



EUROPEAN SEA PORTS ORGANISATION ASBL / VZW
ORGANISATION DES PORTS MARITIMES EUROPEENS ASBL / VZW

ESPO memorandum for the 2014 EU elections

On 21-25 May, 400 million European citizens will vote for a new European Parliament. For the first time, this vote will not only decide who will be the 751 MEPs taking up the seats in the European Parliament for the next five year. This vote will also have a direct influence on who is to become the next President of the European Commission. All political parties have put forward their election programme and priorities in the run up to the European elections. Based on this and with a view to helping the newly elected Members of the European Parliament and the new European Commission to translate their goals into concrete policy, ESPO has developed this memorandum. European sea port authorities hope to further continue the positive and constructive dialogue between ESPO and European policy makers.

The European Sea Ports Organisation (ESPO) at a glance

The European Sea Ports Organisation was founded in 1993. It represents the port authorities, port associations and port administrations of the seaports of the 23 maritime Member States of the European Union and Norway. ESPO has also observer members in several neighbouring countries to the EU.

ESPO ensures that seaports have a clear voice in the European Union. The organisation promotes the common interests of its members throughout Europe and is also engaged in dialogue with European stakeholders in the Port and Maritime sector.

ESPO works through a permanent secretariat in Brussels, a General Assembly, an Executive Committee, and 8 specialised technical committees.

More information on ESPO's functioning, initiatives and achievements can be found on: www.espo.be

European Port authorities at a glance

The European Union counts more than 1200 seaports. About 329 ports are TEN-T ports. While the common saying “when you have seen one port, you have seen one port” might be a little bit exaggerate, nobody can deny that European ports are very heterogeneous.

The 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 makes port authorities ideally placed to meet the various challenges that both market forces and society impose upon seaports.

Ports realise that, to fulfil this mission, they have to do more - and be allowed to do more - than administering port land and regulating nautical safety. Though essential, these basic functions need to be developed pro-actively in a broader range of tasks that adds value to the wider port community, the logistics chain, business in general and the societal and environmental context in which ports operate.

Notwithstanding their diversity, European port authorities are, or are in the process of, becoming dynamic and commercial port developers. Policy at all levels should help them performing this role.

More information on European ports and their governance can be found through ESPO's fact finding report:

http://www.espo.be/images/stories/Publications/studies_reports_surveys/espofactfindingrport2010.pdf

ESPO's memorandum

1. Important role of transport and ports in the *move towards economic growth*

The European transport industry employs directly around 10 million people in the EU and accounts for about 5% of GDP. When related industries (manufacturing, servicing, maintenance, etc.) are included, these figures can be doubled. Moreover transport is one of the sectors where European companies are world leaders in infrastructure, logistics, traffic management systems and the manufacture of transport equipment.

Ports in Europe are real drivers of economic growth. In terms of volume, 90% of European freight exchanges with the rest of the world passes through the 1200 plus seaports in the 23 maritime Member States of the EU. Moreover, more than one third of goods being

transported between EU Member States transits our seaports. The total quantity of freight handled in EU ports in 2010 was 3.6 billion tonnes. More than 400 million passengers pass through Europe's ports every year using ferry and cruise services.

European ports directly employ around 1.5 million people. A recent OECD study¹ calculated that in European regions, each additional million tons of port throughput creates 300 new jobs in the port region in the short term. Ports are both facilitators of trade and are able to attract industries and trigger investments.

The important role transport and particularly ports are playing as creator of jobs and growth is not always recognised as such by EU policy makers. As a matter of fact, in none of the election programmes for the EP elections transport is put forward as a priority. And where transport issues are addressed neither ports nor maritime transport are mentioned.

ESPO therefore urges the new Commission and the new Parliament to fully recognise the role of transport and ports as drivers of economic growth. This recognition should be reflected in all European policies and supported by all Commissioners and DGs, not only the Commissioner for Transport and DG MOVE.

2. No ports, no industry

Different party programmes call for revitalising Europe's industry. At the same time, the Barroso Commission recently published a Communication² calling for a European industrial renaissance.

ESPO supports this plea. European ports are more than mere transshipment platforms. European ports are important industrial clusters, which create a lot of added value for their region. Moreover industries are often attracted to a certain location because of its port.

In that respect, ESPO believes that a well performing and efficient European transport network linking the European ports with their hinterland, combined with a transport policy that facilitates both intra- and extra EU trade is one of the main pillars for a successful EU industrial policy.

3. Ports in the European TEN-T policy: from word to action

During the past five years, European transport policy makers have put all their efforts into the development and the adoption of a new policy and financial framework for Europe's transport infrastructure.

ESPO hopes that the important role that has been given to the European seaports in this new policy will also be fully endorsed during the implementation process. Ports are the

¹ OECD study The Competitiveness of Global Port-Cities

² COM (2014) 14 Communication of the Commission "For a European Industrial Renaissance"

main providers of cargo and the main entry and exit gates to the European Union. They are real facilitators of short sea shipping. European seaports have a crucial function in linking the multimodal corridors with the sea.

European port authorities should be involved in the corridor platforms on an equal footing with the other infrastructure managers. ESPO invites the European TEN-T coordinators to develop a permanent dialogue with the sea ports and to consult ports and listen to their needs when developing the corridors.

ESPO further hopes that the work of the TEN-T coordinators will exert enough pressure to maintain the support for this ambitious transport infrastructure plan and its financial envelope and urges the new Commission and Parliament to further defend this TEN-T budget when reviewing the Multi-Financial Framework priorities in 2016.

ESPO recognizes the priority that will be given to the “core” ports in the development of the multimodal corridors and the financing of projects. But European ports want to know what it means to be a “core” or a “comprehensive” port when it comes to other policy initiatives. ***ESPO asks the European Commission in that respect to clarify the respective roles and attributes of TEN-T ports.***

ESPO believes that real progress in the development of the multimodal corridors can only be made if the need to achieve an efficient and sustainable European transport infrastructure network is actively endorsed in all relevant EU policies. The Commission should in that respect work on ***more coherence between the policies of its different DGs involved in the development and approval of infrastructure projects.***

ESPO therefore believes that a ‘modus vivendi’ needs to be developed between DG MOVE and DG Competition simplifying and streamlining the approval of (national/regional) public funding given to projects that benefit from TEN-T financial support. At the same time, ***DG MOVE and DG Environment should work on more efficient environmental impact assessment procedures in order to avoid unnecessary delays for TEN-T core projects.***

4. The internal market for maritime transport: no time to waste

A recent European Parliament study has calculated the potential efficiency gain of having a Single European Transport Area on 2.5 billion euro per year³. The internal market for maritime transport is a key factor for facilitating trade between the EU member States. Of all modes, the internal market for maritime transport is the least developed. Vessels transporting EU goods from one European port to another are, anno 2014, still considered as coming from outside the European Union. Existing customs facilitation schemes are

³ Mapping the cost of Non-Europe 2014-19, European Parliament Research Service, March 2014

insufficient and reach only 10 to 15% of maritime traffic. This clearly puts maritime transport in a competitive disadvantage with other modes of transport.

Improving the communication and simplifying the exchange of information between the different parts of the logistic chain is a first priority in that respect. The challenge for the new Commission will be to achieve such a simplification without ignoring what already exists.

Second, customs have a key role in the facilitation and the boosting of trade. Customs rules and procedures should be efficiently and uniformly implemented with a view to shortening the time the cargo is blocked in the port thereby reducing the impact in terms of cost and time for business and optimizing the use of port space.

Port and customs authorities share a key role in optimizing supply chains and supporting the competitiveness of EU businesses. Not least, ESPO believes the functioning of customs must remain a neutral element both in the competition between different EU ports and, ideally, in the competition between EU and non EU neighbouring ports.

5. European ports operate in an economic, societal and environmental context

European ports realise better than anyone else that, to secure their ***“license to operate”*** and their ***“license to grow”***, they must ensure that operations and new investments are sustainable. Ports know they operate in a certain economic, societal and environmental context. ***Since European port authorities assume both public and economic responsibilities, they are ideally placed to meet the various challenges that both market forces and society impose upon seaports.***

European ports have always tried to pro-actively respond to the environmental challenges they are facing. In that respect European port authorities have given their full support to the initiatives taken by ESPO since its creation in 1994 to enhance the environmental performance of ports. Since the publication of ESPO’s Green guide in 2012, this pro-active approach works along five principles, the five Es: Exemplify, Enable, Encourage, Engage and Enforce. We do hope that the new Commission will further support this bottom up approach.

On top of their pro-active approach, ports have to comply with a vast set of environmental rules, be it at European, national and/ or local level. ***In that respect, ESPO believes that ports should not be competing on the environment and that environmental policy initiatives should not distort competition between ports.***

6. A Ports policy that empowers Europe's ports to meet tomorrow's challenges

Ports need an economic and political environment that gives them the tools to face the challenges of tomorrow: growing volumes in ports, ever-increasing ship size and the cost of subsequent adaptation of port and hinterland infrastructure, increasing market power as a result of forthcoming alliances between shipping lines; an increasing societal (housing, city development needs) and environmental pressure; further globalisation and the transition to alternative fuels.

ESPO believes that the European Union needs to be a positive force in strengthening port management and port development policy, by levelling the playing field and providing legal certainty on the one hand while fostering growth and development of ports on the other. Well-performing ports will undoubtedly contribute to the ambition of Europe to establish a competitive and resource-efficient transport system.

ESPO has always believed that clear guidelines on the interpretation of the Treaty rules would be the most appropriate instrument to guarantee the application of the Treaty. However, ESPO members could support a legislative framework that:

- makes the freedom to provide services applicable to the port sector, while taking into account its specific character and features and not holding back strongly performing ports;
- ensures financial transparency where ports receive public funding for their infrastructure and/or operations and gives clear guidance on state aid; this should however not result in disproportionate administrative burden;
- acknowledges that the setting of charges and the minimum requirements for port services are important tools of port management.

ESPO hopes to continue the dialogue with the Commission, the Parliament and the Council to come to a ports policy that means a step forward for every single port in Europe.
