

European Sea Ports Organisation (ESPO)

EC Conference European Ports Policy Review – ‘Unlocking the Growth Potential’
Brussels, 25-26 September 2012

Statement of Victor Schoenmakers, Chairman of ESPO

FINAL - 25 September 2012

Thank you Chairman,
Ladies and Gentlemen,

Let me first of all thank the European Commission for taking the initiative of this stakeholder conference. It comes almost exactly five years after the Ports Policy Communication was published. A review of this policy is therefore timely, especially since ports are now being established as cornerstones of the Trans-European Transport Networks.

This being said, I think that the challenges that the European port sector is facing today are not fundamentally different from those we were dealing with five years ago. The economic turmoil of the last years may however have intensified these challenges.

The Chairman has asked us to identify three main challenges. I will do so, but I take the liberty of adding a fourth one that is specific to the port authorities that we represent in ESPO. Let me start with the three general ones that affect the sector as a whole:

- First, there is the competitive landscape in which ports operate. Hinterlands have become much more contestable and port competitiveness is nowadays largely depending on factors external to the port area as such. Optimising maritime access and hinterland connections of ports are therefore a key concern.
- Second, there is the strong bargaining power of private market players such as terminal operators, carriers and logistic operators. The economic crisis has fortunately chased away speculators that were paying exorbitant prices for port companies and infrastructure facilities. But the crisis has forced governments in some countries to sell off port assets without duly considering their strategic value for their economy.

- Third, port development needs are influenced by other user needs, ecological concerns, urban development pressure and ‘Not In My Back Yard’ attitudes. Five years ago Birds and Habitats were our principal concern, today emissions and air quality have become a number one priority. But these challenges do bring new market opportunities as well, as the case of LNG bunkering demonstrates.

Over time, one thing has not changed. Seaports are as vital as ever for Europe’s external and internal trade, its business development and the welfare of its citizens. Ports are the principal multi-modal facilitators of Europe’s economic growth.

To safeguard this role, we are pleading in ESPO for a ‘renaissance’ of port management as well as a political awareness of port development needs. These constitutes the fourth challenge, which I would like to elaborate a little further now.

Management of European seaports is in most cases devolved to a port authority, an entity which, regardless of ownership and other institutional features, assumes both public and economic responsibilities. This hybrid character explains why port authorities are ideally placed to meet the various challenges that both market forces and society impose upon the port sector. But to fulfil this mission, the traditional role of port authorities needs to be revised. Port authorities essentially have to become dynamic ‘port developers’. This will often make the difference between excellent ports and ports that are lagging behind.

To achieve such a renaissance of port management, we need first of all a change of management culture among port authorities themselves. This culture has to combine a dynamic business policy with good corporate governance and transparency. Secondly, we need responsible governments to devise frameworks that guarantee independent port management, removing all necessary bottlenecks. Finally, and this is the main point for our discussion today, we need an adequate European ports policy.

The most important asset that port authorities have is land. The way we give access to that land to operators is therefore essential. Whether we do this through public domain concessions or private land lease contracts is irrelevant. What matters is the ability to balance transparency and flexibility when using these instruments. Having clear, but also proportional guidance on the application of relevant Treaty rules is for us therefore an essential element of a common ports policy, next to guidance on State aid and guidance on the freedom to provide services.

Ladies and gentlemen,

In ESPO, we firmly believe that the European Union has the potential to be a positive force in establishing a renaissance of port management and policy. This can be done by, on the one hand, ensuring a level playing field and legal certainty and, on the other hand, fostering growth and development of ports.

Thank you.

From the ESPO Manifesto on the Renaissance of Port Management and Policy:

ESPO calls upon the institutions of the European Union to:

- 1. Establish clear and proportional guidance on the application of relevant Treaty rules regarding public funding of port investments, the granting of concessions and the provision of port services;*
- 2. Monitor the implementation of the said guidance in Member States and act in case of manifest breaches of Treaty rules, promoting a renewed industrial policy for ports;*
- 3. Simplify or increase the efficiency of implementation of legislation in the field of environment, customs, border controls and security, ensuring harmonised application;*
- 4. Create an internal market for shipping and respect the international nature of seaborne trade in all forthcoming initiatives that affect the maritime sector;*
- 5. Establish a network of core and comprehensive ports and financially support port-related projects with demonstrated EU added value in terms of transport efficiency, sustainability and/or territorial cohesion under the new TEN-T framework and other funding instruments.*

The full text of the ESPO Manifesto is available through this link:

http://www.espo.be/images/stories/policy_papers/policy_papers2012/2012-05-11%20espo%20manifesto%20final.pdf