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# D1.2.1 Road and Island Ferry Traffic Governance and Markets in the Central Baltic Region
# - Key findings of a report

UNIVERSITY OF TURKU

**Download** the full report here

# Purpose of the report

The aim of this first **cross-country study** on road and island ferry markets in these four regions is to provide:

**…aggregate information**, which is typically sparse and difficult to find

…**an analysis** of Estonia, Finland, Åland Islands and Sweden markets in English

…**a typology** of these specific markets that helps analyse them also in the future

# Spectrum from publicly owned and provided to privately provided services in the CB Region

| Approximate values for 2023 | Road and island ferry services in a country as a whole, not only in the Central Baltic region | | | | |
|---|---|---|---|---|---|
| | Estonia | Finland | Sweden | Åland | Total |
| Market size, million euros | 30 | 85 | 180 | 25 | **320** |
| Passengers, millions | 2.7 | 12.7 | 45.0 | 2.0 | **63** |
| Vehicles, millions | 1.2 | 2.1 | 12.6 | 1.2 | **17** |
| All staff of operators* | 250 | 480 | 1 350 | 170 | **2 250** |

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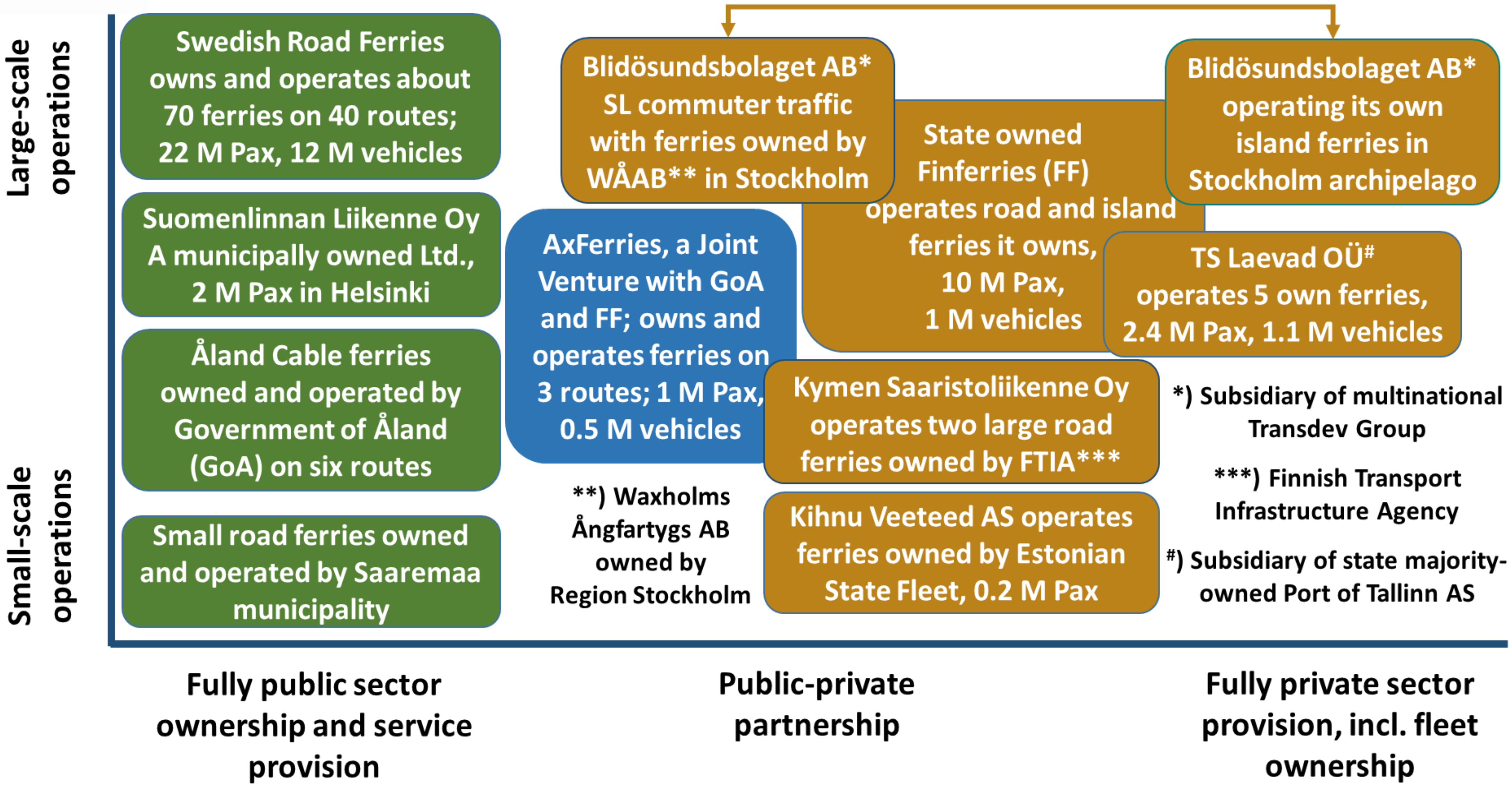
# Spectrum from publicly owned and provided to privately provided services in the CB Region in 2025

Selected examples




Services funded publicly either from national, regional or local budgets

# Key findings: Estonia

- Procurement criteria: **focus on price, no qualitative nor environmental criteria**
- Contracting authorities:
  - Nationally by the **Ministry Regional Affairs and Agriculture**
  - Locally by e.g. **City of Tallinn, Viimsi** and **Saaremaa** municipalities
  - In some cases, the former **regional centres** (ÜTK) still procure ferry services
- Public contracts: **Short** in duration (5 – 10 years), both **full-service and B/B contracts**
- Estonia has no road ferries similar to those in FI, SE and AX
- Other observations:
  - The “state fleet – approach” with **Riigilaevastik** is an Estonian novelty
  - Governance model has recently underwent major changes

# Key findings: Mainland Finland

- Procurement criteria: Price focused with quality points (e.g. **price 70%, quality 30%**)
- Contracting authority :
  - Nationally centralised to the **ELY Centre of Southwest Finland**
  - Municipally in Helsinki, where **HSL** procures island ferry services provided mainly by **SLL**
- Public contracts: **Full-service contracts**, 5-years contracts extended now to 15 years
- Road ferries: Operated by **Finferries** and some private companies
- Other observations:
  - Governance model is complicated with multiple bureaus and agencies involved
  - Small domestic private firms struggle to stay in business
  - Finferries a dominant player in road and island ferry services, partly by default than by design

# Key findings: Sweden (Stockholm)

- Procurement criteria: **Price** focused with **quality** points
- Contracting authority : A regional authority **Region Stockholm** procures services in the Stockholm County
- Public contracts: Mainly for **10 years**, both **B/B** and **full-service contracts**
- Road ferries: Operated by government agency **Swedish Road Ferries (Färjerederiet)**
- Other observations:
  - Two forms of island ferry traffic: **commuter ferries** (SL) and **archipelago ferries**
  - Operators get additional revenue also through cafeteria services and commercial operations

# Key findings: Åland Islands

- Procurement criteria: Highly **price focused**
- Contracting authority: **Government of Åland (GoA)**
- Public contracts: **10 – 15 years**, from mainly B/B to **full-service contracts**
- Road (cable) ferries: Owned and mainly operated by the **GoA**
- Other observations:
  - Founding of 50/50 joint venture AxFerries by GoA and Finferries in 2024 is a major change
  - AxFerries has taken over three out of four main island ferry routes in Åland
  - GoA ownership of island ferries being transferred to AxFerries during 2025

# Conclusion on CB road and island ferries

## A defining factor of the market is **change**

- Changes towards longer contracts or the type of contract (bareboat or full-service)
- Procurement criteria shifting from focus on price to include quality-based elements
- Increasing emphasis on environmental issues: technologies lowering emissions incl. electrification regarded widely as the way forward in developing ferry traffic

### A typical model in the early 2020s

- Procurement minimising costs
- High average age of vessels
  - *especially in SE and AX*
- Short contracts
- Emission reduction not in focus

**On-going transformation** →

### Towards the late 2020s & beyond

- Importance of quality standards
- Modern vessels with electrified propulsion where applicable
- Longer contracts
- Minimising environmental impact

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# Contact details

- The full report can be downloaded *here*

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