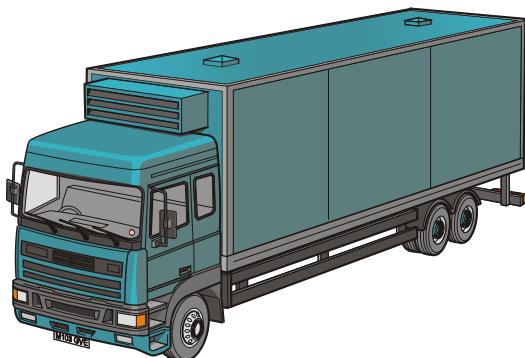
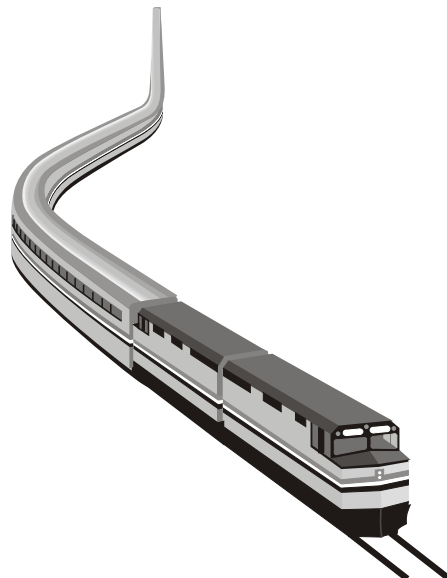


*UNDERSTANDING THE SYNERGY
BETWEEN SPATIAL PLANNING,
PUBLIC INVESTMENTS AND
PRIVATE BUSINESS*



Förord

Inom ramen för två pågående Interreg IIC projekt rörande regional utveckling, transporter och fysisk planering i Östersjöområdet har ÅSUB sedan omkring ett år tillbaka fungerat som koordinator och huvudansvarig för ett delprojekt med fokus på sjötransportsystemet. Det ena av de två "beställarprojekten" går under beteckningen USUN (*Urban Systems and Urban Networks*). Projektet gäller en relativt brett upplagd studie av de idag framväxande nya urbana nätverken och deras utvecklingspotential i Östersjöregionen. Huvuddragare (s.k. "lead partner") är det danska miljöministeriet genom Institutet för Skogs- och Landskapsforskning. Det andra Interreg-projektet, MATROS, är mera inriktat på de krav på transnationell planering och koordinering som en miljömässigt hållbar utveckling av de framtida sjötransporterna inom Östersjön kräver. MATROS leds och koordineras av det svenska Boverket och SIKA (*Svenska institutet för transport och kommunikationsforskning*).

I arbetet med kartläggningen och analysen av sjötransportsituationen i Östersjön har ÅSUB utnyttjat den kompetens inom sakområdet sjötransporter (med hithörande infrastruktur/logistiksystem) som följande institutioner och forskningsinstitut runt om i regionen besitter:

Inregia ab (Stockholm)
Centre for Maritime Studies (Åbo)
Sjöfartens analysinstitut (Göteborg)
TFK Transportforschung GmbH (Hamburg)

En första rapport med en översiktlig genomgång av sjötransportinfrastrukturen i Östersjöområdet med titeln *Sea Transport in the Baltic Sea Region* har tidigare publicerats av ÅSUB (Rapport 1999:15).

Föreliggande rapport är resultatet av ett internationellt sjöfarts- och hamnseminarium i Stockholm i början av året där sjöfartsnäringens kommersiella aktörer och de myndigheter som ansvarar för de sjötransportrelaterade infrastruktursatsningarna i Östersjöregionen möttes för att utbyta synpunkter på den framtida sjötransportplaneringen. Rapportens huvudförfattare är *Susanne Ingo* vid Inregia i Stockholm och *Lars Källström* vid TFK Transportforschung i Hamburg.

På beställargruppens vägnar vill undertecknad rikta ett stort tack till de två författarna, vilka även ansvarade för de praktiska arrangemangen kring seminariet i Stockholm, för ett väl genomfört arbete.

I en tredje och sista rapport från projektet skall – med särskild tonvikt vid policyimplikationerna – det samlade resultatet av arbetet inom projektet presenteras. Slutrapporten beräknas kunna offentliggöras under försommaren. Även denna rapport publiceras på engelska i ÅSUBs rapportserie. Slutrapportens preliminära titel är *Sea Transports in the Baltic Sea: Trends and Consequences for Urban Structure and Regional Development in the Baltic Sea Region*.

Mariehamn i maj 2000

Bjarne Lindström

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Sea related transport corridors in the Baltic

The purpose of this paper

Objective

This paper aims at contributing to the understanding of how spatial planning can promote the development of stable and attractive sea transport corridors and hence contribute to the economic development and integration in the BSR.

It is the intention to provide some food for thought on the role of politics in this process and to explore the options for cooperation between the players on land – “location-bound” - responsible for infrastructure and the commercial players able to take their business elsewhere if the conditions promise to be more favourable.

This paper outlines the partners in the transport chain, shippers, carriers, terminals, agents and the conditions which govern their business. It also briefly discusses the role of spatial politics in this context, highlighting the need for infrastructure and a stable regulatory system. The concept of a level European playing field however, limits the options for attracting and keeping business undertakings to/in a certain location as demonstrated for example by the policies outlined in the European Green Paper on Ports.

Ports in focus

Considerable efforts have been invested in defining the main land transport corridors within EU and in the neighbouring countries. When looking at the maps presenting the TEN and the TINA networks it is apparent that the sea links are implicitly part of these networks, although only indirectly constituted by the most significant ports.

This paper intends to contribute to the understanding of the dynamics of the conditions affecting the waterborne transport corridors by addressing the interaction between shipping operations and the provision of public services and infrastructure.

The approach is to focus on the port as it constitutes the interface between private operations and public facilities.

The European Commission uses the expression “ports and maritime infrastructure” when discussing in what way European transport policy measures can support waterborne transport. It is however, evident that the port, its fairways, breakwaters and traffic control are in focus. Outside this area, the navigational aids constitute the maritime infrastructure.

However, this paper will not address the costs or other aspects of navigating and operating a vessel. The concern is to highlight the conditions for the waterborne transport mode as a part of a transport chain involving also other modes and a wide range of players concerned with organising and carrying out the transport from consignor to consignee.

Mainly freight transport

Waterborne transport corridors are mainly built on the demand for freight transport, although, especially in the Baltic, ferries serving both freight and passengers are perhaps the most important links between the land transport networks due to their high frequency services. The expression “floating bridges” is often used to characterise their two roles as part of the infrastructure and a means of transport.

This paper is mainly focusing on freight transport, because of it is complex organisation and the many players involved. The market for waterborne passenger transport only in the Baltic is very small. Even high speed ferries will have to combine passengers with RoRo-services for cars, buses and small lorries with high value cargo. The weather conditions in the Baltic however, make these services fairly unreliable during late autumn and winter.

The consequences of the abolishment of tax-free trade on intra-Community routes are still unclear. The ferry lines heavily feel the effects. New destinations in Russia, the Baltic States and Poland may at least temporarily offer new opportunities.

However, high frequency, high quality ferry services require a mix of passengers and freight, i.e. a substantial trade exchange is required generating both freight transport of rather high value goods as well as business contacts. These preconditions are still difficult to find in the eastern parts of the Baltic, perhaps with the exception of Sweden-Poland and Finland-Estonia.

Trends in freight transport

Trade and human capital are the most important prerequisites for economic growth. In order to develop they need means for communication and transport. Infrastructure is only one component needed to ensure favourable conditions for this exchange to take place. Organisation of the transport process is another. The way to do this is influenced by global trends in production and distribution affecting transport demand and the reactions from the transport supply side.

However, these trends mainly relate to manufactured goods with a comparatively high value. Many ports make their living from handling of low value bulk cargo. These transport systems are less complex than the systems for finished and semi-finished products but they are still affected by the changing world trade conditions and the efforts to reduce costs through concentration and economies of scale.

Trends in transport demand

The demand for transport is presently affected by the following trends.

- Product specialisation increases the need for efficient logistics
- Internationalisation increases competition and pressure on product prices
- Production to order and centralising distribution to reduce costs require frequent deliveries and smaller consignments.
- Internet makes it easy to sell but introduces high demands on the organisation for delivering the products.
- Increasing integration in the value chain (e.g. wholesalers taking over retailers and even the producers of the products they are selling) leading to new distribution patterns and roles.
- Internationalisation and new alliances among producers is changing the geographical pattern of transport demand.
- Increasing awareness of a positive “environment profile”

These trends indicate a rapid increase in the demand for transport of manufactured goods leading to

- Increased competitive advantages for truck traffic.
- Strong growth in transport of containers, swap bodies and semitrailers.
- A growing number of “long term” (3-5 years) agreements between shippers and transport providers.
- A pressure on all suppliers to support the environmental policies of the manufacturer/shipper

Trends in transport supply

The supply side reacts to the changing demands in the following way.

- Mergers in the transport and forwarding sector creating larger companies being able to service many markets in a cost-effective way.
- Creating large hubs for consolidating consignment flows in order to take advantage of economies of scale.
- Optimisation of load carrying units (containers overseas, swap bodies and semitrailers for intereuropean transport).
- Increasing the share of intermodal transport to reduce costs.
- Introducing more environmentally friendly transport solutions as a competitive advantage

The concentration trends can also be observed among the shipping companies, which are merging or creating alliances to get control of larger transport volumes and to create well-balanced transport patterns (“full load both ways”). Alliances are also forged with the shippers for the same reasons as can be seen in the paper and the car industry.

The bigger shipping companies tries to exploit their scale by using bigger ships to cut the costs per unit transported, both in overseas and in feeder services. The bigger ships require a concentration of the services to a reduced number of ports in order to provide an attractive frequency and the necessary freight volumes.

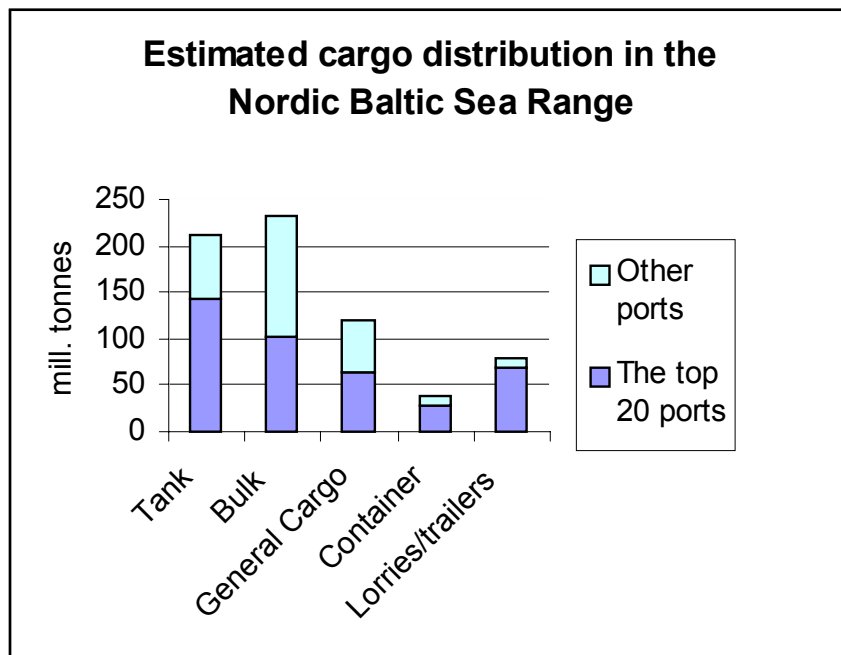
The concentration trends lead to a fierce competition among the ports. Hinterland connections and cost effective port services shall attract cargo, which attracts shipping services, which attracts cargo and so on. Ports specialise to attract certain types of services where they can make best use of their competitive advantages, for example being close to a big consumer market, access to logistic services, short distance to the other shore (ferry links). The concentration of freight also leads to an increasing demand for land areas in the ports and to capacity requirements on the hinterland connections. Undisturbed access and no congestion outside or inside the port are major competitive advantages.

Transport patterns in the Baltic

According to the recently published report “Baltic Maritime Outlook 2000”¹, the present total sea-borne cargo volumes in the Nordic Baltic Sea Range (Denmark-Norway included) are estimated to 425 million tonnes, 40% of which is intra-regional.

The following diagram from the report “Baltic Maritime Outlook 2000” illustrates the dominance of tank and bulk in the ports of the Nordic Baltic Sea Range.

¹ Swedish Maritime Administration, Baltic Maritime Outlook 2000. Norrköping, November 3686-99. ISSN 91-86502-15-8



The diagram also shows the high concentration of containers, lorries and trailers to a few ports. This is a prerequisite for the high frequency needed, which then again has a tendency to attract more traffic which provides a basis for improved transport supply and so on.

The trade between the EU-members in the BSR and the former eastern countries of the region is still on a very low level. In 1996, the value of the Swedish trade with Russia, Estonia, Latvia, Lithuania and Poland together was less than the Swedish-Finnish trade. Swedish export to Russia had a value per tonne, which was about 20 times higher than the import from Russia.

Trade in the BSR (measured in value) is dominated by the exchange with Germany. The most important sea cargo links (measured in tonnes) however, are related to Swedish ports according to a ranking made in the report "Baltic Maritime Outlook 2000"

Top ten sea cargo links	Mio. tonnes
Sweden-Germany	24,8
Sweden-Denmark	19,9
Germany-Finland	13,1
Sweden-Finland	11,6
Germany-Norway	11,0
Sweden-Norway	9,0
Germany-Denmark	7,7
Germany-Latvia	6,3
Finland-Poland	5,6
Denmark-Norway	4,7

It is evident that trade and transport patterns in the BSR are dominated by the exchange between the EU-member states (incl Norway). There is a huge potential for increasing trade and transport with the former east-block countries in the BSR. An increase, which is a prerequisite for improved economy, but which also means more emissions and risks, both on land and at sea.

A developing trade also implies an increasing share of products with a higher value, which require more elaborate transport concepts that are designed to meet modern logistic requirements. Measured in tonnes, the corresponding cargo volumes are presently small in comparison to the total waterborne transport in the BSR. However, general cargo - unitised or not - trailers and lorries represent higher values and have higher demands on technical and organisational solutions. Any organisation or region wanting to participate in the development towards a modern society must understand these requirements and learn to balance them in relation to other needs and requirements

What is a port

What a port does

The port is basically an interface between modes, be it an airport or a seaport. However, the port can also be a hub for transfer of passengers or goods within a mode. In this case the interaction between the port and the surrounding region is minimal, while in the first case the region served by the port is the foundation of its existence.

It is necessary to understand the way that the port is organised in order to discuss its response to commercial as well as regulatory influences. The activities of a port can be divided into the following groups.

- Provision of infrastructure, navigational aids, fairways
- Cargo handling services (loading, discharging) including sometimes warehousing and logistics services
- Regulations control

The port must have a management which is responsible for controlling property rights, for planning the development of port facilities, for providing public goods like navigational aids, breakwaters and dredged entrance channels, for controlling external factors like pollution and congestion and for promoting the general efficiency of the port in the interest of its users. The same management may provide all or almost all of the port services including the cargo handling. It may also engage other organisations under competitive conditions to carry out some of the tasks thereby promoting efficiency to the benefits of its users.

The owner of the port is normally not integrated in a wider network of carriers or shippers (although there are such tendencies). Hence, the port has little possibilities to formulate conditions for the cargo to be handled. In contrast, a terminal for combined transport, handling containers swab bodies or semi-trailers between road and rail, or a distribution terminal as interface between long distance road transport city distribution are well integrated in a transport system operated by the same owner.

The attraction of a port is strongly related to the services produced by the port. There is however an equally strong interdependency with services/terminals outside the port which act as interfaces to the local market, or between the port and its hinterland (stuffing and stripping of containers, consolidation of cargo, distribution). Communication between the port and such

terminals are in most cases carried out by road and often create heavy traffic flows on the access roads to the port.

Port organisation

There are a number of alternative forms of port ownership, organisation and administration. Basically two types of ports can be distinguished even if any investigation will reveal that there are many ports which are organised as a mix of the two.

The landlord port

The port owner provides the infrastructure (dredging, quays and terminal paving) whilst part or the entire superstructure is owned and financed by private companies which are also employing the stevedoring labour.

The service port

The port owner is also providing all the commercial services normally prohibiting competition between the services within the port.

The port can be publicly or a privately owned. A Nordic speciality is that a public body (typically a municipality) is the owner of the private company owning the port.

Irrespective of the ownership there are three function to be fulfilled (as proposed by A Baird in Port Privatisation: Alternative Options. Napier University 1996):

The landowner function

Managing and developing port estate

Conceiving and implementing port policies and developing strategies

Supervising major civil engineering works co-ordinating port marketing and promotional activities

Providing and maintaining channels, fairways, breakwaters, locks turning basins piers etc.

Providing or arranging road and rail access to the port facilities

The port utility function

Transferring goods and passengers between land and sea

The port regulatory function

Maintaining the conservancy (=the control) function

Providing vessel traffic management

Enforcing applicable laws and regulations

Licensing port works

Safeguarding port users' interest against the risk of monopoly formation and the controlling of natural monopolies

It is obvious that the port regulatory function is a public responsibility, while the other two might be carried out by a public or a private body. The port utility function is the most obvious candidate for the involvement of a private company or even companies in order to create a certain degree of competition between different terminals within the port.

If one tries to relate port organisation to spatial planning and infrastructure development in the region around the port, it is evident that it is the landowner function, which is the most relevant interface between the port and its surroundings. In fact this function, apart from being responsible to integrate the port with the land infrastructure, also has the task to translate the needs of the port utility function into demands for infrastructure both inside and outside the port.

The land owner function sees the port utility function as its client, which in its turn has the shipping lines as clients. The shipping lines have the shippers – the owners of the cargo as clients.

When, as often in Sweden, all the functions in the port are carried out by the same organisation, a limited company owned by the municipality, the roles may become confused both in the organisation itself and for outsiders. On the other hand it can provide an efficient combination, although “the stevedoring monopoly” is a controversial issue in port politics. It is argued that the stevedoring (the port utility function) should be carried out under competitive conditions, either by having several competing terminals in the port or by having a tendering procedure with regular intervals.

The size of the operation of course affects which road to take. That there are economies of scale is shown by the fact that even neighbouring ports start to co-operate (e.g. Karlshamn-Åhus-Sölvesborg or Copenhagen-Malmö or Göteborg-Uddevalla-Varberg).

Port organisation and spatial planning

The previous chapter argues that the landlord function provides the interface to the spatial planning activities in the surrounding region. However it is also evident that this function is carried out with the objective to promote the activities in the port. When the port owner is the municipality, “the landlord” might be in conflict with other municipal interests as can be studied for example in Oslo.

The position of the port between the city and the sea limits the necessary development of the port both in terms of lack of space for expansion and due to restrictions of emissions of different kinds. The port areas are also attractive for city use (housing, offices etc).



Oslo port areas

The owner/the municipality wants to promote the activities of the port in order to support the economic development of the city. The landlord organisation in the port is acting to fulfil this objective with the support of the organisations responsible for the port utility functions (the terminals) and their clients. At the same time other city agencies responsible for city development and supported by neighbours to the port are trying to develop the port areas to meet their objectives.

Due to the role of Oslo port for national export and - above all – import, the government also had an interest in the issue not being solved only on municipal grounds, especially as a reallocation of the cargo flows would require substantial infrastructure investments outside Oslo. A commission appointed by the government (NOU 199:24) recently recommended that the port should be allowed to continue its development of the roll-on roll-off and lift-on lift-off services for unitised cargo till 2009. After 2010, container handling should be gradually transferred to other ports in the Oslo area.

Similar conflicts as in Oslo can be registered also elsewhere. Especially in ports with a board selected on political merits and reflecting the parliamentary situation, as in many municipally owned ports, the situation can become confused. The board members may not know whether they should promote the interest of the port or their own line in the local parliament.

Ports in European transport policy

In its Green Paper on Ports and Maritime Infrastructure ((KOM 97) 678) the European Commission promotes the introduction of a European policy towards more efficient ports and improved maritime infrastructure through their integration in a multimodal transeuropean network including the main network of the neighbouring regions (TINA). Future concepts for financing of the Trans European Networks should also include port investment.

The Commission intends to introduce measures, which supports the development of short sea shipping and the ports as multimodal transfer points. One of the issues mentioned is how to create a fair transport pricing system covering all modes.

The creation of equal opportunities on the market and a sustainable transport system require acceptance and control of a common set of rules and regulations affecting all vessels calling in European ports.

The aim to create a level playing field also means that the users should carry the costs, which are incurred by the services they receive. Transparent and non- discriminatory framework for fees should guarantee that public subsidies are not allowed to distort competition. This is a logical, but in practice a highly controversial statement, especially in regions where ports are closely related to municipalities or regional public bodies.

The Commission further intends to propose a concept for calculating the fees for using maritime infrastructure outside the ports, e.g. navigation aids and eventually also fairways. The principles should be to recover the costs for development and construction and to create a system for sharing the running costs with the users.

The freight transport chain

The players

The following parties are involved in commissioning, organising and carrying out the transport. Some organisations take on several roles as for example the carrier also providing forwarding services or the manufacturer choosing to organise his own transport operations instead of commissioning a forwarder.

The manufacturer	Produces the cargo to be shipped
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Shipping conditions are normally well defined and related to production and marketing process

The consignor	Sends the cargo to the consignee
The consignee	Receives the cargo
The forwarder	Organises the transport on behalf of the shipper but is increasingly involved in supplying logistics services, e.g. warehousing, product finishing.
The shipper	The owner of the cargo, who could be the manufacturer or the one he has sold the products to, or a wholesaler.
The carrier (or the transport operator)	Carries out the transport.
The haulier	A road carrier
The shipping line	A sea carrier
The shipping agent	Acts on behalf the shipping line as interface to the shipper or his forwarder
The terminal operator	Carries out the transshipments of the cargo, the warehousing and other services in the terminal (in the port the terminal operator covers the port utility function).

It is important to understand the roles of the partners in chain and their relationships in order to be able to understand the attitudes to proposals for change. Even if such proposals seem to be feasible from an overall point of view, they are difficult to implement if they are assumed to have a negative effect on the business of one or several parties.

The complexity is augmented when companies carry out several roles, It is not unusual that the forwarder is operating a terminal, but mainly for road to road transshipments. There is also a tendency that the carriers, be it sea road or rail, are trying to do business directly with the shippers in order to compensate for the low prices for the mere transport. Also the big shippers are increasingly involved in organising their own transport systems.

Intermodal transport

Waterborne transport always works in co-operation with other modes. The term used for this is “intermodal”, “multimodal” or “combined” transport. There is no generally accepted definition, but for this purpose we use “intermodal” and define it as the “the movement of goods in an unbroken load unit, from origin to destination, using more than one mode of transport”. “Combined transport” is often used to characterise the case when only road and rail are involved. Multimodal is often used as a synonym to intermodal.

To offer a competitive intermodal transport solution means making the correct trade-offs between costs and performance and to set the right priorities for the service quality.

There are a number of obstacles related to intermodal transport, resulting in the fact that its full potential is not yet exploited. While economies of scale are in favour of intermodal transport, the cost for transferring the cargo from one mode of transport to another is an obstacle. The co-ordination in time and space needed for connecting the links in the chain is complicated and often results in halts for the cargo flow at the transfer points.

Intermodal transport solutions normally imply that there are many organisations involved. The integration of transport modes needs to take place between business processes, operations, services and regulatory requirements as well as between infrastructure and communication. The problem of getting these parties to co-operate is further complicated by the fact that participation in intermodal solutions often, to some extent, means “giving up” cargo to competing modes.

The many parties involved and the additional handling or processing along the transport chain introduce uncertainty and costs. Shippers having lean production systems, where semi-finished goods are transported between factories are very sensitive to disturbances. A strong transport chain management is required.

The following example illustrates an intermodal transport chain and the related information exchange needed to manage the process from a manufacturer to a warehouse or a distribution centre. The steps in the sample transport chain are:

1. Manufacturing, preparing for and initiating transport.
2. Transport by train from the manufacturer to the port.
3. Handling (stevedoring) in the port
4. Transport by ship
5. Stevedoring in port, where the cargo may be stored in a warehouse or it is transferred to a terminal for possible stripping and stuffing before further transportation.

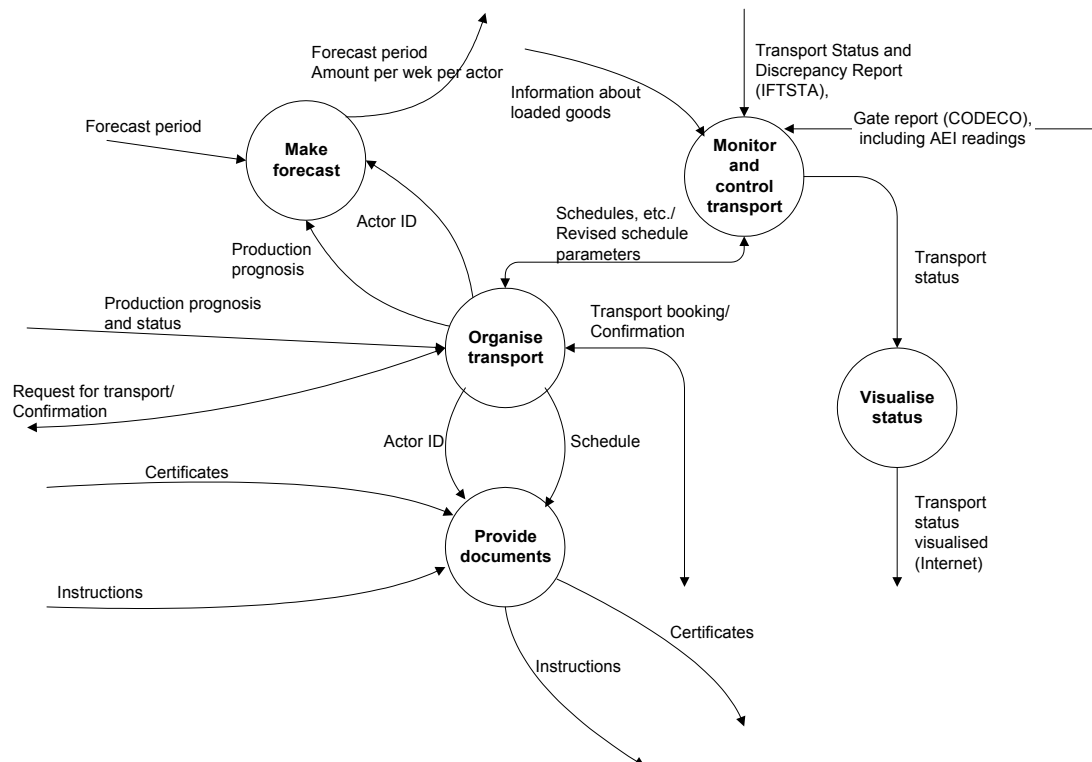
In this case the transport manager has subcontracted part of the responsibility to a line agent who takes care of the transport from the entrance of one port to the exit of the other.

transport solutions. Certain companies owe at least part of their success to clever logistic systems. The products fit the pallets, which fit the container, which fit the vessel etc. without any loss of space or load carrying capacity.

Long term contracts with forwarders, carriers and terminals/ports ensure that sufficient investments are made in infrastructure, transport capacity and information systems. What is actually happening is that the logistics systems are regarded as an integral part of the companies' business process rather than as an independently supplied facility. Long term, formal and informal, relationships are developed.

The need for interaction between the parties involved is illustrated by the following model. It presupposes that contractual relationships have been established beforehand providing the framework for performance and invoicing.

- Provide forecasts from manufacturers to transport service providers.
- Organise transport, making sure that all the necessary transport services are available when required, taking into account the main criteria for optimisation i.e. speed, cost of transport, etc.
- Provide documents to the different actors along the chain at the time when they are needed. Document examples are transport instructions, customs forms, certificates, etc.
- Monitor and control transport in order to ensure that the transport quality (including making sure that delivery schedules are met).
- Visualise the status of the transport, such that anyone interested in obtaining the transport status information may do that easily and efficiently.



Quality control

Manufactured and semi manufactured goods transported in unit loads (containers swap bodies semi-trailers) have high demands on transport quality in relation to other types of cargo in maritime transport. If this mode is to compete with the “benchmark” – the truck – the port and the sea transport must provide the same transport quality. If it can not, the transport is rerouted, goes by truck or it does not take place.

- Transport time
- Frequency
- Reliability
- No damages
- Flexibility
- Status information

It is difficult to say which is the most important criteria. Every logistic solution has its special profile. However, once the conditions are defined and part of an agreement they are expected to be fulfilled. The management tools available and the supporting information systems are steadily providing more powerful means for control on-line to assure that targets and agreements are met.

Logistics managers of today have high demands and expect that agreed performance is delivered. To be able to meet these requirements is the only way to stay in business.

In recent years, environmental issues have become an important part of company policies. Shippers and carriers are doing “environment accounting” to reduce the environmental impact of their activities. This concept is also spreading along the intermodal transport chain. Shippers state that they will only employ service providers (shipping lines road hauliers, terminals etc.), which meet certain environmental requirements related to for example type of fuel or tyres, and/or have an action programme for improving their emissions.

Planning for the port

The following table proposes a structure for the planning tasks related to what is happening in the port with the plans, which are made for the port. A division is made between planning of the operations (the business plan), planning of the infrastructure needed and other planning activities (spatial, traffic and economic) where the port is a part. The table is based on the concept described above, where the port is seen as a combination of three functions: landowner, port utility (stevedoring/operations) and regulatory. The last function is regarded as a framework, which governs the daily and the future activities.

	Business plans	Infrastructure plans	The port in other plans
Objective	To develop the “port utility function” (as described above), i.e. to promote cost-efficient handling and service functions	To develop the “landowner function” i.e. to provide the port with a good infrastructure (land and sea-side) to ensure efficient and safe operations	To define the port in relation to other related activities (rail, road terminals) to other planning objectives regarding land use and environment
Planning issues (examples)	Bringing together the demand (from the shipping lines) for frequent hinterland connections to attractive areas with the land side demand for frequent waterborne connections to interesting destinations Providing special facilities for certain types of cargo: refrigerated, hazardous, space consuming (cars) etc. Optimisation of the trade off between space, work organisation and handling equipment. Organisation of space utilisation and traffic flow within the area available. Developing electronic communication with all parties involved.	Land use planning within the limits of the port. Forecasts for area requirements from forecasts for traffic development Based thereupon: plans for breakwaters and fairways, port basins and quays, paved land surfaces, warehouses and offices. Development of access routes to the port by sea, road and rail Positioning of the port in the sea traffic management systems Developing information systems to support the port’s clients.	Port space requirements in relation to competing needs for housing industry, leisure etc. Port activity requirements in relation to plans for neighbouring activities (traffic, noise, pollution, safety....) The port in relation to its supporting activities (terminals, service centres) and the impact on traffic and land use planning.
Planning horizon	2-5 years	5-10 years	10-30 years
Responsible	The manager(s) of the port utility. Could be the port director (in a small port) or specialised terminal operator(s).	The port owner	The region where the port is situated
Participants	The clients of the port (the shipping lines) and their clients (shippers, forwarders, road and rail carriers)	The clients of the port, national and regional infrastructure and spatial authorities.	The port owner together with the other stakeholders.

Internal port planning is focused on using available space and resources in the most effective way. The focus is on the operation and on what can be done internally by the way of investments in equipment and infrastructure, securing the best conditions for present and future operation. The key issue is to correctly assess the future traffic demands and how these affect the port in terms of space and services and to translate the result of the analysis into a demand for investment and financing.

Given the fact that the port must be seen as a business unit, regardless of who the owner is, the port management must position the port in relation to the potential customers by providing an attractive service. In addition to providing cost-efficient internal services (as described above), this also means positioning the port in relation to the hinterland services and the in the

regional context. The port must develop the transport connections and negotiate an acceptance for its development with the regional and sometimes national or even European authorities responsible for guiding the overall development.

The notion of the port as a business unit will be strengthened by the European transport policy, which, among other things, means that no subsidies are accepted for the operation including the infrastructure investments in the port. Investments in fairways, navigational aids and road and rail access routes are seen as parts of the public infrastructure. However, there is evidently a grey zone, where it is difficult to discern where the port ends. The planning process and the related investment planning must be designed with respect to this restriction.

The planning tasks illustrated also indicate that port planning require a clear perception of the roles to be played. In practice, the same person may have several roles as for example land owner and stevedore manager or as owner (representative) and politically responsible for the regional development. For example, it is questionable if conflict in land use planning affecting the region should be solved in the board of the port.

Conclusions

The public as port owner and spatial planner

Most ports in the BSR have the public as an owner. Given the importance of the port for a country or a region, this is very understandable. However, as any commercial undertaking, it is also obvious that what the port wants or needs might be in conflict with other goals supported by the public. This is especially true at the local level where port areas might be attractive to waterfront housing or where port operations create disturbances on neighbouring areas. On the other hand, the port and its activities are an important economic factor, not only locally, but perhaps even more so on regional or even national level. An increasing degree of co-operation between port/terminal operators in different ports is now complicating the earlier city-port relationship.

Given the complex relationships of business and politics, which govern port competitiveness and the efforts within the EU to harmonise these conditions, there is a tendency to separate the operations from direct political influence. Conflicts between port objectives and other objectives should be solved outside the port's boardroom.

Spatial policy versus transport business

The following table lists the criteria governing the shipping companies' choice of port (source: Baltic Maritime Outlook 2000)

	Aspects
1	Location in relation to • hinterland for potential cargo and balance between in- and outbound volumes • deviation options • transport capacity to and from the port • competitors choice of ports
2	Flexibility with respect to: • handling of different types of cargo • work schedule, overtime
3	Technical and practical maximum capacity
4	Adaptation to the latest/best/most cost effective technology
5	Absence of cargo damages, ability to adhere to prearranged times and other agreements
6	Efficiency measured in cost per TEU/ton/m3 and time unit
7	Stevedoring costs
8	Port entrance and other related costs and the cost trend over time
9	Customer demands (a major goods owner has a vested interest in a terminal)
10	Weather, wind, tide and ice conditions

The potential impact of spatial policy on these criteria is fairly small. Much of the attraction of a specific port is either based on commercial performance or its given location close to a major market. However, apart from the obvious provision of infrastructure in terms of road, rail and telecommunications, spatial policy can indirectly contribute to the competitiveness of a port by providing a stable framework for its development. Shipping companies as well as other partners in the transport chain are increasingly seeking long term relationships for sharing investments and for efficient planning.

Modern transport systems are characterised by an increasing degree of technical and organisational complexity, which implies:

- Big interdependent investments by all parties concerned

- Interoperable, handling and information systems
- A complex structure of agreements and contracts
- An increasing need for more competent staff
- More maintenance, control and follow up.

Basically, the port and its hinterland connections is a local/regional issue. National or European efforts are mainly focusing on providing a level playing field in this competitive environment. Apart from this the national level can contribute by providing a stable regulatory environment which is stepwise harmonised with the regulations applied in other countries.

The regional/local level can contribute by focusing investments in relation to ports needs. It should also provide a long-term framework for port expansion/reorganisation to guide public as well as private investments reducing frictions and uncertainties. Old parts of the port might be closed new areas incorporated, fairways dredged etc.

Access to competent staff and advanced logistic services are becoming an important competitive aspect, especially in the field of information technology. Local and regional authorities should support this in order for their region to be able to offer an environment, which can keep up with technical and organisational development.

As a conclusion it may be fair to say that spatial policy has a limited impact on the everyday life of a port, but that the policy plays an important part in defining the long-term conditions for the port. One obvious aspect is the infrastructure investments and the spatial framework, but the public institutions also have an important task in creating an environment of confidence and predictability, which allows the parties to make predictions for the future.

Attachment 1 - Papers presented at the Stockholm Seminar

Sea related transport corridors in the Baltic / Christer Vårdstedt Association of Swedish Ports

The role of the ports and its various functions is well described in the paper.

With this background, the interesting questions for me, representing the port sector, would be

How does the port communicate with owners, clients, and planners?

How is the decision making process being carried out?

Who would be the ideal port owner, and by what criteria should the board of directors be chosen?

On what level in society should port issues be handled? (I think that's the key question here.)

I am aware that the possible answers may be influenced by the various attitudes towards port issues. There is after all a quite fundamental difference between mostly municipally owned ports (like in Germany, Denmark, Norway, Sweden and Finland) and state dominated ports (like in the eastern Baltic countries).

But before we look into that, a general remark:

The paper is dealing with transport corridors. The expression is not defined in the paper, but I presume that we talk about high value cargo with high demands on intermodality, flowing more or less between metropolitan areas. At least I think we should concentrate on that, because those cargo flows should be the most interesting when we deal with spatial planning.

This slide (encl.) shows an example from the northern Baltic area, and we are obviously not talking low value bulk products here: the biggest port in the Baltic is Ventspils, but you probably don't think of it; you think of ports like St Petersburg, Riga, Rostock, Copenhagen, Stockholm, Helsinki. So weight and value are of course different things, but ports are still mostly measured by their tonnage, and planners could be misguided by the statistics. My point, however, is that high value cargo flows through fairly big ports, touching metropolitan areas, means higher demands on spatial planning and that's why I feel that these corridors are the most interesting, when we try to understand "the synergy between spatial planning, public investments and private business".

Maybe it is not fair to claim that smaller ports are of no interest here, but I think you can say they have an easier life, at least here in Sweden. Their owners usually claim that the port generates jobs and income, for many people, even far outside the port itself, and therefore the port is by definition a profitable investment and to the benefit of the society. It won't have to compete with other activities in society, not even for investment money, sometimes not even if the port makes losses; the positive effects I just mentioned usually justify these losses. At the worst such a policy can lead to some over investment in port capacity. There are about fifty ports in Sweden, ten of them handle 80% of the total cargo volume; the rest of them – apart from some industrial ports - compete over too little cargo and are geographically too close to each other. Regional co-operation is starting to take place, but the process is slow, due to what is sometimes called "municipal pride". The port is the pride of the municipality. Still, I think that the municipal decision level might be the best for these ports.

In bigger ports, like city ports, the situation is more complex, and this is very well described in the paper: the Oslo case, where the conflicts with other municipal interests are evident. There is lack of space for the city's development and the port causes environmental problems. It's a tough business to justify port activities like cargo handling under such circumstances.

These conflicts are, as a matter of fact, equally evident here in Stockholm. The port here is run as a municipally owned limited company. This form was chosen almost ten years ago for commercial reasons. The board consists entirely of local politicians, and some board members, including the chairman, now and then violate the Swedish law for shareholding companies, which stipulates that the board members must work for the best of the company. For instance, some don't like the big ferries and would like them to go elsewhere, although they create most of the port's profit. Some claim that all cargo handling should go away, or that the oil harbour should close down, though it serves only the metropolitan area around Stockholm. Some claim that you could perfectly well mix port operations with new apartments. The result of this policy would, in the end, mean more or less a close down of the port.

So far, the Swedish government has not intervened the way the government has done in Norway in the case of Oslo. It is a fact, though, that the state has made infrastructure investments – railways, highways, fairways – for decades in order to obtain an efficient transport network, both within Sweden and for connection with other countries. Such connections are for instance the “extended bridges” (ferry traffic) between Sweden and Finland (e.g. part of the Nordic Triangle) and Russia, Estonia, Latvia, Lithuania. The port of Stockholm is a vital link in this network. I think one could argue whether local politicians should have the power to cut off an international transport corridor of this kind. Like in the Oslo case, a shift of the city port here would require substantial infrastructure investments outside Stockholm, paid for once again by the government.

Helsinki is another interesting example in this context: Here the decision to move a substantial part of the port to another place has already been made, so that's not controversial any more. But instead the location of the new harbour is questioned. The city of Helsinki wants the port to be located outside the city but still within the borders of the Helsinki municipality, so they can retain the income from the new port. This location is, by the opponents, claimed to be far too expensive due to the vast infrastructure demands (among other things a tunnel of several kilometres of length, just for environmental reasons). They claim that another location, west of Helsinki, and outside its borders, would be more convenient and flexible and far more inexpensive (and among other things also more competitive when it comes to tariffs...).

I can't judge, of course, but if this is true, it's another proof that the local decision level is not sufficient, especially when the port will be of importance for all Finland, not only for the City of Helsinki.

So, clearly, the government should have some influence. I am probably not supposed to say this, being chairman of the Association of Swedish ports, but, still, it is my belief. Of course, one could put the question: Should the government control the ports the same way it controls other traffic infrastructure? I am not so sure; port of Tallinn, for instance, is a state enterprise, but I hear officials complain they can't solve local problems concerning access roads to the port; six or seven local authorities are said to be involved in the environmental aspect only!

Should the ports be entirely private? I don't think so either. The cargo operations can very well be in private hands but it is hard to think that a private company could perform the landowner function, at least in metropolitan areas with their complex planning situation. By the way, I think it is a pity that the users of the port (shipping lines, forwarders etc) seem to have no influence at all today, at least in Sweden. And very often they don't seem to bother either. Their influence is mostly channelled through the port management, but apart from that the local chamber of commerce only carries it out, and I feel that this link is far too weak.

So how should the port industry be organised for the best relationship between business and politics? In earlier days the port board here in Stockholm consisted of local politicians plus a representative from the government plus a representative from the chamber of commerce. Not so bad, maybe, but let me finish by describing the Latvian example, where the port issues are being handled at the highest possible level but also with the broadest representation.

On the national level there is the Port Council of Latvia, which works out port strategies and co-ordinates the port policy and port activities in general. The Prime Minister chairs it. Other members are:

- minister of transport
- chairmen of the city councils
- managers of the ports
- director of sea administration of Latvia
- director of development agency of Latvia
- minister of finance
- minister of economy
- minister of environment protection and regional development
- minister of agriculture
- and a couple more.

On the local level there is a port board for each of the three ports, Riga, Ventspils and Liepaja. It consists of 5 representatives from municipal institutions and from companies operating in the port, and 5 state officials from the ministry of transport, ministry of economy, ministry of finance, ministry of environment and regional development and from the development agency of Latvia. The smaller ports have a slightly different conception with state representatives and, in equal proportion representatives from municipality and from port users.

So the national level has local influence, and the local level has national influence. But I find the representatives for port users to be the most interesting here. Can this way form better relationship between business and politics?

To conclude: I think it is right to see the port as an interface between private operators and public facilities. In this respect the landowner function as described in the paper is the most important function when discussing the right decision level. Because this is where you have to translate the needs of cargo operations as well as take care of national demands on an efficient transport system.

Stockholm the 17th of January 2000

Christer Vårdstedt

Understanding the synergy between spatial planning, public investments and business / Heintz Bartel Lübecker Hafen-Gesellschaft mbH

Port of Lübeck, being at least Germany's biggest Baltic seaport with more than 120 calls per week to 19 destinations, being especially strong in general cargo, paper, trucks/trailers and cars. RoRo trucks and trailers more than 650 000 units, 50 000 combined traffic units, swap bodies, containers etc., about 198 000 cars p.a.

Lübecker Hafen-Gesellschaft (LHG) , who stand for more than 90% of the more than 25 Mio tons of cargo in 1999, is owned by the City of Lübeck (99%). The LHG is also responsible for the planning, which is carried out in co-operation with the administration for the City of Lübeck. It influences these planning procedures by proposing the targets, elaboration the areas and keeping close contacts to the clients in order to make sure that their needs are recognised and discussed, if necessary, with the City of Lübeck. In contrary to other places Lübeck gets relatively low rates of subsidiaries, but has to compete with other places, which get tremendous more money than Lübeck.

Nevertheless, Lübeck and especially LHG do their utmost to play an active role in the logistic chains in order to safeguard and control cargo-flow via Lübeck. Paper industry, one of the key factors in the Port of Lübeck made long-term contracts with LHG, and LHG even founded joint companies with the logistics arms of paper industry. These long-term contracts stabilise the port and enable a long-term planning procedure.

But of course, also Lübeck knows the problem by public opinion, especially in respect of environmental problems, such as noise, dust and other emissions. To avoid that the development is being hampered, we have an active PR policy to the public and the media in and around Lübeck. Also direct contact with the population around the terminals is a successful tool to make the port and especially LHG known as a key-player in economics which creates jobs and stabilises a lot of jobs. We make it clear that cooling down the ports would mean a lot of unemployment in the region. Again here we act in co-operation with our clients, since their arguments are sometimes weightier than those of the port itself.

With this background in Lübeck we try to extend, especially in Lübeck-Travemünde the area of Skandinavienkai by erecting a complete new combined cargo handling area and adding several hundred thousands square metres for distribution centres and storage capacity for cargo related to the vessels calling at the Lübeck-Travemünde Skandinavienkai. Finally, we also try to play an active role in improving the intermodal links to the port, like strengthening the rail connections and capacity increase for the Elbe- Lübeck-Kanal, which links the Baltic Sea and the German and European inland waterway set.

Sea related corridors in the Baltic / Kent Nyström Viking Line

Comments in relation to the hypothesis paper put forward from a shipping company's point of view – no details - just some highlights paying attention also to passenger transport.

Shipping routes in the Baltic – an extension to the infrastructure on land

To see the shipping routes in the Baltic as an extension to the infrastructure on land is in my opinion the right approach – it is not just a question of ships sailing from one port to another. The shipping routes are an integral part of the infrastructure in the Baltic.

A certain concentration to traffic corridors is a necessary measure in order to create the right conditions for transportation; modern port facilities, effective use of large ships, good hinterland connections, large volumes and frequent departures. As efficient use of the ships means frequent/daily departures rather short distances on sea are preferred.

It is essential that public authorities should provide shipping with good fairways to the lowest possible level of cost by concentrating them. Cost efficient ports are needed. Especially in the north the number of ports open during the winter could be somewhat reduced to minimise the cost of icebreaking. The use of modern equipment could also lead to a reduction of the cost level. All this of course ought to be made in a balanced way taking into account; port capacity, the environment, safety and a necessary regional distribution of ports.

Passenger transportation and cruises are important

The hypothesis paper puts focus on plain cargo transportation. This does not give a complete picture of the transportation needs in the Baltic. Passenger transportation is a very important part of the shipping activities in this region. In the northern Baltic passenger volumes exceeds 16 mio pax per year. Travelling between the countries in the Baltic have great influence on the development in the region and will hence have a direct impact on the exchange of goods and services. Passenger transportation on the southern part of the Baltic will surely grow in the future.

Even pleasure cruises are important, as the need for recreation will grow. Due to tax free it is possible to keep up frequent departures and reasonable prices. Tax free sales will continue for a long time in most parts of the Baltic region. Even within the EU tax free sales will continue to some extent as there is a permanent exception made for the Åland Islands from the abolition of tax free sales in intra EU traffic.

The hypothesis paper ought to be complemented with a description of the need for passenger transportation in the region and the conditions for passenger- and combined passenger/cargo transportation. So when developing waterborne transport corridors also passenger transportation has to be taken into consideration.

Combined passenger and cargo traffic in the northern link: Sto-Åla-Tur-/Hel –Tal/Spb

This traffic corridor dates back to around year 800 and today it is maybe the most important traffic route in this region where there is a fruitful coexistence between passenger- and cargo transportation along with plain cargo transportation. The two forms of transportation live under somewhat different conditions.

In order to make combined passenger and cargo shipping interesting and profitable the ships have to trade between “City Ports” and the timetable has to be scheduled in accordance with the needs of the passengers. This might not always be optimal for cargo transportation. The

cost of crew and operation is also higher in a “combi-ferry” but tax free and frequent departures makes it possible to keep reasonable prices for both passengers and cargo. Efficient use of the ships means a combination of cargo transportation, passenger transportation, cruises and conferences.

This transparency shows the interaction between cargo transportation and private cares measured in lane meters. The cargo transport volumes are quite stable with the exception for July when transportation of private cars peaks.

Plain cargo traffic can call on more remote ports with larger space for cargo handling among other things.

Strong political forces are today trying to push the city ports to more remote locations and replace them with waterfront apartment houses. Productive areas are replaced by non productive and if this is driven very much further it will ruin the possibilities to continue passenger and combined passenger/cargo transportation. It is important that the authorities will take both passenger/cargo transportation into consideration in the planning and development of ports.

Environmental and safety issues

Transportation by ships is a rather environmentally friendly means of transportation. The shipping companies are investing in large sums to reduce the negative environmental impact of their operations. Solid waste as well as wastewater is nowadays taken care of. Concerning exhaust gas emissions, there is an extensive development program going on. Some large steps are already taken to realise these projects.

The consignors will in a soon future demand more environmentally friendly transportation. The shipping companies are ready to meet these demands but there is also a cost factor to take into consideration.

It is important that the authorities will support this development in a constructive way and also financially. Concerning environmental and safety issues it is important that the requirements are thoroughly thought out and needed in reality. Unnecessary requirements that only cause excessive cost should be avoided.

Cost factor of great importance

The operating cost of a shipping company is maybe not within the scope of this project but very important to the operators.

The crewing cost varies very much between the different flags of the countries in the Baltic. Also taxation rules and regulations are more favourable in some shipping nations in or near the Baltic. This constitutes a competitive edge for some actors and disadvantages for others.

Plain cargo transportation is to some extent supported in Finland and Sweden but it is necessary to adapt the maritime shipping policies for the whole shipping industry in Finland and Sweden to EU shipping guidelines. This should comprise lower crewing cost and a tonnage tax system.

This could to some extent balance the difference in cost levels among the shipping actors and give better conditions for investments in new ships so that even shipping companies from the north could continue to compete in the Baltic.

Attachment 2 - Minutes from Stockholm seminar January 17th, 2000

Introduction

Henrik Swahn introduced the seminar as a joint arrangement of the two Interreg II C/Vasab projects Matros and Urban Systems & Urban Networks. The report “Baltic Maritime Outlook 2000“, published by the Swedish Maritime Administration in November 1999 was presented and distributed.

Strategic choices

Lars Källström, presented the main features of the paper “Sea related transport corridors in the Baltic Understanding the synergy between spatial planning, public investments and private business”; written by Lars Källström TFK, Stockholm, Hamburg and Susanne Ingo INREGIA AB, Stockholm. This paper had been distributed to the participants in advance.

The objective is to get a better understanding of the interaction between the players being “location bound” and those, whose activities are related to business. The ones that are location bound are

- political bodies
- administrations
- infrastructure owner/operators
- actors related to specific natural resources in a certain location

Their “tools” include the power to decide about tax incentives, regulatory framework (including spatial planning) and public investments. The business related actors deal for instance with manufacturing, warehousing and transport.

Sea transport needs ports but ports are easily exchanged. Stabilising factors are proximity to a large population and industrial activity and access to well functioning infrastructure and logistics. The location bound actors create the preconditions that determine the level of service that is so crucial for the business actors – efficiency, competence, sustainability, stability and predictability.

Transport business of today often is an integrated part in the logistics systems. Production and customer services require high frequency. The economy requires full use of available transport capacity.

This leads to a concentration of cargo flows. Joint investments are often made in technology and organisation is based on long term commitments.

Modern transport systems are characterised by an increasing degree of technical and organisational complexity, which implies:

- big interdependent investments by all parties concerned
- interoperable, handling and information systems
- a complex structure of agreements and contracts
- an increasing need for more competent staff
- more maintenance, control and follow up.

The borderline between politics and business is not always crystal clear. The port may be considered to provide both infrastructure facilities and operation services. The public is often

found as owner of both. The result is a mix of objectives – on one hand the port owners strive to promote regional development goals, on the other hand they strive for a high level of competitiveness. Often there is also an ambition to favour an attractive environment

There is a high concentration of lorries/trailers and containers to certain ports in the Baltic Sea.

The EU policies are aiming at creating equal opportunities for economic activities with no subsidies for business undertakings and limitations to political involvement on the operational level.

The way ahead for the location bound actors is to try to create competitive conditions through investments, maintenance and organisations which are efficient, stable/predictable and sustainable. Focus should be on education and training, co-operation for improved competitiveness and provision of supporting services.

Organisations in the decision making process

Pirjo Venäläinen, CMS Turku presented an overview of international organisations and co-operation projects dealing with sea transports including

VASAB 2010+

ESDP (European Spatial Development Perspective)

IM (International Maritime Organisation)

Helcom

BPO (Baltic Ports Organisation)

EU

Co-ordination committee on Baltic Ports and Waterborne Transports

Union of Baltic Cities

Viewpoints on port and Port services versus other interests from various types of actors

Christer Vårdstedt, Association of Swedish Ports, Heinz Bartel LHG, Lübeck and Kent Nyström, Viking line gave their view (also presented in papers attached).

To understand the needs and interests related to sea transports the focus must be on ‘high value flows’. These are mainly related to the consumption in the metropolitan areas, where a large population is concentrated. In many cases, as in the corridors connecting Swedish and Finnish ports along the ‘E 18 axis’, it is beneficial to combine cargo and passengers. To be successful it is necessary to provide travels services that attract passengers. This results in a demand for port location very close to the City Centres and departures/arrivals in the mornings and evenings.

In many metropolitan areas there is a pressure to move the port location further out from the city centre. The current port locations are often attractive property since households and commercial businesses often look for a location close to the waterfront. Land value rises. Port functions are not always possible to combine with private homes, office space, hotels and other businesses since the port causes disturbances such as noise, dust and emissions from heavy vehicles transporting cargo and passengers to and from the port and also from the activities in the port itself. The warehousing and cargo handling causes visual barriers and are often considered to be ugly as trailers and containers hinder a free view from street and

windows over the water. Port functions are land consuming. Successful ports often need new land for their expansion. This may cause conflicts with others that have an interest to use the same piece of land for other types of activities.

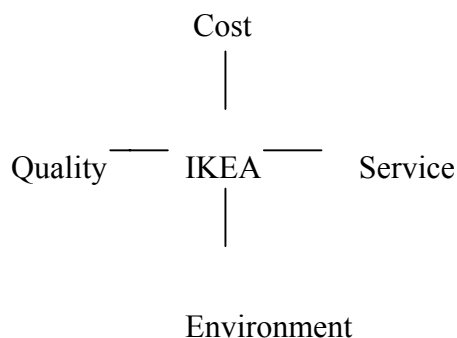
Thus port issues must be communicated. There is a need for lobbying – the public relations to citizens, local politicians, media and others are important. People must be told about the vital economic interests that are related to a well functioning port - creating jobs and tax income – and the importance of a favourable location – the necessity to be in the main stream.

In many cases it may be wise for a port to go together with it's clients. One way of doing this is to sign long term contracts allowing both to share the benefit resulting from favourable synergies. The needs of the clients often seem to have a higher credibility in the eyes of the public opinion.

Port interests are always in the hands of local politicians. However port functions are also of national interest. The government should have a say, since many investments in roads/rail connecting the ports to the trunk networks are to be financed over the national budgets.

The case of IKEA, Lars Christiansen

In order to meet the demands from the customers in the shops, Ikea requires that partners, carriers and producers meet certain performance criteria related to costs, quality, service and environmental factors.



Since Ikea is so big, there is no choice for partners wanting to stay in business, but to deliver. Ikea is now growing both it's production and it's retail and especially in low cost countries.

During the next years there is a huge challenge for Ikea needing to develop their transportation chains. They expect a rapid growth, many new routes but also a concentration to a smaller amount of carriers than today. Their ambition is also to move more of their transports from the roads to rail and sea. They have economic possibilities to buy transport capacity of their own if necessary. On the other hand they might choose to outsource their transports totally if this appears to serve their purposes better.

Transport challenge in Europe, (80% of Ikea total)

	1999	2005
Volume CBM	19.4 millions	40 millions
Costs SEK	1.4 billions*	3.6 billions
Carriers No.	175	< 100
Routes No.	19 000	27 000
* Total Ikea turnover 61 billions		

Mode of transport

	1994	1999	2005 (dream)
Road	60%	80%	55%
Rail	40	20	35
Sea	0	0	10
Air	<1	<1	<1

Opportunities

- Low price countries
- Increasing price opportunities
- Long term (3-5 years) agreements with carriers
- Standardised equipment (only two sizes of containers?)
- IT infrastructure
- Joint co-operation with shippers
- Own investment (to secure capacity)
- Outsourcing?

Threats

- Poor infrastructure
- Lack of courage to invest
- Congestion on European highways
- Change in legislation/regulations
- Lack of capacities
- Impact on the environment

The links between actors and the dynamics between conditions affecting the waterborne transport corridors and the role of the port.

Discussions in smaller groups:

Main actors related to a port

- Customers
- Owners
- Regulating bodies

Transportation Chains

- Difficult to integrate investment chains
- Difficult to establish alliances between ports (perhaps easier between terminals?)

Infrastructure investments road – rail – sea

Market and Politics need to meet and to decide what chains to facilitate. This type of ranking should be made on national level since there is often a conflict between local/regional political objectives and the ambitions of the port itself.

Organisation of tools for co-operation

- IT systems
- Transparency; rules, regulations etc
- EU regulations
- Statistics

The role of politics

Moderator Mogens Schröder Bech,

Speaker Per Gisle, Port of Oslo

In Norway the debate on the location of Oslo port has been going on for around ten years. It is time to decide whether Oslo should be a “Port City” or a “Fjord City” (Sea Side City). Planning has been going on since the beginning of the 80-ies but no final decisions have been made. One of the big newspapers have decided that “they are against the port” often publishing opinions from those wanting to move the port. Many interests meet in the port. Some land has been sold and turned into the exclusive shopping, housing and office area of Aker Brygge. The building of oil platforms and storage of containers in the area close to the city hall has been moved. A new bypass for road transport has been built as a tunnel. This has allowed a better contact between the City centre of Oslo and the waterfront. Negotiations have been made with actors representing conflicting interests like NGO:s wanting to use the port area for canoeing, sailing, diving and other purposes. There have also been strong environmental interests.

If the port should be moved out totally, new investments must be made in roads and rails providing access to the port area. The port of Oslo is one of eight big ports in Oslo, serving not only the metropolitan area but also providing supply of overseas cargo to all Norway. The development issue of the port in Oslo is clearly of national interest.

Port issues seem too be a little too complicated for the local politicians. It is not a problem if the introduction of local politicians cause inefficiency but it is a problem if they cause distortion.

Denmark is heading in a commercial direction. A new legislation on ports has been accepted. Ports will be managed as private companies. It is expected that many ports will be sold to commercial actors. Denmark is now engaged in shipping world-wide.

It is difficult to get any improvements through EU unless there is a very precise definition of the bottleneck.

A level playing field in the eyes of the shipper should be the goal! However trans-national co-operation has started too late. It will take time to harmonise

- rules
- taxes
- fees

Since 80% of all ship movements occur only inside the Baltic Sea there is a good situation for co-operation on environmental issues between the Baltic States!

Conclusions

Henrik Swahn summed up what had been said:

1. Business must lead!

It is a challenge to obtain an efficient interaction between various types of actors involved in sea related transport chains.

2. There should be an arms lengths arrangement between politics and ports!

There is a difference between ownership control and the steering of port's operations.

Political boards often represent a complex mix of objectives with risk for an inconsistent behaviour.

3. The policy role

is to create a level playing field and

to create a transparent playing field.

Politicians and civil servants must learn to understand the conditions of private businesses.

4. Open Arena for competition between regions!

Competition will always be there and competition is good.

5. It is difficult to establish long term stability for ports

6. Conflicts on land use

Transports are always disturbing. There are often conflicts between port interests and other land use interests in the port area and it's surroundings. To deal with these conflicts the politics should be separated from the board of the port operators. The policy influence should be made in other ways.

7. The environmental issues will increase further

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