



A future maritime policy for the European Union

ESC Initial views on the forthcoming Green Paper of the European Commission

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Introduction

The European Shippers' Council (ESC) represents the interests of European industry as *users* of freight transport services in all modes of freight transport (deep sea shipping, short sea shipping, air transport, road transport, rail, inland waterways, both within Europe and *overseas*). Shippers are primarily producers of goods and services which they market, sell and distribute to their customers.

ESC welcomes the opportunity to respond to the European Commission's initiative of looking at an integrated approach of a future Maritime Policy for the Union. All these policies should be directed towards improving competitiveness and encouraging growth in a sustainable manner. The ESC considers that any Commission strategic aims or actions that follow from this initiative should be placed within the overall Commission's aim to make Europe the most competitive economy of the world as part of the Lisbon agenda. In doing so it should continue to ensure the free and fair trade, improving the business environment through better and less regulation and enhancing infrastructure.

Since the ESC is as a stakeholder in particular interested in the transport and maritime safety and security policies, which already have a strong legal basis in the EU, we will be commenting on those aspects. ESC believes that the EU maritime policy should be closely coordinated with the EU's wider transport policy and therefore argues that the Green Paper should be linked with the Review of the EU White Paper on Transport Policy.

Need for a Competitive Environment for European Industry

The operation of complex supply chains is dependent upon efficient and reliable transport services that enable companies to move products around the world easily and efficiently. Further liberalisation in areas such as port - and maritime services reflects ESC's desire to have inefficiencies removed from industry's supply chains to enable European business to enhance its competitiveness in highly competitive overseas and domestic markets.

The liberalisation of the transport markets within the European Union has tremendously contributed to the development of a prosperous single market in Europe. It should also help to improve the competitive position of Europe in the global trade society. Without efficient and competitive maritime links and services

EU industry cannot trade effectively; and cannot compete effectively in the world economy. The fact is transport costs are between 15-20% higher in Europe than they are in the USA and Japan.

Securing infrastructure Needs

Whilst the Commission's policy is to promote genuine mobility and limit environmental damage by promoting transport modes which have unused capacities, such as the waterways and short sea shipping, transport users are being confronted with congestion in the major container ports and connections which sometimes forces them to again use road transport rather than an intermodal transport solution.

Therefore, transport infrastructure, both in ports and in the hinterland connections requires urgent investment in order to cope with increasing freight volumes and to facilitate intermodal transport. Shippers would support a European Maritime policy that would ensure that there is sufficient port capacity and that would improve hinterland connections and the efficiency of port services.

Facilitation role for the European Commission

The ESC believes that the European Commission has a role to play in providing industry with information on future trends in logistics and the comparative performance of different transport modes. Over the next 10 years the European Commission should identify and publicise trends in manufacturing location, including the future origins and destinations of goods. This will inform the long-term planning and investment decisions of industry, transport operators, logistics providers, and infrastructure owners. Demand for freight transport services is a direct result of the need to transport goods from origin to consumer. The Commission is uniquely placed to collate this information and develop a high quality planning resource for use by all parties involved in the transport industry. The Commission should also begin assessing and make available the costs and impact of congested infrastructure and journey time on the efficiency of the single market. This will help not only to identify critical infrastructure investments, but also to enable industry to plan its future supply chains intelligently.

Promoting Best Practices and pro-competitive business tools

Industry has heavily invested in the development of best practice and other pro-competitive business tools such as performance indicators and benchmarking to promote efficient and sustainable transport, logistics and infrastructure systems. These instruments optimise transport movements and limit the negative impacts of transport. The Commission should extend these initiatives along with other incentives to tackle congestion, improve efficiency and to promote transport modes with underused capacities.

A Competitive environment for Shipping industry and their Customers

Shippers need high quality, efficient and reliable liner shipping services. They are therefore backing efforts of the European Commission to liberalise maritime transport. It is the reason why customers support the repeal of regulation 4056

(competition rules governing the maritime industry) and reject replacing it with a new block exemption permitting the formation of a new cartel. The repeal of regulation 4056/86 is about making the liner industry more responsive to its customers and less focussed on collaboration with its competitors. This will enable Europe's industry to compete at a global level, meeting the requirements of the Lisbon Agenda. It should not be confused with the otherwise well-intentioned desire to ensure the greater shipping industry in Europe (ship-building, the maritime service industry, and short-sea industry) is promoted and remains strong in Europe's economy.

Short-sea and coastal shipping is thriving in a competitive environment without any block exemptions. The growth of short-sea container feeder services (not to be confused with intra-EU short-sea shipping services), to take transhipped containers at the main container port hubs, is a response more to congestion issues in ports and surrounding infrastructure and the fact also that many of the new deep sea container ships are simply too big to use the majority of EU ports.

Short Sea Shipping

Industry shares the view that increased usage of short sea shipping - and inland waterways will benefit Europe's transport system and industry supply chains. However, while better utilisation of waterborne transport does provide scope for improved market share, medium term aspirations for Short Sea Shipping and inland shipping should not be overstated. Longer term, the creation of many new routes - so called 'motorways of the sea' - could add further options to service providers, but these services must be above all attractive to shippers. Demand for such services must be assessed correctly before infrastructure or other investments are made.

Greater efficiency and faster turn around of ships in port can be stimulated by market competition in dockside activities such as cargo handling. The ESC therefore support Commission initiatives that aim at the further liberalisation of services in the port sector. Efficient services are vital to give short sea shipping services the flexibility and market appeal necessary for growth in the sector.

Maritime Safety

The « Erika » and the Prestige accidents obliged the Community to revisit its existing rules and to adopt new rules for the prevention of accidents with oil tankers. ESC remains committed to supporting realistic and workable Commission measures that will improve the safety climate and instil greater responsibility within the industry.

A lot of the safety debate has focused on the question of whether regulation should be 'regional' or 'international'. International regulation would, in an ideal world, be the most advantageous system since it would provide for a uniform global regime. However, where it appears that there is an inability to act at the international level, ESC believes Europe should accelerate matters.

The ESC is looking forward to new initiatives from the European Commission which would aim at a compulsory insurance regime for owners entering European waters along the lines of legislation existing in the US.