



Mr Fotis Karamitsos

Acting Deputy Director-General
Directorates C and D
DG MOVE
The European Commission
Rue Demot 24-28
1040 Brussels
Belgium

13 May 2015

Re: The future of EU maritime, inland waterways and ports policy

Dear Mr Karamitsos,

With this letter and its annex, BUSINESSEUROPE offers its views on the future of EU maritime, inland waterways and ports policy, also in the context of the Commission's recent public consultation and mid-term review of its 2009 maritime transport strategy.

With more than 75% of EU trade in terms of weight being carried by sea, shipping, related maritime services including ports and further transport via inland waterways represent a fundamental part of the European economy. Companies that use such transport services greatly depend upon their efficiency and cost-effectiveness. They are an essential part of the multimodal transport system in Europe.

With a number of challenges facing these sectors, such as an expected rise in demand and drive towards more sustainability, as well as increased globalisation, it is essential to formulate a sound and coordinated European strategy for maritime, inland waterways, ports and hinterland connections to support competitiveness.

At annex you will find BUSINESSEUROPE's views for such a strategy, not only for maritime policy, but also for better and more efficient inland waterway services and more competitive ports.

We trust that you will take our views into account and remain at your disposal should you wish to discuss these matters further with us.

Yours sincerely,

Jérôme P. Chauvin
Deputy Director General

ANNEX

13 May 2015

BUSINESSEUROPE's views for future EU maritime, inland waterways and ports policy

1. EU maritime policy

BUSINESSEUROPE wants an EU maritime policy that develops more attractive, safe, efficient and sustainable quality shipping, further opens maritime markets and ensures access to cargoes without restraints.

To achieve that, we believe the following elements should be included in a renewed EU strategy for maritime policy:

- **Implement and enforce what has been agreed:** BUSINESSEUROPE generally supports the current approach of the European Commission on maritime policy which was outlined in its Communication of January 2009 and of May 2013, which reviews the European port policy and presents additional actions to further unlock the potential of EU ports. The Commission rightly puts more focus on the connection of TEN-T ports with railway lines, roads, and where possible, inland waterways, in particular in the governance of corridors. Yet, we would like to see faster quality implementation of already agreed EU initiatives. Strong enforcement of existing rules is fundamental to create fair competition and foster innovation in a stable and predictable framework that triggers investment.
- **Reduce administrative burdens:** It is also important to reduce administrative burdens in the maritime sector, for instance in relation to customs. For short sea shipping, it is important to continue to simplify and remove administrative barriers also in terms of duplicated cross-border controls and the lack of harmonised documents. Therefore, we still strongly support the development of a "Blue Belt" in the seas around Europe to simplify the formalities for ships travelling between EU ports. We regret that this proposal has already been blocked for many months and ask the Commission to come with a renewed proposal to make progress in this respect. We moreover regret that the divergent implementation of the Reporting Formalities Directive currently taking place will result in the opposite of its initial aim of simplification. With the same aim, we support the establishing of common EU rules on conditions and procedures for granting pilot exemption certificates for ships frequently using the same ports.
- **Advocate Europe's leading role in maritime transport:** Europe has the world's largest shipping fleet, directly employing some 300.000 seafarers on board merchant vessels and another 3 million in related jobs. More than 80.000 merchant ships call at European ports every year. The marine and maritime sector currently represents 5.4 million jobs and a gross added value of almost €500 billion a year. 75% of the EU's imports and exports, and 37% of the internal trade transits through seaports. Shipping is essential for the import of energy and raw materials.



Promoting the sector will trigger investment, attract students and workers and ensure the right political momentum to modernise the sector to make it more competitive.

- **Foster innovation:** It is important to maintain a stable and innovation-friendly regulatory framework securing the competitiveness of national fleets. A key aspect is to provide the legal certainty needed to trigger investment in innovation. Quality implementation and strong enforcement of agreed rules is key in this respect.
- **Build on skilled people:** Maritime skills and know-how are a key element of the competitiveness of the sector. Therefore, the EU should help to promote training opportunities and maritime careers. Already now there are more than 38.000 students / cadets with great potential studying in maritime academies in Europe, but in the light of the expected increase in demand in the next decades, this figure must go up.
- **Take a balanced approach towards more sustainable maritime services:** Regarding sulphur content in maritime fuels and reduction of emissions, BUSINESSEUROPE supports the objective and industry is making significant efforts to reduce emission from shipping. However, the right balance between environmental and economic benefits needs to be struck. In the current economic situation, the EU should avoid to confront industries with huge new challenges, weakening their competitiveness. It is essential that the EU aims to find global solutions that provide a level-playing field for European industries in the international arena and does not accept regionally discriminatory standards.
- **Create an international level playing-field:** The shipping industry is facing increasingly fierce competition from third countries, especially by shipping centres in Asia. To be more competitive, we need to remove administrative burdens, streamline procedures, foster innovation and trigger investment. It also entails striving for balanced environmental requirements. The EU and its Member States also need to intensify efforts at bilateral, plurilateral and international level to ensure open access to markets and further liberalise trade in maritime services. This should be done through ambitious trade agreements. BUSINESSEUROPE therefore calls to conclude an ambitious chapter on shipping in the current Trade in Services Agreement (TiSa) and Transatlantic Trade and Investment Partnership (TTIP) negotiations. EU rules for international shipping should remain fully consistent with International Maritime Organization (IMO) standards and requirements to avoid distortions of competition. A reliable regulatory framework will give the European shipping industry the planning certainty it needs.
- **Benefit from the digital revolution:** Further digitalisation linked to administrative simplification and streamlining of operational procedures will greatly benefit maritime transport, for instance by promoting initiatives such as the Blue Belt (or similar initiatives with the same aim) and related e-Maritime and e-Freight services. There is still untapped potential in freight and container tracking. Technical possibilities such as GPS and RFID are only used to a restricted extent here. A dynamic tracking and tracing system (RIS) with Europe-wide technical standards would allow for a better management of cargo flows and increase the transparency and response possibilities of sea shippers.



2. EU ports policy

Ports are the most important link in the global value chain. Yet, ports are not operating in an optimal way in Europe. Congestion and inefficient connections with the hinterland are common issues for most ports. With this, there will be a growing demand in the next decades due to increased globalisation and the digital revolution which established truly global and an increasing number of e-commerce chains.

In its May 2013 Communication, the Commission rightly identifies the three main challenges regarding ports policy for Europe:

- 1) **There is a structural performance gap between ports:** today, 20% of the goods coming to Europe by sea pass through just three ports (Rotterdam, Hamburg and Antwerp). In 2011, EU ports handled 3.7 billion tonnes. It is estimated that this volume will increase by 50% by 2030. All ports across the trans-European network will be needed to accommodate this growth.
- 2) **The need for ports to adapt to new requirements:** for example to increased size and complexity of the fleet, stricter requirements on environmental performance and alternative fuels or new logistics and distribution systems.
- 3) **A European challenge - connectability:** ports of the trans-European network need to function well and have good connections with the hinterland, also across borders.

BUSINESSEUROPE supports efforts to open port services to competition and enhance maritime and port security and strict application of competition rules to maritime transport must continue. European ports need to be well-connected, efficient and reliable while offering the needed transparency in terms of port funding. To increase the transport of goods by sea, the role of ports and their hinterland connections should be given high priority not least when new infrastructure is being built. Strategic allocation of EU and national funding is essential here.

BUSINESSEUROPE believes these are the key ingredients for better EU ports policy:

- **Improve the efficiency of current logistic chains:** Improved efficiency in the services provided and the way ports are managed and run is what is required and an important element needed to cope with the EU's ever growing transport needs. This can be done by better application of smart logistics tools and ICT solutions. R&D and innovation can point the direction towards providing more efficient means of improving productivity in ports from a technological but also non-technological (e.g. services) point of view. ICT could for example provide better means of coordinating vessel movements, enhance safety and promote efficient logistics services. Research and more consistent collection of data in transshipment processes could contribute to increased port efficiency and thereby enhance competitiveness. Improvements can also be made through administrative simplification, but also better intermodal connections.



- **Focus on better services in addition to infrastructure investments:** The quality of Europe's ports depends not just on cranes, infrastructure and investment, but also the quality of the service rendered therein. A modern business approach, resulting in efficiency and free and open competition in and between ports are essential requirements in making ports and maritime transport an attractive and competitive mode in the European supply chain.
- **Use standards to improve interoperability:** Further standardisation has a role to play in any ports policy. Container standards in sea transports are not the same as for waterway or road transport. This increases the break bulk costs. A gradual realigning of container standards should be pursued and promoted at international level, however maintaining the freedom for shippers and transport operators to make use of specific loading units for special purposes and/or when economically more efficient.
- **Improve and simplify procedures used in ports:** For instance, more use of direct calls between vessels and the harbor services should be promoted. They can save between two and three days and sometimes as much as a week in time to complete a task. In a world where one can go online and find the exact location of a vessel at any given moment – it should be made a priority to introduce similar procedures to deal with the day to day bureaucratic requirements in ports. Improving (simplifying) customs processes could also increase the ports productivity.
- **Trigger investment:** Incentives for public authorities and private investors are needed to ensure a sufficient level of investments for long term projects. There should be more focus on the connection of TEN-T ports to with efficient transport links to the hinterland through railway lines, roads and where possible inland waterways. This is true as much for deep sea operations to enable ports to accommodate the next generation tanker/container vessels which are increasingly entering use and putting challenges to the existing infrastructure. A constructive debate on state aid financing versus private financing and/or public-private partnerships (PPPs) is needed to facilitate this.
- **Take national structures and differences into account:** When designing EU policy to enhance the competitiveness of European ports, due consideration needs to be given to the different political and regulatory environments that European ports operate in. The UK and the Republic of Ireland for example operate in a different port environment to that of the rest of Europe. Investment in their ports comes by and large from the private sector. On continental Europe, a majority of competing European ports are funded by their governments.
- **Further open up port services to competition:** More competition in the delivery of port services will in most cases improve efficiency and lower costs. Promoting open and transparent (cross-border) public tendering is essential in this respect. In this regard, BUSINESSEUROPE supports the purpose of the proposed Regulation 2013/0157 (COD), namely ensuring better market access for private port service providers. It is essential to refrain from offering unjustified possibilities to limit market access (e.g. through minimum requirements,



limitation of the number of providers or dominance of public services obligations) and restricting the commercial freedom of ports to set their own charges for port infrastructure and services, exempt in cases where Member States have introduced public service obligations to ensure delivery, compliant with the TFEU and in particular with the rules concerning services of general economic interest (SGEIs). There is concern that the proposed Regulation introduces long-term policy and legal uncertainty. This would have a particularly negative impact on ports and port operators which are privately owned and which rely on private investment to finance new infrastructure, equipment, etc. Privately owned and privately funded ports should therefore be excluded from the scope of the Regulation, and publicly owned ports should not have the suggested possibilities to intervene in the market.

- **Ensure financial transparency of ports:** Furthermore, it is important to clarify the rules on state aid for financing port infrastructures as quickly as possible. The Commission must speed up its efforts to deliver new state aid guidelines for ports and ensure a level-playing field through strong enforcement.
- **Measure port performance:** BUSINESSEUROPE also welcomes the Commission's commitment to develop a set of more precise European indicators to better measure the performance of ports, for instance concerning administrative efficiency, services provided, quantity and quality of connections with the hinterland, etc. This should lead to a more factual discussion on maritime policy and give more insight on the functioning of connections with the hinterland via inland waterways (see also below).

3. Inland waterways

Inland waterways have to play an increasing role in particular in moving goods to the hinterland and in linking the European seas. With increasing freight volumes in maritime transport and limited capacities on road and rail, it is important to tap this potential more strongly than hitherto.

Therefore, BUSINESSEUROPE recommends to:

- **Better link sea and inland ports with each other.** Of central importance is efficient processing of inland ships in sea ports whose terminals have in the past been mainly specialised in larger sea vessels. The result is that processing costs in sea ports can be around 40% of total transport costs for hinterland traffic on inland ships.
- **Increase the efficiency of inland ship transshipment.** It should be examined how much the construction of special inland ship terminals can help to make waterborne transport more competitive also financially.
- **Add no additional burdens on inland navigation with national levies for the use of rivers and canals or unbalanced environmental regulations.** These would make this transport mode more expensive and less attractive for the sea shipping sector.