

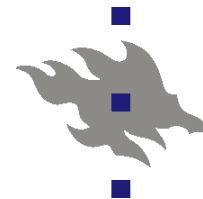


Development and future prospects of Finnish transit to Russia

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MERENKULKUALAN KOULUTUS-
JA TUTKIMUSKESKUS



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Contents

- Russian economy indicators
 - The annual development of Russian GDP
 - Economic indicators depicting the Russian economy
 - Goals set by the Russian ministry for economic development 2007–2020
- Finnish transit
 - The development of Finnish transit 1978–2008
 - Finnish eastbound transit routes and volume distribution between main ports and boarder stations in 2008
 - The development of transit volumes in major transit ports 2003–2008
 - The development of transit in TEUs in major transit ports 2003–2008 (container traffic)
 - Example of slowdown: Transit of cars to Russia 2004–2008
- Future prospect and conclusions



The annual development of Russian GDP, forecast for 2009-2010 (Source: Bank of Finland 2009) – Estimates change rapidly



Economic indicators depicting the Russian economy (Bank of Finland 2009)

	1998	2005	2006	2007	2008a	2009e	2010e
GDP (bill. USD)	132	764	985	1 290	1 645	1 235	1 443
Annual change in GDP (%)	-5,3	6,4	7,4	8,1	5,6	-2,2	3,0
GDP/capita (USD)	900	5 350	6 910	9 060	11 600	8 730	10 240
Unemployment rate (%)	13,2	7,7	6,6	6,1	6,1	6,8	6,2
Average salary (USD)	108	301	408	550	608	-	-
Consumer prices average change (%)	-	12,7	9,7	9,0	13,3	12,5	9,0
Investments (change %)	-12,0	10,6	17,5	20,8	9,1	-14,0	5,0
Private consumption (change %)	-	12,2	11,1	12,9	11,7	1,0	5,8
Industrial production (growth %)	-5,2	5,2	5,9	6,3	-2,0	-7,4	0,7
Primary production (growth %)	-	2,4	2,5	3,6	3,2	-	-
Inflation (%)	84,4	10,9	9,0	11,9	13,3	13,4	9,4
Balance of current accounts (bill. USD)	0,2	83,3	94,5	78,3	98,9	-49,9	7,0
Exchange rate RUR/USD	20,7	28,3	27,2	25,6	24,9	34,5	35,3
Exchange rate RUR/EUR	-	35,2	34,1	35,0	36,3	44,3	45,9
Exports (bill. USD)	74,4	243,6	304,5	355,2	471,8	316,5	405,2
Imports (bill. USD)	58,0	125,3	163,9	223,1	292,0	274,7	306,4
Foreign debt (bill. USD)	-	70,1	43,2	35,8	31,1	-	-
Population (mill.)	147,8	143,5	142,8	142,2	142,0	-	-

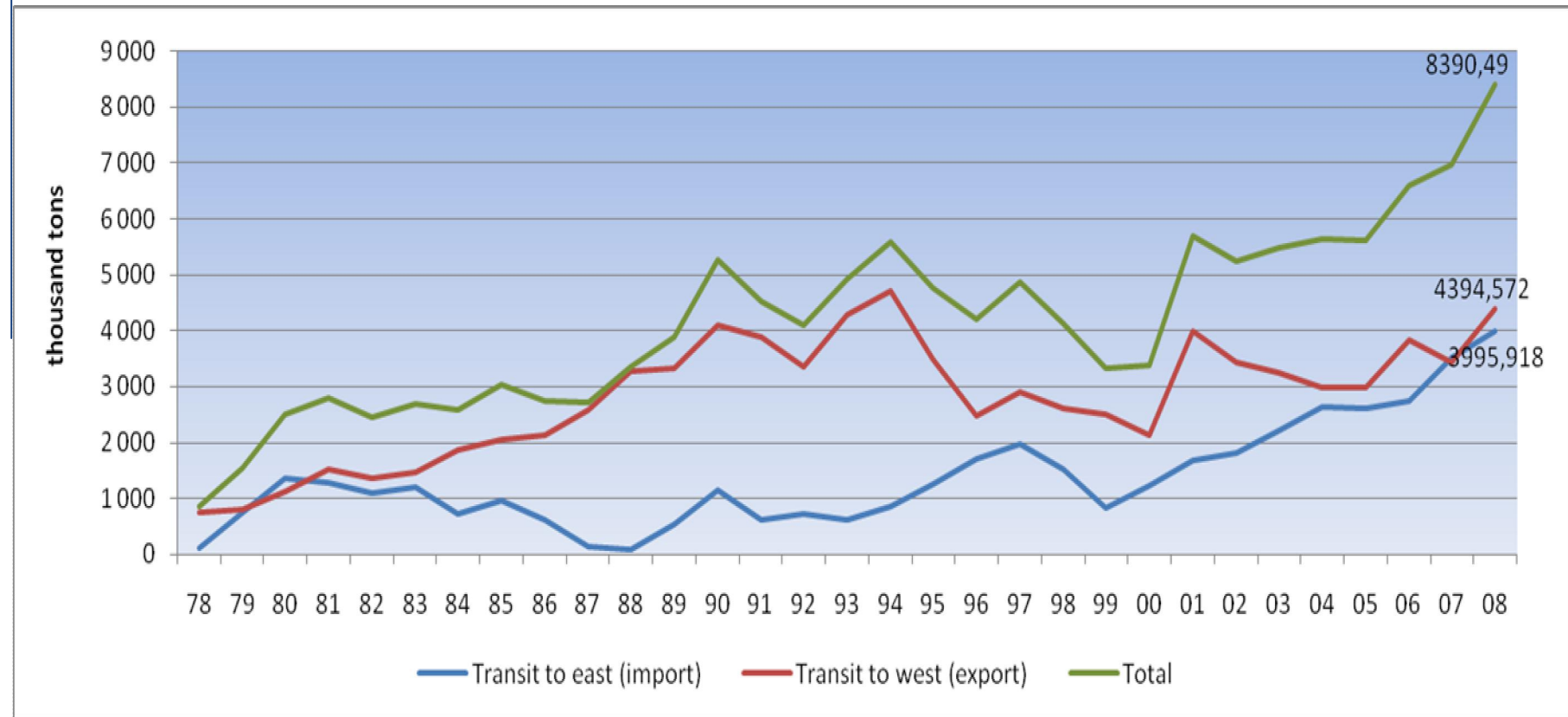
Goals set by the Russian ministry for economic development 2007–2020. (Ministry for economic development of Russian Federation 2008).

	2007	2020
GDP/capita (1000 USD)	13,9	30
Average age (a)	66,5	72–75
Annual GDP growth (%)	8,1	6,5
Size of the middle income class (%)	20	> 52–55
Exports (bill. USD)	354	> 900
Growth in labour productivity (%)	1	2,6
A share of innovation industries (%)	5,5	25–35
Exports of machinery industry (bill. USD)	19,7	110–130
Russia's share of global economy (%)	3,2	4,3
Share of national products in consumer demand (%)	50 %	80 %

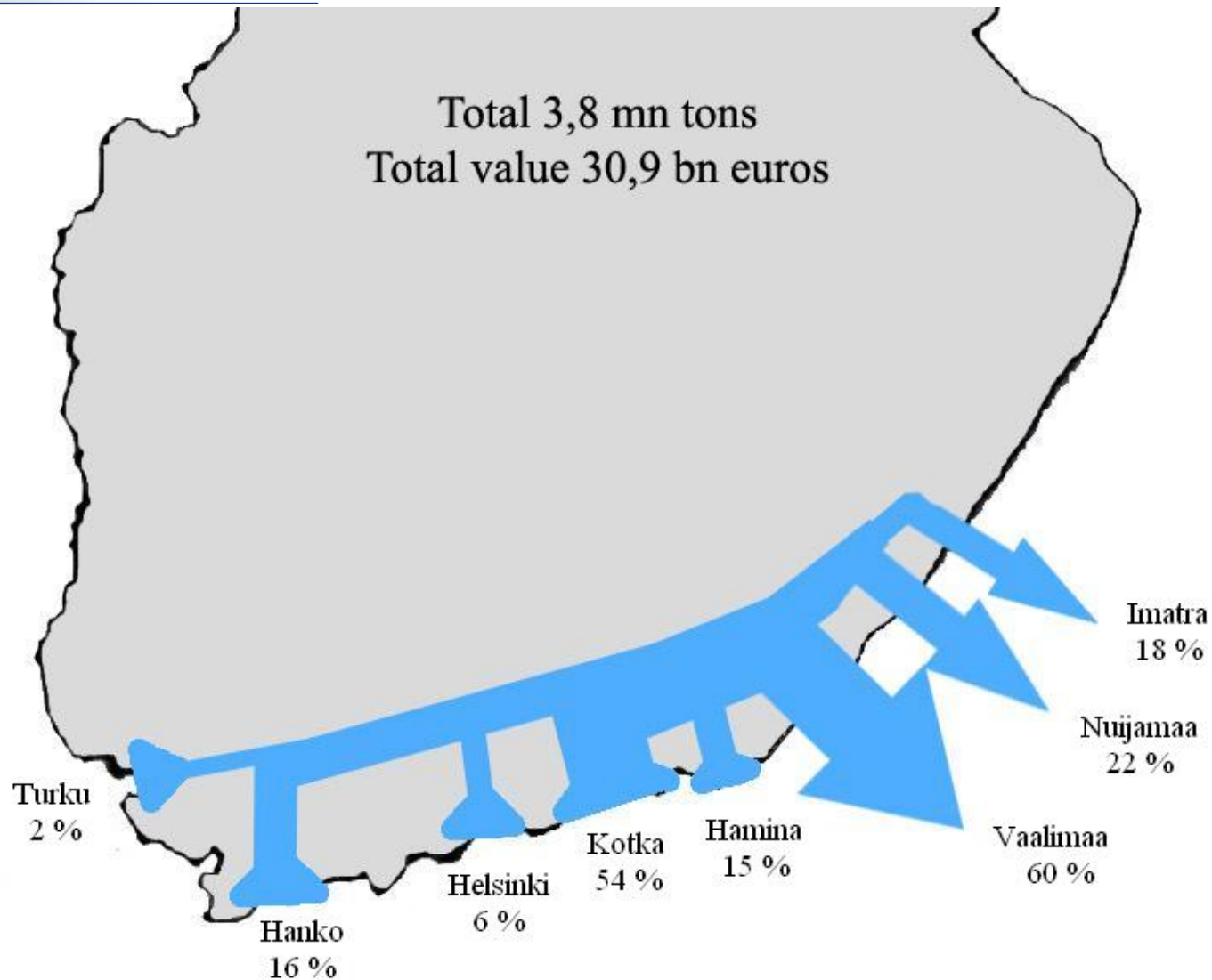


The development of Finnish transit 1978–2008

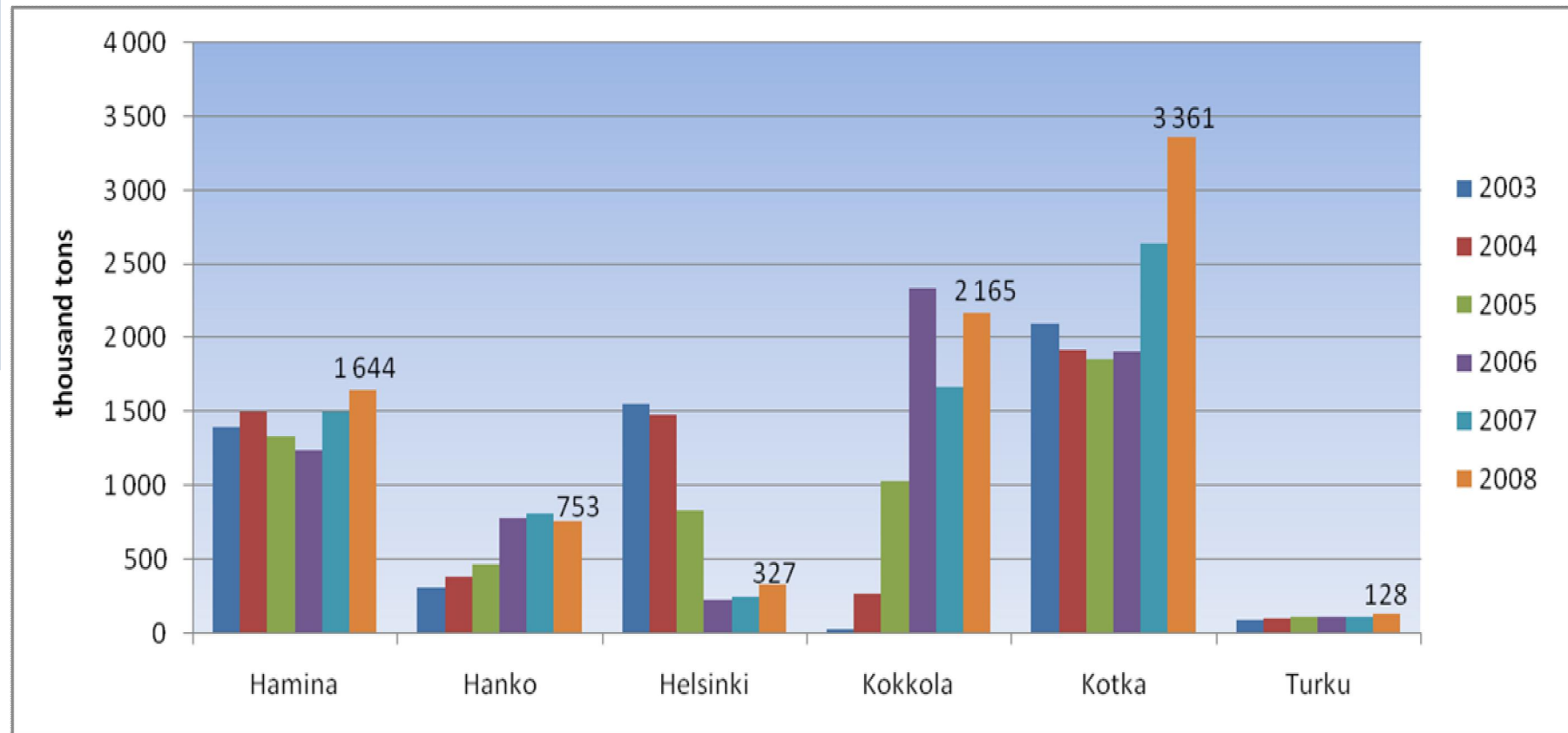
(Source: Finnish Maritime Administration 2009; 2008)



Finnish eastbound transit routes and volume distribution between main ports and border stations in 2008 (Source: Finnish Maritime Administration 2009a; National Board of Customs 2009a)

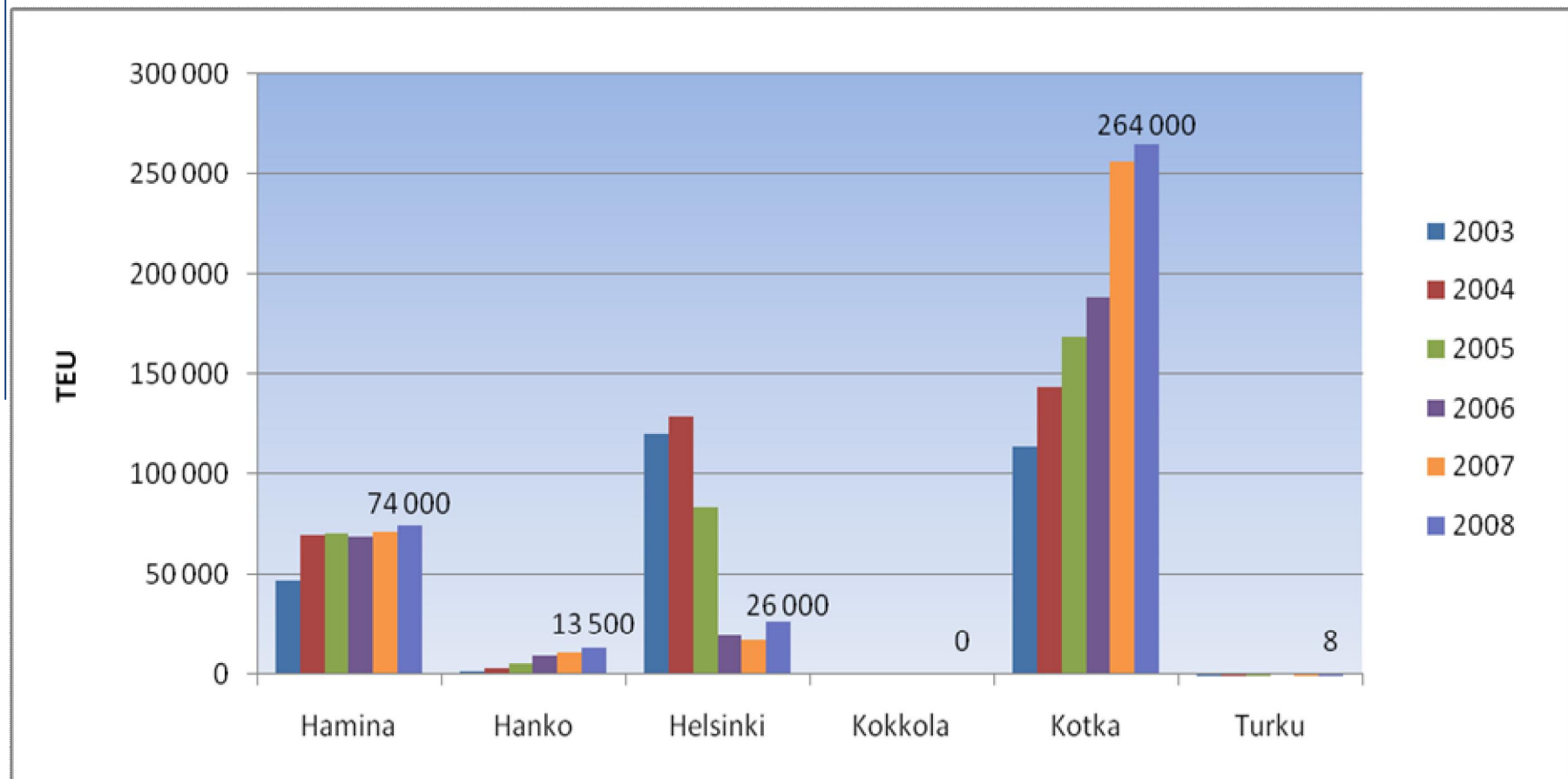


The development of transit volumes in major transit ports 2003–2008 (Source: Finnish Maritime Administration 2009b, Finnish Port Association 2009a).



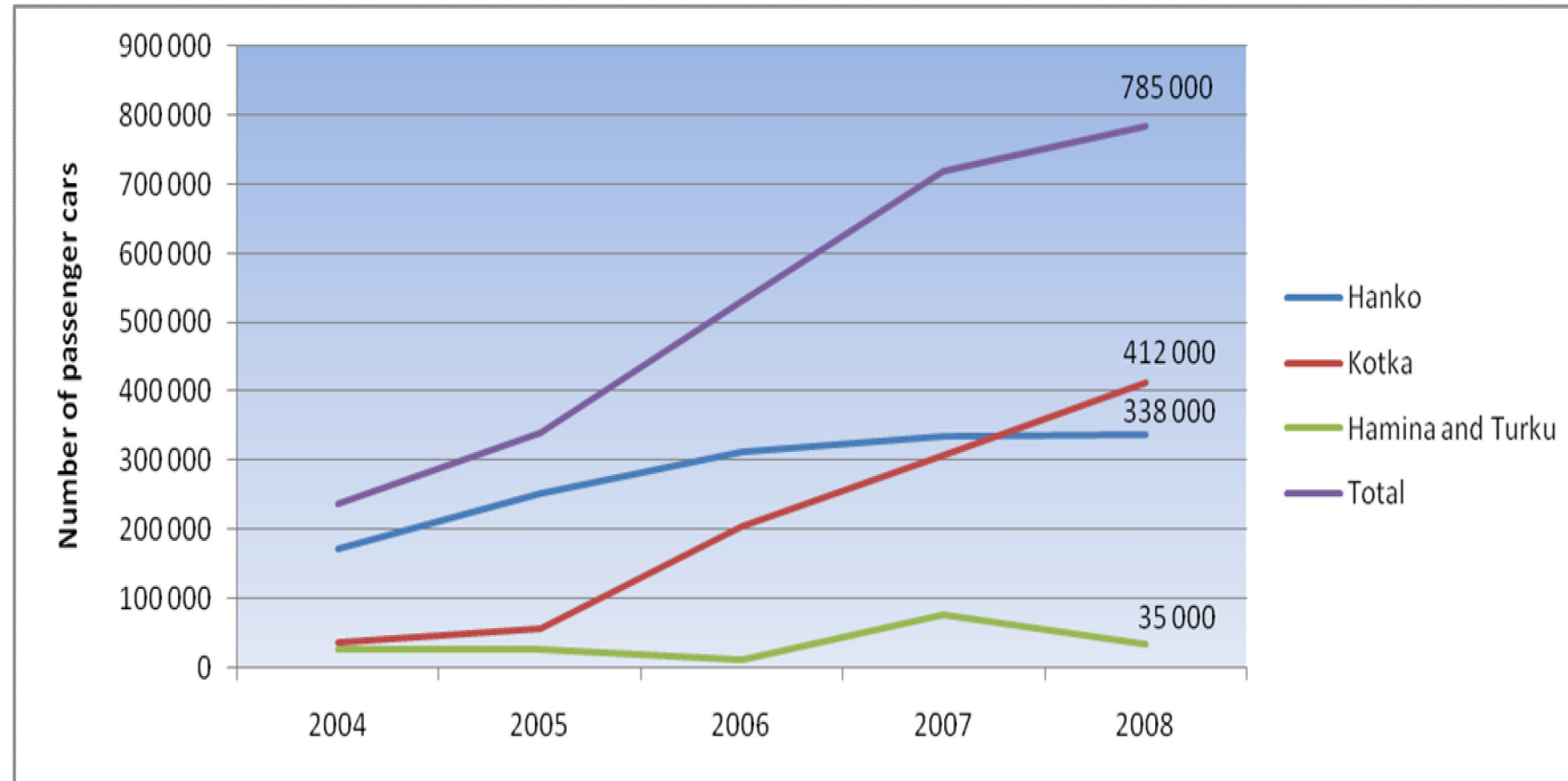
The development of transit in TEUs in major transit ports 2003–2008 (container traffic)

(Source: Finnish Port Association 2009a; 2008a)

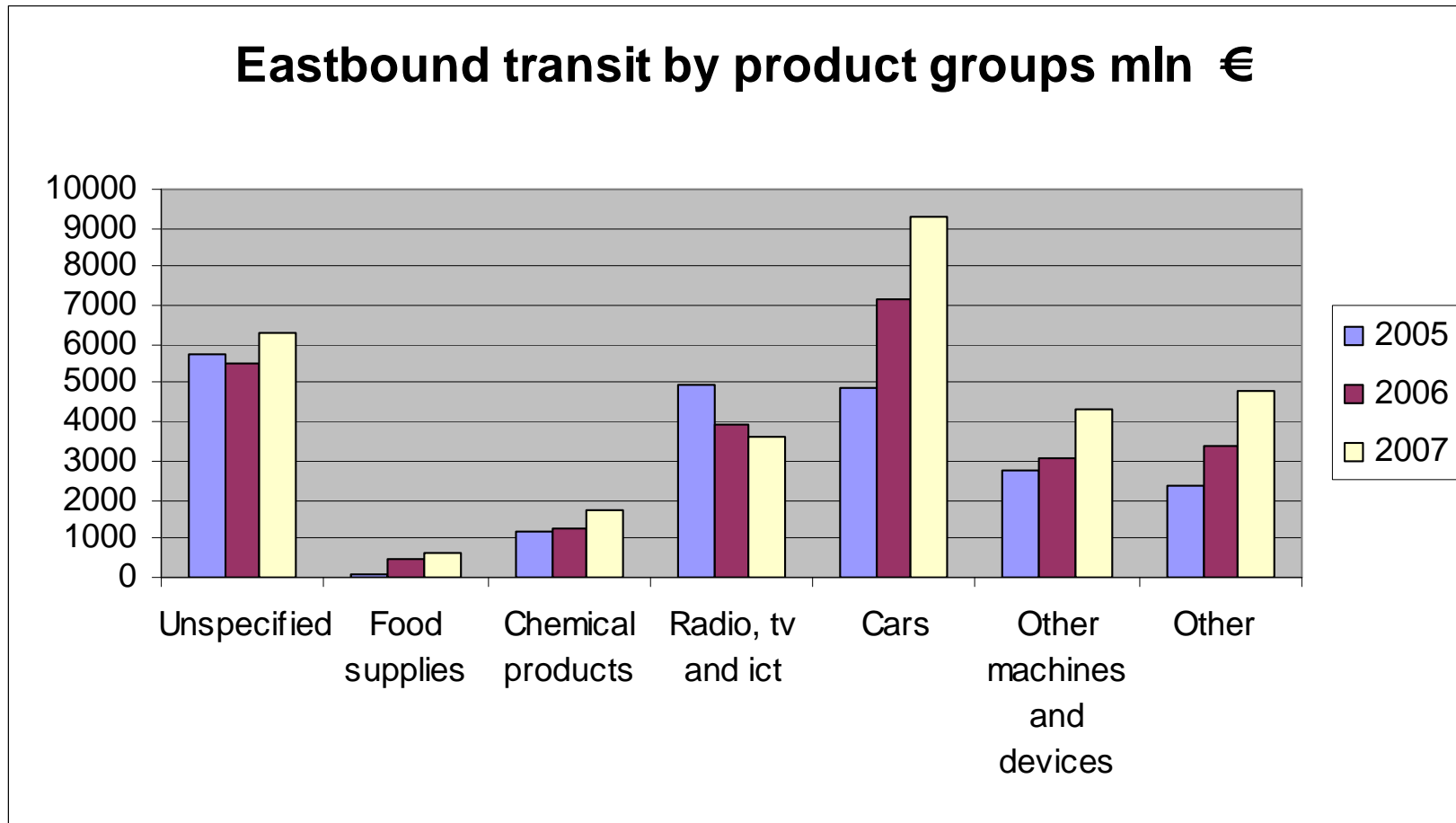


Transit of cars to Russia 2004–2008

(Source: Ruutikainen & Tapaninen 2007: 45; National Board of Customs 2009b; 2008d)



Value of eastbound transit according to products 2005-2007 (Sorce: Board of Customs, 2008)



Future prospect and conclusions

- The Russian ministry for economic development estimates that the GDP growth in 2009 will vary from -0.5% to 2.4%. Estimate of by Bank of Finland predicts greater decrease
- A recognized challenge of the Russian economy is the extensive reliance on natural resources and the dependency on the market price development of oil, natural gas, metals and wood.
- The growth of the Russian economy has benefitted the logistics industry in Finland.
- There are over 30 different value-added services offered to transit transportations in Finland.
- Value-added services are concentrated on intangible services, transports, quality management and cargo handling.
- The most common value-added services are customized customer service, ICT services, documentation, and consulting



Thank you for your time!

Further information:

Merikotka research centre

http://www.merikotka.fi/english/projektit_e.htm

Centre of Maritime Studies (CMS)

<http://mkk.utu.fi>

University of Helsinki, Department of Geography

<http://www.helsinki.fi/geography>

