

TRANSPORT AND LOGISTICS 2009



SKAL

FINNISH TRANSPORT AND LOGISTICS

With spirit and heart!

Transport and Logistics 2009 is a review into the current trends of road transport and logistics. Finnish Transport and Logistics SKAL participates strongly in them and influences the trend and its impact together with you.

SKAL serves its member companies and looks after their interest in both Finland and in the rest of Europe. Our organisation has created a functioning lobbying network that reaches to the central organs of the European Union: the Commission, the Council and the Parliament. Our organisation is appreciated, and it is invited to join in national committees and Brussels working groups preparing new EU legislation. The Finnish Parliament invites SKAL to a hearing whenever bills pertaining to transport and logistics are enacted.

The members tell our organisation what to lobby for. Lobbying takes time. It requires an undivided base and support for solutions reached. Our organisation derives its strength from the relentlessness of its members and the support our partners lend us. With spirit and heart we make headway also in financially difficult times.



Have a nice Year 2009!

Jiro Lehtonen

Jiro Lehtonen

New energy into the organisation

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The organisational development project was launched by the decision of the general assembly in Pori in 2007. During the fiscal year, the project went through changes as the development working group appointed by the SKAL Board prepared its proposal for the federal assembly of 2009. New energy will be directed into the activities of local organisations among other things, and the more efficient usage of personnel resources is a goal. New operative procedures can bring significant gains and are possible to achieve without changing the rules of the organisation.

The year 2008 was eventful and busy. I wish to extend my warmest thanks to personnel, management and partners for their significant output for the good of our organisation. An organisation calls for cooperation, where everybody is needed. My special thanks I would like to give to our members for their active participation in taking care of our common business. The feedback from members is of vital importance in developing our activities.



Kuljetuskuutio 2008 –award was given to EU Commissioner Olli Rehn.

Lobbying



*EU Transport Commissioner Antonio Tajani received the SKAL proposal for amending the ratio of driving and rest time.
(© European Communities, 2009)*

EU and Finland

SKAL has, for decades now, been recognized as a significant EU lobby group. Bills crucial to road transport are enacted at EU level, and accordingly, we have concentrated our efforts into lobbying in Brussels. SKAL has created an extensive network of EU deciders both in the Commission, the Council and the Parliament. In the EU Parliament, SKAL representatives have the status of permanent lobbyist.

Along with the enlargement of the EU, several of the old member countries had to give up some seats in the June EU elections. Finland, too, whose representation will drop by one. Thus, we will have 13 Finnish MEP's in the new EU Parliament. Those chosen are truly charged with plenty, as the influence of the parliament has grown.

Decisions on traffic, transport and logistics are prepared mostly in the parliamentary Committee on Transport and Tourism TRAN. The committee processes a great deal

of bills pertaining to all kinds of forms of transport. During the five-year parliamentary term ending in June, Finland had no representatives in the committee. This was a serious problem we hope to be now resolved.

Several important road transport projects are now in the EU decision-making pipeline, most importantly the working time directive for road transport. The issue will be resolved in fall of 2009. Important future lobbying targets include regulations on driving and rest time, something SKAL and ALT suggested needed more leeway already in fall of 2008.

Cabotage rights must be reined in

Finland did not adopt the cautious policy of old EU member countries when it granted, on May 1, 2008, temporary cabotage rights to the transport enterprises of the Baltic countries, Poland and other new EU member countries even though the rules, regulations and means of control were lacking.

The effects of the decision were soon to be seen. The situation escalated into SKAL reporting to the police the earthwork transports by Estonian trucks in the Talvivaara mining strip. Criminal investigation yielded no results, yet it proved clearly the loopholes in the law. As a result, the Ministry of Transport and Communications launched the preparation of new norms for cabotage rights. The new laws will take effect in the summer of 2009.

Current news on the EU

- Working hours directive for road transport
- SKAL proposal for amending the ratio of driving and rest time
- Euro vignette and pricing of traffic
- Creation of a new EU traffic policy
- EU climate and energy package

See SKAL stands and current info at www.skal.fi/eu

The transport market

Unexpected trends of the economy

The year 2008 will be remembered for its exceptional financial development. In the spring, fuel prices jumped considerably. The peak was reached in July, when a barrel of crude cost more than USD 140 and the D-meter gas station price EUR 1.40. All spring demand for transport had been up: both labor and equipment were lacking. There was plenty turnover, yet insufficient profits, as transport prices did not rise accordingly even when the contracts were tied to an index.

Adaptation of business operations

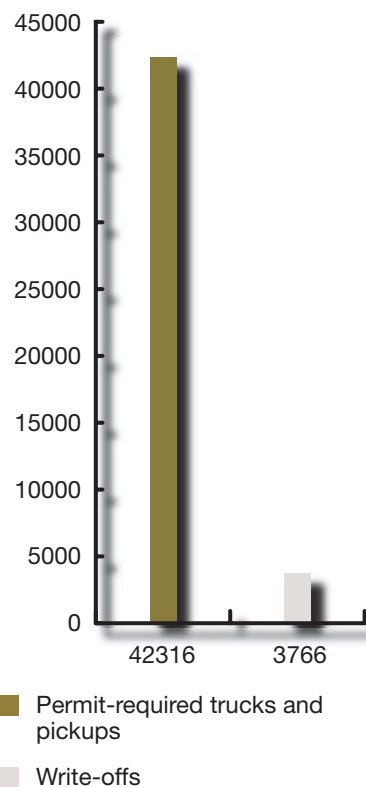
1. Company-specific adaptation plan
 2. Training of personnel
 3. Adaptation of personnel numbers
 4. Adaptation of equipment numbers
 5. Taxation and company structures
 6. The transport market, cost estimates and contracts
 7. Finance
- SKAL compiled advice for its member enterprises that they could use to prepare an adaptation plan for themselves:

www.skal.fi/sopeuttaminen

Competitiveness of Finnish transport enterprises must be improved

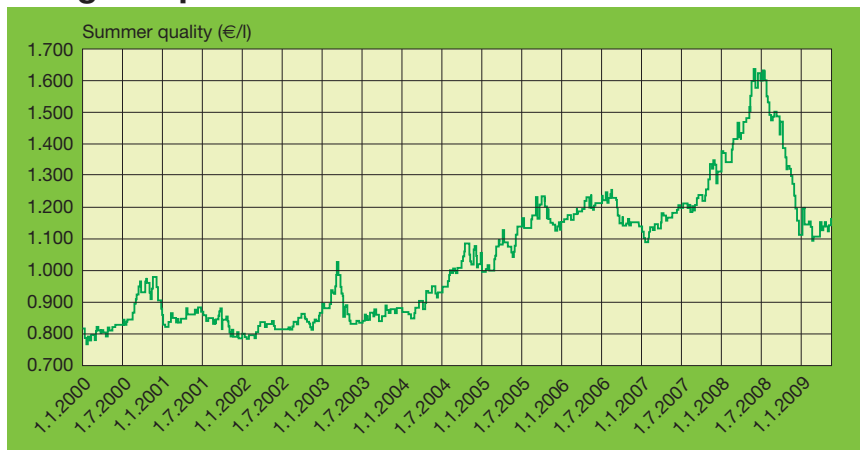
In the fall, the economy took a downturn surprisingly fast. The credit crunch that originated in the US impacted the global economy. In Finland, the first signs were evident in September, when exports dropped. Demand for Finnish products diminished and subsequently the overcapacity of basic industry was scaled down. Demand for freight traffic and foreign transport dropped. Most conspicuous was the change in Russian transit traffic through Finland: the endless parking lots at the Finnish-Russian border crossings disappeared.

Vehicle stock



Source: Statistics Finland

The gross price fluctuation for fuel 2000–2009



Source: SKAL

SKAL Barometer

Barometer

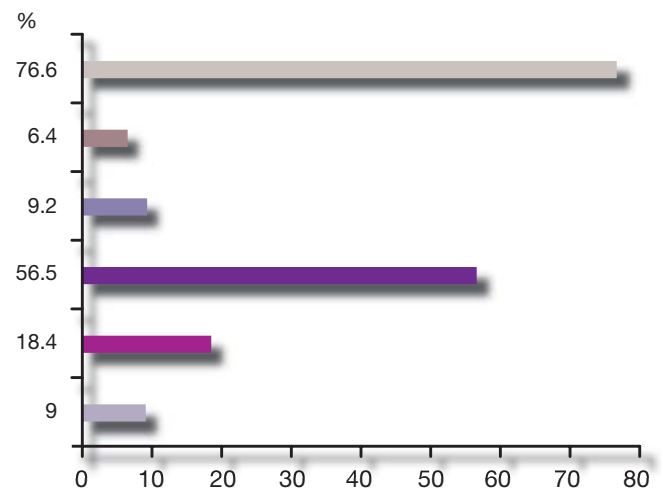
The SKAL Transport Barometer is compiled thrice a year, every four months. The questionnaire is sent in digital form to circa 2,600 member enterprises. The questionnaire probes into the financial situation and the outlook for the near future. Member enterprises are quizzed in April, August and December.

Development of profitability



Barometer 2/2009 showed that profitability sunk more than expected. The projection for May-August was slightly more positive.

Reasons for the tight situation on the market



- Diminished volume
- Temporary, allowed cabotage rights for the new EU member countries
- Transport exceeding cabotage rights (countries outside the EU and new EU countries)
- Increased price competition
- Unilateral changes to contracts
- Other reasons

In the questions delving into the current situation of the Barometer 2/2009, enterprises were asked if the market situation had become worse in early 2009. Nearly half of respondents admitted to its worsening some, and one in five estimated it had worsened considerably.

Logistics report

Logistics operations

According to reports effectuated by the Ministry of Transport and Communications, Finland's logistics costs were 26.4 billion euros in 2005 and 34.7 billion euros in 2008. At the same time, Finnish GNP grew from 157.1 billion to 186.2 billion euros. Thus, the share of logistics costs of GNP grew from the 16.8 percent of 2005 to the 18.6 percent of 2008.

The sharp rise in the costs of transport has been affected by the timing of the latest report. The questionnaire for the logistics report of 2009 was sent out in fall of

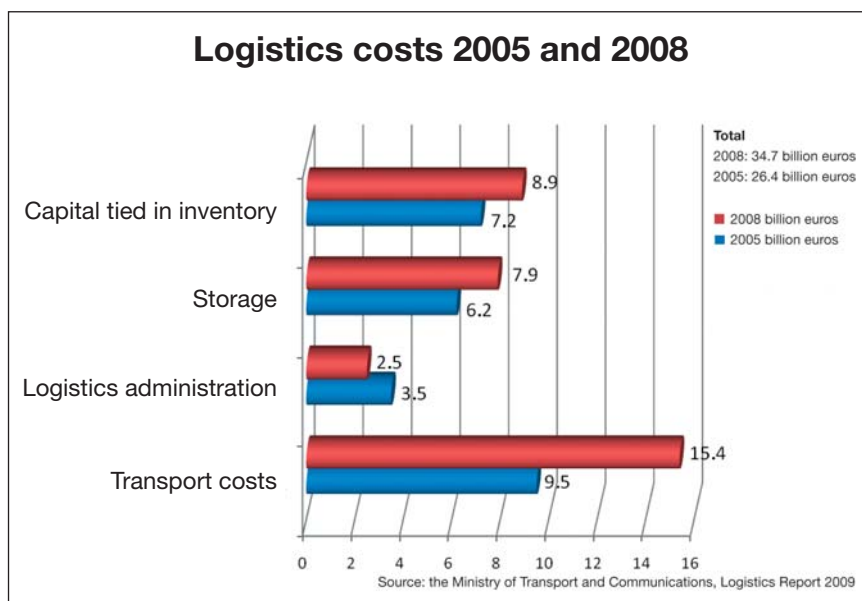
2008, when the five-year uphill in world market prices of crude had reached its apex.

The increase in transport costs is in part due also to the drop in the administrative costs of logistics. The drop by nearly a third speaks of increased outsourcing and the scope of transport enterprises extending to new value-added services as well as improved cost-efficiency.

An interesting issue is the development of storage in the future, whether it be the amount of warehouses, their location and volume or the efficiency of their activities. The amount of capital tied in inventory is still remarkable.

Bringing down costs and improving service were defined as the most important targets in nearly every industry. Also the development of information systems was mentioned.

The logistics report 2009 will be referred to when the transport and communications ministry helps the preparation of the Finnish logistics strategy in the Logistics Forum 2008-2010.



Logistics Forum 2008-2010

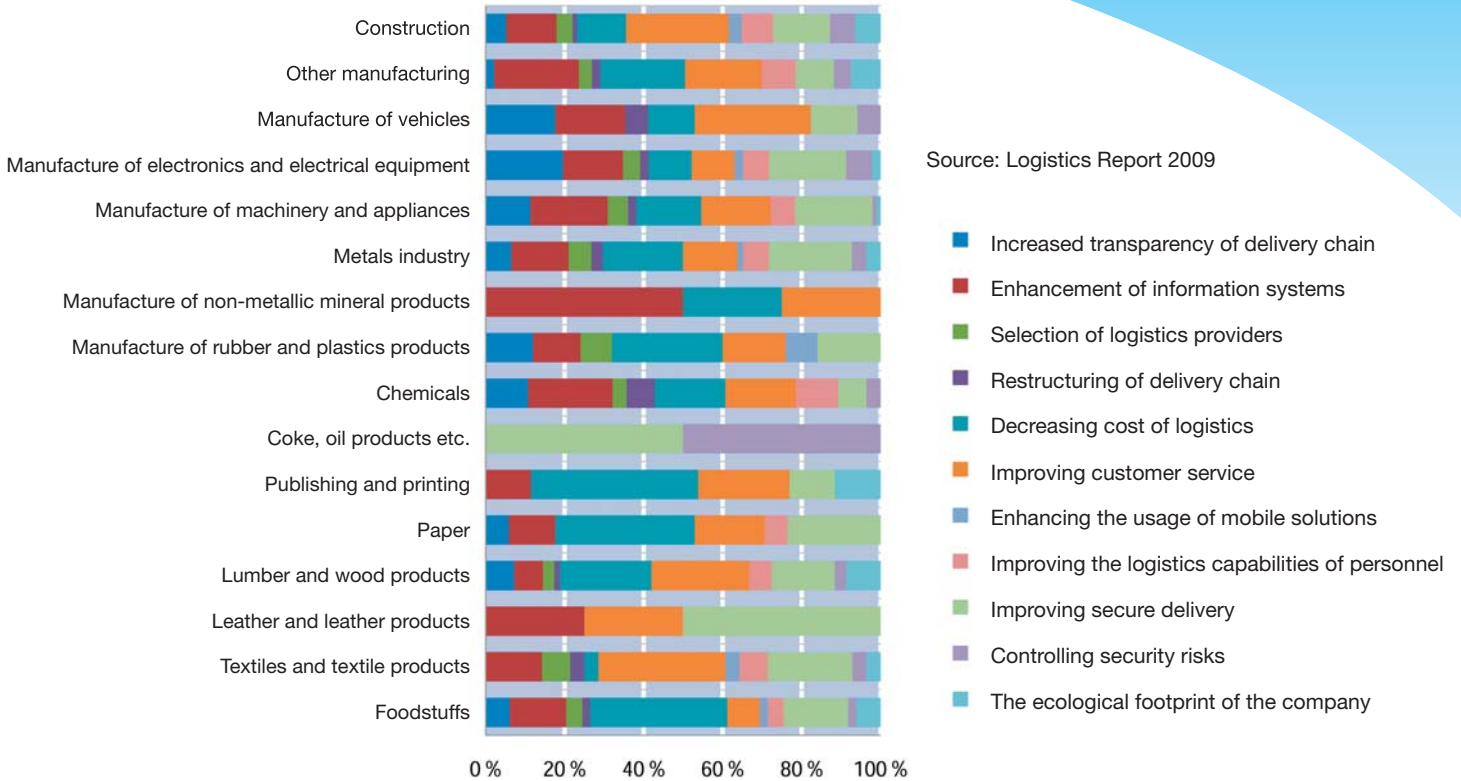
Round Table themes:

1. Logistics cost factors and effectiveness of the market
2. Demand and supply of logistics services in Finland in 2030
3. The environmental impact of logistics and energy efficiency thereof
4. Efficiency of delivery chain in Finland and across the border
5. The logistics system in Finland and research in the field

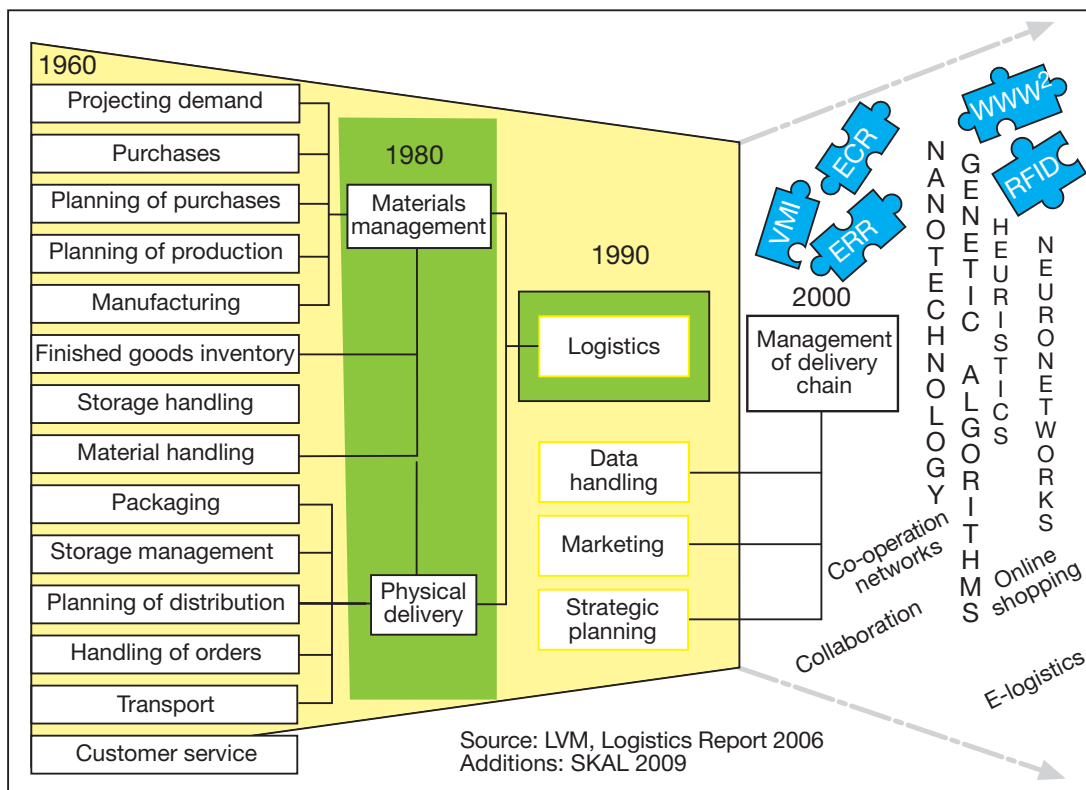
SKAL is represented in all the working groups of the Logistics Forum (Round Table discussions) and has founded its own shadow working groups to enhance the work at the Round Table discussions.

2009

The logistics development needs deemed most important by industrial companies, industry by industry



From transport and storage to the management of the transport chain



Education

SKAL Educates – forerunner in qualifications

Requirements for the qualifications of further professional education for truck drivers took effect in Finland in September 2007. All truck drivers must take part in 35 hours or 5 days of further training according to the professional competence directive in five years. The first such five-year period ends on September 10, 2014.

SKAL offers some thirty different programs of further professional training, and they are arranged all over the country. In addition, SKAL offers ADR driving license training as part of professional qualifications as well as freight transport courses for new, start-up entrepreneurs in the industry (CPC).

In 2008, 80 days of training and seminars were arranged. 2,245 people took part in the training.

Local associations have been of great help in bringing professional

training closer to transport entrepreneurs. SKAL has offered the training to associations as a special offer and co-operation has took off nicely.



Transport entrepreneurs from the provinces of Oulu and Lappi filled the seats in Oulu to learn business management.

- Kuljetusala.com Road Show visited 48 towns around Finland the fall of 2008 and the spring of 2009 reaching some 13,500 youngsters.

SKAL arranges local associations' further training according to the professional competence directive. Contact us and check out what's being offered at [www.skal.fi /koulutus](http://www.skal.fi/koulutus).



Inland transport entrepreneurs at the Successful SKAL Entrepreneur training in Ikaalinen, January 2009.

Professional qualifications training offered by SKAL:

- Customer service
- Legislation pertaining to digital tachographs and its usage
- Animal transport
- Special transports and their traffic arrangements
- Towing transport
- A liter per day - training in proactive driving
- Trucks and buses
- First aid
- Foodstuffs legislation and occupational health
- Steering, quality and customer service training of animal transport
- Anticrime security in freight traffic on roads
- Driver's duties and action in transport covered by the TIR Carnet protocol
- Current legislation on road haulage
- Making use of quality, environment and security system
- Traffic safety and practical work in traffic abroad
- Operating and passport procedure within the EU and the European Economic Area
- Temperature-controlled foodstuffs transport
- Logistics day for Temperature-controlled foodstuffs transport
- Agricultural transport
- Daily consumer goods transport
- Cargo transport entrepreneur courses
- Road safety 1 training
- Occupational health certificate training
- Social regulations of road traffic and their significance in the work of the driver
- Usage of forklift truck in loading a truck
- Transport regulations for dangerous substances/ basic course
- Transport regulations for dangerous substances/ follow-up course
- Transport regulations for dangerous substances/ container course
- Introductory training for drivers at the Vuosaari harbor

Litre per day

The SKAL Litre per day club delves deep into environmentally friendly and energy-efficient traffic, thus helping its members to consider the environment when making everyday decisions. The club offers its members topical information and down-to-earth tips on how to care for a greener tomorrow.

Club members are sent a monthly digital newsletter and gatherings and visits are arranged for them. Different kinds of Litre per day products can be ordered at the SKAL-Shop (www.skal.fi/shop) for a reasonable member price.

Joining the club and belonging to it are free of charge. Members hungry for knowledge on the environment number 900 to date. In addition, the club has had the honor to receive upon invitation Minister of Transport Anu Vehviläinen, among others, as well as the parliamentary Transport and Communications Committee.



The Litre per day in Jyväskylä on September 6, 2008. Panel chaired by Chairman of the board Ahti Mylly, other members Director Pasi Moisio, (SKAL), Minister of Economic Affairs Mauri Pekkarinen, Councilor of Traffic Risto Saari (LVM) and CEO Jouko Kinnunen (Motiva).



The very first Litre per day club meeting was arranged in conjunction with the Logistics-Transport 2009 exhibition. The stand up comedian Krisse Salminen got burly men join in song and fun games.

List of tips:

How to save fuel:

• Choosing the vehicle:

Choose your vehicle according the type of cargo you mostly transport, and how much you drive. Annual gain: 3 750 litres



• Driver & driving style

A good driver is capable of amazing yearly gain - at best, up to 30%. Make sure your drivers stay motivated! Annual gain: 22,500 litres



• Driving against a limiter caused, depending on the model of vehicle, extra fuel consumption of up to 13-21%.

Annual gain: 9,750-15,750
For more tips, go to www.litrapäivässä.fi



True Finns chair Timo Soini received info on the Litre per day from the second chair of SKAL, Mr. Matti Heikkilä, on the MPs' Ride Day.

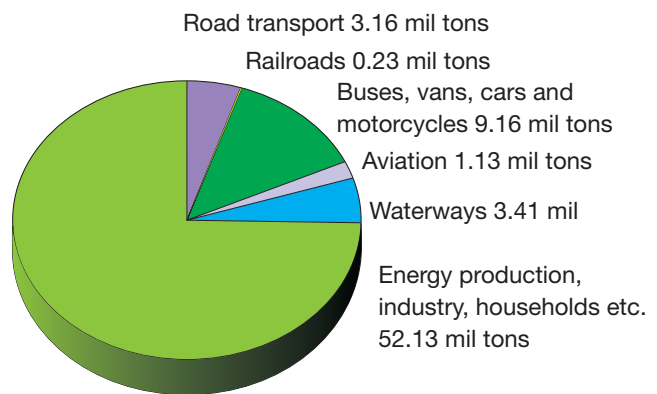


People were lining up to join the Litre per day club in Jyväskylä.



Krisse found a new boyfriend at the Litre per day club meeting.

Carbon dioxide emissions in Finland in 2007 (69.2 mill. tons)



Source: VTT Technical Research Centre of Finland and Statistics Finland

Why a litre per day?

- Target gain of EU Energy Services Directive at 1% annually
- Annual consumption of professional transport at 1,000 mil litres
- Amount to be saved: 10 mil litres
- 36 000 trucks in professional transport
- 365 days in a year
 $\rightarrow 10,000,000 : 36,000 : 365$
 $= 0.761 \rightarrow 1 \text{ litre/truck/day}$

Peer support service

SKAL will begin in 2009 a peer support service for its member entrepreneurs and other professionals of cargo transport. Peer support will be given to all cargo transport drivers who have survived a traffic accident. The peer support service is implemented together with the Automobile and Touring Club of Finland (ATCF) and the on-call number is the same as that of the road service of ATCF: 0200 8080.

The number connects to the closest peer support person, who, if possible, will arrive at the scene of the accident. The peer support persons are SKAL member entrepreneurs or SKAL officers. The peer support persons have received their basic training for the task at the Moral Support Basic Course of the Finnish Red Cross.



SKAL members from Central and Eastern Finland trained in Jyväskylä in January to become peer support persons. Trainer Kirsi Haakana from the Finnish Red Cross (front).

SKAL

**PEER SUPPORT OF HEAVY
CARGO TRANSPORT**

☎ 0200 8080

(road service number of ATCF)

Rested at the wheel

Health from food for the road

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Fresh Behind the Wheel – with Healthful Nutrition, a project of the Finnish Institute of Occupational Health, aims at enhancing transport entrepreneurs' and professional drivers' alertness at work and their work capability through healthful eating at work. The aim is also to influence providers of the food, so that they would offer foods that keep you awake and focused.

It is a question of both occupational safety and road safety. The impact of eating habits on health, work alertness and work capability is remarkable.

Fresh Behind the Wheel challenges all professionals to consider the benefits of healthful eating at work and the small choices that could make a difference to the better.

The project is steered by the Finnish Institute of Occupational Health. Collaborators include Finnish Transport and Logistics SKAL, the Finnish Heart Association, The Finnish Taxi Owners Federation, the Finnish Petrol- and Traffic Service Retailers' Organisation SBL, Rahtarit, the Finnish Bus and Coach Association, the Finnish Hospitality Association, the Transport Workers' Union AKT r.a. as well as institutions of education and transport stations.



Matti Jaatinen and Antti Tiippana were behind the idea of a tailor-made fitness initiative at the Imatra Spa.



Marjo Mannelin from Oulun Ravitsemusneuvonta instructs transport entrepreneur Tommi Mankinen on the calorific value of meat cuts.

Awake and Alert

The European Road Safety Day

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The European Road Safety Day was on Monday October 13. The theme was road safety in cities. The aim was to pinpoint urban planning and the observance of traffic regulations in cities. Awake and Alert arranged road safety day events in seven cities. The events remind people to observe crosswalks and remember to wear a reflector. The public could talk about road safety with urban planners and police officers, among others. SKAL was present at the events held in Lahti and in Tampere.

Awake and Alert arranges also a campaign on obeying speed limits. The purpose is to fix attitudes that make people drive unnecessarily fast breaking speed limits. The campaign entails adverts on TV, Internet and radio as well as police stepped surveillance weeks.

**VALPPAIN
MIELIN.fi**



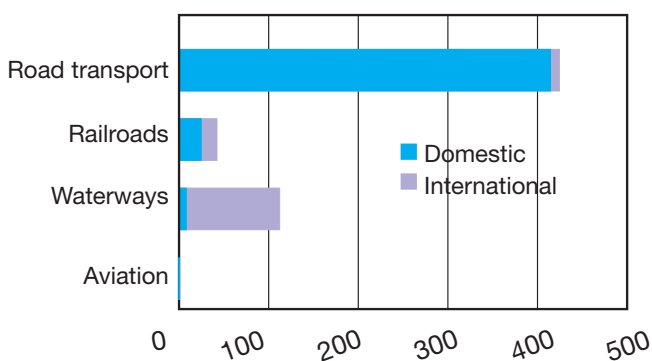
Road safety communications are effectuated by the Ministry for Transport and Communications, Liikenneturva, Finnish Road Administration, The Finnish Vehicle Administration AKE, Police, The Finnish Motor Insurers' Centre, SKAL, the Finnish Bus and Coach Association and The Finnish Taxi Owners Federation.



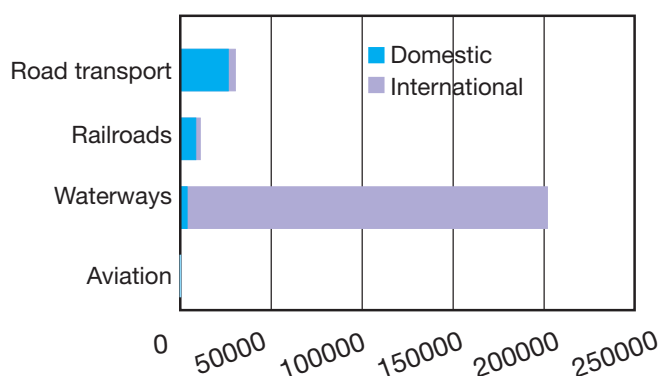
SKAL took part in the E.U. Road safety day Awake and Alert in Helsinki and in Tampere. The picture is from Tampere.

Key figures

Freight transport 2007, mil tons

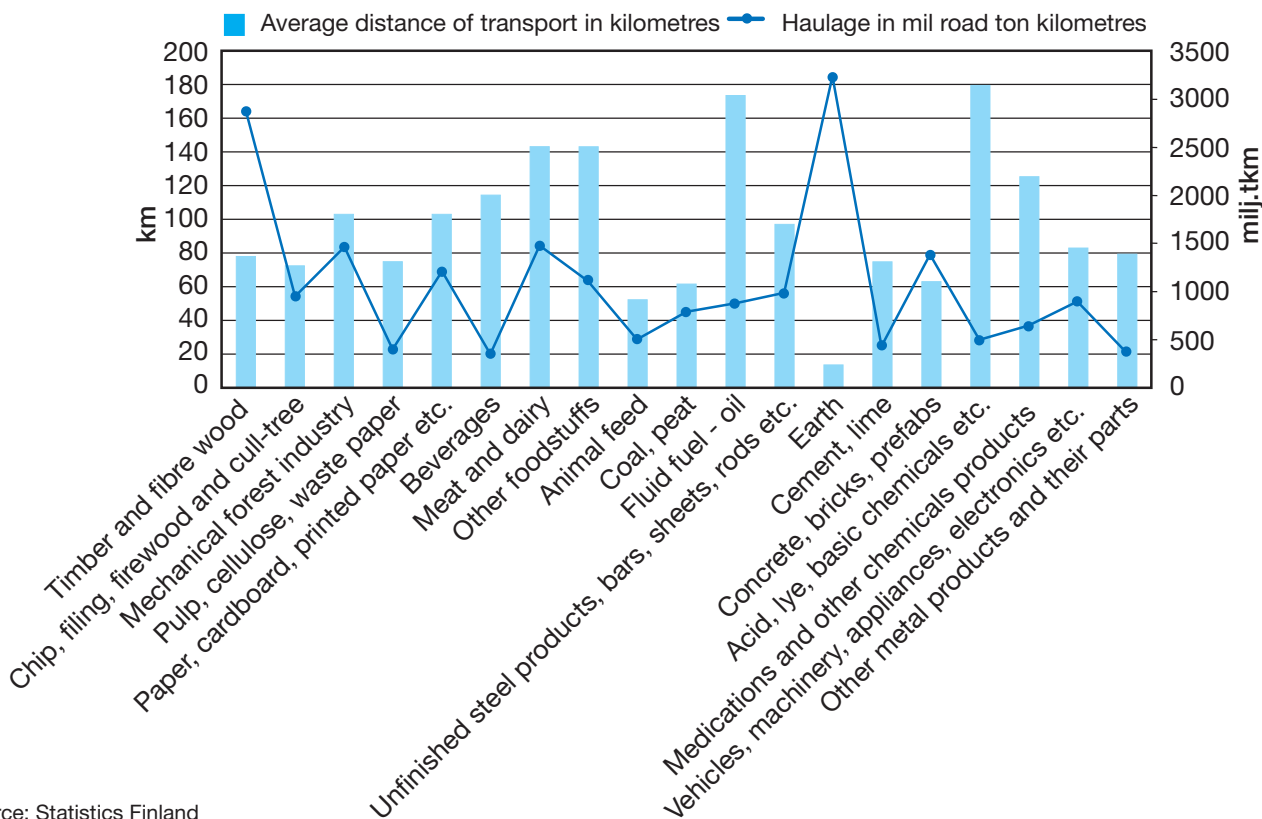


Freight transport 2007, mil ton kilometres



Source: the Ministry of Transport and Communications/
Statistics Finland

Haulage and average distance of transport in 2007



Source: Statistics Finland

SKAL statements and propositions in 2008

The parliamentary Transport and Communications Committee

6 March Commission's green book - new thinking into urban traffic
April 4 Council of State report on State finances 2009 -2012
April 15 Council of State report on traffic policy VNS 3/2008
April 23 Acceptance of Lisbon Treaty (HE 23/2008)
April 24 Alco lock monitored right to drive (together with the Employers' Federation of Road Transport (ALT))
May 29 Directive for the acquisition of environmentally-friendly equipment
November 12 Amendment proposal to euro vignette directive
November 17 The greener traffic package

The parliamentary Education and Culture Committee

April 28 Council of State report on traffic policy VNS 3/2008

The parliamentary Employment and Equality Committee

April 18 Council of State report on traffic policy VSN 3/2008

EU Commission

September 11 Amending the driving and rest times for E.U. heavy transport drivers

Infra ry/Asfalttiliitto ry

March 25 Improving practices of chain of transport

South-East road administration

25.03. Vt7 Vaalimaa truck transport waiting area

The Finnish Competition Authority

March 3 Corporate acquisition Itella Oyj/Kauko Group Oy

Ministry of Transport and Communications

March 6 Continuation of transition period for cabotage rights for new E.U. member countries (together with the Employers' Federation of Road Transport (ALT))
March 7 Lifting bogey of three-axis semi-trailer
March 7 Monitored right to drive
March 11 Improving road freight transport markets through law amendment
March 31 Rise of vehicle inspection prices
April 18 Change to Council of State driver's license amendment (845/1990)
May 12 Structure and accessories of cars and trailers
May 14 International agreement on new sea and related transport

July 15 Improving competitiveness of domestic transport industry

August 7 Instating daily payments into heavy transport in Finland

August 28 On amendment to Euro vignette directive (together with the Employers' Federation of Road Transport (ALT))

August 29 Amending the decision on special transports and special transport vehicles

September 1 Changing the amendment on the usage of vehicles on the road

October 10 Structure and accessories of cars and trailers

November 7 Amending vehicle act, arranging the practice of individual acceptance of vehicles, amending 87 § of road transport act

November 13 Expanding the mandatory usage of attention vests to truckers and truckers' help

November 20 Amendment proposal of working time directive for road transport

November 26 Special permits demanded by Russia in ADR transport

November 28 Amendment to VAK legislation

December 1 Individual acceptance of vehicles and changing the structure

December 5 Signs of slow transport

December 5 Expanding exceptional license practice for articulated vehicles

December 8 Traffic tractor legislation

Traffic Accident Board

June 12 Changing the normative compensation of the Traffic accidents' board

Mechanical Engineering and Metals Industry Standardization in Finland

April 25 Cargo securing standard

Ministry of Justice

March 10 Mandatory bill of consignment for domestic transport

April 18 Extra protocol for contract of carriage used in international road transport

September 15 Participation of municipalities in automated traffic surveillance

National Board of Education

November 12 Revision of grounds for basic examination in logistics

November 25 Basic examination in logistics, transport services education program

Joint committee of education of North Satakunta province

March 19 The demand to train new drivers

Sipoo municipality

April 29 Sipoon general zoning 2025

Ministry of Social Affairs and Health

May 20 Overhaul of traffic insurance legislation

December 4 Changing the grounds for social security payment categories

Road administration

November 14 Dedicated service number for heavy transport

December 8 Acceleration lanes of main roads crossing areas

December 8 Improving the surveillance of road maintenance

Ministry of Employment and the Economy

August 5 Instating daily payments into heavy transport in Finland

Ministry for Foreign Trade and Development

August 26 Changing the grounds for social security payment categories

Uusimaa Regional Council

March 12 The first gradual provincial zoning plan for Uusimaa province

Uusimaa road administration

October 21 Improving Vt3 between the circular road Kehä III and Keimola, Vantaa

Ministry of Finance

May 26 Lowering of logistics costs through taxation

August 6 Instating daily payments into heavy transport in Finland

November 3 Adaptation of the vignette refund system in Finland

Ministry of the Environment

April 24 Environmental responsibility

August 29 Legislation on cleaning up damage to the environment

December 4 Qualifications for equipment maintenance harming the ozone layer and for maintenance personnel

The Finnish Oil and Gas Federation

June 26 SFS standardizing proposal E259, light kerosene

Experts at the SKAL organisation looked after the interest of the transport industry in 106 domestic working groups and administrative organs as well as 12 IRU committees and working groups.



SUOMEN KULJETUS JA LOGISTIIKKA
FINLANDS TRANSPORT OCH LOGISTIK
FINNISH TRANSPORT AND LOGISTICS

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Cover picture
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Translation: Susanna Bell