Logon Baltic project and overall results

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Open seminar in St:Petersburg, September 13, 2007
LogOn Baltic is joined by 30 partners from 9 countries

Actors:
Research Entities
Industry Associations
Local Business Communities
Public and Regional Plan Authorities
National Transport and Communication Authorities
Logistics Companies
Key Objectives

- **Improve** regional development and spatial integration by transferring knowledge on ICT and logistics competence

- **Analyse** problems and difficulties of logistics companies in the BSR

- **Interchange** of proven ideas by examples of best practices

- **Establish** a cross-national network and disseminate highly useful results for regional development agencies that aim at improving competitiveness of partner
Performed Work

In 9 Baltic Sea regions:

- Logistics Survey \( (N = 1049) \)
- ICT Survey \( (N = 1210) \)
- Expert interviews
- Analysis of regional development and its impact (DEMIA)
- Collection of secondary information
All regional reports will be integrated into an aggregated cross-national final report.
Findings: Logistics

Development of logistics costs in manufacturing companies (Transport)

- Estonia
- Hamburg
- Latvia
- Meckl.-Vorp.
- Östergötland
- Russia
- SW-Finland

No of companies (%)

- Will increase
- Will neither increase nor decrease
- Will decrease

Transportation costs are expected to increase for similar reasons in the whole Baltic Region
Findings: Logistics

Logistics outsourcing (Domestic transportation)

- **The majority of manufacturing companies decide to outsource domestic transportation, if it is not a value-adding function**

- **This trend can be seen in all regions**
Findings: ICT

- Enlargement of markets force SMEs to improve their IT
- FIN and SWE pioneers in the use of modern technologies

<table>
<thead>
<tr>
<th>Country</th>
<th>IT Personnel</th>
<th>Software</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estonia</td>
<td>57%</td>
<td>52%</td>
</tr>
<tr>
<td>Hamburg</td>
<td>58%</td>
<td>55%</td>
</tr>
<tr>
<td>Sweden</td>
<td>77%</td>
<td>57%</td>
</tr>
<tr>
<td>Finland</td>
<td>81%</td>
<td>57%</td>
</tr>
<tr>
<td>Russia</td>
<td>74%</td>
<td>60%</td>
</tr>
<tr>
<td>Latvia</td>
<td>47%</td>
<td>46%</td>
</tr>
<tr>
<td>M.-Vorp.</td>
<td>48%</td>
<td>46%</td>
</tr>
<tr>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Development of costs for software and IT personnel (next 3 years)
The majority of manufacturing companies are satisfied with their operating environment and are confident about the general business perspective.

Operating environment (General business perspective)

- Estonia
- Hamburg
- Latvia
- Meckl.-Vorp.
- Östergötland
- Russia
- SW-Finland

No of companies (%)
To make these estimations endure under changing regional conditions, the use of innovative regional measures grows in importance.

### Operating environment (Transport Infrastructure)

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Poor</th>
<th>Neither poor nor good</th>
<th>Good</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estonia</td>
<td></td>
<td></td>
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<tr>
<td>Hamburg</td>
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<td>Latvia</td>
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<tr>
<td>Meckl.-Vorp.</td>
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<td>Östergötland</td>
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</tr>
<tr>
<td>Russia</td>
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</tr>
<tr>
<td>SW-Finland</td>
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</tbody>
</table>

No of companies (%)
Conclusion

- Discrepancies in the speed of the economic and regional development

- Transfer of know-how and best practice examples gain in importance in the near future

- Different regions can learn from each other and profit from experiences the others have made

- Regional development can be improved cross-nationally by innovative measures and projects
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