

## **TRANSPORTATION STUDY BETWEEN LAPLAND AND MURMANSK**

### Summary of a project description

Giant investments in the Murmansk region will influence widely the transportation in the area. The city of Murmansk is becoming one of the most important export and import transport centres in Russia (so called Murmansk hub). Insufficient communications between Lapland and Murmansk hinder trade between the regions and development. There is a need to study transportation development between the regions and what actions are required. During year 2008 the Feasibility Study of Salla-Kandalaksha Railway Line will be updated. The latest study was conducted in 2003. The demand for this line in Northwest Russia was examined later also in other projects.

The beneficiaries of the project are in the beginning residents of Murmansk and Lapland and later also other adjacent territories in Russia and Nordic countries. The direct beneficiaries of the project are Murmansk and Lapland's industries due to better competitiveness (lower logistics costs). The project is strongly tied to the local actors in Lapland and Murmansk.

The aim of the project is to increase the competitiveness of Murmansk and Lapland due to more efficient cargo and passenger transportation logistics and to promote interadministrative cooperation inside Russia. The project will build up cross-border cooperation network, which will participate in implementation of the chosen development goal and produce new knowledge and vision for the responsible organization in Russia about logistics development philosophy, goals and methods.

The project work in 2008 will be guided by the Finnish-Russian steering group. From the Finnish side the partners are the project orderer (Council of Lapland) and different organizations including chamber of commerce, port and road administrations. From the Russian side the steering group is represented by the Murmansk Regional Administration. The Russian side will contribute to the project a significant amount of work of officials at own expense. The study will be made by an expert to be chosen through a tender procedure.

During the first phase of the project the Feasibility Study of Salla-Kandalaksha Railway Line will be updated. This will be done by an expert who has experience in multilateral transportation projects between Russia and Nordic countries. The study will contain updated Frisbee cargo transportation model, alternative scenarios (i.e. changes in transportation demand) and scenario analysis. During the analysis phase the model transportations will be done in order to examine the demand for Salla-Kandalaksha Railway Line now and in 2020, the estimated costs of the infrastructure will be studied and preliminary feasibility calculations will be made. The alternatives will show how the construction or leaving Salla-Kandalaksha Railway Line not constructed will influence the transportation costs and traffic, how many truck cargo will be moved on rail and the other way round, and what is the level of emissions in different modes. Based on the alternatives preliminary feasibility calculations of the railway line will be made. The focus of the Salla-Kandalaksha study is on cargo transportation. Also the potential of passenger transportation will be assessed. The final report will include suggestions for further actions.