

TRANSPORT SITUATION IN FINLAND IN 2006

1. Traffic trends in Finland

The growth of the GDP was 4-6%/year during the last part of 1990-ies in Finland and during the first part of 2000-ies the growth has been 1-5%/year. In 2006 the growth is estimated to be over 5%.

The growth of passenger traffic has been following that of GDP during the past years. After the economic depression of the 1990's the growth of passenger transport has, however, been slower than that of the growth of the whole economy. During the first part of 2000-ies the growth has been 1-2%/year, 1% in 2006. The annual growth of passenger transport between 2007-2011 is estimated to be for railways 1-3%, for cars 1-2%, for busses 1%, and for aviation 2-3%, while the passenger transport by sea is estimated to stay constant.

Most of the growth of the GDP has been in the sector of services and even industrial growth has been in the sector of the information technology, so the demand for freight transport has been growing and is estimated to grow slower than the whole economy. The annual change of freight transport has been in the first part of 2000-ies between -2 – +3%/year. The annual growth between 2007-2011 is estimated to be 1-3% for railways, 2-3% for road transport, 2-3% for aviation and 2% for transport by sea.

2. Obstacles to transport developments

Main problems in 2006 have been:

- There have been major border-crossing problems on the Russian border.
- Due to the ongoing concentration of population to a few growth centres there is a need for new capacity and transport management investments in the population growth areas. On the other hand, areas with decreasing population need to meet the challenge of providing the basic level in the road and rail infrastructure even if traffic flows are decreasing. A 10 – 15% increase in road and railway maintenance expenditure is needed to meet these requirements.

3. Best practices in transport and infrastructure regulation

- Traffic safety:
The Government of Finland has undertaken systematic target-oriented traffic safety work through resolutions in 1993, 1997, and 2006. In the resolution of 2001, the Government adopted a long-term road safety vision for Finland, according to which the design of the road transport system must be such that nobody needs to die or be seriously injured on Finnish roads. The road safety plan that formed the basis for the resolution aimed at creating opportunities for the continuous development of the transport system so that by 2025 the annual number of road fatalities would not exceed 100. With this Resolution of 2006 the Government confirms the goal that was set previously. The Government stresses that traffic safety aims must be taken into consideration in all decision-making concerning transport policy. In order to achieve these aims, particular measures will be prepared and implemented in 2006-2010, such as better cooperation between the various authorities; application of new technology, particularly information technology; systematic development of the main road network will be continued, aiming particularly at reducing head-on colli-

sions on single-carriageway main roads; automatic speed surveillance will be increased so that fixed automatic surveillance will cover about 3,000 km of main roads by 2010; surveillance of heavy-vehicle traffic will be tightened up with the aim of ensuring better compliance with regulations, for example with regard to driving and rest periods, driving speeds, overloading, and securing of loads.

- Infrastructure:

In the beginning of 2006, a new Highways Act (503/2005) entered into force in Finland. During 2006, a new Rail Act was adopted in Parliament.

The purpose of these acts is to maintain and develop functional and safe highway or railway connections promoting sustainable development as part of the transport system and to safeguard opportunities for participation in planning relating to road or rail decisions by delivering and promoting good governance and judicial relief in matters pertaining to highways.

In the drafting of preliminary and final engineering plans for roads or rails, real estate owners and other parties to the matter as well as those upon whose housing, employment or other conditions the plan may impact shall be afforded an opportunity to participate in the preparation of the plan, to evaluate the impacts of the plan and to comment orally or in writing on the matter.

The purpose of this Act is to maintain and develop functional and safe highway connections promoting sustainable development as part of the transport system and to safeguard opportunities for participation in planning relating to road decisions by delivering and promoting good governance and judicial relief in matters pertaining to highways.

A proposal for nationally important trunk networks in Finland's overland transport system was prepared during 2006. Trunk networks were specified within the road network and within the rail network (with heavy goods traffic lines and fast passenger traffic lines being treated separately.) A final decision is to be made in 2007 in the Ministry of Transport and Communications.

- Major developments on E-network:

One project on E-network was opened for traffic in 2006 (first part of Tampere western bypass road, E12). Two projects are underway. The biggest of them, E18 between Lohjanharju and Muurla will be completed in 2008. Total costs of this PPP project are some 700 million euros. The other one is the second part of Tampere western bypass road). In 2006 were also made decisions of two projects to begin in 2007.

- The amount of infrastructure investment (investments = new construction, extension, reconstruction, renewal and major repair and when included all sources of financing) was about 1,2% of GDP in 2005. When financing only by state (public roads, railways and waterways excluding infrastructure taken care by local administration) is included, the percentage value was 0,7% in 2005.