

LATVIA – RUSSIA

SPEED AND NO POLITICS



It is common knowledge that railways linking various countries work as veins which transport the energy of mutually beneficial relations every hour and day. It is the same way they work between Latvia and Russia, although with difficulties sometimes. The visit by Russian Transport Minister Igor Levitin to Latvia and his meetings with heads of Latvian ministries and departments confirmed the relationship is not smooth. We offer to the reader two points of view on the problem of railway development between countries.

IGOR LEVITIN, THE RUSSIAN TRANSPORT MINISTER

To dot all the possible “i” in the Russia-Latvia dialogue the Russian transport minister described its format and explained that both parties consider and develop only transport communications between themselves. There is no and should be no politics in the sphere.

Latvian-Russian trade turnover upped 42% last year and comprised US\$ 6.5 billion (3.2 billion lats). Minister Levitin cited the figures after a meeting with Latvian Economy Minister Artis Kampars.

Levitin recalled that several interstate agreements were signed during a visit of Latvian President Valdis Zatlers to Moscow last December which raised relations between the two countries to a new level. The minister is convinced Latvian-Russian relations enjoy a major potential. For ex-

ample, the passenger flow between the two countries comprised close to 500 thousand people last year. 250 thousand passengers traveled by rail, 130 thousand by road, 60 thousand by air. Levitin believes the figures will only tend to grow in 2011.

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What is the reason? The Russian minister sees no universal cause. He listed a complex of reasons. Firstly, the growth of the passenger flow is due to the visit of Valdis Zatlers to Moscow which considerably improved the atmosphere of both official and purely human relations.

Secondly, it is the existing tradition of good-neighborliness. It is common knowledge you do

not choose neighbors as well as parents. Consequently, you have to work for mutual understanding and preserve the historic and cultural heritage. Besides, Latvian businessmen offered lucrative proposals to potential partners in the east. No wonder the business community is interested in full-fledged movement of people and cargoes between Latvia and Russia. It naturally encourages modernization and development of transport communications between Russia and all Baltic countries.

Levitin said the talk is not only about upgraded passenger transportation. The cargo flow between the countries is also on the rise. It is growing so rapidly that existing transportation arteries can no longer cope with their mission. The reasons for the emerging situation are clear. The Russian minister said the railway linking the countries and its whole infrastructure is outdated.

He recalled the long queues of trucks at border checkpoints. They are hundreds of meters or dozens of kilometers long. Despite upgraded operations the customs fail to cope with the reciprocal transportation volumes. There is definitely a shortage of checkpoints on the border between the two countries.

The situation is actually similar with railway transportation. The track built yet early last century is getting hopelessly outdated despite the effort of transport agencies to maintain it in an operating state. There are still sections on the 900-kilometer railway between Riga and Moscow where trains have to run on one track. Moreover, some sections on the route still have no electric operation.

The construction of a high-speed railway is becoming vital today. The issue has been discussed in detail during the visit of the Latvian

president to Moscow and was recognized as feasible and appropriate for mutual consideration. Levitin said it is purely an economic problem which has no alternative and on which the comfort and travel time for passengers depend. The solution of the major problem will help cope with the rapidly growing cargo flow between the neighboring countries.

The minister said Russia is permanently increasing exports of its commodities to various countries. The railway-port-ferry chain is specifically important for the domestic and foreign markets of Russia. Therefore, cargo transportation to the terminals on the Baltic Sea and their shipment by existing railways demands new technical and technological solutions, according to Levitin.

In answer to persistent claims of Latvian mass media regarding political rather than economic background of new projects between Russia and Latvia, the minister said the project of a high-speed Moscow-Riga railway corridor envisages private-state partnership rather than only budget money.

"A similar project of the St. Petersburg – Helsinki railway attracted the attention of private investors," Levitin said. "Russia does not have to lobby high-speed traffic towards Latvian ports as the cargo flow is constantly growing in the direction and creates the basis for economic feasibility of the project. Naturally, like any sovereign state Latvia faces a dilemma – whether it is better to build a European-gauge railway crossing the territory of Lithuania, Latvia and Estonia or a high-speed track to Moscow?"

Everything has to be calculated, the minister agreed. If it is profitable to build a railway linking Europe with the Baltic countries, it should be definitely built. In a word, all advantages and drawbacks in our transport relations as well as their solution depend only on us. Provided political and economic will to develop the relations we shall have high-speed railways and modern transport which means new types of services, new cargo volumes, new tourist routes, and proceeds...

ULDIS AUGULIS, LATVIAN TRANSPORT MINISTER

Problems in the field of transportation between the two countries are caused mostly by undeveloped infrastructure. Much has to be done in the sphere.

Naturally, the issue which our countries are working to resolve quickly and with good quality – the construction of a four-lane highway from Riga

to Moscow – is very important. The road has to reach Liepaja and Ventspils. It is a difficult but accomplishable task. Total Latvian reconstruction costs comprise 96.7 million lat. The state budget is to appropriate 15% and 85% are to come from the European Union. However the issue has not been decided yet. The project of the Riga – Moscow highway construction will take time and has to be implemented in compliance with the world trends. It means it is necessary to consider possible prospects of project expansion. Besides, no such highways have been built of late.

Railway traffic also needs radical upgrading. Augulis expressed concern that the carrying



capacity of the railway at the direct Riga-Moscow corridor is close to its top limit and some cargoes are delivered via Belarus which raises transportation costs while Latvia loses clients.

Commenting on attempts to politicize construction both of the highway and the high-speed railway, the minister said claims about "the hand of Moscow" look absurd after twenty years of independence and seven years of EU membership. It does not look even like populism, it is simply funny.

At present there are two railway projects lobbied by various economic and political groups both in Latvia and the European Union.

The first one is the construction of Rail Baltica project. Three EU member-countries – Lithuania, Latvia and Estonia – plan the project which is to unite Tallinn, Riga, and Kaunas with the European railway which has a different gauge. The Latvian transport minister confirmed it and said his country is interested not only in the construction of a high-speed railway to Moscow, but also in the cre-

ation of the Baltic railway corridor in the framework of the trans-European transport network and the Rail Baltica project.

Asked whether a cargo flow of eight pairs of trains a day (necessary for the feasibility of any railway) is forecast for Rail Baltica, experts in the business responded in the negative. So far a maximum of two pairs of trains are expected. And one pair means one million tons. No more cargoes are currently available and predicted for the near future. Potential transit cargoes include Belarussian commodities bound for Estonian seaports and small batches of Estonian cargoes may add that will go directly to the south or also to Europe. Those are mostly container trains. But experts say increased cargo flow is unlikely for Rail Baltica in the near future.

The second project is the construction of the high-speed railway track between Riga and Moscow. Its implementation will finally help connect Latvia with Russia by reliable and, what is more important, high-speed railway communication. High-speed Sap-

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san trains are expected to run. Latvian interest in the high-speed transportation along the Riga-Moscow route is clear. The train, regardless of its name, will accelerate the passenger flow between Russia and Latvia and will revitalize numerous other processes which have been frozen so far. For example, it is infrastructure development and the creation of a maintenance base for the trains which will create new jobs and decrease unemployment in the final end.

Supporters of both projects argue which one is more important and promising. The EU transport commissioner said Latvia has to choose between the European Rail Baltica project and the high-speed railway to Russia. Latvian right-wing politicians claim such construction has no prospects at all. However a sober-minded look at the dispute shows Latvia will benefit from any transport construction on its territory. It can be definitely stated that in case both projects succeed they will complement each other and bring new flows of people and cargoes, the minister said. He actually agreed with his Russian counterpart who said railway construction is an economic issue rather than political.

Despite all tough statements and under-the-carpet fighting for new railway routes Latvia will nevertheless begin to build the second railway track on the Riga- Moscow route. Over 50 million lats are expected to be invested. Track upgrading and modern infrastructure creation will go on although at a slower pace.

It is clear the upgrading and construction of new railways is no end in itself. Life offers new requirements today. He who is late with their implementation may be late forever. The quarterly cargo turnover of the Riga seaport demonstrates inspiring performance as it grew 7.5% only in three months of 2011. Bulk cargoes are in the lead and exceeded 4 million tons. Liquid cargoes exceeded 2 million tons while general cargoes were close to 1.5 million tons. Experts say Russian customers also see cooperation prospects for Latvian ports as they have major capabilities to increase the turnover of all types of cargoes. The task needs good roads and railways to deliver the cargoes to seaports.

Another important aspect is that cargoes for the U.S. army fighting in Afghanistan go through the Riga port. Under an agreement with Russia they proceed through the Russian territory. The deal is beneficial for all. The final end of such super-long shipments is Kazakhstan and China. However the problem is the low carrying capacity of the Latvian and Russian railways.

German railwaymen have recently encountered the same problem as Europe today eyes China more and more. Railway transportation is definitely cheaper and shorter, but the Germans have to send test trains via Belarus. Although it is a longer way, it can cope with all requested transportation. That poses a task for Latvian railwaymen to develop their country into a comfortable, high-speed, and profitable transportation route. Is it possible? No doubt. However you have to abandon hard feelings and mostly politics for common sense to prevail. Then the decision-making speed and transportation velocity will radically increase to mutual satisfaction.

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