Statement RSSC River Sea Shipping

In the early days of River Sea and Short Sea Shipping, ships were still similar in size. We talked about coasters that could go deep into rivers and canals, they were technically equipped, and they were structurally adapted to the limitations of draughts, locks and bridges.

Both segments earned well in the fifties and sixties; captains went ashore, built ships and became ship owners.

Over the years, the ships grew in size and took advantage of economies of scale to operate more economically.

In the case of sea-river vessels, the deadweight tonnage, as measured by the restrictions, for example for Rhine shipping, went up to 2500 tons deadweight tonnage. For Short Sea Traders, on the other hand, the largest share of vessels in the European Short Sea Trade is 3000-5000 tons deadweight.

In comparison with the River Trade, the Short Sea Trade can use economies of scale to a greater extent and, in addition, select trade areas according to economic efficiency.

However, several factors are impacting the development of river-Sea trade

- the River Sea Trade is bound to river navigation in order to be able to use its unique selling proposition economically and is limited in its carrying capacity.

- On the river Rhine the combination of short Sea transport + Inland waterway is competitive as handling rates and inland waterway freight are favourable.

- and thus negatively impacting the competitive advantage of the river sea shipping sector compared with the combination of a short sea and river journey involving transshipment.

- That means not on all trades of river Sea shipments and not in general, but it is possible and will be practiced more and more.

- A further problem is that in small water periods, due to their design, sea-river navigation is more strongly affected by the restrictions imposed by draughts than inland navigation, with the result that the advantage of the

saved transhipment can be used less and less (e.g. lightening, adaptation of the cargo to the actual water level).

- In light of future expectation relating to the possible impact of climate change on low waters phenomenon, we do not expect further improvement in relation to low waters.

Conclusion

The river-sea vessel is dependent on the import and export cargoes of a certain inland region. It cannot move freely in other markets as the Short Sea Traders do, because it is economically inferior to the larger Short Sea Trade and in addition, less and less adequate smaller cargoes are offered in the market.

The added value of no transshipment is limited because today price competitiveness, reliability and safety in the transport chain can be met by the shippers when transshipments by short Sea ships is taken place.

The shipowners' decision to invest in ships for a precarious market therefore remains very cautious, with the result that the existing fleet is ageing and shrinking.

The Sea-river shipping market is in a difficult situation.

We at RSSC have recognised this and in our position paper we have identified the bottlenecks in the River Sea Trade and suggested solutions.

So we have described 6 positions for selected problems

1. ***Improvement of knowledge and information about the River-Sea Shipping***

Knowledge about river-sea shipping is not sufficient and improvement of this issue would help to increase support for the development of River-Sea Shipping by the governments and administrations.

Recommendations:

- *Provide Information about the River-Sea Shipping at all levels, through presentations during meetings and international conferences, bilateral meetings and series of publications in the media.*

2. Development of fleets for River-Sea Trade

The European River-Sea Fleet has a high average age and due to less new buildings the fleet has started to shrink.
The new buildings programs in different countries are very different, and to a great extent depend on ship owners' financial and technical resources and possibilities for investments and innovation.

Sufficient incentive must be given to owners to invest in ships again and to renew shrinking fleets in Europe. For this purpose, a structural change is necessary, for instance moving away from spot transactions and back to classic shipping as long term cargo contracts or other firm employments.

Recommendations:

- *National Governments must provide support to a general European Solution to foster new buildings. River Sea shipping is indeed an an international trade that can strengthen the European single market now and in the future.*

- *Provide the means to build a fleet of new generation vessels, that can take part in a smart European intermodal traffic with road, rail and IWT, in close cooperation with EC.*

- *Provide information about modernization and renovation of the existing fleet of River-Sea vessels.*

- *Harmonization between the technical requirements and standards for inland navigation vessels and those applicable to river-sea ships in the international trade, in coordination with the Working Group of the IWT Committee of UNEEC.*

3. Market for the River-Sea Shipping

One of the important commercial issues and challenges is the analysis of the market for River-Sea Shipping and the inland navigation.

Despite rising demand for transport in Europe, shipping has continued to lose loads to the roads. In our opinion we suffer from poor frame conditions for European shipping, non-competitive shipbuilding and operating structures in the fleets. In order to make river-sea shipping more competitive we need in general

- *A significant reduction of port disbursements which mainly are port taxes, pilot costs and Agency costs. For instance, pilotage fees are levied according to non-transparent criteria and are no longer up to date. The method for calculating such fees must be revised.*

- *The lay-days in ports for loading and discharging must be shortened and Saturday should be a normal working day.*

- *A fleet of cost-effective, environmentally-friendly ships and more industrial structures in shipping.*

To conclude

If the conditions for shipping are improved according to the proposals above, river-sea shipping will become more sustainable and more economic and this should lead to an increase of demand for river-sea transport.

If the demand for river-sea transport increases, ship owners will invest in new buildings and put an end to the negative fleet development.

We must always point out that the ships and their cargoes bring work and orders to the ports and thus contribute considerably to the added value of the economic area in which it operates. Therefore, we also want to be treated as customers, in a fair and friendly manner.

4. Cooperation between River-Sea Ships, Inland Ports and Sea Ports

*For a higher efficiency of River-Sea Shipping the improvement of cooperation between vessels, inland ports and seaports is necessary. The waiting time of river-sea ships in the inland ports and seaports must be reduced. The practice of "**Friday 5 pm / Monday 8 am**" clauses is a relic of the past and should be abolished. One of the largest cost factors is the downtimes during which the ships lie in the ports at the weekend. With quicker processing, the ships would*

have shorter journeys and thus lower costs. In this manner, we would also be able to better stand up to the truck.

Recommendations:

- *Analysis of the losses for river-sea shipping by the waiting time in inland and sea ports and of the reasons for it.*

- *Proposals for the reduction of waiting time for River-Sea Ships and all other parts of the supply chain, including negotiations with inland ports, short sea terminals, the unions and shippers to avoid terms like Monday 5 pm / Friday pm as normal working hours which leads to extra costs during Saturday/Sunday/holiday loading/discharging operations.*

- *Improvement of the coordination and communication between ship and port during the operation process.*

- *For the River-Sea Shipping it will be very important that also English will be standard for the navigation on all corresponding rivers.*

5. Digitalization of Inland Water Transport and River-Sea Shipping

The digitalization of Inland Water Transport and River-Sea is considered critically important for the

- *Improvement of navigation and management of traffic,*
- *Integration with other modes, especially in multimodal hubs*
- *Reduction of administrative burdens by reducing the number of B2A and A2B declarations*
- ***Unfortunately, electronic customs clearance is still not part of the National single window National Single Window and therefore it represents a major burden in the free trade of goods by sea***

Conclusion

River-Sea Shipping needs more digitalisation to be competitive and to be integrated in the multimodal transport chains. This is important to increase efficiency and profitability and for cross-border and multimodal integration.

6. Infrastructure of rivers used by the River-Sea Shipping

The development and maintenance of the river infrastructure of Inland Waterways, where river-sea shipping is possible is very important for the commercial side and the acceptance of this kind of transport.

Recommendations:

- *Influence on the construction of the "Program for development of Inland Waterways" on national or international level.*

- *Monitoring of the realization of this program with the focus on the liquidations of bottlenecks for river-sea shipping.*

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In general, we need better framework conditions for European River Sea transports to become more competitive in the market, against our biggest competitor, road freight transport.

Better framework conditions would lead to better returns in the river Sea Trade and to more competitiveness and ultimately to better rates for shippers.

Low sea rates would encourage shippers to maintain incentives for River Sea transport and, at best, to shift more cargoes away from road to sea.

We want fair conditions of competition for shipping and that includes a consideration of social costs. The damage caused by lorries to infrastructure and to the environment and the health of citizens by emissions and particulate matter is not passed on to transport costs but is largely borne by society.

In recent decades, the global economy has been able to make full use of resources and the environment and earn good money. But in view of climate change, these times are over for good and we must learn to calculate more accurately in CO2 units.

And precisely for this reason, in view of climate change and the critical examination of the growing environmental impact of transport, an unexpected door may open for maritime transport, because ships are the most energy-efficient means of transporting goods.

Energy and emissions have now become the biggest problem of our time, because the world community has a gigantic hunger for energy, which we cannot satisfy without influencing the climate.

The general desire for economic growth and sustainable environmental protection is leading to major conflicts of objectives for which no solutions have yet been found.

Let us only hope that the findings on climate protection, which are urgently needed, are not sacrificed to global economic interests.

The logical consequences are that the more goods are transported by ships and fewer by trucks, the better for the climate protection and the environment.

Now there is also a European strategy to achieve a climate neutral Europe by 2050 and transport if identified as a sector where there is still room for important improvement.

In its White Paper on transport from 2011, a roadmap towards a single European transport area and a competitive and resource-saving transport system is presented.

Among other things:

Example Article 39

30 % of road freight transport over 300 km should be shifted to other modes of transport such as rail or sea by 2030, more than 50 % by 2050, facilitated by efficient and environmentally friendly freight corridors. In order to achieve this objective, appropriate infrastructure must also be created.

Extract Article 6

An analysis by the Commission[1] shows that, while other sectors of the economy can achieve major emission reductions, greenhouse gas emissions from transport, which is a major and still growing source of such emissions, must be reduced by at least 60 % by 2050 compared with 1990[2].

As a conclusion to my statement, I would like to turn my attention to Brussels, because I do not think that national initiatives and actions in the shipping sector are effective:

For some time now, the EU has been pointing out the necessary steps towards a single transport area, but we lack a leading hand in Brussels and a point of contact for expertise from the inland and maritime industry.

River Sea & Short Sea, we do not have a proper lobby in Brussels, our problems are therefore unknown in many areas of politics and administration, they are not sufficiently and sustainably communicated and understood in Brussels.

We have over 80,000 km of waterways and coastlines around Europe and over 5000 small and medium-sized ports. The infrastructure is free of charge, we have no stowage problems and almost limitless transport capacity. We transport fast, cheap, environmentally friendly and reliable.

Therefore it is very important for us, CCNR, ERSTU and EBU...we must try to present ourselves better in order to integrate Rive Sea Trade sustainable in Europe to become " the Cargo Bridge No. 1 “ between Inland ports, metropole, regions and Sea ports for bulk and general cargo.

Thank you for your attention.