

# **ESN 2014: Accomplishments and Outstandings**



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Ladies and Gentlemen, Good Morning.



*European Shortsea Network*

# 2014 has been a very significant year for the ESN..



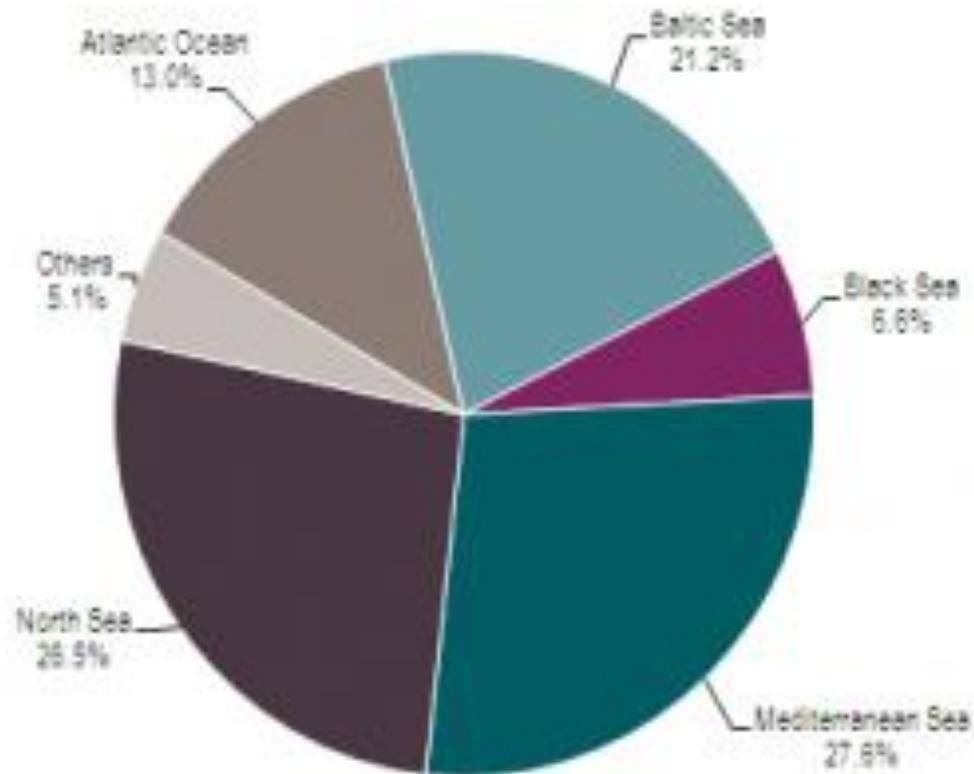
The European Shortsea Shipping, despite its disadvantage to operate without the benefit of a **single domestic market** as in all other commercial blocks in the world, it has managed to hold its own.

Today, no less than 27% of the entire maritime transport of the EU takes place within and between the national waters of its members, using more than 10,000 ships.

Therefore any arguments to the tune “**it has been around for too long**”, or “**not in fashion any more**” are irrelevant.

The EU, like any other regional power, needs its own fleet to do the internal distribution.

Short Sea Shipping covers the entire periphery of the EU transporting people and goods safely and cheaply.



## Now let us turn our attention to **the Network**..



- Short Sea Shipping has managed to put together – *and remarkably hold together for fifteen years* – a **pan-European network**.
- There aren't many sectors which have something similar to show and I doubt it if there is another one which has achieved that **without an EU budget**.
- Everyone familiar with the work taking place within DG MOVE and DG MARE can confirm that the Network has managed to be *everywhere* and it has been the main player **in defense of the "Road to Sea"** initiative at national and intra-Community level.

One wonders how **traffic jams** would have been dealt with in absence of the continuous SSS promotion efforts.



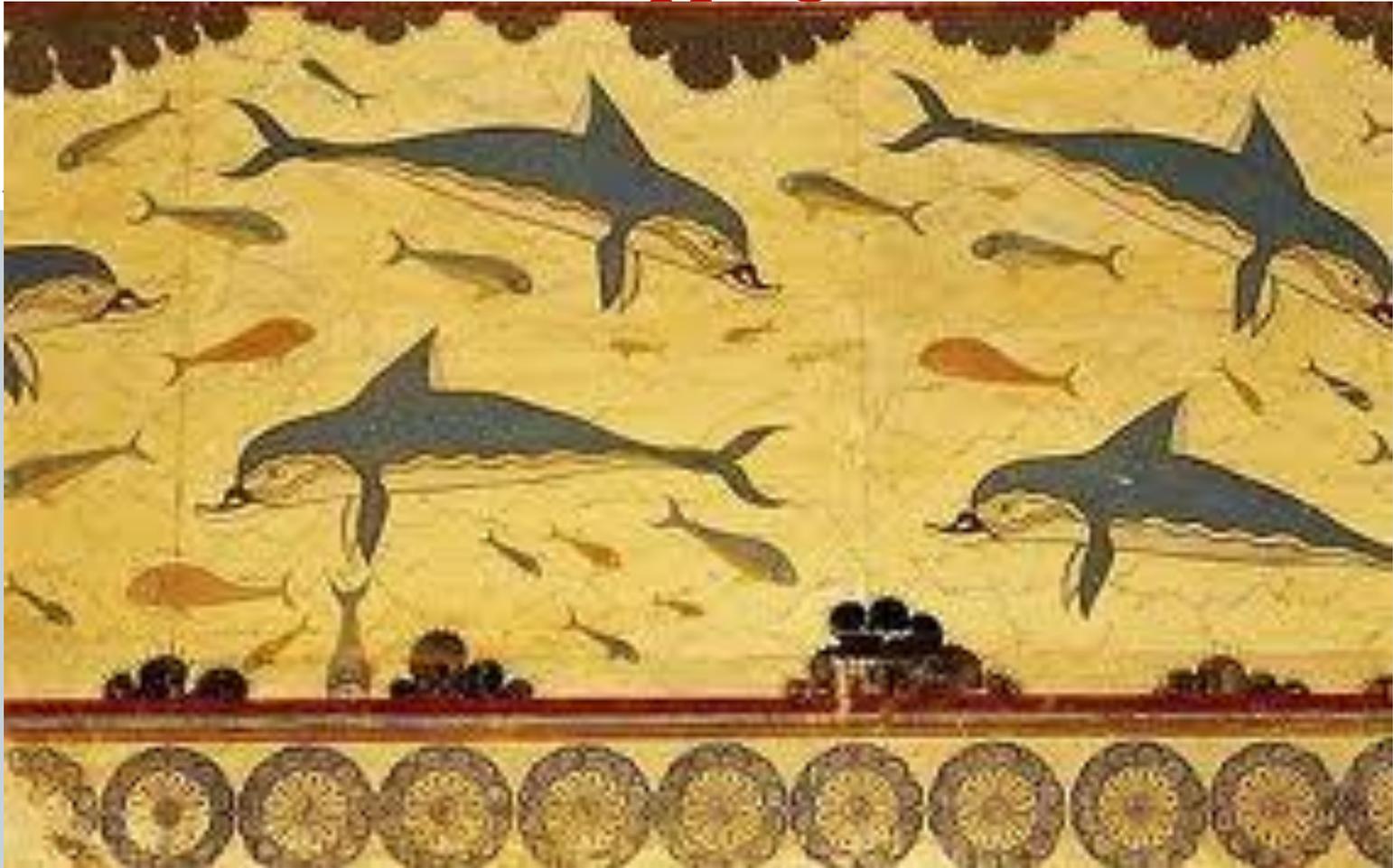
Still without a budget, relying on the hard work and the feeble finances of its members, the ESN has made leaps forward.

- There is now a **Permanent Secretariat** of the ESN since last March in Piraeus powered by a team of six professionals ready to handle bigger and more complex business.
- There is a draft **Strategic Plan** since August showing the way ahead for the next five years.
- A lot of effort has gone towards reaching internal agreement concerning a **legal identity**, and soon
- There will be a part- time ESN **representative in Brussels**.

ESN is therefore sailing..



# **But what are really the longterm prospects for European Short Sea Shipping?**



It is fair to say that **the regulatory framework** has hardly changed the last twenty years. Let us briefly consider a few **points**.

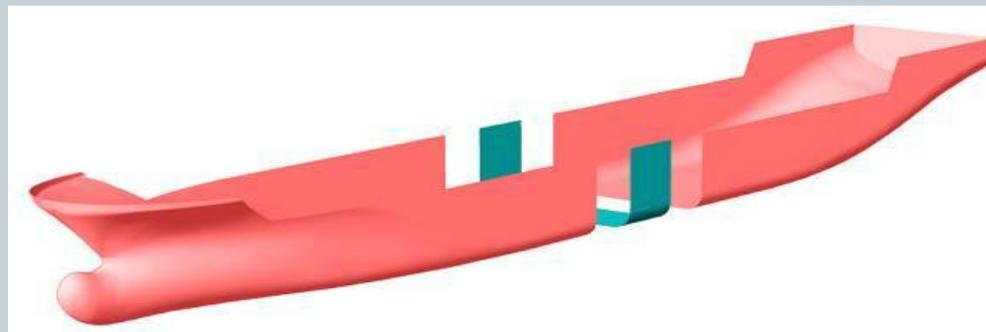
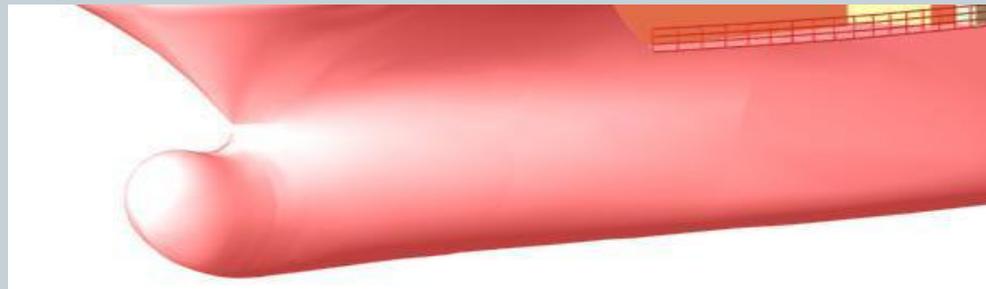
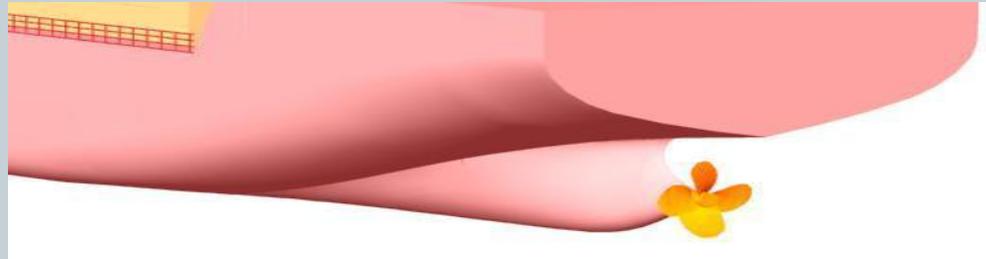
1. European shipbuilding sadly continues to be in shambles largely as a result of the **shipbuilding** directives.
2. Most new ship orders are now placed **abroad**.
3. A significant section of the Shortsea **fleet is quite old**, meaning higher fuel consumption and more down time for repairs.
4. High age makes **ship conversions to scrubber and LNG impossible**.
5. Intra Community transport is open to all ships, while nobody is prepared to touch **Regulation 3577/92 on Cabotage** which still discourages tonnage inter-penetration.

The Network cannot do miracles, but it does have ideas which address the first four items.



- A serially produced generic shortsea ship design covering *most* ship types, coupled to..
- A novel production method able to reduce the manhours needed by  $1/3^{\text{rd}}$  which..
- ..will also be allowing for minimal occupancy of the building berth, thereby..
- ...offering an ideal platform for the EU's dream of an LNG powered shortsea fleet within a 25 years' span.
- This can revitalize Europe's shipbuilders by bridging today's cost gap.

Details about this idea will be available soon in the context of Horizon 2020.



This plan however needs longterm committment and support, i.e.



- Easily accessible, low interest, long term finance.
- Green logic throughout the logistic chains.
- A European Scrap and Build program, and
- Resources to EU shipyards to return to production.

All that of course if the EU feels the need to have a SSS fleet in future. In my view, it better does, otherwise it would risk a complete collapse of its marine distribution network in case of war.

## Last but not least,



**European flag operators**, by paying crew salaries and social security contributions in euro, **are at disadvantage** vis-à-vis operators from third countries paying low salaries and other charges in soft currencies **while earning freight income in euro** trading between EU member states.

*We, the SSS people and the Commission need to get together to discuss these things.* The Focal Points and the Network, are the natural counterparts for such exchanges, not other associations concerned primarily with deep sea interests.

# In my capacity as ex-Chairman of ESN..



..I would like to extend the thanks of all ESN members to DG MOVE for its trust and support throughout the execution of the project “ESN: The Way Forward”.

The project has now been successfully concluded and we shall be looking forward to further cooperation with an eye to bridging our own work with other R+D as for example the **SuperGreen**.

# In the meantime..



- We shall be meeting with representatives of the **European Parliament** next December in Brussels,
- We are starting **a new multilateral policy of cooperation** with institutional players such as ESPO, ECASBA, ECSA, ESC and other participants active in the EU transport policy scene.
- We are actively participating in the **European Sustainable Shipping Forum** and we are organizing..
- .. a **centralized Pan- European liner database** which we are planning to include multimodal connections.

# Ladies and Gentlemen, valued friends..



It is evident that the institutional role of the tripartite ESN-Focal Points-Commission instrument has finally entered the age of maturity and that it is now ready to contribute. Let us conserve it and use it to shape policies for the benefit of the people of the EU.

**THANK YOU FOR LISTENING**