

## **Passenger ferries as a means of travel: hidden potential to be unleashed**

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The situation in passenger ferry transportation in the Northern Baltic Sea can be regarded as almost anomalous. On one hand, 9.5 million people make a trip across the sea between Finland and Sweden each year, while the number of passengers traveling annually between Finland and Estonia is approximately almost six million (Figure 1). Moreover, the traffic between the Baltic countries and Sweden is developing strongly. For example, the traffic between Sweden and Estonia has almost tripled from 1993 to 2005 (Figure 2). On the other hand, there is no scheduled passenger ferry transportation from Russian ports (of which St. Petersburg and Kaliningrad are the most important ones) to the ports of Finland, Sweden and the Baltic countries.

A Visa-waiver program and “the Nordic passport agreement”, which was signed already in 1955, created the preconditions for active traffic between Finland and Sweden. According to the passport agreement, the citizens of the Nordic countries did not need a working permit or a passport when traveling to other Nordic countries; they only needed a photo identification card. Since 1957, the identity of the Nordic passenger was no longer checked. In the spring of 1996, the Visa-waiver policy was introduced between Estonia and the Nordic countries. This policy has been one of the most significant factors affecting passenger traffic. In hindsight, the public economic advantages of passenger ferry transportation have been far greater than the disadvantages.

The passenger ferry transportation in the Baltic Sea includes more than just simple passenger transportation from one place to another. The vast majority of the passengers are spending their free time and will therefore use restaurant and hotel services and go shopping both in the ferry and their destination country. Large logistics companies and travel agencies have been developed to serve this mass of tourists, and the same ferries used for the transportation of passengers also carry significant amounts of cargo. From the point of view of the shipping companies, the advantages of joint production improve cost-effectiveness, which consequently means savings in transportation costs for the consumer.

St. Petersburg is definitely one of the most promising tourist centres in Europe. Kaliningrad (formerly known as Königsberg) may also develop into a significant passenger port. The other half of the demand for passenger transportation comes from Russia. Since the formation of the new Russian Federation, the Russians have had the opportunity to travel, and the rapid economic growth in Russia, which began in 1998, has made travelling economically feasible. Table 1 shows the number of visas granted to Russian passengers by the Schengen countries.

My personal estimate is that a new kind of passenger ferry transportation between Russia and the EU countries can be created by flexible visa regulations and by investing into terminal and tourist services in Russia. The estimated number of passengers is somewhere between three and five million people annually. Passenger ferries could also be used to transport cargo. For example, passenger ferry transportation between St. Petersburg and Stockholm (with possible stops in Helsinki, Tallinn or Åland) would open a totally new motorway of seas, the kind of which the EU is attempting to create.

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The rapporteur, Henrik Lax, has raised many important questions which may improve fluent transportation. He does not, however, provide answers to all questions. My personal suggestions in which I have tried to take the needs of passenger ferry transportation into consideration, include the following points:

- The prices of visas should be kept at a modest level. Otherwise this administrative fee will become an obstacle to extensive travelling and tourism.
- A bio-passport is sufficient to guarantee safety. The passport will be granted as a long-term passport, and the bio identification will be added to it only once. The system will become too bureaucratic if the bio identification is added to every single, even a one-trip, visa. The foreign policy of the EU should favour the general inauguration of bio-passports.
- Long-term, multiple entry visas should be granted to as many people as possible. This is, in fact, the practice followed by the Finnish visa offices in Russia (tables 2a and 2b).
- Visas could be obtained in more Russian cities than is presently possible, and also from a visa office of any Schengen country to any Schengen country. In remote regions, the granting of visa could be outsourced to companies specialized in this service (Figure 3).
- Passengers who are travelling long distances should be able to get their visa quickly also from the visa office of the departure port (one stop principle). In the ports, the granting of visas could further be outsourced to shipping companies.
- Special regulations for passenger ferry traffic should be created together with the EU and Russian shipping companies.

In this way, the number of potential passengers will grow. Also spontaneous travelling, which is typical of passenger ferry transportation, would be made possible.

In my speech I have concentrated on the traffic in the Baltic Sea. Similar actions could also help passenger and accompanying cargo transportation in the Black Sea and even between Norway (which is a Schengen country) and the Northwest Russia (ports are Murmansk and Arkhangelsk), where the economic growth will escalate in the coming decades as the Barents Sea gas field will be exploited further.

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