



EUROPEAN COMMISSION

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A vital resource: Europe's ports face winds of change

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

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Ladies and gentlemen,

Thank you all for coming to this conference today: your presence demonstrates your commitment to contribute to a new European ports policy. I would like to thank you for the 500 or so replies which the Commission has received to its recent policy consultation. Of course, we are all here today in our respective roles. We all have our interests and they will not always converge. What I would like to achieve from this conference is to discuss the issues together, test the ideas – to set the scene for our work, and identify the core elements for a new policy. Ports are Europe's windows onto the world. We expect, and hope for, a great deal of growth in the years ahead as ports handle more tonnage and passengers. I am pleased to say that most respondents in our consultation – including port authorities and users – agreed with that view.

But we have to ask where that likely growth and demand will leave European ports in 15 to 20 years' time. Ships are getting larger and more sophisticated. Ports face serious challenges in terms of productivity, investment needs, sustainability, human resources as well as integration with cities and regions. They will have to adapt a great deal to cope with this extra pressure. And we also saw from the consultation that not everyone agrees whether our ports are ready to face these challenges. Ports, and particularly the major core ports in the trans-European transport network (TEN-T), are not just a concern of their local community. Their hinterland extends far into the rest of the country, and they often act as major gateways for the economies of the neighbouring countries as well. However, our ports vary widely in their operational efficiency, which creates a real divide across Europe in performance and quality of services. Today's many bottlenecks are often due to low efficiency and sometimes due to restrictive labour and other non-competitive regimes operating inside the port. It is vitally important that ports are able to compete efficiently and globally against rival ports, both to the north and south of the European Union. That means improving their rail access, connecting motorways, upgrading rivers and inland waterways that feed into ports, just to name a few areas.

But building more infrastructure will not be enough on its own. We have to ensure that ports themselves work as efficiently as possible, making good use of resources and minimising their environmental impact. This is the overall goal of the envisaged ports policy review.

In concrete terms, you have helped us to identify issues regarding, for instance, the management of ports, labour regimes, authorisations, charges, concessions and services, and the relationship between port authorities and service providers. There are many different operating models and a lack of clear EU-wide rules, which in some cases prevent a fair competition environment. I believe that the time has come to establish a more coherent ports policy and finally, a real strategic vision for EU ports. It is also time to give some legal certainty to port operators and service providers, not least as an incentive to attract long-term investments.

Our proposed review is not about micro-management or disrupting longstanding business models or natural geographical markets if they are working well. And it is not about forcing a 'one-size-fits-all' model onto a widely diversified industry. That was also clear from your answers to the consultation, which is now helping us to identify where the main differences lie. There should be flexibility to take local circumstances into account, based on an examination of best practices. But firstly, the underlying conditions must be equal so that ports can compete in an open and fair way. As I said, we are still listening to all ideas and views from across Europe's port community.

One major headache is the provision of services: vital for port efficiency, the competitiveness of EU exporters and the supply needs of the wider economy. But service provision today is riddled with inefficiencies – in cost, quality and reliability. While many ports do operate in a competitive environment, technical-nautical and cargo handling services are often restricted to just one, or to a handful of established operators. This makes ports one of the few sectors in the European economy where we still have monopolies and exclusive rights. In many EU countries, port authorities make "closed-door" agreements for the provision of port services. There are no clear EU-wide rules to cover today's varied patchwork of national regulations, where different types of market barriers prevent services from developing and becoming more productive. This also makes it difficult to monitor or measure performance. Market access in general, the lack of choice between providers, came through clearly in the consultation as problem areas. So we need to review port restrictions on service provision, especially given that many Member States still favour strategies which focus exclusively on national, not European, needs.

EU countries also apply different concepts to concessions, which are not always awarded in a non-discriminatory, objective or transparent way. Then there is the tricky relationship between port authority and service provider. In some countries, there is a national authority; in others, there are local, regional and even private ones. Our concern comes when a port authority acts simultaneously as a commercial operator, because then we might be looking at a potential conflict of interest. The different roles and responsibilities of the two sides need to be properly defined, and the rules clarified and simplified. Concession contracts must be awarded following a transparent, objective and fair procedure. This will give legal certainty to commercial operators and incentives for long-term investment.

The same applies to port charges, where there is no guarantee that they are set in a transparent and non-discriminatory way. Again, we have a situation where different ports apply different structures and systems. Some apply a single tariff for all services; others have separate and individual tariffs for each service.

We also need to examine the issue of financial transparency. Under today's EU rules, many publicly owned ports do not have to keep separate accounts between their economic activities. This makes it hard to follow the funding streams and ensure there is no breach of state aid rules. In any case, public funding should not be used to distort port charges, which should be set in a transparent and non-discriminatory way.

Finally, on labour issues. This works well in some ports. But in others, some of the practices are highly restrictive and amount to what is, in effect, a 'closed shop' where service providers may not employ personnel of their own choice. These practices are restrictive, leading to monopolies and higher prices. We need to find a balance where there can be adequate guarantees of social protection. Ports would need to employ only qualified personnel to avoid social dumping, especially as the nature of port work is becoming more specialised.

Ladies and gentlemen,

These are certainly challenging times for the EU port industry, which I believe is now at a critical point to move ahead proactively and tackle them. It is not for me or for the Commission to tell ports how their business should be run, or to suggest particular business models. But it is about having greater transparency and fewer restrictions, about removing barriers for new entrants who want to tender fairly and openly for port services. Thank you for listening and I wish you a productive discussion as we work together to shape a new policy for this vital, complex and strategic industry.