



## **Joint Statement**

### **“Market based and technological developments in the shipping sector and technological innovation represent major challenges for the port sector” says an EU funded study**

In June 2013, ETF, IDC, FEPOR and ESPO<sup>1</sup> established, with the support of the European Commission, the Sectoral Social Dialogue Committee for ports (SSDC for Ports).

In order to feed their discussions about the current challenges faced by the port sector, ETF, IDC, FEPOR have requested and obtained funding from DG Employment to commission a study about the socio-economic impact of technological innovation and market-based developments in shipping on the port sector.

The study was finalized end of January 2019 and contains interesting and well documented insights about the impact of current developments in the shipping sector as well as the use of new technologies.

The on-field part of the study has allowed the consultants to see that innovation at terminals is a reality which materializes through investments in ICT and communication systems to improve port operations. It was observed that the processes related to gate operations, the stacking yard and hinterland connections are projected to develop automated features first, whereas the automation of STS gantry cranes and horizontal transportation on the terminal might need more evidence for being financially beneficial investments.

Aside from the terminal operations, the hinterland connections are strongly impacted by the capacity peaks on the terminal as well as inland transport restrictions (e.g., gate opening hours) and vertical integration of terminals and logistics. The operational peaks and the construction of modern integrated supply-chains place great demands upon the flexibility of ports and terminals by cargo interests and shipping lines to handle cargo flows.

The study shows that container terminal operators and their employees are evolving in a highly competitive environment and have deployed tremendous efforts to adapt their terminals to the ever-growing size of vessels and its cascading effects.

Already for some decades, the dynamics in the shipping industry are driven by the principle of economies of scale with the objective to reduce the cost per unit. These dynamics result in a shift

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<sup>1</sup> ESPO in its capacity of representing Bulgarian Port Infrastructure Company, Cyprus Port Authority, Union des Ports de France, Transport Malta, NC Port Administration Constantza, Sveriges Hamnar, British Ports Association, UK Major Ports Group.

of costs on other actors of the maritime logistics chain such as terminal operators who need to invest in equipment.

Due to the fact that alliances operating ultra large container ships have rationalized their rotations and decreased the number of port calls, terminals face difficulties to get a return on investment for their new equipment. In turn, employees face downward pressure on their working conditions.

Adaptation concerns adjustments in the operating assets and processes on container terminals but also port labour which must adapt to the alternation of peaks and low periods of activity while being constantly required to improve productivity.

Terminal operations are also requiring new skills and important amounts of investments in training. To accompany similar initiatives that are already taking place at national level, social partners are keen to engage in projects that would help identify what are the jobs that will be needed in the future in European ports.

*“This study constitutes an insightful snapshot regarding the situation that prevails in container ports and highlights the fact that adaptation to market development and technological innovation requires major investments in equipment, solutions as well as continuous reskilling and upskilling of ports workers. However, we still need to fine tune our understanding about the skills needed in the future and therefore believe that another EU funded study further looking into the new jobs will be helpful for the discussions we shall have”* Lamia Kerdjoudj-Belkaid, FEPORT Secretary General.

*“The study draws a good picture of the developments in the shipping sector impacting port operations and labour, as well as technological developments within the ports. We now need to assess what these developments mean more concretely in terms of future job profiles. In order to make a comprehensive assessment, we should see this together with the other societal, geopolitical and environmental challenges impacting ports within the wider logistics chain”* Isabelle Ryckbost, ESPO Secretary General.

*“This study is the first-ever attempt to look at how the technological and business choices made by shipping companies is impacting ships’ main service providers: the terminals and their employees. We look forward to deepening the results of the study in the near future, so as to get sound empirical evidence of this preliminary project. But the trend is clear. Terminals are required by their customers to invest more and more often but due to the game of the alliances they do not get certainty on the return of their investments. This has destabilising effect on the workforce, as it can have repercussion on job stability, safety and working conditions in general. We believe it is high-time for shipping lines to open discussions with the other actors of the maritime transport chain, including port workers. The study did not put forward evidence that all these huge investments give the guarantee that the cargo handling services will be more efficient and cheaper and that it fulfils the needs of the shipping industry such as fast turnaround time”* said Livia Spera, ETF Acting General Secretary.



**Lamia Kerdjoudj-Belkaid**

**FEPORT – Secretary General**

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**Livia Spera**

**ETF- Political Secretary for Dockers**

A handwritten signature in blue ink, appearing to read "Livia Spera".



**Isabelle Ryckbost**

**ESPO – Secretary General**

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