

## **Gotland - Maritime Transport**

Gotland is situated in the middle of the Baltic Sea, the distance between Gotland and the Swedish mainland is almost 100 kilometres and to the Latvian mainland almost 120 kilometres. We have well over 57,000 inhabitants, or 0.7% of the population of Sweden, in an area that is 0.8% of the whole of Sweden, which means that there are 18 Gotlanders per square kilometre.

Ferry services between Gotland and the mainland have been regulated by the government and have received government subsidies since 1971. The aim is to give Gotland's inhabitants and its business sector satisfactory transport service.

In the mid 1980's increasing state cost for Gotland traffic induced a governmental review of the Gotland traffic extent and organizing structure. One alternative proposed was to maintain traffic with only one of the mainland ports for the most part of the year. Deregulations of that time, in the communications field and elsewhere, also brought forward demands for more exposure to competition.

Contracts for ferry services to and from Gotland came into force towards the end of the 1980s, when services were subjected to competitive procurement procedures.

The current legislation /SFS 1996:19/ on limiting the right to operate ferry services to Gotland is from 1996 and the government's decree /1997:748/ that specifies the regulation came out the following year. The provisions apply to anyone who carries out regular sea transport between Gotland and Swedish ports located outside Gotland. Anyone who carries out regular sea transport between Gotland and the Swedish mainland must make call at a mainland port at least five times a week year-round. The purpose behind these provisions is to hinder anyone from carrying out traffic only during periods when there is a great demand, to the detriment of the contracted traffic services. Requirements in the regulation of year-round traffic means that the procured ferry services are, in practice, carried out without competition from other ferry traffic. Since the majority of travel occurs during a short period in the summer, this has so far meant that no one has started a commercial service between Gotland and the mainland, and ferry traffic between Gotland and the Swedish mainland is solely carried out within the framework for the ferry traffic procured by the government.

Gotland has regular ferry services on the lines Visby – Nynäshamn, 50 kilometres south of Stockholm, and Visby – Oskarshamn and this summer also traffic to Öland operated by the by the same company.

The company Destination Gotland from 1998 to the end of 2008 carries out ferry services. The previous period another company, Nordström & Thulin, carried out the service. When changing of operator most of the staff has moved to the new company.

The ferries are since 2003 fast ferries. Two of the ferries (build in China 2002 and 2003) have capacity for 1500 passengers and load capacity for 500 cars/1 750 trailer metres. The speed is 28.5 knots. The third fast ferry (build in Italy 2006) has a capacity for 780 passengers, a load capacity for 160 cars and a speed of 32 knots. Travel times vary between 2 hrs 30 min and 3 hrs 15 min depending on ship and line.

During low season, there are basically four single crossings from Visby – Nynäshamn and two single crossings from Visby – Oskarshamn. In addition, there are also crossings for dangerous goods.

Gotland is very much a summer destination for tourism and during high seasons the crossings are increasing, as an example can a Friday in July have twelve single crossings from Visby – Nynäshamn and Visby – Oskarshamn have four single crossings. Over a year it's altogether about 2,800 crossings.

The passenger price differs depending on departure, ferry, seating alternatives, regular or budget tickets, online booking or not and ticket category – children, student, senior, and etcetera. As an example the highest price on the bigger fast ferries is for one adult 407 SEK between Visby and Nynäshamn and for a passenger car 444 SEK. 100 SEK is about 10,5 EURO. The lowest price is 177 SEK for one adult and 291 SEK for a car. The island residents have lower prices and pay for the same journey in the most expensive alternative 168 SEK for one passenger and 162 SEK for a car, in the cheapest alternative 124 SEK for one passenger and 162 SEK for one car.

The two biggest ferries transport cargo and goods vehicles. The fee is paid per lane meter and is for the moment 95,85 SEK with VAT 119,75 SEK.

Compensating for additional costs for freight transport the Swedish Parliament 1976 introduced the system of “Gotland Addition”. This is a freight addition (0.4% on net freight cost) that the major transport companies can charge all Swedish domestic lorry traffic. Regarded as provisional when introduced a lot of proposals have been put forward over the years as for its abolishment and alternative solutions. How the Gotland economy will get reasonable and equal transport conditions for competitiveness is yet a problem to be solved. Currently there is a governmental review of the system.

Furthermore there is an extra fee of circa 25% charged by the transporters.

The proceeds for ferry services was 2005 approximately 688 MSEK divided in 53% for passenger ticket proceeds, 9 % for freight traffic proceeds and 38 % for Rikstrafiken's or in English The National Public Transport Agency's compensation.

From Visby harbour you can travel on to many places on Gotland with public transport. Connections at the mainland ports are fairly good for Nynäshamn including commuter trains and special ferry buses. Connections with public transport to and from Oskarshamn are comparatively bad.

Travel development has been positive and the numbers of passengers for 2006 was 1,472,200 and the prognosis for 2007 is 1,550,000 passengers (including the new summer traffic to Öland with 36,000 passengers). Cargo has also seen a positive development over time and during 2006 was up to 692,007 lane metres.

The present traffic system plays a major role in the positive development of Gotland in recent years. Gotland is strongly dependent on agriculture and tourism, economic sectors of which communications are decisive.

The National Public Transport Agency, Rikstrafiken is the contracting authority for concessions concerning Gotland ferry traffic. It is a state agency commissioned to procure public transport (air, rail, sea, bus); to contract interregional traffic that is non-profitable although important socio-economically. Presently the agency is contracting Gotland traffic starting the year 2009. This is the second invitation to tender, none tender in the first round. In Gotland there is a user's advisory board receiving continuous information from Rikstrafiken. Gotland Municipality along with many other parties has on several occasions put forward its views on the content of the tender and the contracting process.

A number of organisations have gathered behind the following standpoints as for standard and minimum level of Gotland traffic in the bidding process:

- Traffic to two mainland ports
- Basic traffic encompassing two daily crossings both-ways on the Nynäshamn route and one crossing on the Oskarshamn route, three hours circa for each crossing.
- A flexible traffic system possible to be developed according to new prerequisites.
- Competitive low "road prices" for Gotlanders as well as visitors and cargo – customer not paying more than travelling the corresponding road section on the mainland.
- In order to bring about equal conditions of competition with other regions the problem of Gotland freight additional costs has to be solved in a lasting manner.
- Lasting, stable traffic conditions for the Gotland community – economy and households. Unexpected or drastic changes of traffic production costs (oil prices etc) may not be transferred to customers in an unreasonable manner.
- Ships have to be safe and comfortable. The present standard is minimum level.

Transports to and from the mainland are the most crucial and vital prerequisite for development on Gotland. They must support and stimulate demands and development of trade and industry as well as people's needs and wish for travelling. In the invitation to tender from Rikstrafiken there are several paragraphs that mean deteriorations viewed from the Gotland standpoints mentioned above. Some basic elements are:

- Slower crossings will put at risk development of tourism and the travelling possibilities for firms and Gotlanders. Swift crossing offerings must be of high value in the bidding process.
- Present capacity is inadequate for freights, for top travelling season and for an increase of cargo and passengers. This is crucial for development of the Gotland economy and community.
- Already now taxes and fees are too high.
- Unrealistic that customers pay half the cost at price increase on bunker oil
- If concession periods are too short, lasting and stable conditions will not be possible