



# Towards a European Sea Ports Policy

**Patrick Verhoeven**

Danish Ports Conference 2006

Kolding, 9-10 November 2006

© European Sea Ports Organisation



# Summary

1. EU port policy to date
2. The port services' Directive saga
3. EU consultation on a future port policy
4. ESPO recommendations
5. Conclusion

# 1. EU port policy to date

|             |   |
|-------------|---|
| 1974        | Foundation Community Port Working Group           |
| 1993        | European Parliament Report Seaport Policy         |
| 1997        | Green Paper Seaports / Marit. infrastructure      |
| 2001        | Port Package with port services' Directive I      |
| 2004        | Port services' Directive II                       |
| <b>2006</b> | <b>Commission consultation future port policy</b> |
| <b>2007</b> | <b>Communication on European seaport policy</b>   |

# Ports are subject to the EC Treaty

Rødby

Roscoff

GT-Link

Holyhead

Variola

Merci

Raso

...



# Ports are subject to secondary legislation

Relevant legislative proposals currently discussed:

- Supply chain security
- Traffic monitoring and reporting
- Air quality
- Water quality (marine / river)
- Waste (dredging)
- Railway liberalisation
- Review customs code
- Intermodal loading unit
- ...

# Ports are subject to policy initiatives

Recent initiatives / in preparation:

- Transport policy (White Paper Review)
- Short sea shipping (Review)
- Inland navigation (Communication)
- Logistics (Communication)
- Maritime policy (Green Paper)
- Security of critical infrastructure (Communication)
- ...

## 2. The port services' Directive saga



# PSD I - a missed opportunity ?

- PSD I was based on sound principles and dealt with relevant questions
- The shortcomings of the initial proposal were amended in the final compromise
- Some criticism was exaggerated and based on specific interests or perception
- PSD I was not perfect but it provided a decent basis for a sector-specific framework and more legal certainty
- PSD I would have given the necessary push for additional instruments (e.g. State aid guidelines)



# PSD II – “Chronicle of a death foretold”

(Freely rendered after Gabriel Garcia Marquez)



### 3. EU consultation on a future European port policy



# What to expect ?

|             |  |
|-------------|--|
| Purpose     | Identify core elements of a new European port policy   |
| Objective   | A policy that promotes investments, sustainable growth and employment in the port sector   |
| Themes      | Relations between port authorities and service providers, port financing and State aid, sustainable development of port capacity, operational bottlenecks in ports, integrating ports in the supply chain, overall competitiveness of EU ports |
| Timing      | November 2006 - May 2007   |
| End product | Communication on European seaport policy + action programme (autumn 2007)  |

# Themes to be discussed

|   |   |
|---|---|
| <u>Theme 1</u> : Relations port authorities - service providers | <ul style="list-style-type: none"> <li>• Networking capacity port authorities</li> <li>• Co-operation and competition rules</li> </ul>    |
| <u>Theme 2</u> : Port financing and State aid                   | <ul style="list-style-type: none"> <li>• Financial autonomy port management</li> <li>• Use of public funding for port projects</li> </ul> |
| <u>Theme 3</u> : Sustainable development of capacity            | <ul style="list-style-type: none"> <li>• Legal certainty environmental rules</li> <li>• Co-operation to create capacity</li> </ul>        |
| <u>Theme 4</u> : Solving bottlenecks in ports                   | <ul style="list-style-type: none"> <li>• Port labour</li> <li>• Technical-nautical services</li> </ul>                                    |
| <u>Theme 5</u> : Solving bottlenecks in supply chain            | <ul style="list-style-type: none"> <li>• Customs + administrative procedures</li> <li>• Trans-European Transport Networks</li> </ul>      |
| <u>Theme 6</u> : Overall competitiveness EU ports               | <ul style="list-style-type: none"> <li>• Fair competition with non-EU ports</li> <li>• RTD projects</li> </ul>                            |



# Comparison of initial findings



## ESPO 2007 Conference



Algeciras

Hotel Guadacorte Park  
31 May–1 June 2007



# Other relevant initiatives

**What maritime policy for the EU?**



**Have your say:**

<http://ec.europa.eu/maritimeaffairs>



**KEEP EUROPE MOVING**



**Sustainable mobility  
for our continent**

**EUROPEAN  
FREIGHT TRANSPORT**



**Modern logistics solutions for  
competitiveness and sustainability**

## 4. ESPO recommendations



- Basis: 2004 ESPO paper “Seaport policy – a practical guide for EU policy makers”
- 2006 Stockholm recommendations
- Input for thematic regional workshops

## A) Managing relations between port authorities and service providers

|                           |  |
|---------------------------|--|
| Background                | <ul style="list-style-type: none"><li>• Impact of globalisation and consolidation in shipping and cargo handling services</li><li>• Traditional role port authority put in new perspective</li><li>• Port management reform – greater autonomy</li></ul>                                       |
| Scope for EU intervention | Stimulate management reform and competitive behaviour by clarifying the rules of the game  |
| Areas covered             | <ul style="list-style-type: none"><li>• Clarify use of “concession”-type instruments</li><li>• Clarify under which conditions port authorities can offer economic activities and services</li><li>• Address ongoing process of mergers and take-overs in the market of port services</li></ul> |



## B) Port financing and State aid

|                 |   |
|-----------------|---|
| Background      | <ul style="list-style-type: none"><li>• Legal certainty</li><li>• Level playing field</li><li>• Transparency</li></ul>  |
| Instrument      | State aid guidelines  |
| Principles      | <ul style="list-style-type: none"><li>• Definition of public funding</li><li>• Financial autonomy port authority</li><li>• Focus on port area and economic activities</li><li>• Distinction between access + defence infrastructure and project-related infrastructure + superstructure</li><li>• Transparency of accounts</li><li>• Apply to future schemes and all ports in principle</li></ul> |
| To be clarified | <ul style="list-style-type: none"><li>• Market investor principle</li><li>• Services of general economic interest</li></ul>   |

## C) Sustainable development of port and port-related capacity

|  |  |
|--|--|
| Background and scope for EU intervention | <ul style="list-style-type: none"><li>• Need for capacity development to accommodate traffic growth</li><li>• Legal uncertainty and ambiguity created by EU nature conservation legislation causes substantial delays</li></ul>  |
| Aims                                     | <ul style="list-style-type: none"><li>• Better implementation of the existing legal framework</li><li>• Reinforced legal status of port development projects</li><li>• Amendments to ongoing legislative proposals</li><li>• Encourage high standards for environmental management</li></ul> |

## D) Solving operational bottlenecks inside ports

|                           |  |
|---------------------------|--|
| Background                | <ul style="list-style-type: none"><li>• Operational bottlenecks related to technical-nautical services and port labour</li><li>• Controversial (cf. debate PSD)</li></ul>  |
| Scope for EU intervention | <ul style="list-style-type: none"><li>• Inventory of concrete bottlenecks, identifying effects and possible solutions</li><li>• Ensure principle that service providers have freedom to recruit personnel of their own choice</li><li>• Clarify status technical-nautical services (services of general economic interest)</li></ul> |

## E) Solving operational bottlenecks in the supply chain

|                           |   |
|---------------------------|---|
| Background                | <ul style="list-style-type: none"><li>• Logistics chains are the relevant focus in port competition</li><li>• Seaports need all modes of transport</li><li>• Efficiency of seaports relies very much on efficiency of services provided in fore- and hinterland</li><li>• Ports are favoured locations for controls and inspections</li></ul>   |
| Scope for EU intervention | <ul style="list-style-type: none"><li>• Simplification of customs and administrative procedures</li><li>• Efficient controls and inspections – no transfer of government responsibilities to ports without compensation</li><li>• Implementation NAIADES programme (inland navigation)</li><li>• Implementation EU railway liberalisation packages</li><li>• Stronger focus of TEN-T resources on hinterland connections to ports</li><li>• No artificial modal shift (infrastructure charging)</li></ul> |

## F) Overall competitiveness of EU ports

|                           |  |
|---------------------------|--|
| Background                | <ul style="list-style-type: none"><li>• Ports in border regions of EU experience unfair competition from neighbouring non-EU ports</li><li>• European ports suffer from a negative image</li><li>• There is a lack of reliable and high quality statistics</li><li>• European port know-how and expertise is not fully exploited</li></ul>                           |
| Scope for EU intervention | <ul style="list-style-type: none"><li>• Raise competition problems with non-EU ports through EU external relations policy / accession negotiations</li><li>• European action programme to promote a positive image of seaports</li><li>• Enhanced statistical information through Eurostat</li><li>• Agenda for pragmatic and industry-driven RTD projects</li></ul> |

# 5. Conclusions

- European ports need a coherent policy framework to remedy the current patchwork of measures
- Lessons must be learnt from the port services' Directive saga
- Consensus already exists on the future agenda
- Policy does not necessarily imply new legislation
- The European port sector must now form a clear opinion on its requirements and overcome its internal differences

# Thank you for your attention



**Patrick Verhoeven - Secretary General**

**European Sea Ports Organisation (ESPO) - Treurenberg 6 – B-1000 Brussel / Bruxelles  
Tel + 32 2 736 34 63 – Fax + 32 2 736 63 25 Email: [pverhoeven@espo.be](mailto:pverhoeven@espo.be) – [www.espo.be](http://www.espo.be)**