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GoA 3.1.

Lithuania pilot activity report

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The Interreg Baltic Sea Region Programme 2014-2020 supports integrated territorial development and cooperation for a more innovative, better accessible and sustainable Baltic Sea region.

The Programme is an agreement between EU member states Denmark, Estonia, Finland, Latvia, Lithuania, Poland, Sweden and the northern parts of Germany as well as partner countries Norway, Belarus and the northwest regions of Russia. The Programme is funded by the European Union and approved by the European Commission.

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More information on aims of the programme, funding possibilities and how to get involved:
<https://www.interreg-baltic.eu/home.html>

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1 BACKGROUND TO THE REPORT

Lithuania has rather short navigable inland waterways and a few inland ports. Rail and road transport play a greater role for the industry than IWT. There are 877,1 km of inland waterways of national importance of the Republic of Lithuania, 429,7 km of them are being operated. The navigation period is 199 days from 16th of April to 31st of October.

Main IWT waterway is river Nemunas and Curonian lagoon from Kaunas to Klaipeda. Republic of Lithuania signed European Agreement on Main Inland Waterways of International importance (AGN agreement), according which inland waterways of international importance E41 (the length – 291.2 km) All navigation period along the E41 waterway there has to maintained indicators as it is defined by waterways network main standards and parameters description TRANS/SC.3/144 of the United Nations Economic Commission. For the E41 waterway section from Klaipeda to Kaunas.

The planned implementation of commercial pilots in Lithuania will showcase feasibility of IWT services in supply chains and promotes IWT to cargo owners and forwards in these emerging IWT markets.

As such the commercial pilots will directly influence framework conditions for the better development of IWT in the emerging markets in future and support the implementation of EMMA policy paper's recommendations.

1.1 Pilot implementation in Lithuania

During the EMMA Extension project, several pilot sailings by IWW vessels have taken place in Lithuania, where the main inland waterway is river Nemunas and Curonian lagoon from Kaunas to Klaipeda. Before the EMMA Extension, there had not been any cargo transportations by inland waterway vessels from Klaipeda seaport.

The first commercial sailings between Klaipeda-Kaunas-Klaipeda by barge took place in spring 2019 when, in total, 33 containers were delivered. In May 2019, sailings continued with the transportation of 38 containers. At the end of May and early June 2019, 20 more containers were transported. Altogether 91 containers were transported by inland waterways and the total distance travelled was 1400 kilometres.

From 12 April 2019 to 13 November 2020 following activities were performed in total:

1st commercial sailing 2019-04-18 – 2019-05-13 Klaipeda – Kaunas - Klaipeda. 1000 t tones capacity barge with tugboat.

2019-04-18 Klaipeda – Kaunas onboard 16 units of 20 feet containers.

Total cargo weight 398 tones.

For two different costumers:

- JSC “Sirmulis” – 15 containers;
- JSC “KG Group” – 1 container.

2019-05-13 Kaunas – Klaipeda onboard 17 units of 20 feet containers (empty containers).

Total cargo weight 37.4 tones.

For two different costumers:

- JSC “Sirmulis” – 16 containers;
- JSC “KG Group” – 1 container.

In first delivery here was involved two different container shipping lines:

- Maersk line (agent in Lithuania – JSC “Maersk Line Lithuanian”);
- Cosco shipping lines (agent in Lithuania – JSC “Nurminen Maritime”).

Total containers delivered Klaipeda – Kaunas – Klaipeda – 33.



2nd commercial sailing 2019-05-13 – 2019-05-26 Klaipeda – Kaunas - Klaipeda. 1000 t tones capacity barge with tugboat.

2019-05-13 Klaipeda – Kaunas onboard 19 units of 20 feet containers.

Total cargo weight 422 tones.

For one costumers:

- JSC “Sirmulis” – 19 containers.

2019-05-26 Kaunas – Klaipeda onboard 19 units of 20 feet containers (empty containers).

Total cargo weight 42 tones.

For one costumers:

- JSC “Sirmulis” – 19 containers.

In second delivery here was involved shipping lines:

- Maersk line (agent in Lithuania – JSC “Maersk Line Lithuanian”);

Total containers delivered Klaipeda – Kaunas – Klaipeda – 38.

3rd commercial sailing 2019-05-26 – 2019-06-06 Klaipeda – Kaunas - Klaipeda. 1000 t tones capacity barge with tugboat.

2019-05-26 Klaipeda – Kaunas onboard 10 units of 20 feet containers.

Total cargo weight 198 tones.

For one costumers:

- JSC “KG Group” – 10 containers.



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2019-06-06 Kaunas – Klaipeda onboard 10 units of 20 feet containers (empty containers).

Total cargo weight 22 tones.

For one costumer:

- JSC “KG Group” – 10 containers.

In second delivery here was involved shipping lines:

- CMA CGM (agent in Lithuania – JSC “CMA CGM Lietuva”);

Total containers delivered Klaipeda – Kaunas – Klaipeda – 20.

Work progress summary:

- Cargo delivery for two different costumers;
- Total number of containers transported – 91;
- Total weight of freight transported – 1 097 t;
- Total distance traveled – 1 400 km;
- Total number of sailings – 3.

1.2 Problems encountered

1. Klaipėda seaport

In Klaipėda seaport computer systems are used to record the arrival and departure of ships. The systems are also used to record the movement of goods. During the commercial sailings, we encountered a problem that the computer systems of Klaipėda seaport cannot recognize the inland waterways vessels for cargo operations. This problem arose due to the fact that in Lithuania before EMMA extension project no one transported cargo by inland waterways vessel from Klaipėda seaport.

Solutions to the problem: It has been agreed with Klaipėda seaport that in 2021 they will upgrade their computer systems with the possibility to include inland waterway vessels for cargo operations.

2. Container lines

In Lithuania container line do not provide for the possibility to transport containers from Klaipėda seaport by inland waterways vessels. It was necessary to look for compromises, because in Lithuania the transportation of containers that belong to shipping lines is possible only by road and rail transport. This caused problems with the return of empty containers. If the container is transported by road and rail, the free time of use of container differs.

Solutions to the problem: During meetings with container transport companies, it was decided that they would include inland waterways vessels as an option for container transport in Lithuania. It was also agreed to build a container distribution terminal in Kaunas. After the establishment of the container terminal, most of the containers traveling from Klaipėda to Kaunas would arrive by inland waterways vessels and would be unloaded at the terminal. From this terminal it would be possible to serve the whole Kaunas district. It would also solve the problem of transporting empty containers back to Klaipėda, as empty containers would be kept in Kaunas and not transported back to Klaipėda. Thus, saving a lot of time and CO2 emissions.

3. Inland waterways

Inland waterway problems were encountered during the sailings. Although the barge could carry 1,000 tons of cargo or 44 20-foot containers, due to insufficient depth it was possible to carry only up to half of the maximum cargo capacity. We have also encountered the problem that only part of inland waterway is marked with illuminated navigation signs, this prevents the cargo ship from sailing at night.

Solutions to the problem: Lithuania will invest 27 million euros in the modernization of the inland waterway in 2021 – 2023, this project will achieve greater depths on inland waterways.

4. Inland ports

We are faced with the problem that the inland port does not have the equipment suitable for transshipment. Therefore, mobile cranes had to be used to reload the containers. Mobile cranes are not suitable for transshipment of good in an inland port, they are slow and one hour of work is very expensive

compared to mobile port cranes. There is also no equipment to handle containers on shore. During 3 commercial sailings, all these works were performed by a mobile crane.

Solutions to the problem: The company is currently looking for financial opportunities to purchase a mobile port crane. The company is also looking for container's loader on shore. In total, the acquisition of a mobile port crane and a container loader requires an investment of about 2,5 million euros.

5. Inland waterway vessels

There is only one large barge in Lithuania. Its lifting capacity is 1,000 t. Barges from other countries are not suitable for use in Lithuania due to excessive draft.

Solutions to the problem: Our company has started the design and construction of a new barge. The new barge will have a carrying capacity of 2,000 tons, but its maximum draft will be the same as that of the 1,000 tons barge i.e. 1,8 m. The new barge is expected to be built and commissioned in 2021.

2 OUTCOMES

The Lithuanian government drew attention to inland waterways. 2020 – 2021 investment of 2,6 million euros for purchase of machinery for maintenance works. 2021 – 2023 investment of 27 million to E41 fairway modernisation works. Without the EMMA extension project, the Lithuanian government would not have provided funding for inland waterways. After the test runs, it was possible to identify specific places that need to be fixed. In summary, it can be stated that process of cargo transportation by inland waterway vessels in Lithuania need to be developed. EMMA extension project was the beginning of everything in Lithuania.

3 NEXT STEPS

Meetings with other freight companies are currently underway. During the EMMA extension project will try to transport not only containers but also other types of cargo such as grain, scrap metal and other bulk cargo. However, the COVID-19 pandemic has some impact on speed. Also, freight companies at COVID-19 are very cautious about innovation.