

PORT-NET

**Promoting interregional co-operation of ports
and multi-modal transport structures in the EU**

Opening Conference

7.-10.06.2005 in Hamburg

Results and Recommendations



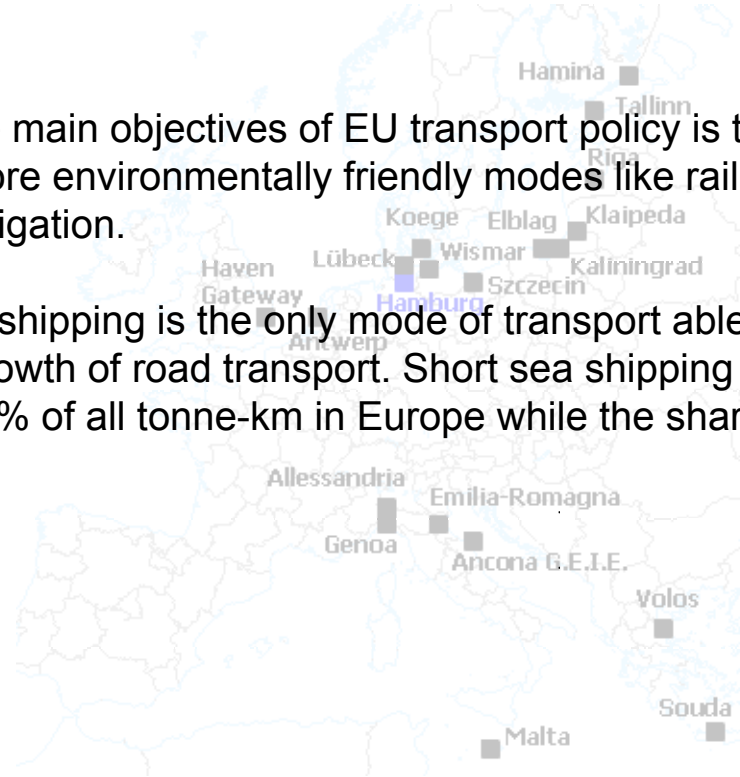
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North East South West
INTERREG III C 1. Transport Policy

- One of the main objectives of EU transport policy is to shift traffic from road to more environmentally friendly modes like rail, shipping and inland navigation.
- Short sea shipping is the only mode of transport able to keep pace with the fast growth of road transport. Short sea shipping performs currently around 40% of all tonne-km in Europe while the share of road is 45%.



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Improving the short sea shipping share should concentrate on the main causes, why Short sea shipping is still not attractive enough:

- Short sea shipping has not achieved full integration and seems to lack a clear door-to-door image.
- It is admittedly an administratively complex mode, not least because requirements vary significantly from one country to another.
- Problems still exist with efficiency of ports and their hinterland connections.
- High cost threshold of starting up new services.
- Sunk costs generate entry barriers prior to the infrastructure investment because of extreme risk and the corresponding higher return on equity required.

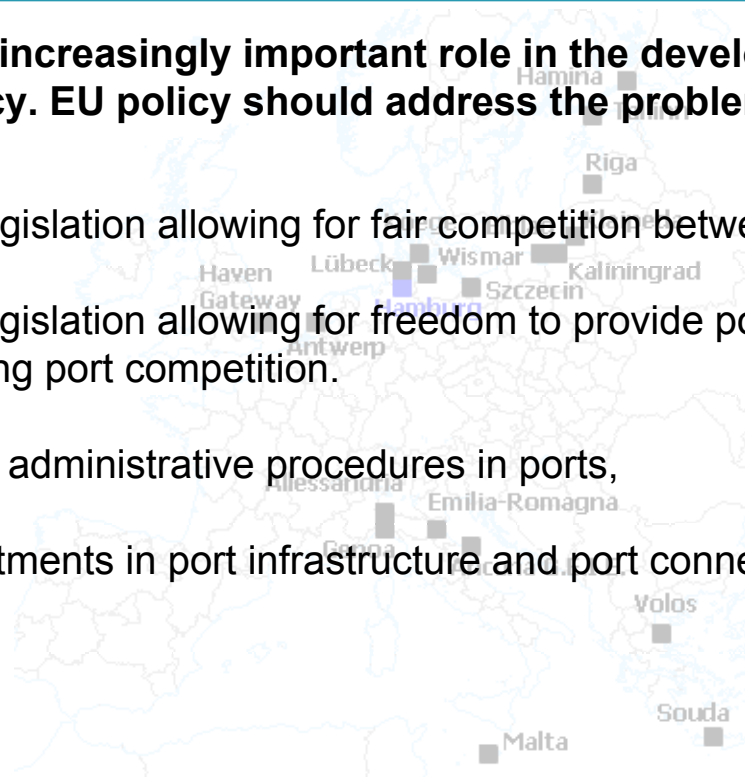


The Commission is undertaking many efforts to tackle these problems:

- One-Stop Commercial Shops, the recognition of the International Maritime Organisation's Facilitation Form, the presentation of a Guide to Customs procedures, the improvement of Port services and of the connections to the hinterland, the interoperability of the loading units etc.
- Marco Polo: The Commission proposed an amount of 740m€ for the period 2007-2013.
- The revision of the Transport guidelines of April 2004 contains a list of priority axes and projects of European Interest to be implemented by 2020.
- Motorways of the Sea: Community support for Motorways of the Sea of up to 20% of eligible costs is allowed on the basis of criteria including avoidance of distortion of competition. Eligible costs concern for instance infrastructure, facilities and logistics management systems.

Ports have an increasingly important role in the development of EU transport policy. EU policy should address the problems mainly by:

- introducing legislation allowing for fair competition between ports,
- introducing legislation allowing for freedom to provide port services in case of missing port competition.
- reforming the administrative procedures in ports,
- making investments in port infrastructure and port connections to land modes.



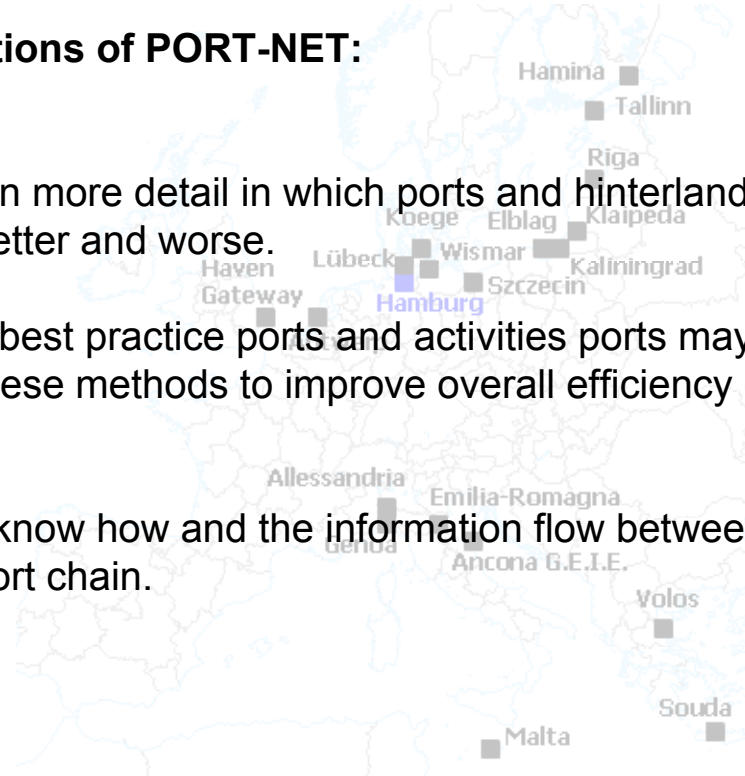
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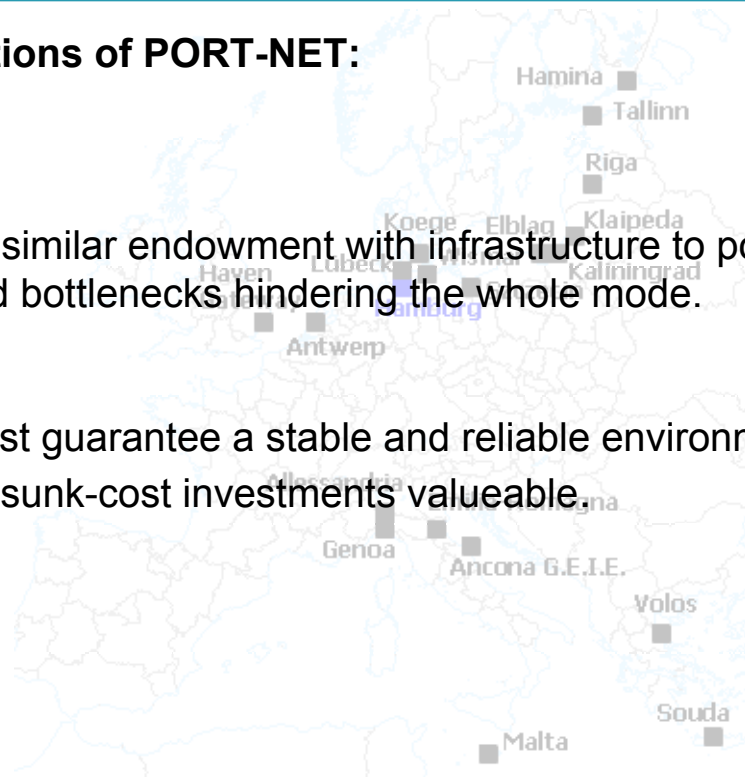
Recommendations of PORT-NET:

- Analysing in more detail in which ports and hinterlands what kind of modes function better and worse.
- Identifying best practice ports and activities ports may offer the opportunity to adopt these methods to improve overall efficiency of the intermodal chain.
- Improving know how and the information flow between different players of the transport chain.



Recommendations of PORT-NET:

- Providing similar endowment with infrastructure to ports and the hinterland to avoid bottlenecks hindering the whole mode.
- Public must guarantee a stable and reliable environment in order to make private sunk-cost investments valueable.



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2. Proposal for a directive on market access for port services: expected effects

- Higher prices for port services and port dues
- Lower investments
- Non-European companies will try to establish subsidiaries in main European ports
- Dominant position, market power



2. Proposal for a directive on market access for port services: contradictions

Liberalisation



Bureaucracy

Competition

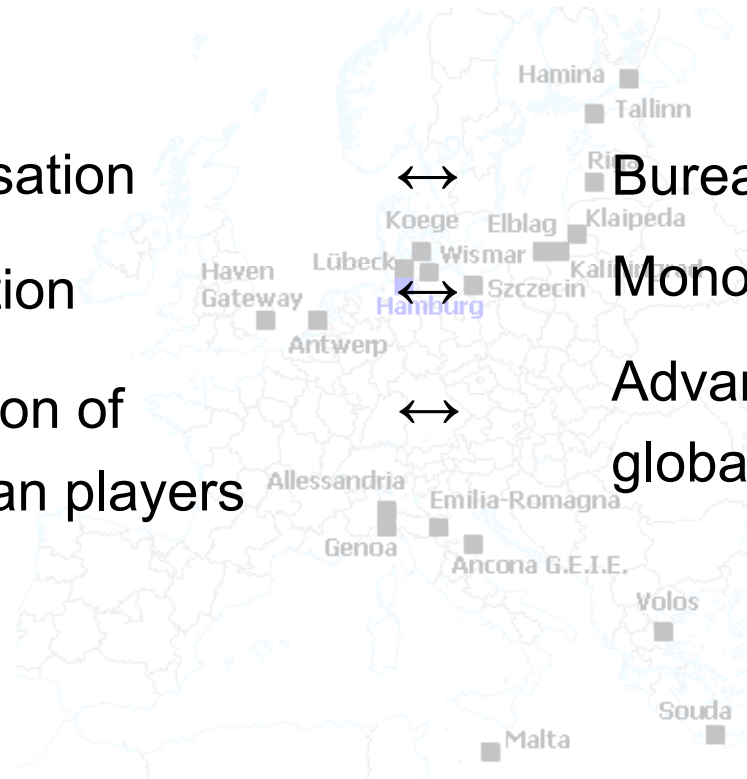


Monopolies

Promotion of European players



Advantages for global players



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2. Proposal for a directive on market access for port services: recommendations

- Refusing the directive proposal in current version
- More important are state aid guidelines to guarantee financial transparency and fair competition
- Combined forces in Europe are needed to reject the proposal in its current form
- Initiating a joint statement of Port-Net project