

8 September 2011

Memo on EU Ports Policy

Importance of ports for economic recovery and jobs

Sea ports play an important role facilitating the European Union's external trade (90% of the total, in terms of weight) and internal market exchanges (40% of the total). They provide a service to many other industrial sectors and are nodal points of inter-modal logistic chains of key importance for the sustainable growth of transport in Europe.

European ports are also important job generators. At EU level, the extent of the employment effects of port activity (direct, indirect, induced and related activities) represents million of jobs¹ and a significant contribution to economic growth (GDP).

In the perspective of the economic recovery, there is a question of ensuring that economic growth and the creation of jobs are not hampered by constraints in ports and in the links to and from them. Good port services are of key importance for reinforcing the competitiveness of European export companies in world markets.

However, the development of ports and the integration of ports in wider logistic chains remain uneven at European level

Some European ports are important generators of added value and employment at the local, regional, national and even European levels. They serve hinterland areas that go far beyond national boundaries.

Some other ports are lagging behind in terms of efficient use of available facilities, reliability in the handling of freight and passenger's services and contribution to sustainable transport effort.

The disparities of performance between different European ports affect the distribution of cargo flows and on the organisation of logistic chains across Europe.

Poor-performing ports represent a missed opportunity – and wasted resources – for the creation of added value and jobs for the concerned regions. Moreover, ports are key nodal points of the Trans-European Transport Networks (TEN-T). Poor-performing ports represent a problem for the smooth functioning of the whole network.

Commission's approach to port's services

For many years, the Commission has tried to develop a specific EU policy framework for sea ports. On two occasions in the past 10 years, the Commission unsuccessfully proposed secondary legislation implementing the EU Treaty rules on the freedom to provide services in the port sector.

Today, there is no EU legislation on the provision of port services. There is a patchwork of national regulations, with striking differences from one Member State to another. Exclusive rights in favour of particular operators and market entry obstacles still exist in the port sector.

¹ The study carried out by DG MARE concluded that all sea related sectors generated approximately five million jobs in 2004/2005. See: http://ec.europa.eu/maritimeaffairs/studies/employment/summary_report.pdf

The most recent Communication on Ports Policy, from 2007, is based on the promotion of soft law measures. Since then, the economic context has changed dramatically. The divide in performance between ports in different regions has continued to grow. While some ports in the EU have been engines of economic growth sustaining the recovery from the crisis, other ports are lagging behind.

The absence of a level playing field for ports and ports' services in Europe will accentuate the differences between ports. For several European regions, this would represent a lost opportunity of economic growth and jobs' generation. At EU level, it would affect the performance of trans-European networks and negatively affect the overall competitiveness of companies. There is scope for considering that an appropriate, better focused regulatory framework at EU level could ensure a more systematic implementation of the Treaty rules on access to the port services market.

The Transport White Paper adopted by the Commission in 2011 foresees establishing a Single European Transport Area. A framework for ports is part of those initiatives. It is related to the "Blue Belt" initiative (simplification of administrative requirements in ports) and also to the implementation of the Transport Trans-European Networks (TEN-T). The smart pricing and funding proposals of the White Paper are related to the financing of port infrastructures. The White Paper foresees a social agenda for maritime transport, including social dialogue and training of port workers in different fields of port activities.

The impact assessment on the revision of the EU framework for ports services will be launched before end 2011 and will take most of 2012. It will involve extensive consultation with all concerned stakeholders and the conduct of various fact-finding studies. It will also rely on dialogue with the social partners in the sector. The Commission will draw conclusions and come with well fine-tuned proposals in 2013.

Background: Commission's previous action

The first attempt by the Commission to move towards a coherent policy on ports and maritime infrastructures was made in 1997, with the publication of a Green paper on that subject.

In 2001, following the Green Paper consultation the Commission issued a Communication pointing out the necessity for action for reinforcing quality service in sea-ports and proposing, inter alia, a Directive on market access to port services.

In spite of widespread support from stakeholders and Member States' authorities, the Commission's attempts to address the problems identified in the Green Paper by means of legislation were rejected twice by the European Parliament (in 2003 and 2005). The refusal of the Parliament was the result of intense lobbying by particular interest groups holding exclusive or monopolistic rights in many European ports (dockers associations from some Member States in particular).

In 2007, after a new consultation with stakeholders, the Commission adopted a new Communication on ports policy, announcing a number of "soft" measures in the form of guidelines (state aids, environment), best practices (benchmarking, indicators) and close cooperation and dialogue with stakeholders.