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MARITIME TRANSPORT IN AN OVERALL TRANSPORT POLICY

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Introduction

1. Efficient transport systems are the backbone of global trade exchanges. Maritime transport plays an eminent role in this respect. Taking Europe as an example more than 90% of its foreign trade exchanges (in tonne miles) are transported by sea. Also for intra European transport, maritime services are a key player having now a share of more than 40% versus other modes.

2. An appropriate transport policy to underpin the development of efficient transport is a necessity both on a regional and on a global basis. Maritime transport should have a key role in such a policy, recognising thereby its specificity particularly its de facto global character and the inherent need for a liberal trading environment.

3. Many Governments have issued transport strategy papers. Some concentrate on pure national and/or regional approach, others take the globalisation of trade and as a consequence the global transport environment into account. As far as Europe is concerned the Commission published a White Paper on Transport Policy in September 2001 to which the follow up is in process.

4. In this paper we will try to highlight some key issues in the context of a supply chain approach with the accent on intermodal container transport and the relations between the different modes.

Short Sea Shipping

5. Continuing congestion of road transport has compelled policy makers and industry to place the promotion of alternative transport modes, such as short sea shipping, high on their transport policy agenda. As far as Europe is concerned the EU Institutions and industry launched in 1992 a joint approach on the promotion of short sea shipping as an alternative and environment friendly transport mode.

6. Joint efforts of all involved have resulted in a gradual and ongoing increase of the share of short sea shipping versus other modes. With a share of about 43% short sea shipping has increased by about 8% since 1992 i.e. an increase at more or less the same pace as road transport.

7. The progress on the use of short sea shipping has been stimulated by:
   - High investments in vessels, equipment and intermodal logistic services.
   - Improvements in efficiency taking into account the overall supply chain.
   - The ongoing work on bottlenecks particularly on documentary procedures and on port services.
   - The establishment and practical work of short sea promotion centres all over Europe.
   - The co-operation between industry and the EU Institutions.
8. The Short Sea Promotion Centres, as referred to above, have meanwhile created an electronic network between them enabling an ongoing exchange of information and virtual meetings. Through this network a databank has been established, accessible to the public, and providing short sea sailing possibilities to/from different short sea destinations. The intention is to cover soonest the whole of Europe. The data bank is accessible on www.shortsea.info.

9. Enhanced action on improvements on documentary procedures is an ongoing exercise where gradually results are coming forward. Industry, Member States and the Commission services are giving priority to bottlenecks created through customs procedures. On the basis of a guide on customs procedures on short sea shipping issued by the European Commission in May 2002, different bottlenecks are brought forward together with suggestions for improvements. The procedure and the application of the so called simplified customs procedure is receiving specific attention.

10. The shipping industry is directly involved in the exercise and hopes that the first results will come forward in 2003. The aim is to have for short sea shipping customs procedures that are similar to those applicable for road transport.

11. The progress of short sea shipping is, as mentioned above, also based on the supply chain approach i.e. not selling the service in isolation but as a full part and as an attractive element in the overall supply chain of goods.

12. All elements of the chain, particularly those directly related to the maritime transport, have to aim at the best efficiency. Nodal points, in this case port services, were identified in a bottleneck exercise made in 2000 as key points needing further improvements. Therefore, the shipping industry welcomed the Commission proposed Directive on market access to port services as issued in 2001.

Port services

13. Modernisation and liberalisation of the port service industry has been requested by industry for a long time. This is not only valid for short sea shipping, as expressed above, but for maritime transport as a whole.

14. Continuous efforts are made to raise the efficiency of the transport chain and to optimise the use of maritime transport within the chain. As key nodal points port services have to be a full part of this exercise towards more efficiency and competitiveness.

15. The proposed Directive on Market access to port services as published by the European Commission in February 2001 is a first and necessary step to support these efforts.

16. The necessity to liberalise port services is not based on talk but on mere facts. The bottleneck exercise made by the Commission in 2000 in the context of short sea shipping, on the basis of input received from industry and Member States, demonstrated the necessity for market access to port services.

17. Though many ports offer excellent services, it cannot be denied that there are still many bottlenecks such as: the imposition of services, excessive tariffs and poor efficiency based on a monopolistic position, charges which cannot be substantiated, and rigid labour prescriptions. Therefore the industry is advocating that accepted principles such as: open markets, free and fair competition between and within ports, no imposed services, fair and transparent pricing and an ongoing adaptation of practices in ports to changing circumstances are applied soonest in port services.
18. The proposed Directive addresses these points taking thereby account of the specific character of the services involved. It is now going through the EU decision process in the Council and Parliament. Key industry players notably UNICE, ESC, CLECAT, ECASBA and ECSA\(^1\) representing the producers and providers of logistic services of European trade have insisted on an early approval of the Directive without weakening it. Delaying of the application of the Directive or weakening its contents would have a serious negative effect on the efficiency and the competitiveness of maritime transport in the overall supply chain.

**Intermodal Transport**

*Maritime intermodal services*

19. For maritime operators the enhancement of intermodal transport is a fact of life. Every year about 14 million TEUs are moving around in Europe on an intermodal basis. With maritime transport as a basis (including feeder services) other transport modes are used notably road, rail and barge or a combination of same. For easy understanding this means 38,000 moves a day. The expectations are that this figure will grow continuously.

20. Suggestions, often made, that a new profession of “intermodal operator” has to be created is consequently ill founded. Container operators and forwarders offer a wide scale of intermodal services and appropriate logistic systems are set up taking into account a supply chain approach.

21. As for short sea shipping, it is essential that action is taken on bottlenecks that are discouraging the development of multimodal transport. In this respect a seamless interchange between the different modes is a necessity. Consequently technical improvements have to be brought forward and the efficiency of the nodal points should be sharpened.

*Road transport*

22. The shipping industry is an important user of road transport for its intermodal services. The fact that our industry supports the promotion of alternative modes such as short sea and rail should not be seen as an attack on road transport. However, a solution has to be found to the ever growing congestion of road transport.

23. Whereas the shift to alternative modes should be enhanced, road transport has an indispensable role on short distances particularly at the beginning and the end of the transport chain on which it should concentrate its efforts. In this respect it is essential that the necessary road infrastructure is available around these points of the chain. Specific dedicated highways may have to be developed around and towards such centres notably for ports and freight terminals.

24. It is almost inevitable that the creation of new infrastructure for road transport will meet with resistance from all kinds of interest groups. Politicians should realise that, eventually, such measures have a direct added value for sustainable mobility having a benefit for the quality of life and for the environment. The same is valid for appropriate new infrastructure works in other modes.

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1. UNICE, Union of Industrial and Employers’ Confederations of Europe; ESC, European Shippers Council; CLECAT, European Organisation for Forwarding and Logistics; ECASBA, European Community Association of Ship Brokers and Agents; ECSA, European Community Shipowners’ Associations.
Rail

25. It is common knowledge that transport of cargo by rail is the sick partner in the intermodal logistic chain. The White Paper on European transport policy, published by the European Commission in 2001, confirms that whereas road and short sea shipping have grown at the same pace, rail cargo transport has declined to a market share of 8%. The White paper also mentions an average speed of cargo transport in Europe of 18 km/h.

26. The reasons for this regrettable position are well known such as: lack of market access, lack of commercial attitude, inflexible attitude, low efficiency, different equipment and infrastructure, congestion in passenger/cargo transport, etc. Improvements are gradually taking place but the process is apparently very long term.

27. Maritime intermodal operators are pioneers in enhancing the use of rail links in intermodal transport. A Group of important European container carriers has created the European Rail Shuttle (ERS) organising dedicated container trains to different European destinations.

28. The establishment of the shuttles was difficult and met with the above well known problems of the European railways. Nevertheless, the shuttle services have gradually developed from three shuttles a week in 1998 to more than 200 weekly shuttles serving a wide variety of destinations including Nurnberg, Munich, Poznan, Warsaw, Prague, Bratislava, Milan and Padova. The latest development is the launching of its own railway company – ERS Railways – with own traction. Initially it will operate between Rotterdam and Germersheim, but the intention is to expand the service in 2003. These trains run, already now, at 46 km/h and the aim is to reach 60 km/h shortly.

29. It is evident that such initiatives will bring rail back on the map for transport of cargo throughout Europe. Authorities should further enhance the liberalisation process especially in countries where similar activities have to date not been possible.

Inland Waterways

30. According to the White Paper the share of transport by inland waterways in European transport of cargo is 4%. However, according to the latest indications an average growth of 5% can be noted. Particularly in the countries with an inland waterway network, inland navigation carries about 12%. This confirms the necessity of a proper infrastructure.

31. This improvement is, amongst others, influenced by the active role of promotion centres, a new commercial approach and the appropriate government policies and action.

32. Also for this mode work is being done on bottlenecks such as the lack of infrastructure, depth of rivers/canals, problems with bridges, the opening of rivers and canals during weekends, documentary procedures, etc.

33. Maritime intermodal transport is a frequent user of inland waterway transport particularly on main links such as Rotterdam/Antwerp and the German hinterland via the River Rhine. The Saone-Rhone linking Marseille with Lyon and the French Bourgogne combining sea and inland waterway transport also noted a substantial increase since 1995.
Intermodal Units

34. The growing importance of intermodal transport has unavoidably lead to discussions on the
harmonisation and standardisation of intermodal units. It is evident that the industry supports suggestions
and initiatives which support the interchange ability of loading units between different modes. However,
ultimate care has to be taken that suggestions for harmonisation and standardisation do not eventually lead
to disharmonisation.

35. In this respect one should recognise that a 100% ideal intermodal unit will never be found. There
will always be some disadvantages and problem areas, be it in transport, handling and packing or due to
the dimensions of the goods themselves. The key is therefore to establish norms that are workable for the
largest possible number of users.

36. With some 75 million TEU ISO intermodal units constantly moving around world wide,
14 million of which being intensively used in intra European moves, a trend has definitely been set by
maritime intermodal transport. The norms followed in maritime intermodal transport have been set after in
depth study and much debate on an international basis.

37. Different types of units are available to fulfil the requirements of trade and transport including
pallet wide containers, swap bodies, high cubes, refrigerated units, reefer units, tank containers, half
heights, open tops, flat racks, bulk containers, etc.

38. Intermodal units should as far as possible be interchangeable between the different modes but
also be compatible for use both on a regional basis, e.g. intra Europe, as in international transport. In fact
often the same units are involved.

39. The “imposition” of a specific norm on a regional basis, as has been launched a few times, should
be avoided. Indeed, if different regions come up with their own regional intermodal unit, a chaotic situation
would emerge particularly taking into account the ever growing globalisation of trade. A deviation from
the generally accepted norms (international) will have a negative effect on overall efficiency, increase costs
(vessels and other transport means, ports, terminals, handling equipment) and create gradually a limbo in
accepted norms.

40. Certainly new initiatives and inventive suggestions should be developed to arrive at the most
efficient range of intermodal units. One should, however, take into account the experience gained over the
years in intermodal transport and in particular the norms and dimensions agreed between the different
parties involved after detailed study and much debate. Being a key player in intermodal transport the
shipping industry will closely follow developments in this respect and contribute in order to find workable
solutions serving regional and global trade.

Conclusion

41. The considerations on the above few points demonstrate that transport should not be approached
in isolation neither for individual modes nor as a service. Experience has proven that an overall approach
taking into account the supply chain philosophy should be followed.

42. Maritime transport has followed this road. The developments in short sea shipping and
intermodal transport give evidence of this development. This overall approach does of course not ignore
the fact that the shipping industry is an efficient and modern industry in its own right.
43. Continuous efforts are necessary to ensure for shipping an attractive, efficient and competitive place in the supply chain. The different links should be part of this process hence the necessity of liberal markets allowing an ongoing adaptation to changing and challenging circumstances. Port services and rail transport have to catch up in this respect.

44. The globalisation of trade is directly linked to the globalisation of transport itself. Transport policy should take this global aspect into account. A pure regional policy on transport would ignore reality and eventually create quite some problems. This is particularly so for maritime transport and for intermodal services. It is also key to acknowledge that a free market approach is the backbone of both global trade and global transport. Efforts to enhance the liberalisation process on a global basis should be supported.

45. Modal shifts to alleviate congestion are taking place. This does not mean that different modes are attacking each other. The intermodal experience has proven that co-operation between the different transport modes using and integrating their services is the way forward. Infrastructure should be available to support this development.