

## Transport situation in Finland in 2004

### 1. Traffic trends in Finland

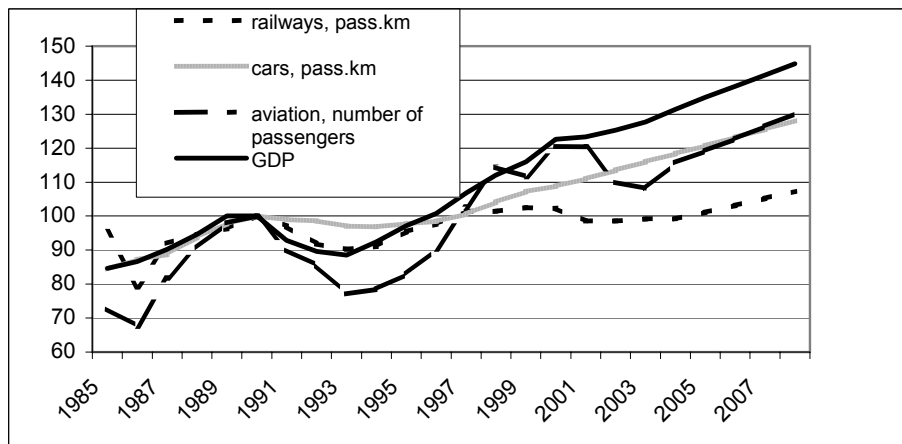
The growth of the GDP was 4-6%/year during the last part of 1990-ies in Finland; in 2001 however the growth was only 0,7%, 2,0% in 2002 and 2,0% in 2003.

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.

The annual growth of passenger transport between 2005-2008 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.

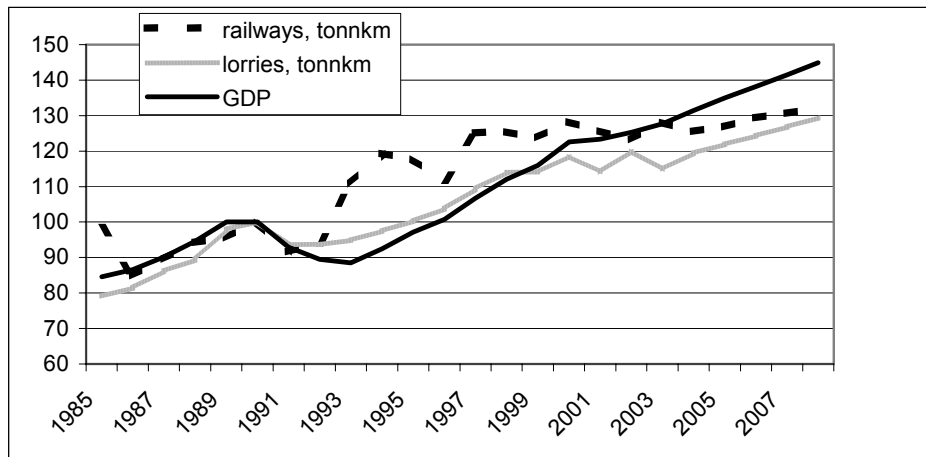
This development can be seen in figure 1.

Figure 1. Domestic passenger transport between 1985-2004 and estimate for years 2005-2008 (1990=100)



In the case of freight transport, the growth of industrial production has created a little greater demand for freight transport. However, most of the industrial growth has been in the sector of the information technology, so the demand for freight transport has also been growing and is estimated to grow slower than the whole economy. The annual growth of the freight transport has been estimated to be 1-3 % for railways, 2-3% for road transport (depending on the growth of the GDP), 2-3 % for aviation and 2% for transport by sea. The future development of domestic freight transport can be seen in figure 2.

Figure 2. Domestic freight transport between 1985-2004 and estimate for years 2005-2008 (1990=100)



## 2. Obstacles to transport developments

Main problems in 2004 have been:

- Even though several major investments have been started in the past few years inadequate funding still remains a problem. Due to the ongoing concentration of population to a few growth centres there is a need for capacity 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.
- There have also been border-crossing problems on the Russian border.

## 3) Best practices in transport and infrastructure regulatio

Major developments on E-network:

One project on E-network was opened for traffic in 2004 (part of Helsinki bypass road, E18 Lentoasematie - Tikkurila). Many projects however are underway. To mention 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. A ten year investment plan for transport infrastructure was published in early 2004. It suggests that transport investments of some 1 billion euros will be started during this governmental period before 2007. Many projects in the E-network are included.

The amount of infrastructure investment (investments = new construction, extension, reconstruction, renewal and major repair and when included all sources of financing) was about 0,9 % of GDP in 2003. When financing only by state (public roads, railways and waterways excluding infrastructure taken care by local administration) is included, the percentage value was 0,5, in 2003.