

The EU port system

Challenges and policy development

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Summary

1. Introduction to the EU port system
2. Market developments
3. Common challenges
4. Evolution of EU ports policy
5. 2007 Ports Policy Communication
6. Short term EU ports policy agenda
7. Conclusions



1. Introduction to the EU port system

“L’ennui naquit un jour de l’uniformité”

“Boredom was one day born out of uniformity”

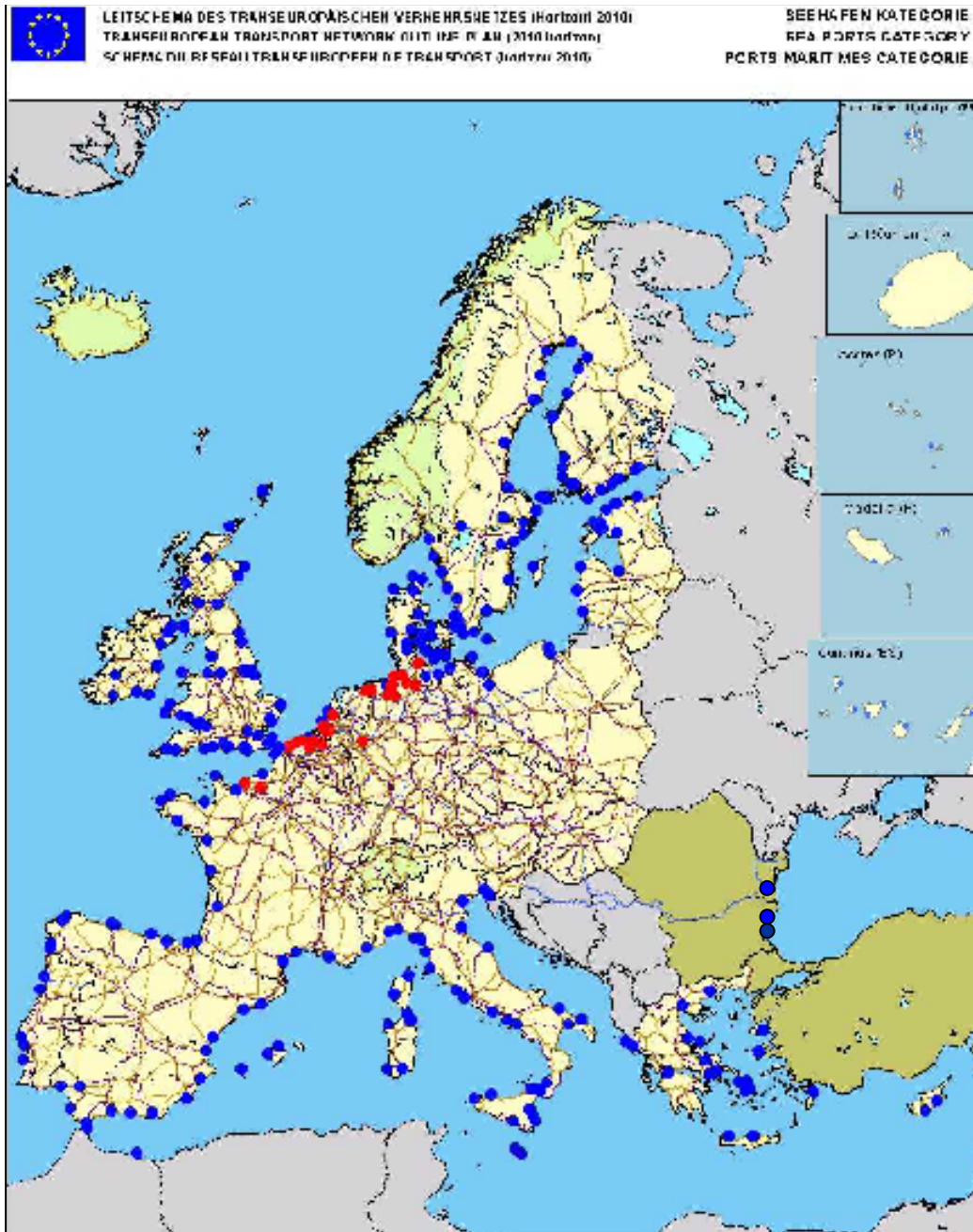
Antoine Houdar de la Motte (1672-1721)

Cited by Sir Fernand Suykens, Founding Chairman of ESPO
at the AAPA Annual Convention held in New Orleans on 18 October 1995



- The EU port system is anything but uniform
- EU has 27 Member States of which 22 have seaports
- Coastline of 70,000 km along two oceans and four seas
- Approximately 1200 commercial seaports:
 - 700 ports handle less than 1 million t per year
 - 10 ports handle more than 50 million t per year



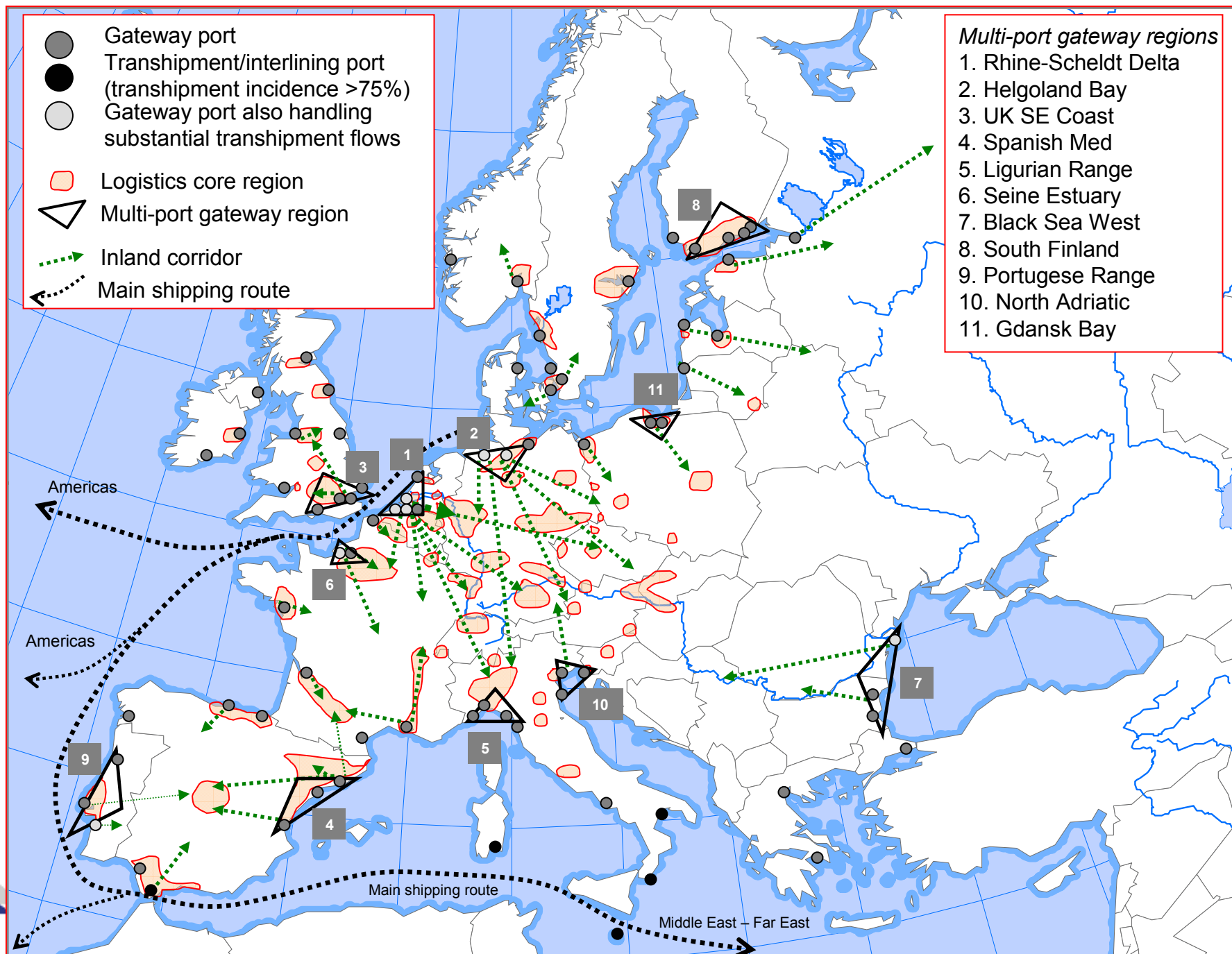


Category A seaports

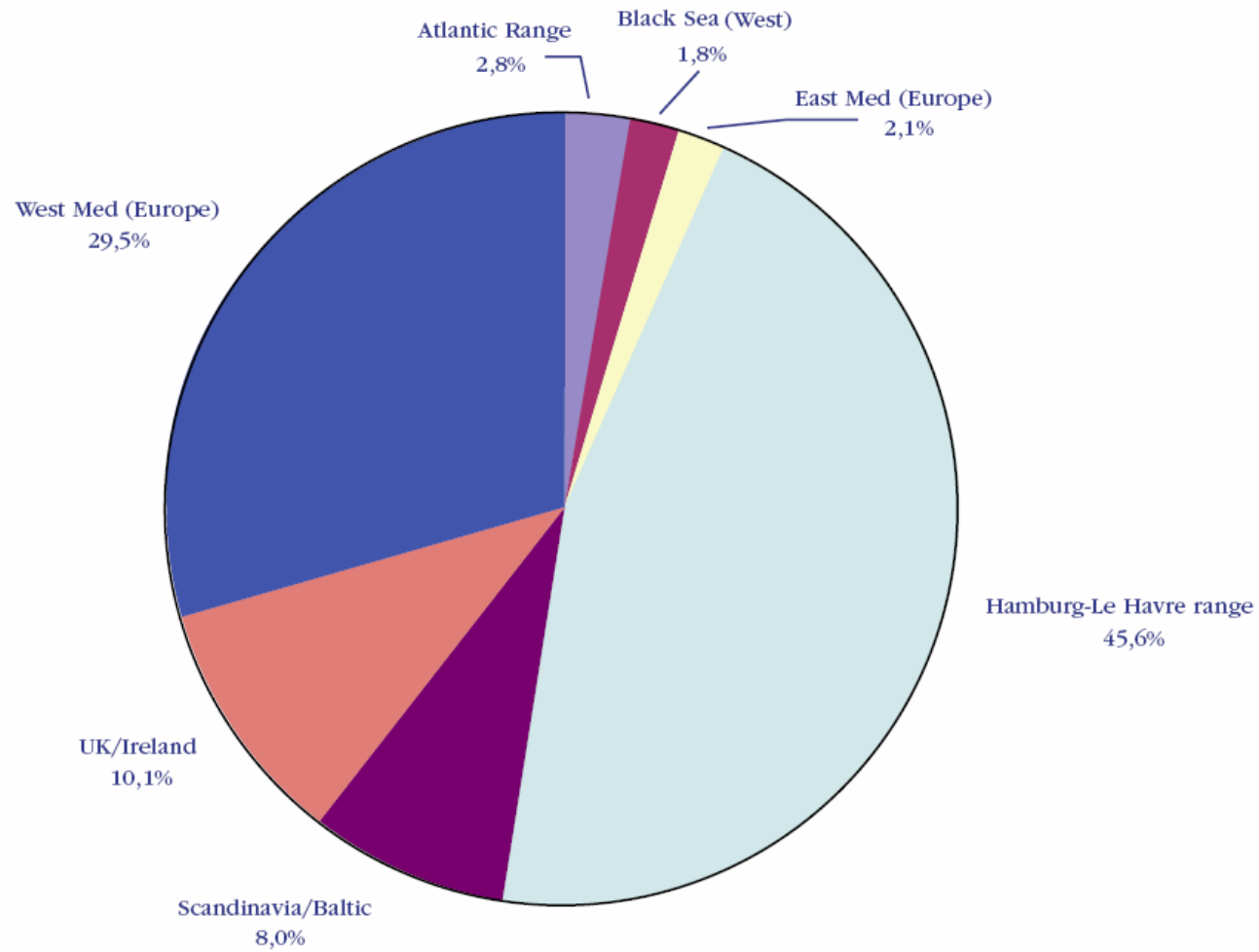
Source: European
Commission 2005



Logistics core regions and multi-port gateways – Source: Notteboom 2008



Market shares of port regions in Europe based on container throughput in TEU (2007)



Source: ESPO/ITMMA 2008



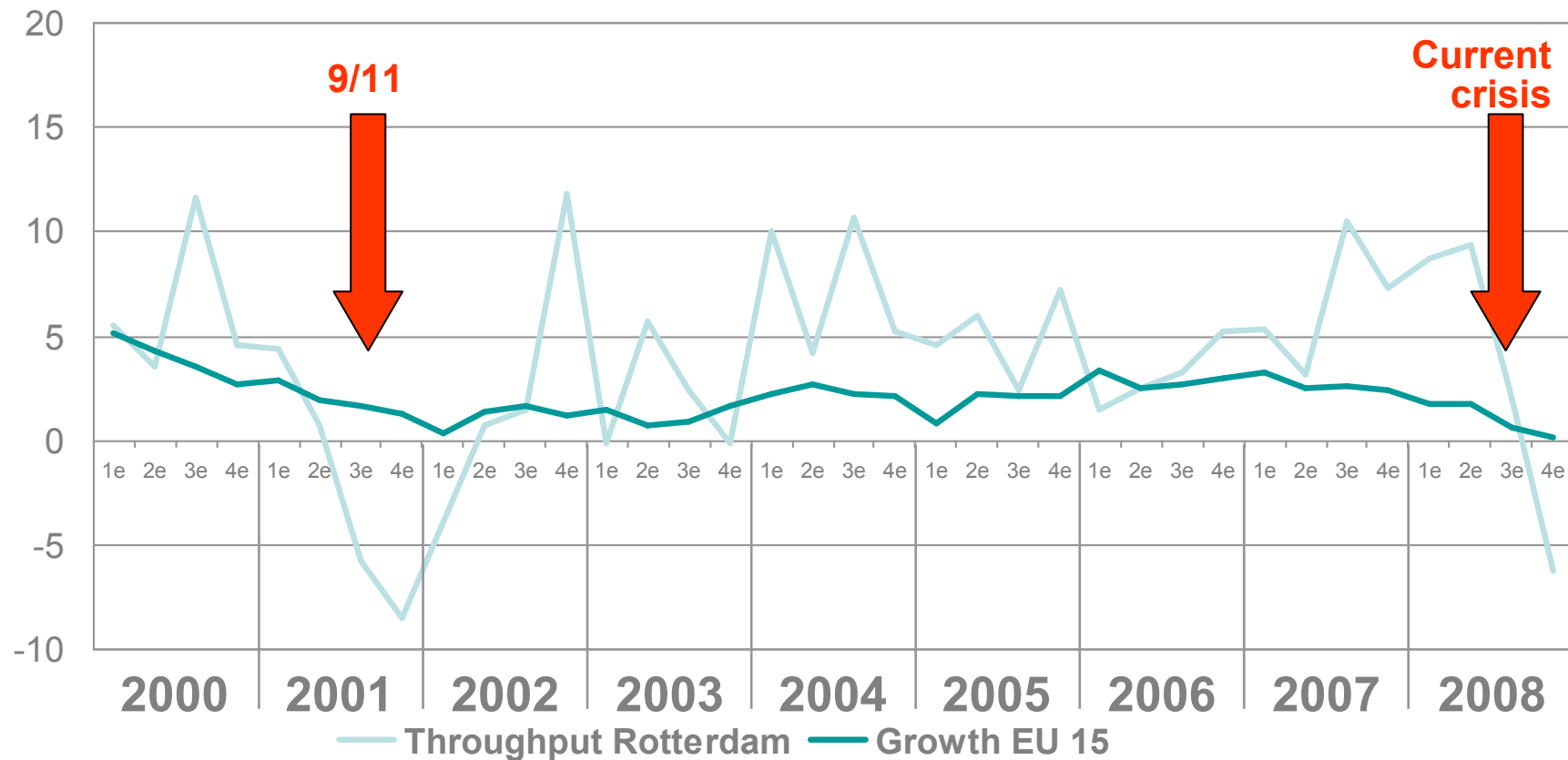
2. Market developments

- Economic crisis has fundamental impact on shipping & ports
- Photo: layed-up ships in Singapore
- Ports in North West Europe decline in throughput for the first months of 2009: roughly between -10 and -15 % compared to 2008



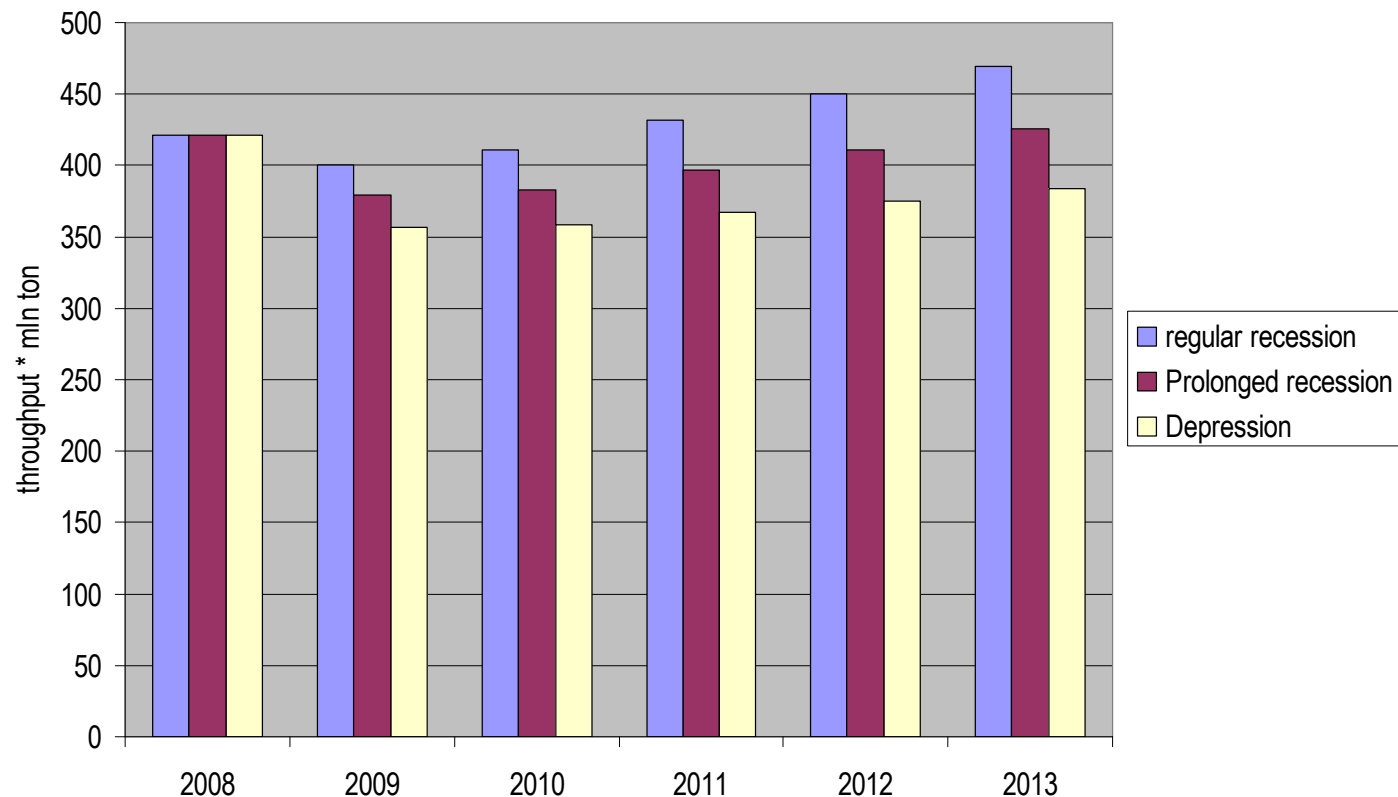
Trade reacts very strongly to economic cycle

Illustration Rotterdam



Medium term future: three scenarios

THREE SCENARIO'S FOR THE MEDIUM RUN, throughput Port of Rotterdam



NB: for the long run, solid traffic growth is expected

3. Common challenges



Challenges

- Integration in logistics chains:
 - Ports are key elements in value-driven logistics chains
 - This offers substantial network possibilities but also poses numerous coordination problems
- Strategies of market players:
 - Powerful and footloose actors control freight from origin to destination
 - Global groups invest and operate terminals in several ports worldwide
 - These actors and groups have strong bargaining power
- Sustainable development of ports:
 - Ports development calls for continuous investment in port facilities and connections
 - This creates ecological and societal pressures



Implications for port governance

- Ports have become key elements in logistics networks
- Rapidly changing environment creates lots of opportunities ... and lots of uncertainties
- What determines port competitiveness ?
- *What is the role of a port authority ?*



Key capabilities of a port authority

- Act as facilitator / business promoter in logistics networks
- Create strategic partnerships
- Secure public and private investments
- Ensure optimal performance of service providers
- Provide value-added services
- Solve bottlenecks
- Develop a clean, safe and secure environment
- Accommodate conflicting interests
- Promote positive public image of the port



Influence governance system

- Governance system strongly influences capabilities and tools port authority to cope with challenges
- Bottom-up motivations for re-organisation port authorities vs. top-down government imposition of port reform
- Various forms: privatisation, corporatisation, commercialisation
- Outcome reform programmes generally unsatisfactory
- Important factors:
 - Financial and commercial autonomy
 - Political influence
 - Management culture
 - ***Legal framework***



4. Evolution of EU ports policy



Signing of the Treaty of Rome – 25 March 1957

Some key dates

1961	First call for EU ports policy (« Kapteyn report » Eur. Parliament)
1974	Foundation of the « Community Port Working Group »
1992	Signing of the Treaty of Maastricht
1993	Foundation of ESPO
1995	Communication on Short Sea Shipping
1997	Green Paper on Sea Ports and Maritime Infrastructure
2001	First « Ports Package »
2004	Second « Ports Package »
2007	Communication on a European Ports Policy



A sometimes bumpy road ...



Dockers unions demonstrate in Brussels and Strasbourg against EU plans to open market access to port services (2003-2006)



Ports did not remain immune to EU law

- Case-law:
 - application EU Treaty rules
 - decisions European Court of Justice / European Commission
 - particularly with regard to competition and internal market
 - often far-reaching impact on port governance
- Secondary legislation:
 - Directives and Regulations
 - in the fields of environment, safety, security, customs, ...
 - often not specifically written for ports but again far-reaching impact, e.g. for port development
- Up to 2007 no coherent EU policy framework for ports



5. 2007 Ports Policy Communication



EU Transport Commissioner Jacques Barrot opens the consultation on a new European ports policy at the annual conference of ESPO - Stockholm, 2 June 2006



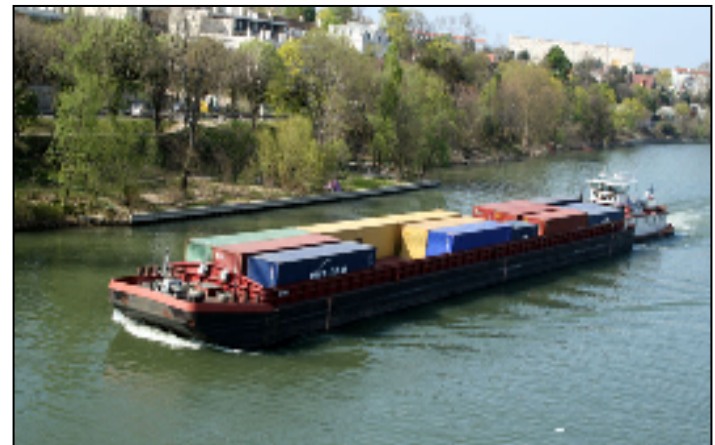
Six areas for action

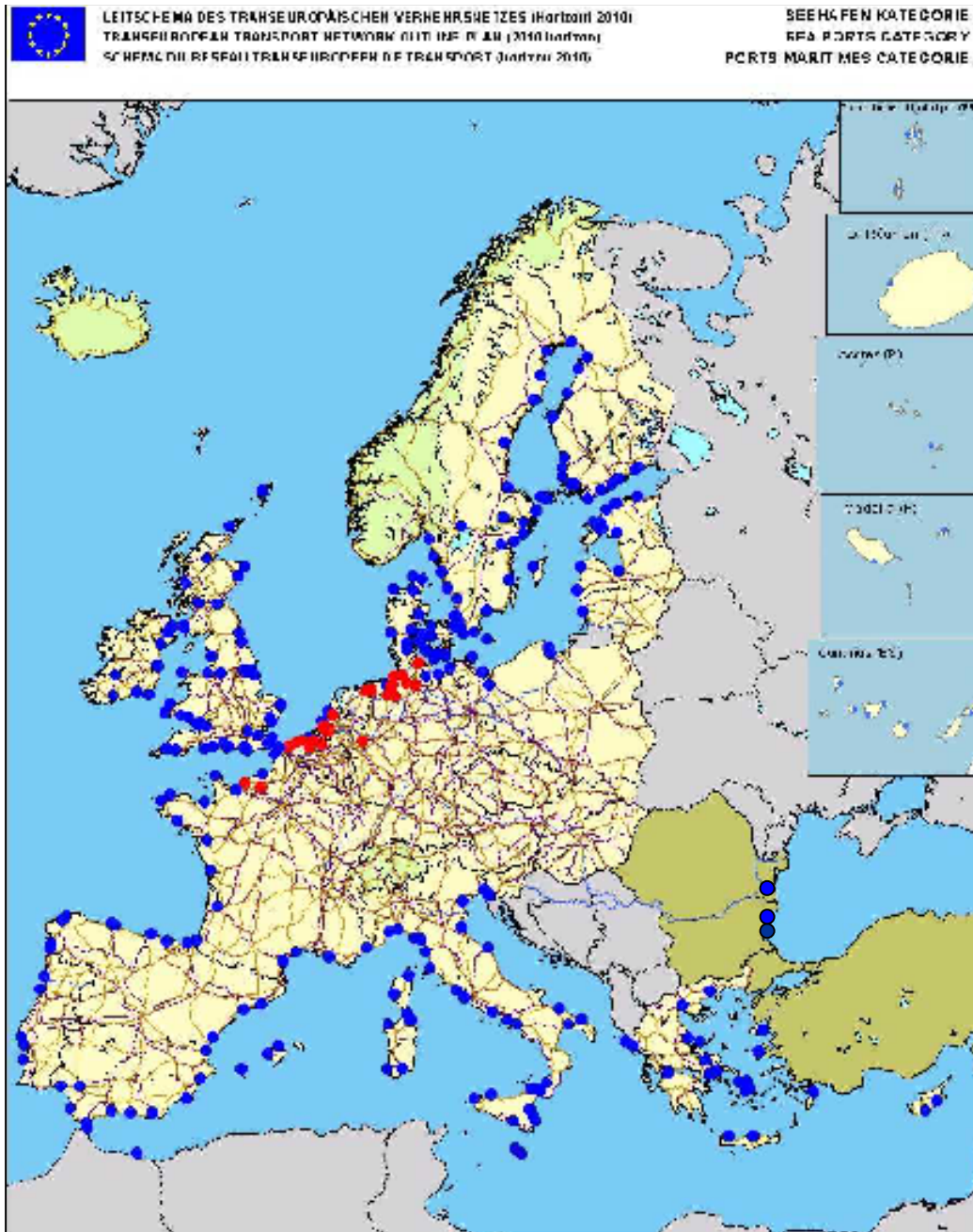
- a) Port performance and hinterland connections
- b) Expanding capacity while respecting the environment
- c) Modernisation
- d) A level playing field – clarity for investors, operators and users
- e) Establishing a structured dialogue between ports and cities
- f) Work in ports



Port performance and hinterland connections

- Promotion of environmental-friendly modes of transport (shortsea, rail and inland navigation)
- Review of the Trans-European Transport Networks (infrastructure masterplan)
- Solving of infrastructure bottlenecks
- Ensure regional balance in Europe



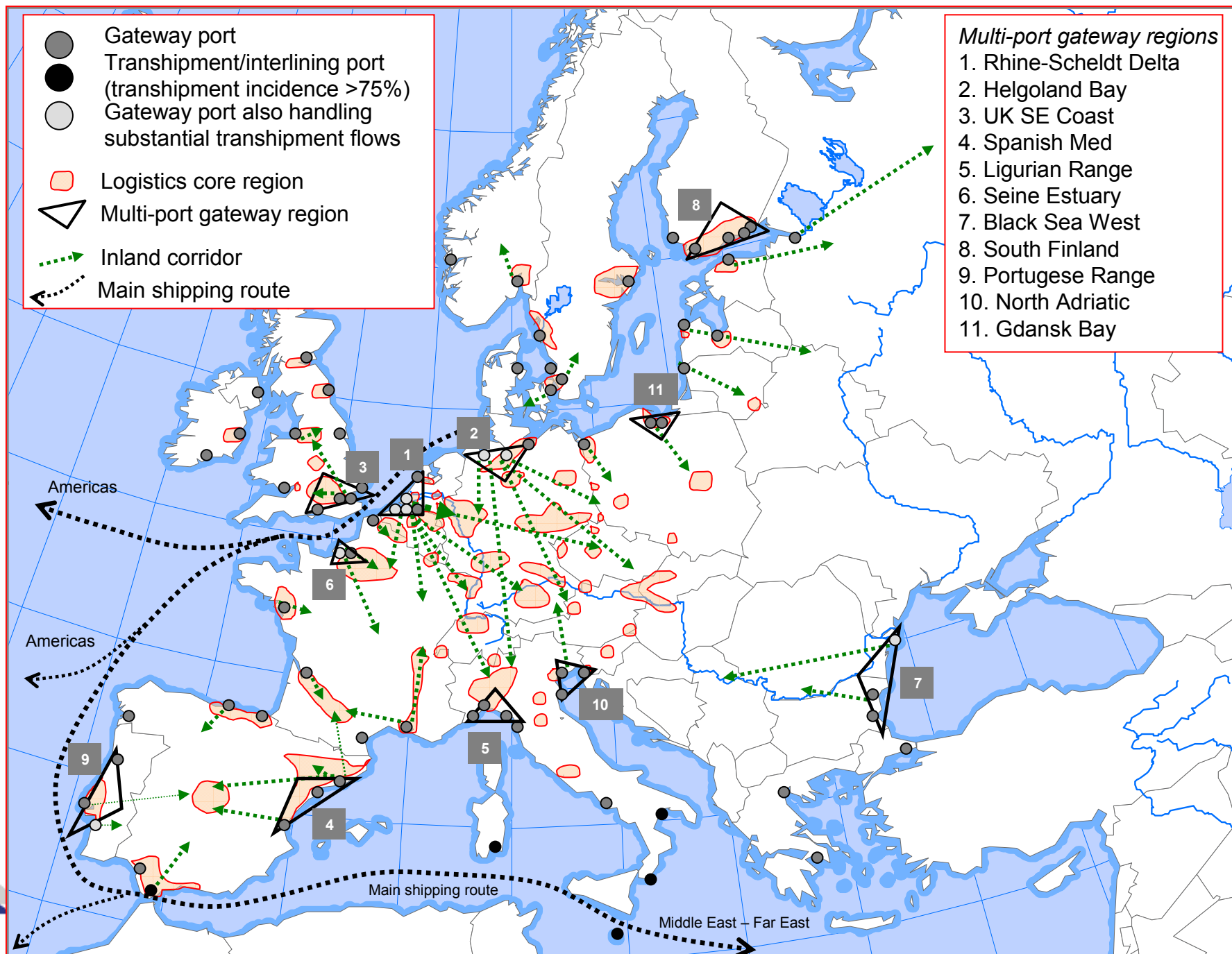


Category A seaports

Source: European
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Logistics core regions and multi-port gateways – Source: Notteboom 2008



ESPO 2009 Conference

Marseilles 14-15 May 2009

The European Port System

Towards a Sustainable Network Vision

Info & registration:

www.espo-conference.com



European Sea Ports Organisation www.espo.eu

ESPO 2009

THE EUROPEAN SEA PORTS CONFERENCE

THE EUROPEAN PORT SYSTEM

Towards a sustainable network vision

Europe has a diverse port system which consists of a range of major hubs as well as a vast amount of regional and local ports. This system has to accommodate continuous flows of cargo and passengers moving in and out of Europe. For this, it depends on a complex network of land-based and navigational modes. How sustainable is the current lay-out and geographical balance of this system? Are all modes used in the most optimal way? What is the impact of the current economic crisis on growth expectations and will the system be able to cope with these without creating more congestions and negative externalities? What is the competitive effect of new hubs emerging in countries neighbouring the EU? What visions exist for the future?

The ESPO 2009 Conference will deal with these key questions in the context of the forthcoming mid-term review of the Trans-European Transport Networks which is announced for 2010 and the European Commission's maritime transport strategy for 2018. Bottlenecks on the major European transport corridors concerned will be analysed as well as the development potential of regional co-operative networks between ports.

The conference will finally look at the opportunities EU policy instruments and funding mechanisms may bring. Particular attention will be paid in this context to the impact of the EC State aid and environmental guidelines which are both expected to be published in 2009.

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Expanding capacity while respecting the environment



Nynäshamn project - Stockholm

- Guidelines on the application of EU environmental legislation to port development
- Revision legislation on waste reception facilities
- Revision of legislation affecting dredging operations
- Measures to combat climate change (including ship emissions)

Modernisation

- Internal market for intra-EU shipping (no administrative formalities)
- Reform of EU Customs Code
- Use of electronic procedures
- Development of port performance indicators



Level playing field



- Guidelines on the use of public funding (State aid)
- Legislation on financial transparency of port accounts
- Guidance on concessions
- Guidance on monopolies for technical-nautical services
- Guidance on use of labour pools

Structured dialogue between cities and ports

- Encourage dialogue between port and city authorities
- Raise awareness about ports with the general public
- Improve the public perception of ports
- Make port areas attractive and accessible (security challenge)



Work in ports



- Social dialogue at EU and local level
- Improve health and safety conditions
- Qualifications of port workers and training programmes

6. Short-term EU ports policy agenda

Chapter	Concrete proposals	Timing
1. Port performance and hinterland connections	TEN-T review (hinterland connections to ports)	2008-2010
2. Expanding capacity while respecting the environment	Guidance on application EU environmental legislation	2009
3. Modernisation	<ul style="list-style-type: none">- Transport Space without Barriers- Performance indicators	2008 2009
4. A level playing field – clarity for investors, operators and users,	<ul style="list-style-type: none">- State aid guidelines- Concessions (+ ESPO code of good governance)	2009 ongoing
5. Establishing a structured dialogue between ports and cities	<ul style="list-style-type: none">- ‘Open ports day’- Support for research projects etc- ESPO award	annually ongoing 2009
6. Work in ports	Social dialogue	2009



7. Conclusions

- The challenges of European ports are not substantially different from ports elsewhere in the world
- The supra-national policy level of the EU however has a significant influence on the development and governance of European ports
- EU ports policy has two objectives:
 - Fair level playing field in terms of competition rules etc.
 - Sustainable and balanced development of the EU port system
- Debate on EU ports policy has been difficult given the diversity of the port sector and resistance of certain actors
- 2007 EU Ports Policy Communication was developed in close collaboration with the port sector and provides a more stable and coherent framework
- New approach also finds broad political support



nevertheless ...



Thank you for your attention



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