

Speech at the Baltic Ports Conference

Role of ports in EU Transport Policy – the level playing field for all ports

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- Ladies and Gentlemen
- Thank you for the invitation!
- It is a great honour to speak at this conference that celebrates the 25th anniversary of the Baltic Ports Organisation and to have the opportunity to exchange views with so many distinguished representatives of the transport, port and logistic sectors of the Baltic Region.
- I am also pleased to see many friends in a European region particularly close to my heart.
- The Baltic Ports Organisation has developed into an important and highly respected interlocutor, tackling with success and concrete projects the common challenges of the ports of the Baltic Region.
- It has shown that cross-border regional cooperation in the port sector can and does work. The Memorandum of Understanding on on-shore power supply -to be signed here tomorrow- is a very good example. You are on the forefront of the "greening of the sector".
- So thank you for the constructive work all these years and I wish that it continues with the same vigour and dedication for at least the next 25 years to come.

Setting the scene

Transport and ports

- Historically it has been the movement of goods and people that have fostered prosperity and also today the bulk of our trade with the world - 75% in volume- remains through maritime transport. 3.8 million tons of goods have passed through EU ports, and 400 million passengers. What better example to highlight the importance of ports?

- Ports are also vital to support short sea shipping and strengthen the internal market and territorial, economic and social cohesion of Europe. They are logistic and industrial clusters that generate growth and jobs and play a key role to promote sustainability and a smooth energy transition. They have developed into logistics hubs with high level of innovation and investments.
- In my role as Director General of Mobility and Transport my concern is to make sure that European ports can thrive in an open environment, where they compete on equal footing, where they contribute to our economic growth, Union energy and climate policy, where they best rip the benefits of the digital single market, of innovation, of the private and public investments opportunities offered by Europe.

The Baltic Ports

- Baltic ports represent more than a quarter of the 329 TEN-T ports. They are bound by geography more than in any other port regions. They have no gigantic port but many medium size ports operating a highly differentiated market. They are champion for short sea shipping which accounts for 70% of their traffic compared with a 57% for all EU ports.¹ They are champion in maritime environmental policies, not least because the Baltic Sea is one of the two European Emission Control Areas (along with the North Sea).
- I would also like to mention that the Baltic Ports will benefit from the enhanced opportunities for multimodal transport that the realisation of the Rail Baltic project will offer. Rail Baltic will create a backbone infrastructure, firmly integrating Estonia, Latvia and Lithuania in the single market and the Single European Transport Area.
- Rail Baltic will modify several ports' access to their hinterland and put them on a more equal footing in terms of accessibility.
- The currently dominant East-West transport flows in the area can provide substantial feeding for the new Rail Baltic connection from North to South. The countries concerned thus may become a gateway for traffic flows from the East to the European market in the West.
- But also the connection to the North will be an important feeder – the Finnish industry has a strong interest in the new possibilities that Rail Baltic will offer.

¹ *Riga, Goteborg, Gdansk and Klaipeda in the top 20 EU short sea shipping ports*

- The Baltic ports should not envisage the project as a competitor, but embrace the opportunities it will create also for them.

The European Ports Policy

- We seek to help the European ports and the Baltic ports, in their broad diversity, to address the challenges they face through legislative and non-legislative actions on four fronts:
 1. to invest and develop port infrastructure and their hinterland connections to rail, inland waterways and multimodal transport.
 2. to create a level playing field and open access for port investors and businesses
 3. to raise the environmental profile of ports and their contributions to the Energy Union and climate policy
 4. to promote digital solutions and innovation
- **First** on infrastructure, we focus on integrating ports in the in the corridors of the trans-European transport network (TEN-T), working with the European coordinators and their corridor plans to coordinate infrastructure planning and mobilise national policy makers. We do this with the Baltic ports in three corridors: Baltic-Adriatic, North Sea-Baltic and Scandinavian-Mediterranean, and in the Motorway of the Sea programme.
- Thanks to the Connecting Europe Facilities (CEF), we will have committed 1,039 B€ for grants to ports and their connections at the end of 2016, out of which 501 M€ for the direct or indirect benefits of Baltic ports - if everything goes well to conclude the contracts of the 2015 Call - so very well done!
- The new European Fund for Strategic Investments (EFSI) – the so-called Juncker Fund is also growing in importance for the transport sector. It is very operational to help bankable projects. Transport is already the second largest sector making use of this instrument, half of the transport projects relating to shipping and ports. Please come to us and EIB with projects! And there are already examples of European ports using successfully that facility so do not miss that opportunity and be proactive.
- The Union will start review its Multiannual Financial Framework this year. We cannot but address new priorities linked to migration and security and build on the success of EFSI. Funding will need, more than

ever, to be focused. Neither the EU, nor any Member State can afford duplication of investments and overcapacities.

- This does not mean that funds will be limited to a few megaports in the Northern range or Mediterranean but that new cooperation and complementarities between ports must be developed for instance on environmental issues and short sea shipping! I think in this respect that we should recognise that comprehensive ports, not only core ports, have a valuable role, be it for feeding core ports and the distribution of containers or more generally for short sea shipping.
- Helping investments is not only a question of money. We also need simpler authorisation procedures. For large projects it takes 10 years from planning to dredging! But in the same time, the size of the vessels can double! This is why the Commission announced on 1 June that it will assess the possibility to set up a single EU authorisation framework to replace the many national authorisation procedures for projects with cross-border impacts.
- **Second** to level the playing field, our priority is to complete the adoption of the Ports Regulation. After 15 years of debate, after the historic agreement of 27 June, we are now close to it. We will have then to implement the Regulation. The rules on transparency of public funding will stimulate more efficient public investments and help attract private investments. The rules on market access will help improve the quality of service and abolish undue restrictions. There will be more systematic consultation of port users and stakeholders as well as clear mechanisms to handle complaints in each Member State.
- The adoption of the Ports Regulation is for us the green light to modernise the State Aid rules. Together with DG COMP, we have started to review the General Block Exemption Regulation to identify the non-problematic investments in ports that can be exempted from state aid notification to the Commission.
- The aim is to reduce the administrative burden for investors in small projects or projects of strategic interest for the EU and at the same time to free our time and energy to focus the Commission's state aid control on potentially problematic aid, like operating aid. We will publish in the coming weeks the second round of public consultation and I encourage you to participate.
- **Third**, on environment, the Baltic area is a forerunner – and I do not say this lightly – with the Sulphur Emission Control Area (so called SECA).

The first evaluations² indicate positive environmental outcomes with little or no impact in traffic volumes by sea contrary to the initial worries.

- The Commission is following the international discussions to introduce such Emission Control Areas in other sea basins around the world. In any event the Baltic port industry and stakeholders have now a competitive advantage with the technological know-how they have built up.
- In this respect, we appreciate the very active and constructive role of the Baltic countries, ports and other industry sectors in the workings of the European Sustainable Shipping Forum (ESSF), in addressing legal, technical and operational issues related to the implementation and enforcement of the Sulphur Directive and other legal instruments.
- The Commission and the Baltic ports have already worked a lot together in the TEN-T programme to deploy green technologies and we will continue to do so in particular to implement the Directive on alternative fuel infrastructure and provide facilities for LNG and on-shore power supply in our ports by 2025.
- We should also reflect on how to build on the existing schemes to make the financial incentives from and in ports to green the shipping sector smarter in a more coordinated way. The European Parliament has asked to make it clear that port charges can be differentiated and internalise the external costs. We will publish our study on environmental port charging in October. It will highlight the good things already done, for instance that 7 of the 30 TEN-T core ports applying environmental charging schemes are Baltic ports but also that more should be done.
- On waste management, the Baltic area also shows the way. The progressive ban as from 2019 of passenger ship discharges of sewage - decided by IMO and HELCOM, not the Commission – means new port reception and on-board treatment facilities to install – and once again new know-how on which you will take the lead. As regards our EU Directive on port reception facilities, we have published a few months ago interpretative guidelines and we have started an impact assessment with a view to possibly make a proposal next year to improve the Directive. It is important to strike the right balance and also maintain the competitiveness of the Baltic Seas shipping.
- **Fourth**, digitalisation and innovation. Digitalisation offers an enormous potential for optimising cargo and traffic management as well as

² CE Delft, SECA Assessment: Impacts of 2015 SECA marine fuel sulphur limits, <https://www.nabu.de/imperia/md/content/nabude/verkehr/nabu-seca-studie2016.pdf>

administrative simplification. For example we work with EMSA – Markku Mylly - to harmonise and facilitate the acceptance of electronic cargo documents and create a genuine European Maritime Single Window for the electronic reporting and cargo formalities in European ports. We need to succeed with this and facilitate the trade and cut red tape. Failure is not an option.

- A wave of other innovation lies ahead. It will bring huge opportunities: collaborative logistics, synchro-modality and automation to name just a few. We support these innovations through the Horizon 2020 and CEF calls. For the first time the next call of Horizon 2020, which will be launched in the fall, will include a topic on the ‘Port of the Future’! So please join!

Ladies and gentlemen,

- A last word on the broader European maritime transport strategy. In the coming weeks we will publish an implementation report to take stock of what was achieved since the adoption of the strategy in 2009 whilst signalling the areas where further work is needed.
- We have started a more detailed evaluation with a view to table possible initiatives in 2017 and 2018 to increase the efficiency, safety and environmental performance of the maritime transport.
- One of the important lessons of this review is that ports form an integral part of the broad maritime cluster and that their role should be better recognised and used. This is why in the new organigram of DG MOVE, I have decided to put the Unit on ports and inland waterways in a strong directorate on maritime transport. I am sure it will make us more efficient in working with you.
- Ports play a crucial role in the European economy and politics. The Baltic ports have shown the way through collaboration and by taking the lead on many developments. And if there is an overall lesson that I would like to transmit to the other sea basins in Europe it is exactly this! Regional cooperation between ports does work and best practices could be found in this region !!
- Once again I would like to congratulate the Baltic Ports Organization for its positive contribution during the past 25 years and for the organisation of this great conference.

- You can be proud of it, of the Baltic ports and of the European port sector!
- Thank you very much!
