
Logistics center development in Panevėžys: Experiences on finding a balance between business activities and environmental aspects

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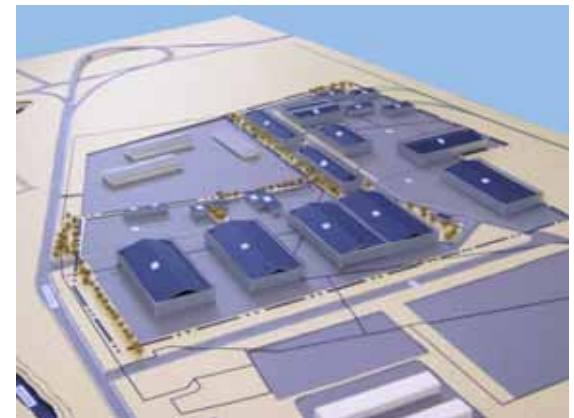
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Lithuanian transport system characteristics

- Being part of the large EU single market, Lithuania is strategically located in the gateway between the EU and CIS countries;
 - Two Trans-European Transport Network Corridors – the 1st North-South corridor and branches of the IXth East-West corridor are used to carry substantial flows of cargo across the territory of Lithuania;
 - Lithuania has a wide and well-developed network of high-quality roads and highways, the best in the Baltic States;
 - Lithuanian rail system has good connections with the rail networks of other Baltic States and the CIS countries
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Lithuania's transport system development policy

The modernized Lithuanian transport system, being a part of the integrated EU transport system, shall:

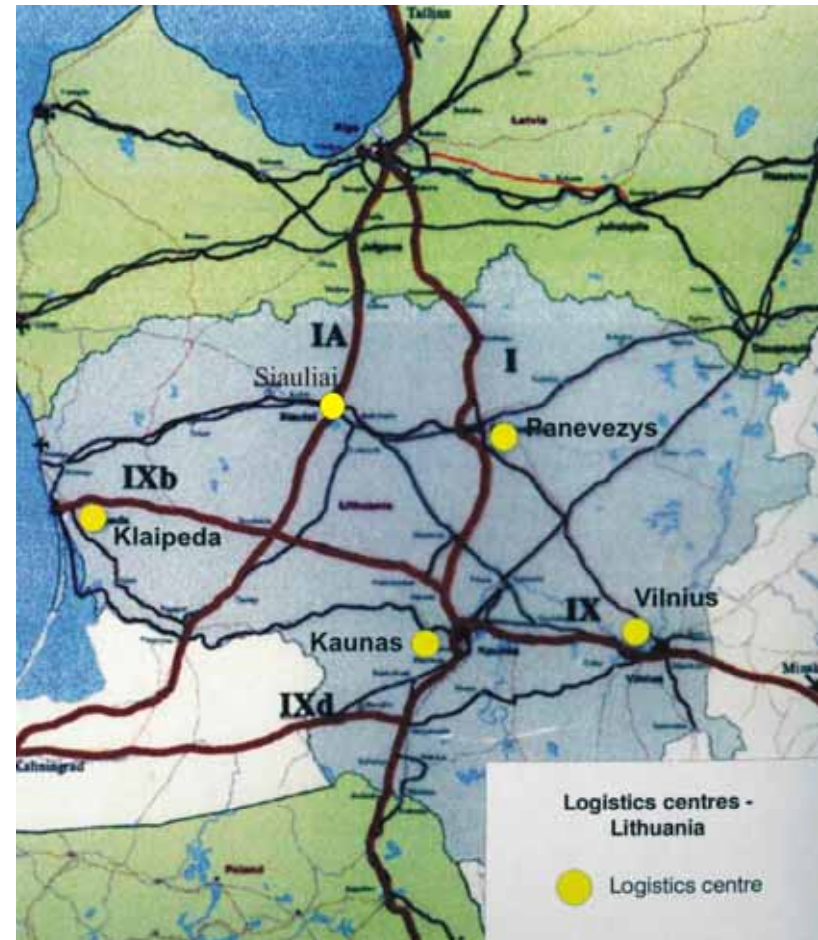
- To be in line with EU standards level according to its technical parameters and quality services;
 - Effectively interact with the transport system of the neighboring countries;
 - Give the possibility to the Lithuanian people to reach comfortably and as fast as possible the main European tourism, cultural and business centers;
 - Effectively serve common interests of Lithuania and extended EU and increase EU competitive potential in international markets, growth of economy and employment of people.
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Key measures in transport system development

- Liberalization of transport market, free access to transport network operators and transport infrastructure facilities;
 - Essential modernization and development of transport infrastructure;
 - Effective management of public transport infrastructure;
 - Restructuring of railways;
 - Promotion of intermodal transport processes;
 - Improvement of air's safety, waterborne and inland transportation;
 - Reduction of negative impact of transport on the environment.
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LCs network in Lithuania:

- Vilnius, Kaunas, Klaipėda (big cities);
- Šiauliai, Panevėžys and in other small and medium sized cities when needed.



LC development aims and objectives

- Reduce the number of delivery vehicles operating in the area;
 - Contribute to improving air quality in the area;
 - Reduce the conflict between vehicles in loading areas and delivery bays;
 - Provide an improved delivery service to retailers;
 - Provide the opportunity for added-value services to retailers such as packaging collection and remote stock storage.
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LC development motivations

- To react on environmental problems and economic limitations related to long-distance and regional freight traffic;
 - To react on deficits in competitiveness of existing businesses, in particular in the transport and logistics industry;
 - To boost the regional economy through attracting additional (further-oriented) businesses, in particular value-added services with high labour-intensity;
 - To provide incentives for innovative transport and logistics solutions supporting sustainability in terms of consumption of resources (making use of synergies);
 - To improve the quality of logistics services in terms of customer satisfaction, security, safety and use of advanced IT technology.
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Main advantages of LCs

- Increasing mobility of freight using efficiently various possibilities of interconnection between different transport nodes;
 - Increasing use of existing infrastructure;
 - Better quality of transportation services;
 - Highly efficient decisions on transportation processes are being made and implemented
 - New business and service centers are being established and new permanent jobs are being created;
 - The efficient use of modern information and communication technology in transport sector is increasing;
 - Better conditions for small and medium sized transport and other sector activities are being created;
 - Creating environmentally friendly transport system.
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Panevėžys city's position within outer transport system

- It is the halfway between two Baltic capitals Vilnius and Riga where motorways Vilnius-Riga and Kaunas-Panevėžys-Riga (1st Pan-European transport corridor) cross. The railway branch Panevėžys-Radviliškis leads to the IXB Pan-European rail transport corridor.
 - The highway VIA BALTICA connects Panevėžys with the countries of Scandinavia and Western Europe.
 - The distance between Panevėžys and the ice-free Klaipėda port is about 225 km. The Vilnius and Riga airports are about 140 km from Panevėžys.
 - Potential access to RAIL BALTICA (2014).
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Spatial planning contribution to urban freight transport system development

National planning level:

- Master plan of the territory of republic



Regional planning level:

- Master plan of the county



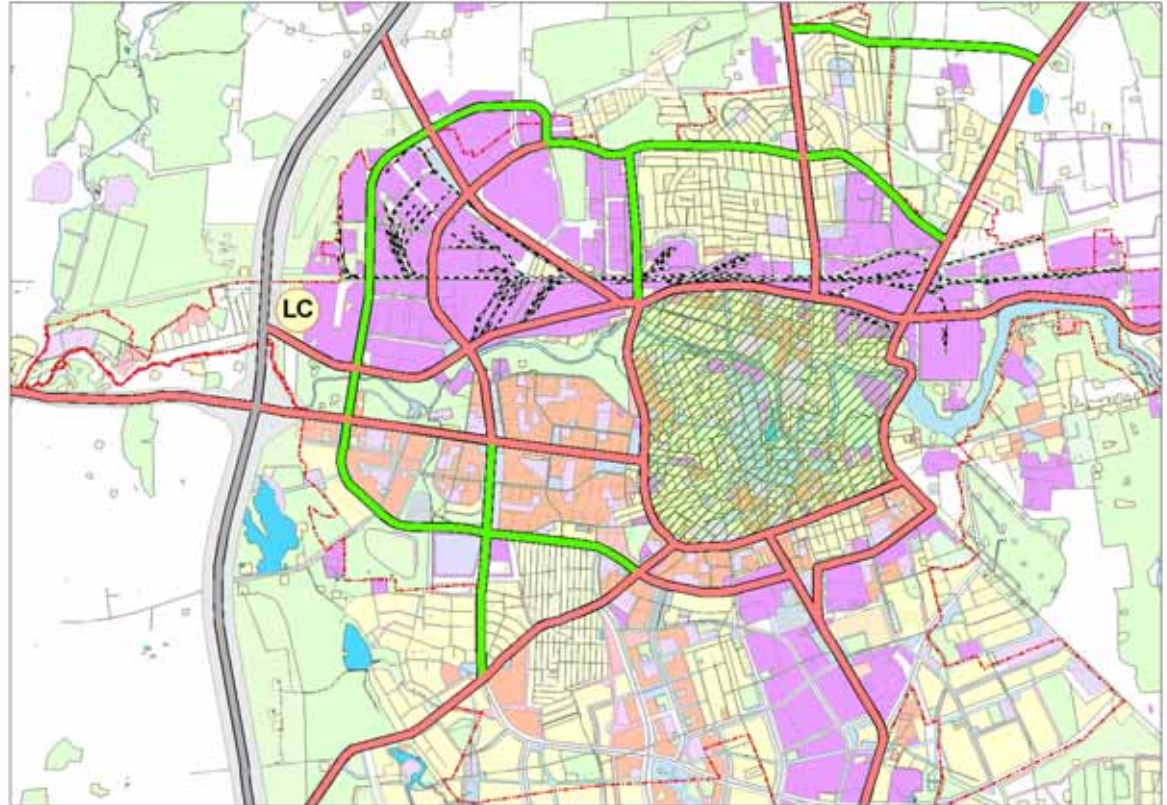
Local planning level:

- Master plan of the city



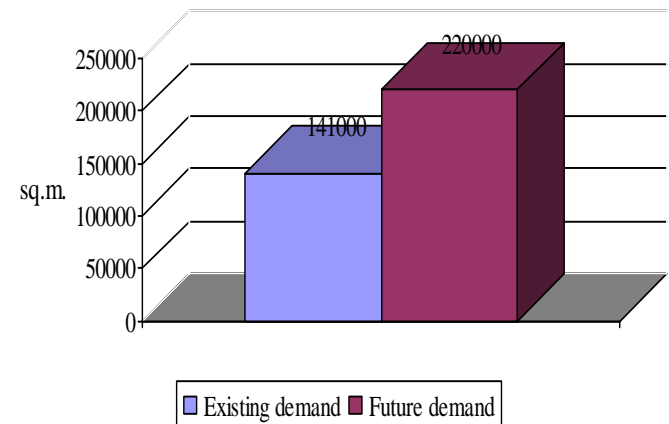
Environmental measures in Panevėžys city's transport system

- Implementation of orbital city streets' structure;
- Implementation of city transit transport schema;
- Implementing the layout of city shopping centers;
- Allocating area for LC establishment.



Logistics market needs in Panevėžys region

- Considerably growing demand for transport and logistics;
- Demand for intermodal transport;
- Demand for new facilities in warehousing;
- Demand for new possibilities in networking.



Warehousing needs in the region

Objectives of the PLC project

- To increase the role of Panevėžys as an important transport hub located on the strategically important area where motorways Vilnius-Riga and Kaunas-Panevėžys-Riga (1st Pan-European transport corridor) and railway cross.
 - To increase mobility of freight using efficiently various possibilities of interconnections between different transport modes.
 - To establish and develop commercial connections between logistics center of Panevėžys and the network of logistics centers in the Baltic Sea region.
 - To implement highly efficient decisions of transportation processes facilitating city freight logistics and distribution.
 - To create new permanent jobs.
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Panevėžys Logistics Center's foreseen activities/facilities

Warehouse services:

- Warehouses
- Intermodal terminal
- Distribution centre

Transport services:

- Road
- Railway

General services:

- Customs
- Veterinary authorities
- IT services
- Transport means maintenance facilities
- Other



PLC site: 55 ha

Panevėžys logistics centre concept

- The establishment of PLC (freight village) must be based on the open intermodal transport centre concept.
 - An open intermodal centre may be defined as a physical and organizational platform (structure) where a large number of – often small or medium sized transport enterprises – may be located with access to facilities supporting intermodal transport and where enterprises may rent facilities and pay according to the level of use.
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Key determinants for the success of LCs development

- Openness – LCs are open to all new companies that want to be located in the centre on commercial basis;
 - Common facilities – availability of facilities for freight handling that can be used according to cost sharing principles, or as a common good in the LC;
 - Organization – the existence of legal body that can act on behalf of the transport framework centre, and secure the common interests of the Logistics centers located companies;
 - Intermodality – LCs support combined and intermodal transport concept, thereby contributing to an efficient European transport system.
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LC area planning

- Environment protection and logistics centre development is increasingly important aspect in logistics centre area planning, because there are often conflicts between environmental protection, transport activity in the area of Logistics centre and on the planned traffic routes.
 - The development of the logistics centre infrastructure is seen as the most important task of the public sector in the development of logistics centers. The public authority is a financier, a planner, a legislator and a provider of the basic infrastructure.
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The expected outcomes of PLC project

- Will integrate the different transport modes;
 - Will provide new possibilities to concentrate cargo, carried by international routes, effectively;
 - Will be one of the most important means to create the system of cargo delivery “door-to-door”, which will open new possibilities of all kinds to business companies in the Panevėžys region;
 - Will assure the quality of the services, the safety of cargo delivery and high level of logistical services;
 - Will be integrated into European network of logistics centers (freight villages);
 - Will be a part of Panevėžys city logistics/distribution;
 - Will contribute to the environmentally friendly transport system.
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Conclusions and recommendations

Finding a balance between business activities and environmental aspects:

- There is a need for increased focus on the spatial planning to facilitate city distribution/city logistics;
 - Need to develop business model which identifies contributions to environmentally friendly freight logistics.
 - To elaborate a concept on LC project that supports sustainable transport development and corresponds to business needs taking in mind regional peculiarities;
 - Use LC development as a tool for city freight logistics.
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Further references:

- **Networking Logistics Centres in the Baltic Sea Region**
(www.neloc.net)



- **InLoc**
(www.inloc.info)



- **Baltic Tangent**
(www.baltictangent.org)



Thank you for your attention!

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