
  - E.R.S

Product split on EVR infrastructure, 2011, 9 months



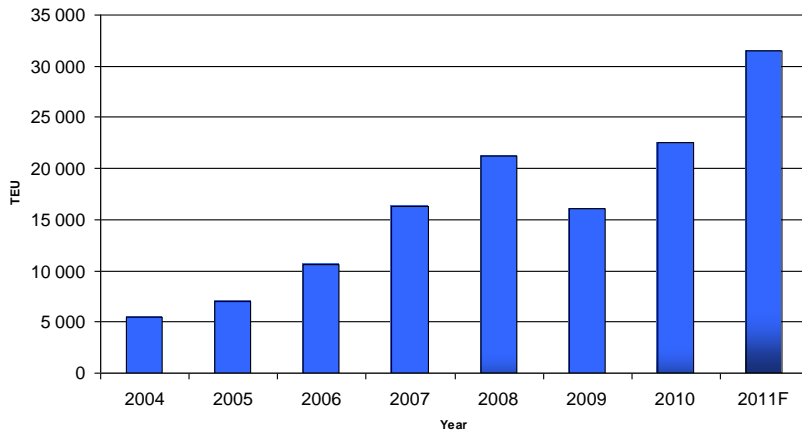
- Main bulk products like Oil, Fertilizers, Coal and Chemicals are moving from East to West
- Local products Oil-Shale, Forest, Scrap-Metal are also carried



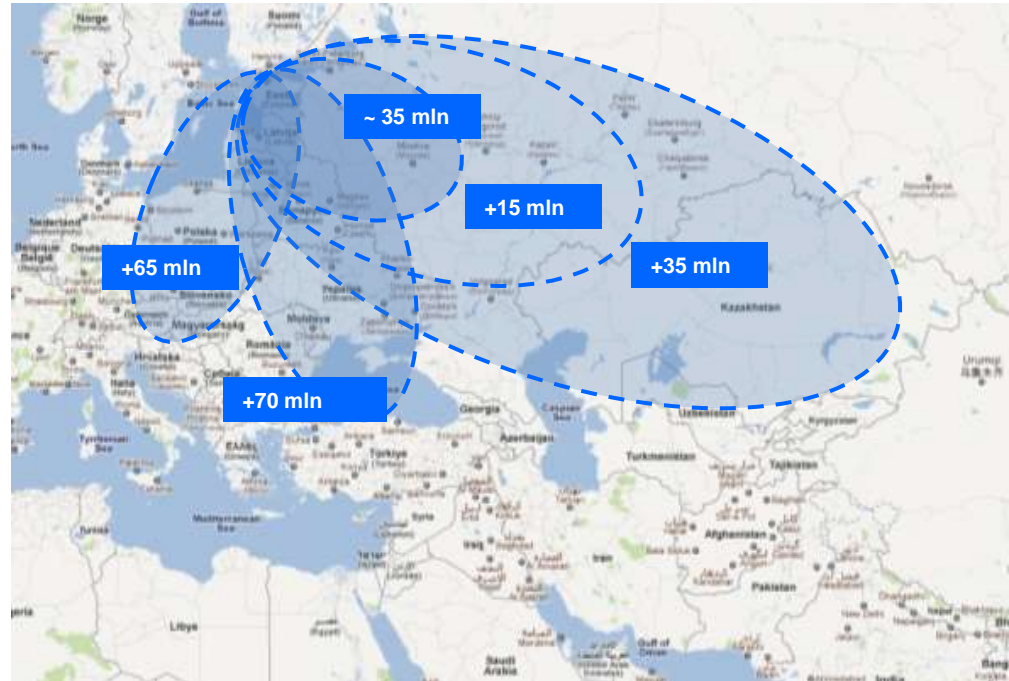
# In recent years containers, mainly from west to east, are becoming more and more important

More than 250 million consumers are located within the service areas of Baltic sea ports

Container volumes TEU



- In 2011, growth is nearly 60% compared to same period in 2010

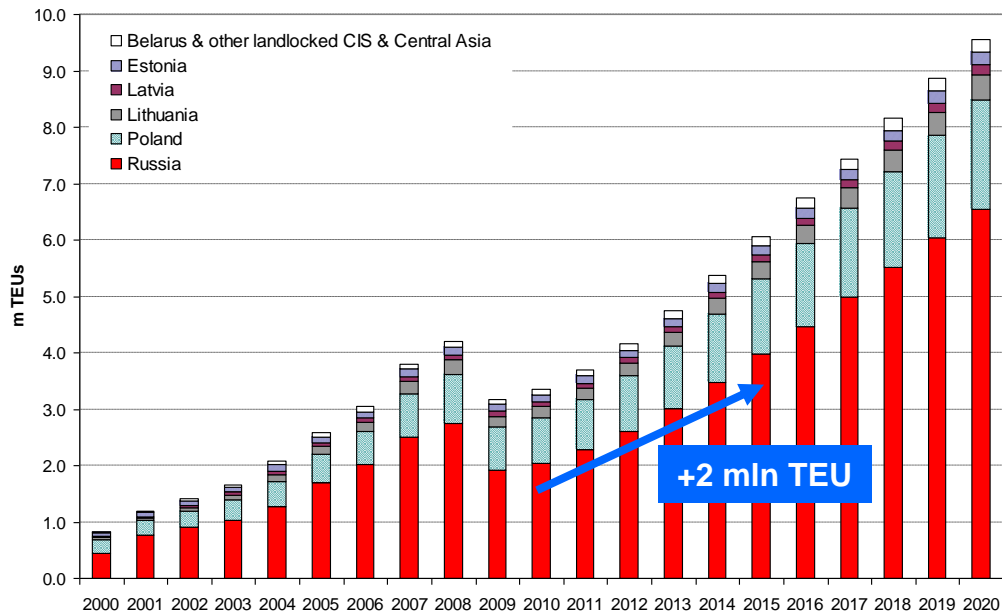


- Main today's and future service areas: north-west Russia; Russian European part, Central Asia, Black-Sea area, Central Europe



# Container volumes are expected to grow through all Baltic sea ports

Forecasted volumes through Baltic sea ports



Source: Ocean Sea Consultants

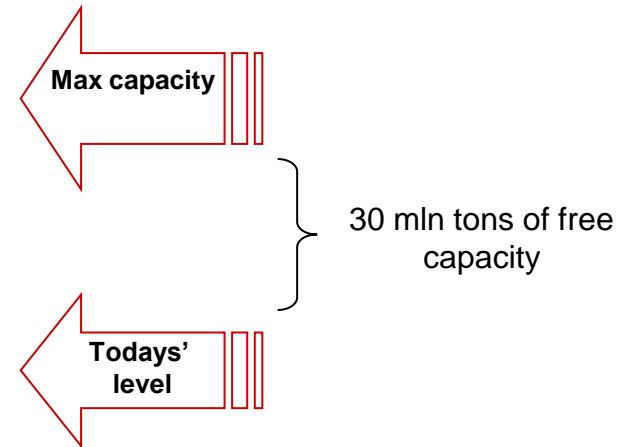
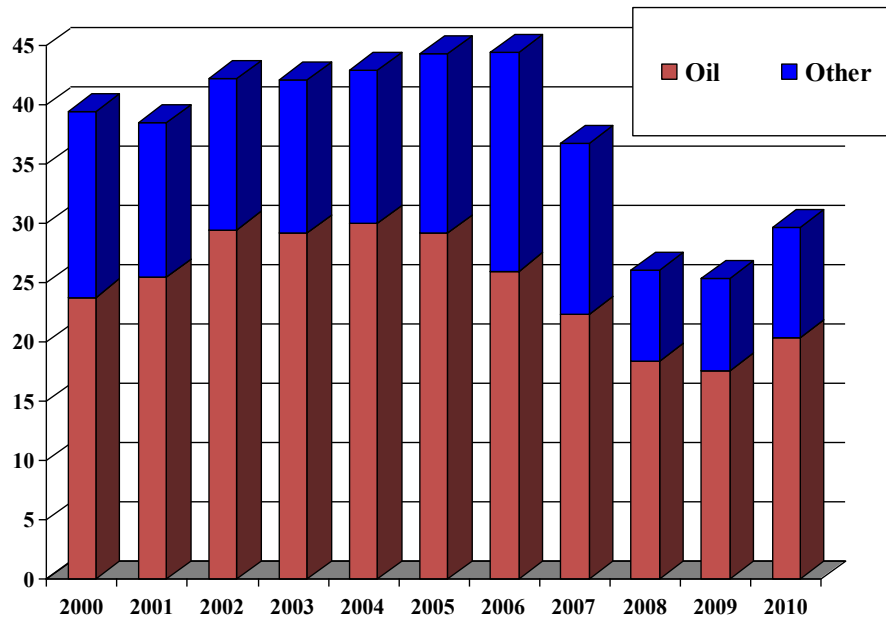
- Ocean Shipping Consultant (2010) forecasts Russian hinterland demand to Baltic Sea ports to grow from (2010 – 2015):
  - 2 mln TEU → 4 mln TEU
- **Reasons for growth**
  - Increasing consumption
  - The tendency of containerisation traditional bulk product (*flexy bag, big bag*)
- **Growth in Estonia year 2011 (9 months)**
  - Muuga Container Terminal +28%
  - Estonian Railways +56%

**Are Estonian infrastructure and Estonian Railways ready for container growth?**





# Today, there are more than 30 mln tons of free capacity, to grow both Bulk and Container business



Port capacities	Millions of tons						000' TEU Containers
	Oil	Coal	Grain	Fertilizers	Other	Total	
Port of Tallinn	43	5.5 - 7.5	3-5	2.5	3	58.5	450
Port of Sillamae	3			1	0.5	4.5	
Paldiski Nort Port					1	1	
Port of Kopli	2					2	
Port of Miiduranna	2					2	
Port of Bekkeri					0.7	0.7	
<b>Total</b>	<b>50</b>	<b>6</b>	<b>4</b>	<b>3.5</b>	<b>5.2</b>	<b>68.7</b>	<b>450</b>



# New Container Terminal developments support the increasing demand for container transportation

## Port of Muuga



New container terminal  
(capacity 350.000  
TEU/year)

## Container terminals in Muuga

- MCT – existing container terminal with 450 000 TEU capacity
- Rail Garant, the new operator will add 250.000 TEU per year to the port, mainly export from Russia. Expected start 2012
- By year 2015, expected volume via Estonia is ca 500.000 – enough for Ocean Carriers to enter?

Existing container  
terminal (capacity  
450.000 TEU/year)

## Silport Container Terminal in Sillamäe

- Opening on 2012



# Further development of existing and new container blocktrains



- Block-trains enable better service:
  - Improved transit time
  - Improved wagon circulation time

- Existing and block-trains under development: Moscow (Moscow Express), Central Asia (Baltic Transit), Yekaterinburg, Toliatti, Black Sea area (ZUBR), Central Europe
- Link from Tallinn to rest-of- the world. Estonian Railways, as part of Transatlantic horseshoe





# Other improvement initiatives at Estonian Railways



Paperwork of a container train today

## In Estonia:

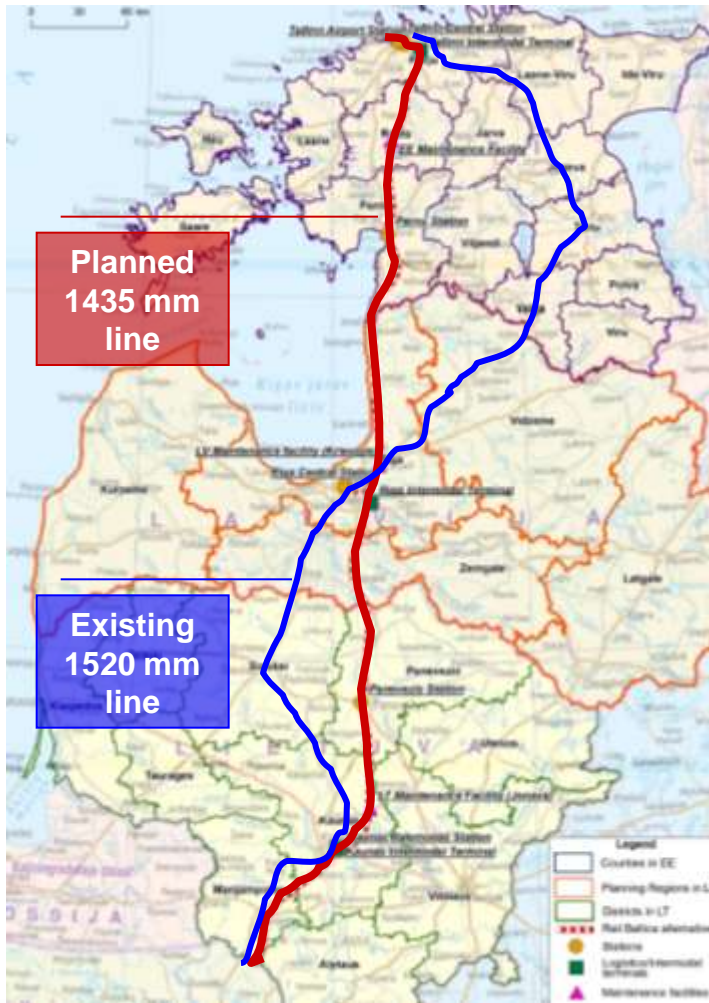
- Wider use of electronic data – one party entering the data, all others using
  - Use of ER-Arve for SMGS data entry
  - Data transfer from ER-Arve, links to different other applications and parties (terminal, railway, customer)
- Customer Service improvement initiatives:
  - Centralised booking handling for wagon orders
- Enlarged “customs zone” in Muuga Port from 2012 will improve loading throughput in the Container terminals
- Initiatives to reduce wagon deficit
  - Solutions (i.e block-trains) for the regions with long wagon circulation
  - Use of private wagons
  - New wagon purchases

## In cooperation with Russia:

- Find possibilities to improve throughput speed in border stations, including customs clearance



# Rail Baltica 1435 mm network will add new possibilities



## New 1435 mm Rail Baltica line:

- From Tallinn to Shestokai 708 km
- Average freight train speed 68 kmh
- Rail Baltica will improve railways' competitiveness
  - **Transit time today:** Freight train 26 h (Container train schedule), Truck 10 h
  - **Transit time future:** Freight train 10 h
- Cargo volumes on north-south direction in 2008:
  - Railways 2.9 mln tons
  - Searfreight 16.3 mln tons
  - Road freight 16.3 mln tons
- Expected volume by 2034 is 60 mln tons, 13 mln of it to be on railway





# Thank You!

For more info see:

[www.evr.ee](http://www.evr.ee)

[cargo@evr.ee](mailto:cargo@evr.ee)

[container@evr.ee](mailto:container@evr.ee)

