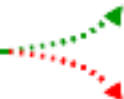


# **Crisis Consultation Branch Conference Inland Shipping**

## **Welcome**

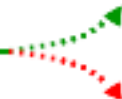
Wim van Sluis, chairman



# **Crisis consultation Branch Conference Inland Shipping**

## **Agenda**

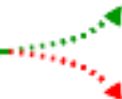
- Introduction
- NEA survey results
- Contours of the crisis contingency plan
- Questions



# Mission of Crisis Consultation

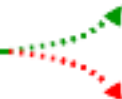
- Massive execution sales, with all ensuing consequences to be avoided
- Balance between supply and demand; acceptable management practices
- Development of an easily deployable plan, that can be implemented at short notice

Crisis Consultation operates from the idea that the average inland shipping entrepreneur - irrespective of capacity or age of the vessel - should survive the current crisis. We are concerned about *you!*



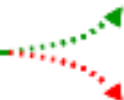
# Current state of affairs

- Banks are awaiting the outcome of the crisis consultation plans
- Extensions of security credit
- No massive bankruptcy as yet
- Economic and legal investigations have been conducted
- Discussion platform on website is needed
- Entrepreneurs see the need for measures, but there is no consensus on the solutions roadmap
- Contours of Crisis Consultancy Lay-up Plan are known by now
- Wide political support from Lower Chamber and State Secretary
- CBRB and Kantoor Binnenvaart support the plan
- NMA barrier to be surmounted first



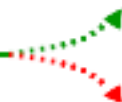
# Legal framework

- Scope for legal measures is investigated and these will be implemented if practicable/desirable; not feasible at short notice
- Agreements on rates not possible
- Filing the crisis in Europe (decision has been taken in the Netherlands)
- Demolition scheme is not considered to be advisable
- Fines 'old for new' come too late
- The business community itself needs to keep the initiative to take measures
- Compromise at an international level; demolition funds to be spent on crisis measures, including tanker shipping and lay-up scheme for dry cargo
- Scheme for discontinuation of businesses



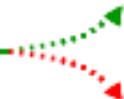
# Results of managing the crisis effects on inland shipping

NEA - September 2009





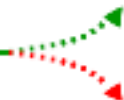
# **The contours of a Crisis Contingency Plan**



# Crisis Consultation feels that:

- Capacity should be removed from the market (laying-up of vessels!)
- Without intervention, a substantial capital destruction is imminent
- Speculative trade in vessels should not be rewarded
- Captains of ships below 86 m do not pay for laying-up larger vessels
- Legal measures will be too late to solve the current situation
- Legal measures may be inevitable in the long term
- Rate agreements are not possible, but schemes can only be effective in case of massive participation

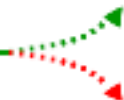
***Capacity reduction can be organised!***





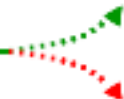
**A transparent scheme  
that is effective...**

**and that does not harm  
any party whatsoever!**



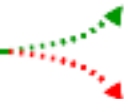
# Starting points

- Sailing and laying-up on a voluntary basis
- Accessible to everybody
- Simple in terms of set-up, use and management
- Not commercial
- No interference with operation and financing
- No expensive organisation set-up
- Well-balanced division of costs
- Maximum participation



# Lay-up scheme

- Laying-up of vessels through a tender system; the lowest bidder lays up his vessel
- 4 week periods
- Only dry cargo in excess of 86 m.
- Push boats are not included, or fall within a separate scheme
- Costs 2010-2015: EUR 153 million
- Loan by banks, putting up of a guarantee by the government; subsequent partly repayment by branch



# Example of financing

The rundown below represents a **possible** split-up:

• Banks	€ 46,065,000 (30%)
• Sea ports	€ 5,000,000
• Demolition funds	€ 10,000,000
• National government	€ 2,500,000
• Barge captains	<u>€ 89,985,000</u>
• Total	€ 153,550,000

