

Abstract

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The Vuosaari Harbour project

Plans are being made for a large cargo harbour in the Vuosaari section of Helsinki. The purpose of this audit of the Vuosaari Harbour project was to determine on what grounds and to what extent the state intends to participate in the project.

The audit found that Parliament has appropriated a total of FIM 26.5 million in budget funds for the planning and design of traffic channels for the Vuosaari Harbour, including a supplementary budget appropriation in 2001. The project has also received €1.3 million in TEN support from the European Union.

The project involves moving general cargo facilities from the West and North Harbours to a new site in Vuosaari. The project would free a total of 137 hectares of land now occupied by the West and North Harbours for other use. This land is owned by the City of Helsinki, which plans to build housing and business premises in these two areas. When the rail spur to the West Harbour is no longer needed, land in the Keski-Pasila district will also become available for other purposes. This land is owned by the state.

According to a calculation updated according to information available up to 13 February 2001, infrastructure investments for the Vuosaari Harbour excluding interest during construction will total FIM 2,555 million. FIM 1,135 million of this is for fairway, road and rail construction. According to the calculation the project is feasible.

Proponents say that the Vuosaari Harbour is a national project and that the state should participate in its implementation. In preliminary talks the City of Helsinki has asked the state to appropriate FIM 807 million for the construction of harbour channels. This includes FIM 65 million in investments which the state would in any case have to make during the next ten years, regardless of whether the Vuosaari Harbour is built.

The audit indicated that the Vuosaari Harbour project involves internal arrangements on the part of Helsinki which will only move facilities from the West and North Harbours to another site within the city's borders. This will make it possible to increase harbour services to meet rising demand, as the Port of Helsinki intends to do. Operating in an efficiently organized new harbour will improve the Port of Helsinki's competitiveness in relation to other port operators. Moving harbour facilities will free land in the centre of Helsinki for other purposes, and if the City of Helsinki makes optimal use of available areas, this will provide capital to meet other needs as well.

According to the audit's findings, the state has no responsibility to take part in investments associated with the project. If the project reaches the implementation stage, the state's participation will depend on decisions made at the political level and based on political considerations. The project is of such great economic importance for Helsinki and the

municipalities in the immediate vicinity of the proposed harbour that they can hardly afford not to implement the project even if the state refuses to supply funds for investments.

The Vuosaari Harbour project has also been opposed on environmental and economic grounds.

On 20 August 1998 the Government issued a decision calling for the inclusion of 1,457 areas covering a total of 4,77 million hectares in the Natura 2000 programme. One item on the list was the Mustavuori grove and the Östersundom bird waters, which cover 355 hectares. Although plans call for the construction of traffic tunnels which would for the most part skirt around this area, opponents have argued that the Vuosaari Harbour would significantly weaken the area's natural values. Building the harbour therefore requires a special permit which can be granted at the discretion of the Government.

It has been suggested that moving the West Harbour's facilities to Pikkala in Kirkkonummi would make more sense for the state and national economy. The North Harbour would continue operating in its present location. A key question, which apparently remains open, is where to find an operator to build and manage a new harbour in Pikkala. The feasibility of the planned Vuosaari Harbour for Helsinki and neighbouring municipalities depends largely on multiplier effects. If the Vuosaari Harbour project is not implemented, investing in a new harbour in Pikkala would hardly constitute a wise use of funds for the City of Helsinki.

State policy regarding ports is based on the market economy and its rules. Market forces are allowed to work freely. Legislation on port operations should ensure healthy and efficient competition between ports, regardless of who owns them or how they are organized, in accordance with the objectives set out in competition regulations. From the viewpoint of state policy regarding ports, Pikkala is not a real alternative to Vuosaari if no operator is willing to make the necessary investments to build and manage a new port. On the other hand, an operator or organization with the necessary permits could still establish a port and start offering port services in Pikkala even if the Port of Helsinki moves facilities from the West and North Harbours to Vuosaari.

According to the material available in the audit, a project to start a port in Pikkala could also run into obstacles related to nature protection.