

European Community Shipowners' Associations



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THE FUTURE FOR TRANSPORT

Commission Communication on a sustainable future for transport “Towards an integrated, technology-led and user friendly system”

Introduction

ECSA representing the shipping industry from the EU and Norway refers to the Commission Communication on “A sustainable future for transport: towards an integrated, technology-lead and user friendly system”. The Communication is a follow up to the 2001 White Paper on Transport Policy, subsequently updated in 2006. The Communication covers a reflection process involving stakeholders and transport experts. ECSA actively participated in the Focus Groups and in the high level stakeholders’ conference that preceded its publication. ECSA sees this Communication as a key text laying the ground for the upcoming White Paper on transport policy for the next decennium (expected in 2010). ECSA also underlines its strong support for the Commission’s Maritime Transport Strategy 2009-2018, which should remain the roadmap for the maritime sector at EU level in the next nine years.

Having duly studied the Communication ECSA appreciates that the Commission has recognised that transport is an essential component of the European economy. The EU being a main global trading entity this is, of course, also valid for the global economy and trade.

The Communication also recognises that a liberal trading environment (i.e. market opening) has led to more efficiency. This is valid for intra EU transport as well as for global transport services. Particularly in periods of economic crisis, tendencies to introduce protectionist measures should be resisted by all means. For intra EU services enforcement of existing market opening legislation is essential.

ECSA is surprised that reference is made to the decoupling of transport growth to GDP growth that was mentioned in the original 2001 White Paper and withdrawn with its review in 2006. The shipping industry wishes to reiterate that such a policy of delinking growth in transport from growth in trade is unrealistic and is conflicting with the Lisbon strategy. It would seriously hamper the competitive position of European industry and trade. However, if the underlying aim is to decrease the environmental impact of economic growth, maritime transport is due to its environment friendly characteristics well placed to serve this aim.

Please find below ECSA’s additional and detailed comments.

Safety and Security

As mentioned in the Communication the EU has, for the maritime sector, one of the most advanced regulatory frameworks for safety and pollution prevention (lastly with

the Maritime Safety Package III). This legislation must now be applied and controlled. The European Maritime Safety Agency (EMSA) can play an important role in this respect.

ECSA would also like to draw the Commission's attention to the large activities undertaken in container security. There are approximately 16 million containers in circulation globally. The secured transport of containers is of pinnacle importance to European shipowners and the Commission's commitment to fund research aimed at improving their security is largely welcomed. However, the development of new technologies requires an integrated approach, ensuring that the risk assessment procedure is as efficient as possible. Furthermore, it is imperative that the EU takes into consideration the global aspect of the maritime trade and ensures a form of interoperability between the different systems developed. ECSA would therefore encourage further exchange between the EU's Joint Research Centre and the US Department of Homeland Security.

The use of electronic summary declarations for goods leaving or entering the community territory is also a key issue which should be adequately addressed in the coming years. ECSA realises the need for a clear framework around the use of electronic summary declarations but would also like to draw the attention of the Commission to the need for a realistic testing and adaptation period for shipowners. In addition, the declaration criteria should remain harmonised and appropriate. In the long-term, it is furthermore important to ensure that the various systems introduced across the EU are interoperable. Only this will ensure a functioning and secure internal market.

With reference to piracy ECSA commends the work done by EU-NAVFOR. However, it is clear that the piracy situation is fragile and that ongoing efforts are essential. ECSA therefore calls on the continued presence of the EU forces in the area but also on a long-term solution which can only be found onshore through development and reconstruction aid/assistance for Somalia. ECSA fears that, should the piracy acts in the Gulf of Aden not be controlled and ceased, piracy could further develop in other areas of the world, significantly affecting global trade.

The Environment

The environment and particularly air emissions are high on the agenda in all circles including in the shipping sector. Given the global nature of shipping, environmental legislation should apply uniformly to all maritime actors. The International Maritime Organisation (IMO) is therefore the adequate forum to guarantee the continued and increased sustainability of maritime transport. The working of this UN body should be fully supported and the contribution of the expertise of EU Member States should be reinforced. Decisions weakening this aim should be avoided.

In this field, the inherent environmental characteristics of shipping should be kept in mind. If one looks at the kilometre/ton ratio, shipping remains one of the most environmentally friendly means of transport, particularly with regard to carbon emissions. Indeed, maritime transport accounts only for 3% of the global CO₂ emissions, whilst transporting nearly 90% of global trade. The logic consequence of the higher carbon efficiency of shipping is the promotion to use it as a more

sustainable alternative to other transport modes. Nonetheless, shipowners have been actively involved in the discussions at international level to reduce their footprint and the IMO delivered drastic reductions on Sulphur (SOx) and Nitrogen Oxide (NOx) in the context of MARPOL Annex VI in October 2008.

On carbon emissions all eyes are now on the UN Conference taking place in Copenhagen in December 2009. Whilst technical measures are in process to further reduce carbon emissions of shipping, Market-Based Instruments (MBIs) remain highly discussed. Following detailed analysis ECSA has not expressed a firm preference for any specific MBI but remains willing to contribute to the discussions, in order to foster a compromise which delivers environmental benefits while being adapted to the specificities of shipping. It has been made clear that shipping as a global business needs a global solution and the adequate forum for this is the IMO. It should also not be overlooked that the industry has over the years made significant efforts to reduce fuel consumption/CO2 through innovative techniques such as improved ship and hull design, increased planning efficiency to reduce dwelling time, the use of antifouling paints and slow steaming. Targeted research should further improve the sector's performance.

Co-modality – Nodal Points – Infrastructure

Within the policy of co-modality shipping services play a key role as logistic operators. This is true not only for over sea long distance services but also for short sea services. 40% of the EU's internal trade is currently transported by short sea shipping and this mode of transport is growing at the same rate as road transport. However, in order to ensure its continued growth and increase co-modality, the promotion of short sea services should be further enhanced. This should be done by using and combining the most appropriate transport modes on all fronts e.g.: efficiency, environmental friendliness, and other external costs such as accidents, congestion and noise. The modal shift to shipping as the most sustainable transport mode is the logical consequence of such an approach.

Therefore, ECSA supports the European Commission's commitment to increase modal shift across the EU but stresses that in order for short sea shipping to become more attractive it is key to ensure that intra-EU trade is not hampered by administrative and overly burdensome customs procedures. The European Maritime Transport Space without Barriers and the Modernised Customs Code will be instrumental in this context.

Another challenge in relation to the attractiveness of short sea shipping is competitiveness. The future sulphur reductions in the Baltic and North Sea and the English Channel from 2015 are expected to double the fuel prices, which could lead to a large scale modal backshift. This issue has to be addressed properly without negatively affecting other modes of transport.

In addition, although traffic in general has decreased with the present economic crisis, an extension of port capacity and hinterland connections is a basic factor to make the policy of co-modality a reality. The TEN-T should include such projects. In this respect, the shipping industry strongly reiterates that access to ports and basic

infrastructure for hinterland connections are public good and that any investment or funding made from an EU project should not lead to distortion of competition. The environmental impact assessment for these projects, as required by the EU environmental Directives should be carried out in a most urgent way (fast track procedure), taking into account their high relevance for the EU economy and the environmental advantages of shipping versus other modes.

Moreover, nodal points for shipping ports and port services need an ongoing adaptation to changes and a further improvement of efficiency. ECSA fully supports the Commission's view that "*New Infrastructure is costly and making the optimal use of existing facilities can already achieve a lot with more limited resources*" In this context an application of the principles brought forward in the Commission Communication of October 2007 on a European port policy is overdue.

The Human Factor

The competitive edge of the European economy and trade often lies with the quality of the people involved. Education to high quality levels and specialisation coupled with flexibility are essential for the European transport sector. Attracting young people to maritime academies for a high quality education remains a priority for European shipping. This is to the benefit of the whole maritime cluster.

For a global industry such as shipping services a global level playing field for its seafarers should be enhanced through the ratification and implementation of the Maritime Labour Convention of the ILO in particular, and of other IMO Conventions such as the STCW Convention currently under review.

The Competitiveness of the European Transport sector

The Communication rightly stresses that Europe is a world leader in many fields of transport. Enhancing this leadership is a key factor in preserving the overall competitiveness of the EU economy and will also provide an opportunity for the transport industry to serve new and expanding markets.

Maritime services are de facto operating on the global market and are faced with global competition. Through the efficiency of their services European operators are world leaders in shipping services and logistics. This position should be maintained and further enhanced. Therefore an appropriate operational framework creating a level playing field with global competitors is key.

In this context, ECSA would also like to reiterate its strong support for the International Convention on the Carriage of Goods Wholly or Partly by Sea (Rotterdam Rules). This Convention guarantees a universal legal framework on cargo liability involving shipping. ECSA therefore reiterates its call for the European Commission not to create regional legislation in this respect which is unworkable for a global industry.

Finally, in the midst of the current economic crisis, it is imperative to ensure that protectionist measures are avoided. The maritime industry, given its global nature, is

at the very frontline of trade and is able to indicate rapidly whether any trading partners are imposing protectionist obligations. ECSA will therefore continue to work closely with the European Commission on this issue and supports the EU's and the WTO's strong commitment to monitor protectionist initiatives globally. This exercise should be maintained in the coming years.

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