

**Statement regarding “Freight Transports of the Future” [April I]****Issued by Danish Minister for Transport Lars Barfoed**

In its January 2008 report the Infrastructure Commission analysed the Danish freight transport. The Government presented a traffic initiative, “Sustainable Transport – Better Infrastructure”, in December 2008. With the political agreement on “A Green Transport Policy” of January 29, 2009, the Government, the Social Democrats, the Danish People’s Party, the Socialist People’s Party, the Danish Social-Liberal Party and Liberal Alliance agreed on a number of overall principles and concrete initiatives as part of a green transport policy.

The present statement treats the significance of this framework in relation to Danish freight transport, describing the overall freight strategy as stated in the government basis.

**1. Freight political challenges and objectives****1.1. Freight transport – one of the cornerstones in Danish economy**

The Danish Ministry of Transport works for an efficient, innovative and environment friendly freight transport, in which the development and the dynamic are characterised by a close interaction between all players.

Freight transport is an important cornerstone in Danish economy and a declared focus area in realising the objective of creating a greener transport sector. Each year more than 200 million tons of freight are transported with Denmark as point of departure and end destination, corresponding to more than 37,000 kilos of freight per person every year.

Today’s freight transport is complex, consisting of thousands of transport companies with highly developed IT systems, skilful drivers, rail operators, globally orientated shipping businesses, ports, harbour companies, land transport and cargo centres et cetera.

Sea and land transports meet in the ports in the shape of road and rail transports. Freight is delivered in the land transport centres and transshipped from one truck to another. Trucks and rail meet at combi terminals, and in the cargo centre of Copenhagen Airport high-value freight is flown directly to Denmark from abroad. An efficient interaction between all players is vital for securing a flexible flow of goods to private persons as well as the industry.

More open borders and new technological opportunities have resulted in an internationalised freight transport. Freight transports increasingly include long *transport chains*, involving many types of transport. Before morning coffee is



served in a Danish household, it may have been through more than 20 transport companies in several countries on its way from Africa or Latin America.

Despite the huge importance of the freight trade for society as such, people tend to forget the benefits it involves for all of us in everyday life. People are reminded of the significance of the transport trade only when the freight transport fails at rare intervals, e.g. if the supermarket runs out of milk or the articles ordered over the Internet do not turn up. The significance of the freight transport goes far beyond what we as individuals generally experience.

### **1.2. The entire trade must contribute to the freight transport system of the future**

The Danish freight transport covers a wide spectrum – from the little truck transporting spare parts to the local garage several times a week to the large container ships crossing the oceans.

Trucks are often the last link within the transport chain, delivering articles to the factories or supplying stores or private persons with goods. The national freight transport is dominated by trucks, which make up 80 per cent of the total freight transport work in Denmark. Ships and ferries account for approximately 19 per cent, whereas the rail account for approximately 1 per cent.

Looking ahead 15 to 20 years, trucks will still be the dominant type of freight transport in Denmark, even though other means of transportation will take over a larger share of the growing transport. For this reason it is important that trucks be as efficient, environment friendly and safe for traffic as possible.

Transport by ship dominates international freight transport, including both import and export of goods to and away from Denmark as well as transit transport through Denmark. Measured in tons, ships account for 67 per cent of the international freight transport to and from Denmark, whereas trucks and rail account for approximately 28 per cent and 5 per cent, respectively. In order to create a greener freight transport, shipping and rail transports must carry a larger part of the freight in the future.

It is important that the big national ports are still developed as transport harbours being able to contribute to both environment friendly solutions and for the relief of roads. It is not just about intercontinental sea transport, but sea transport over short distances in Europe well, e.g. between the countries in Northern Europe.

The January 29 political agreement of this year involves a strengthening of the the so-called hinterland infrastructure to Danish ports in the shape of better road and rail connections to ports of great national or regional importance. The Danish Government and Parliament can make a difference, however, port boards and harbour companies must exploit the framework themselves in order to secure growth and prosperity in each individual port.



As far as the rail is concerned, there seems in particular to be a growth potential for increasing the rail market share on long international distances within Europe, not least for transit traffic through Denmark. Denmark is and will increasingly be a transit country for international freight transport. As a nation we must face this fact and use it offensively. This position involves much potential for establishment and co-financing of a fixed Fehmarn Belt link, for example.

### **1.3. Balanced freight transport – mobility and environment to go hand in hand**

The long-term growth of the freight transport and the increased mobility signify fundamental healthiness for a strong, flourishing economy. With the expected growth in transports by freight over the next 20 years, it seems that the main challenge is to ensure that goods are transported in a more sustainable way, in which energy consumption, environment, passability and road safety are highly prioritised.

The Commission expects European freight transports to rise by approximately 30 per cent toward 2020. Securing the transport chains influences the competitiveness in all of Europe. It is a question of growth, prosperity and jobs.

At the same time congestion and emission of greenhouse gas from transports need to be reduced so that the freight transport contributes, too, to securing a cleaner environment. The curve for atmospheric pollution has been on the decline for a number of years, but the effort concerning noise and other environmental issues caused by the transport must continue. We need a greener transport system that develops in line with new technological opportunities over the coming 10 to 20 years.

The long-range growth of the freight transport is driven by economic progress and the improved division of labour between countries as well as regions within each country. Freight transport is not just a result of rising economic activity. It is also a prerequisite for benefitting from the improved division of labour.

Well functioning transport and logistics systems are required for the products to get from the manufacturers to the industry and the consumers in the large cities and export markets. The markets are seldom localised near the manufacturers. Jutland accounts for a great share of the Danish production, whereas the consumers are spread throughout the country. Efficient transport systems are a central competitive parameter for the respective countries and an important factor when companies choose a location.

### **1.4. An efficient transport in international competition**

Efficient freight transports are best developed in private companies, which due to skilled employees and in sharp competition for the customers promote a dynamic development. Public regulation, for example, sets the framework of the companies, whereas the role of the private industry is to fill out the framework.



Competition and increased economic integration in Europe bring about new challenges, opportunities and demands to the Danish transport sector. Access is open to still larger markets, however, foreign competition grows. Increased competition is an advantage for the Danish society in general, but it is important that competition takes place on equal and fair terms. It does not benefit nature and road safety letting foreign haulage contractors take over the Danish transport tasks on uneven terms.

The business structure is at the same time being developed in large parts of the transport trade. Transports are becoming more and more international, modern technology takes over, companies, trucks and ships grow in size, and logistics chains become longer and more sophisticated. The demands to freight transport increase in the shape of demands concerning costs, fresh goods, much supply flexibility and less environmental impact – not least in the cities.

This development is a challenge, leading to new perspectives as well. If Danish industry is to be efficient and create a solid increased value, education of employees and development of new methods are necessary elements. A focused research effort within efficient and green transport solutions is not able to solve all problems at once. However, it is an important instrument in order to deal with traffic challenges in 10 to 15 years from now. The parties behind the globalisation agreement agree to strengthen the green research effort on the traffic area in the coming negotiations on the globalisation funds this autumn.

The challenges of the freight transport in terms of the environment and congestion must not put unnecessary obstacles in the way of supplies of fresh goods and access to products from around the world. Solutions backing that society's expectations to the freight transport sector are well-balanced and targeted the actual challenges are needed. The Government wants a balanced regulation in which the benefits bear comparison with the costs.

Many transport companies are presently facing great financial challenges due to the international crisis. This fact requires special attention here and now. Consequently the Government has postponed the time frame for payment of value added tax and taken several other initiatives.

### **1.5. Freight political objectives of the Ministry of Transport**

The Ministry of Transport has three overall objectives for the freight transport sector:

- *An efficient, innovative and value generating freight transport.* The national freight transport trade must contribute to Danish companies getting access to efficient logistics and each individual person getting access to a wide variety of goods.



- *The freight transport trade must develop in healthy competition.* Legislation and rules need to contribute to fair competition and be as simple as possible. The costs of new regulation should bear comparison with the benefits.
- *The freight transport needs to be greener.* The freight transport must contribute to a reduction of the costs in relation to environment and greenhouse gas. The individual transport buyer ought to be the one deciding the given type of transport, but the option and incentive to choose environment friendly solutions, see the January 29 agreement of this year, must be better. All forms of transport are to be developed in a more environment friendly direction, and the most environment friendly types of transport must lift a larger part of the transport tasks.

In continuation of this, the Government concentrates its effort over a wide spectrum of areas.

## **2. A sustainable freight transport**

The objective of the Government is to create a greener transport system, securing high mobility and less congestion without compromising the environment, climate or traffic safety. A long-term effort, "Green Transport Vision Denmark", was introduced in the transport agreement of January 2009, in which the freight transport trade is also expected to contribute to reducing the emission of greenhouse gasses coming from the transport sector.

In the short run the following initiatives with relevance for the freight transport are taken:

- *Certification of green transport companies and strategic partnerships regarding green transport*
- *Continuation of trial with modular vehicle combinations and subsidy scheme regarding optimisation of aerodynamics for trucks*
- *Energy labeling of lorries and increased information on the various car types*

Funds of DKK84 million have been earmarked for the completion of initiatives able to bring down the emission of greenhouse gasses in the short run, including the emissions from freight transports.

*In the long run* the transport sector must undergo a fundamental change.

The comprehensive *investments in the rail infrastructure*, included in "Agreement on a Green Transport policy" will form the framework for the rail becoming a much more attractive means of transportation for the freight transport of



the industry. A fair share of the growth in transit traffic will be rail-based. In addition, the access to ports and sea traffic must be strengthened.

The respective means of transportation must become more energy efficient and release less greenhouse gas. Denmark is to be a test bed for development of green and sustainable transport technologies within the transport area. In the political agreement of January 29, 2009, funds of DKK200 million were allocated for pilot projects the purpose of which is to test energy efficient transport solutions. As for the freight transport, pilot projects can form part of strategic partnerships between state and specific companies or organisations, in which the state may co-finance the pilot. The projects can be combined with a co-operation between authorities and the business about development of transport plans and system solutions. The effort can be coupled with pending offers of in-service training and visibility concerning results and knowledge about technological auxiliary equipment within the framework of the Ministry of Transport's Centre for Green Transport.

*Freight trains need to be improved* as well. Depending on the distance and the specific type of freight, a loaded freight train will release three times less greenhouse gas than a truck transport. However, the environmental strain caused by rail transports can be reduced even more by means of energy-saving driving. The Ministry of Transport will encourage an energy efficiency of existing trains through a number of initiatives such as optimisation of the individual train's driving path plus intelligent energy control on board.

An electrification of the rail based on renewable energy can prove an important contribution to establishing a more environment friendly rail freight transport. Electric locomotives use the energy better than diesel locomotives. With "Agreement on a Green Transport Policy" a strategic analysis of a further electrification of the rail net will be worked out.

Moreover, the *new green mileage tax* will be able to support a rearrangement of the freight transports.

Still, if the objective of developing a far greener transport is to be reached without deciding on very expensive limitations to the mobility, there is a need for long-term thinking as regards research, development and innovation.

The Ministry of Transport recently established Centre for Green Transport to support the implementation of Green Transport Vision Denmark. This centre, physically located in Denmark's Road Safety and Transport Agency, is to secure a close coherence between the initiatives to be implemented in the short run, the development and practical implementation of new technologies plus the long-term effort.



### **The effort to create a sustainable freight transport releasing less greenhouse gasses**

- Specific initiatives linked to Green Transport Vision Denmark, supporting a greener freight transport
- A general boosting of the rail, which will at the same time occasion an enlargement of central freight train corridors
- Better connection to ports
- A green mileage tax for heavy vehicles
- Denmark to become attractive test market for future technologies

### **3. An efficient infrastructure – less congestion and more mobility**

An efficient and well functioning infrastructure is crucial for the freight transport. It turns on an enlargement of the basic infrastructure, but it is also about the quality and modernisation of this.

#### **3.1. Development of the rail infrastructure**

A greater part of freight transport growth must be generated by rail – to relieve the pressure on the road net and improve the environment. Rail freight traffic has a competitive advantage when transporting large quantities over long distances, thus being of particular interest in connection with international transports.

Modernising the rail includes a restoration of tracks, a complete modernisation of the signal system, matching joint European standards, and a significant enlargement of the capacity of the rail net, automatically benefitting the rail freight transports, too. The investment strategy supports the rail freight transport where the potential is largest – that is transit freight and international transports.

The investment of approximately DKK50 billion in a total enlargement of the entire rail corridor from the Sound, through Fehmarn, to Germany will be historic. The investment includes the fixed link through the Fehmarn Belt, the enlargement of the rail between Rødby and Ringsted, an increased capacity between Ringsted and Copenhagen and an environmental impact assessment of the capacity on the Kastrup railway. This effort will bring about a freight corridor from the Sound area to the European continent that is ready for future challenges and at the same time releasing capacity as far as regional traffic between Zealand, Funen and Jutland is concerned. In this way an efficient framework is formed for securing that a larger share of the expected growth in transit traffic between Scandinavia and the rest of Europe will involve the rail.

The freight corridor lengthwise Jutland will be strengthened by establishing a double track from Vamdrup to Vojens. This project will in particular bolster up transports between production companies in Jutland, Germany and the rest of Europe. This will strengthen the opportunity for freight transport by rail to and



from the Triangle area and to and from Northern Jutland and further on to Norway and Sweden.

In addition, a number a smaller projects to strengthen the rail connections to several ports, are to be examined closely.

### **3.2 Development of road corridors carrying much freight**

Delays and long delivery times have a direct impact on productivity for both the freight transport trade and the companies in that they depend on the deliveries. For this reason it is particularly beneficial to the freight transport that road congestion be reduced. The Government's road net strategy is based on a focused effort in relation to the main thoroughfares, road connections to ports and the road network approved for modular vehicle combinations.

Investments in enlarging the road network where the need for this is most urgent must be made to preserve mobility. The freight transport also has impact on the need for enlargements of the road system since trucks must be able to reach their destination, roads with much truck traffic must be safe for all other road users and the neighbours as well.

The capacity of the regional road connections E45, E20 and E47 is together with congestion problems on the main road stretches plus the largest coherent urban areas such as the Copenhagen metropolitan area and Eastern Jutland focus areas. A complete extension of the motorway to Frederikssund has been decided as a long-range objective, and the stretch of road from Holbæk to Kalundborg will be improved markedly, too. The long-term perspective is to establish a motorway to Kalundborg.

The passability of the freight transport will benefit from a targeted effort to reduce national bottlenecks. Specific improvements will be initiated as to a number of problematic bridges with low headroom. Moreover, local bottlenecks will be in focus, for example the connection between the Helsingør motorway and Motorring 3 plus E45 north of Limfjorden, presently damaging the freight transport's passability.

It was agreed upon in the January 2009 traffic agreement to work out a basis for a decision concerning enlargement of a number of stretches of road that ought to be improved. An overwhelming part of the bottlenecks is central freight transport corridors, which have an influence on the productivity of road freight transports. This autumn it is time for taking political stands on a number of bases for decisions on road extensions with relevance to the freight transport.

### **3.3 Better rest areas**

As part of the agreement on "A Green Transport Policy" a sum of DKK20 million has been earmarked for specific improvements of rest areas in 2009.





The traffic agreement of January 29 proposes commencing further initiatives as part of the coming negotiations in the autumn of 2009, for which reason the Road Directorate will make a proposal regarding rest areas. The Danish Road Directorate will suggest future efforts be targeted against strengthening the development of manned rest areas.

The proposal is based on a cost-efficient effort that includes concrete experiences from the transport companies. The option to use intelligent traffic systems (ITS) and the development of the co-operation with private companies about establishment of rest areas will form part of the effort.

### **3.4 Intelligent transport systems**

The January 29 transport agreement has earmarked funds worth DKK600 million in a special pool for new technological initiatives in the years 2009-2014. The Government wants to promote technological initiatives that can reduce congestion and contribute to a more environment friendly freight transport.

DKK20 million have been allocated for examining the possibility of developing a digital road network that can function as a fundamental infrastructure with road and traffic information – datawise functioning as a pivotal point as regards interaction between infrastructure, vehicles and drivers. A digital road network includes a detailed classification of the entire road network in terms of speed, the height of bridges, the carrying capacity of bridges, rest areas, city restrictions and special environmental requirements. The organisation as well as financing of a digital road system must be considered very carefully, for example whether it can be implemented in co-operation with the transport trade as part of a public-private partnership.

Other ITS services can have huge significance for the freight transport: dynamic traffic information on roadworks, accident scenes, traffic jams, prohibition against overtaking, vacant rest area capacity, vacant spots for unloading in urban areas, ferry connections, information on European driving restrictions, weather reports, shortest and less expensive route, best route of travel to terminals and controlling of light signals in the cities. In a long perspective, the possibilities are probably significant.

#### **The effort to create an efficient infrastructure**

- A DKK50 billion investment in efficient freight corridors from the Sound to Germany via the Fehmarn Belt link
- A strengthening of the rail in South Jutland
- Enlargement of road network on the main stretches with much freight transport
- Better traffic connections to ports
- Improvements of rest areas
- Increased use of ITS to secure a more efficient utilisation of the infrastructure, including the freight transport



## **4. Modern framework conditions to support development of the freight transport**

Modern framework conditions include a broad spectrum of efforts – from simplification of rules to an upgrading of research and education, which can support innovation and develop the transport sector. The transport trade must be met with demands – for example environmental and traffic safety requirements. At the same time a proper framework must be defined in order for the transport trade to be able to develop.

### **4.1 Simplification of rules**

The Government wishes to ease the administrative burdens for the industry without regard for the economy, environment and safety. Framework conditions are limiting when they impose unnecessary restrictions on the freight transport's opportunities for development. Therefore demands must be formulated based on a clear description of the benefits and costs they involve. Also, it needs to be examined whether changes in existing rules can contribute to a specific implementation of the rules, involving as little inconvenient in the daily administration as possible.

The Ministry of Transport has together with the trade established a permanent working group within the ambit of Think Tank of the Freight Transport [Godstransportens Tænketank], the purpose of which is to secure that present and future rules are implemented in the simplest way possible. The working group discusses more than 30 proposals for simplification of rules for the transport trade within different ministerial areas and in the context of the EU. Examples of this are digital reporting of standard approvals, procedures of approval for heavy traffic vehicles within port areas, training of drivers of accompanying vehicles for special transports, universal approvals, covering both national haulage and haulage in the EU plus the legal basis for bus and freight transport. In close association, a group is working on simplification of rules regarding the port area.

### **4.2 Research and innovation in the freight transport**

Present day instruments, alone, cannot solve the long-term challenges of the freight transport. Research and development are needed elements. The parties behind the globalisation agreement have agreed to strengthen the green research effort in the coming negotiations regarding the globalisation funds this autumn. The effort could, as it emerges from the transport agreement of January 2009, focus on for instance:

- *alternative fuel technologies,*
- *transport, environment and climate,*
- *intelligent transport systems (ITS).*

Research into alternative fuels such as second generation biofuel and electricity will be able to contribute to a reduction of the freight transport's use of fossil fuel. Moreover, a general strengthening of the basis for decision as regards fur-



ther economically efficient reductions in the transport sector's emission of greenhouse gas can contribute to examine a possible potential, for example in the freight sector. Finally, increased use of ITS will be able to strengthen the interplay between transports as such whether they are passenger or freight transports.

The Government and the transport trade recently established an "Innovation Network for Transport", which has selected energy optimisation, safety and infrastructure investments as potential innovation project topics.

An amount of DKK60 million has, into the bargain, been earmarked for developing a national traffic model according to the political agreement on "A Green Transport Policy". Such a model is able to create a much better insight into the Danish freight transport streams, in this way strengthening the basis for decision for future decisions on the freight area.

#### **4.3. Education – an important competitive parametre**

Education is a key factor for securing a competitive and innovative business. The access to competent labour is also important for the transport trade's ability to stay competitive. Skilled and well educated employees are to ensure the reaching of results and employment of new methods.

The Government is focused on strengthening the education level on various points within the freight transport sector.

Truck drivers will experience a distinct vocational upgrading in connection with the implementation of the EU education directive, coming into force on September 10, 2009.

As to short and higher education an initiative has been taken to revise the transport logistics training and further develop the profession bachelor training in value chain management. DTU Transport has established a diploma engineer education that is to fortify transport planning.

On the rail area the Ministry of Transport has set up an engine driver committee whose task is to examine the prospect of recruiting more engine drivers.

As far as air transport is concerned the Ministry of Transport will present a complete report about aviation education in 2009. The report will include an analysis of the challenges facing aviation training and a mapping of the existing civil vocational aviation education. The initiatives regarding maritime education within the framework of the Ministry of Economic and Business Affairs attach great importance to developing the respective education, focusing on internationalisation and efficiency.



#### 4.4 Freight transport and traffic safety

The freight trade and the authorities have made a significant joint effort to improve traffic safety. Nevertheless, figures reveal a need for an even stronger effort.

The so-called *right turn accidents*, in connection with which a truck turning right runs down a cyclist moving straight forward, are subject to much attention. In 2007 a joint and concentrated effort resulted in a considerable reduction of the number of cyclists killed in right turn accidents, but a rise in the number of accidents in 2008 shows that a positive tendency does not last without a continued focus on the matter.

Funds of DKK10 million were allocated for a strengthened effort against right turn accidents in connection with the January 2009 transport agreement. The primary focus will be initiatives that make vulnerable road users more visible to the drivers and measures preventing motion from right turning vehicles while cyclists are moving forward alongside the truck. A DKK100 million sum has been allocated as well in 2009 for co-financing of municipal bicycle projects with the purpose of improving traffic safety, among other things.

Also, an amount of DKK25 million has been earmarked for bringing down the number of accidents on road stretches with particularly high accident rates – the *grey stretches* – on the overall road net. The advancing of safety measures on the grey stretches will be able to prevent accidents from happening, including accidents involving freight transports. As part of the agreement on “A Green Transport Policy” a total pool of DKK500 million has been allocated for traffic safety in the period 2009-2014.

Foreign truck drivers are also operating in Denmark, for which reason national traffic safety is also dependent on the driving skills of foreign drivers and the safety standards of foreign vehicles. This means that an isolated Danish effort is not sufficient – it is also important to insist that traffic safety requirements be treated as a high-priority issue on the agenda in the EU.

#### **The effort to modernise the framework conditions**

- Simplification of rules and administrative procedures
- A boosting of the green research effort on the freight transport area
- Focus on improving level of training in the freight transport business
- Increased traffic safety

#### 5. Urban freight transports

Urban freight transport constitutes a fundamental prerequisite for the existence of the cities. The individual citizen and company have legitimate expectations of a high accessibility to food and parcels, disposal of waste and supply to companies. But urban freight transport has a number of negative effects on the city environment in the shape noise, air pollution and risk of traffic accidents.



The balance between mobility and the city environment is complex, requiring concrete co-operation and understanding from the different players as to the given considerations, which must be balanced, of course.

It is about finding solutions that widely consider both the mobility aspect and urban environment. An efficient completion of the traffic benefits the environment in the cities as well as the freight transport. Infrastructure investments and the use of ITS can improve mobility, traffic safety and the environment. Be that, for example, tools for route optimisation based on the present traffic situation and tools for planning of supplies. New vehicle technologies with less noise and air pollution can be good for the urban environment, too.

The Ministry of Transport proposes to analyse urban freight transports in order to investigate potential barriers for efficient distribution to the cities, including new ways of organising and experiences with rules and restrictions concerning urban freight transports.

#### **The effort to strengthen city freight transports**

- Analysis of the potential for strengthening an efficient distribution to the cities with regard for the environment and traffic safety
- Examination of the possibility to use ITS as a means to make urban freight transports more efficient

## **6. Efficient freight transport chains**

The interaction between the different types of transport is dependent on accessibility and efficiency in ports and junctions, but external elements such as road pricing and requirements regarding rules of resting time for drivers affect the need and possibility for establishing a good interaction.

This requires a specific transverse co-operation, in which the Ministry of Transport – besides the actual initiatives mentioned below - will continue the co-operation in Think Tank of the Freight Transport, which has already created a robust basis for developing a better interaction between different types of transport.

### **6.1. Strengthening of rail freight transports**

The strengthening of rail freight transports will primarily be realised through the significant investments in the coming years, be those rail infrastructure, good rail connections to the large ports, more efficient terminals and a boosting of rail freight within the framework of the EU. Add to that the further DKK200 million earmarked for promoting rail-based freight traffic as described in "A Green Transport Policy".

Efficient combi terminals are important for strengthening the rail freight transport, but also a distinct challenge. The efficiency is important for the attractiveness of using rail freight. The Ministry of Transport has issued a de-



partmental order concerning reception duty at the combi terminals as a means to encourage competition for rail freight. This will give free and non-discriminating access to combi terminals.

Moreover, in the agreement on "A Green Transport Policy" funds have been earmarked for analysing the possibility of placing a combi terminal in Køge, should the Danish Parliament decide to establish a new rail connection from Copenhagen to Køge/Ringsted.

Initiatives to increase the capacity for rail freight in the short run will also be effected. For instance, the speed of freight trains will be stepped up, and a work is in progress in terms of harmonising the rules on brakes, weight, speed and the length of trains with our neighbouring countries.

In accordance with the government bill, the Ministry of Transport will present a complete proposal in 2009 on the prospects of development of the rail freight traffic, in which focus will be concentrated on boosting freight transport by rail.

## **6.2. Efficient road freight transports**

With "A Green Transport Policy" and the other government efforts, a number of initiatives contributing to creating a more efficient road freight transport are taken. It involves specific investments to reduce congestion, an ambitious staking on ITS, the introduction of green mileage taxes, the lengthening of the pilot trial with modular vehicles combinations and the enlargement of lay-bys.

As far as *ITS* is concerned, the Government gives high priority to the establishment of a fundamental digital infrastructure with data on the road net and traffic, see paragraph 3.4.

In the 2009-10 session the Government will move a bill with a view to introducing *green mileage taxes*.

*Modular vehicle combinations (MVC's)* strengthen the basis for efficient, environment friendly transports. The largest national ports and rail terminals have a key role in the present Danish trial, thus strengthening the interaction between the various types of transport. Specific companies situated near the selected road net are invited to participate in the trial, provided they pay for the road adjustments necessary. The introduction of MVC's holds a great potential in an international context. Therefore the Ministry of Transport works for a diffusion of MVC's in all of Europe. In the short run much work is being done actively to realise an extension of the trial from Scandinavia through Northern Germany and further on to the Netherlands.

Finally, the Ministry of Transport will present an analysis in 2009, examining the potential and costs of allowing a *higher total weight and a larger axle load* for trucks.



### **6.3 More freight to national ports – use of areas and better entry to the ports**

Danish ports have a central position in the transport system. A continued strengthening of the ports is primarily about seeking the opportunity to develop harbour areas in a commercial direction and create better road and rail connections to ports with international traffic.

The role of ports being transport and commercial centres is highly prioritised in the long-term planning, which emerges from the agreement on "A Green Transport Policy". Sea transport can be an important alternative to land transport in the attempt to limit congestion on the roads and the handling of the environmental challenges. Better hinterland infrastructure at the ports can strengthen the basis for growth of freight transport by sea. Improved access to ports is a focus area with regard to the pending planning in the coming years.

The Ministry of Transport and the Ministry of the Environment have initiated a clear-up work that is to explain partly whether area development in the ports considers the players in the business, partly whether the current rules for development of ports in general are working. On the basis of this clear-up work the Ministry of Transport and Ministry of the Environment will evaluate the need for changing the rules or taking other initiatives.

Investments in *better access* to ports will improve the ability of ports to function as an efficient link between land main thoroughfares and the blue sea motorways. The Ministry of Transport practices an offensive port policy based on an objective to secure efficient freight transports to and from Denmark.

According to the traffic agreement of January 29, 2009, more than DKK1 billion has been earmarked for improving road connections to a number of ports holding a considerable national or regional potential. This is a means of promoting the interaction between sea and road. The ports involved are: Esbjerg, Elsinore, Kalundborg, Odense, Aalborg, Aarhus, Grenå, Hanstholm, Gedser, Copenhagen and Rønne.

To strengthen the interaction between rail and sea transports, an analysis of a number of specific projects, mentioned in the transport agreement of January 29, will be carried out.

The Ministry of Transport suggests that high priority is given to:

- profitable investments in an economic sense,
- initiatives with a large potential for promotion of the combination of sea and rail transports,
- the backing of physical planning when developing national ports,
- exploitation and establishment of terminals for reloading between sea and rail.



#### **6.4. Air freight – important for high-value transports**

Air freight has experienced a considerable growth in recent years. This growth applies to not least transports where the aeroplane is often the preferred means of transportation of perishables or high-value goods.

Air freight is particularly relevant when it is of utmost importance that the article reaches its destination fast and efficiently. Such deliveries involve foods, textiles and electronics, but also spare parts for company machinery in connection with which a special component can be vital for keeping the production going. Since especially large companies wish to have access to all types of freight transport, air freight is increasing its strategic importance for business development in Denmark.

With the busy airports of Copenhagen and Billund, Denmark has become Scandinavia's largest junction for air freight. This means that Denmark as far as air freight transport is concerned has an airport/aviation service exceeding the relative size of the country.

The interaction between the respective types of transportation is a declared focus area. Copenhagen Airports is a unique framework for developing the interaction between air, road and rail in the air freight field.

#### **Efficiency improvements of the individual transport types – and strengthening of the interplay**

- Focus on creating more efficient combi terminals
- Massive investments to promote freight by rail
- Continued effort to improve efficiency of road transports
- Offensive harbour policy to create more efficient ports
- Pending evaluation of the need to further strengthen airport access

### **7. Danish freight transport in a globalised world**

Solid international “gateways” are vital for Denmark’s competitiveness in that Denmark is a transit country, linking Scandinavia and Central Europe. This brings opportunities – and challenges. The Government’s effort involves the establishment of the bridge over Fehmarn Belt, enlargement of the rail capacity in South Jutland, a massive staking on infrastructure improvements to Danish ports, a modular vehicle combinations system and the implementation of a green mileage tax.

Transit traffic is expected to go up in the coming decades, the revenue from which will contribute to financing new infrastructure to and from Denmark. This applies to the fixed links (the Great Belt and the Sound) where foreign conveyers lift a considerable part of the financing. This is also expected in relation to the coming Fehmarn Belt link.





Denmark must exploit the opportunity to become a logistics centre as opposed to merely a "lay-by" on the way to the final destination. Dutch experiences show that being a transit country can be valuable if the cards are played right.

The status of the Netherlands as a transit country, and the proprietor of Europe's largest port as well as one of the most efficient airports, has had a self-perpetuating effect on the Dutch transport sector's commercial importance.

Denmark's position as a transit country can also be utilised regionally. Through establishing Copenhagen Capacity, the Capital Region of Denmark is focusing on attracting foreign companies. Copenhagen Capacity is the region's official organisation for promotion of investments on Zealand, being presented and marketed as a Nordic logistics centre.

The EU is playing an important role in the regulation of the transport trade. The vast majority of national rules being laid down is initiated by the EU. This is widely due to a cross-frontier transport market, for which reason it is very important that the national rules be harmonised.

In an internationalised world joint rules are the best basis for securing transparency and equal terms for the trade across borders. Having a European regulation will entail that foreign trucks, drivers, engine drivers et cetera must follow the same standards as the Danish transport trade. It is thus important for Denmark to continue its active EU effort.

The Ministry of Transport will, moreover, initiate an analysis of the perspectives regarding development of Denmark's role as a transit country and in that respect examine the opportunity to promote Denmark as an attractive commercial area.

With this, the statement is concluded.