

# Port networking

**This year's ESPO Conference was held in the seaside resort of Sopot, Poland. The event was devoted to port financing and investment, the most important enabling factors behind port development.**

**D**uring the European Sea Ports Organization Conference 2012 in Sopot, Poland, Siim Kallas, the Vice-President of the European Commission, stressed three most burning questions which are currently analysed on the EU level. Firstly, he mentioned the reduction of administrative bottlenecks. Afterwards commissioner Kallas tackled the issue of the market access to port services – concessions, dock labour and technical-nautical services. The third point dealt with the transparency in port financing. The introduction of the Single Window (all formalities reduced to one activity) concept in ports is meant to battle administrative bottlenecks. The EC is carrying out two pilot actions (Blue Belt and Blue Lanes) in this regard. Also ESPO is undertaking actions to limit administrative burdens across European ports (more about the PPRISM initiative later). All in all, the Single Window idea is a step towards modern measures of port management.

Meanwhile, there is also the postulate of an unequivocal set of criteria, according to which subsidies or tax allowance, granted to ports, can be categorized as public aid (especially a state aid that is unlawful with EU rules). This postulate is of great importance when talking about making the EU ports market even. The idea also encompasses the Connecting Europe Facility (CEF) which is a fund for the TEN-T.

## The Manifesto

The European Sea Ports Organization has also presented the so-called "Manifesto for Port Authorities, Governments and the European Union." In my personal opinion, the essence of this paper comprises in the following quote: "A renaissance of port management requires first of all an improvement of management culture among port authorities themselves, one that combines a dynamic business policy with good corporate governance and transparency, both within and beyond the port area. Secondly, it needs responsible governments to devise frameworks that guarantee autonomous port management, removing all necessary bottlenecks. Finally, it requires

an adequate European ports policy." Here we deal with three layers of port management bodies – the port's authority itself, the government and proper EU executive powers. The conclusions are right – a synergy of the abovementioned parties would be beneficial for ports. However, I think that port authorities have the most to say in this matter. It is all about the corporate culture that covers good management, adequate human resources (right people in the right place, as they say), suitable contacts with clients and contractors, an environmentally-friendly approach, competent PR as well as positive relations with local communities.

## PPRISM

The 'Port Performance Indicators – Selection and Management' (PPRISM) project was initiated by ESPO. The main aim of this tool is to reduce all different sets of port performance instruments to a common denominator. The PPRISM project, by all means praiseworthy, will enable a swift comparison of data, thus will enhance fair competition and the overall competitiveness of the port/maritime sector.

## Port concessions

The panel discussion about port concessions underlined that this is a fairly proved method of optimizing and developing port infrastructure. The EC, as always, tends to unite the ways the port concessions are granted, so that the access to terminals is equal EU-wide. The idea is laudable, as it avoids legal rigorism, and wants only to balance the interests of terminal operators and port authorities.

## TEN-T in the Baltic

If a port wishes to become a part of the core TEN-T, it must handle the sufficient amount of cargo – at least 1% of average yearly turnover of all European ports from the last three years. As a Chairman of BPO, I'm in jubilant mood that 10 TEN-T corridors in principle meet the interests of Baltic ports. This is particularly important when we recall CEF and its money allocated for the core network.



## Wasting EU funds

While listening to Mr Luc T'Joen from the European Court of Auditors, one might start to wonder what went wrong with granting EU money to ports. In the course of a very informative presentation, it was emphasized that quite a large amount of funds was misplaced. The money went e.g. for the construction of a... sculpture, instead for port infrastructure or development. As I see it, the main reason for this is both the lack of competence of relevant managing bodies as well as insufficient supervision throughout various decision levels. Moreover, some port authorities just fail to take account of EU funds, whereas they are also incapable to secure the funding at their own.

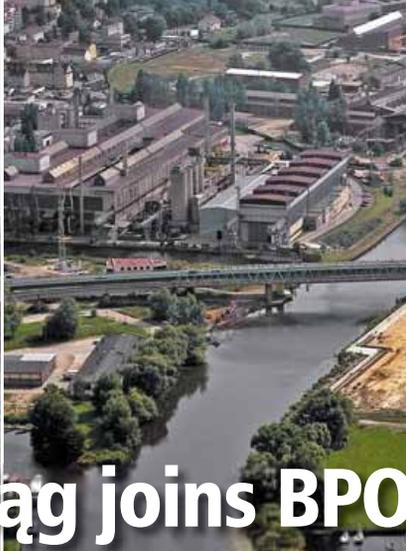
## Port hubs

Last but not least, the ESPO conference touched upon the issue of the hub role of some ports. The Baltic ports, like Aarhus, Gdańsk and Gothenburg are throwing the gauntlet to traditional ports of the Continent, especially Hamburg, since they handle Maersk Line's direct Asiatic services, stimulating at the same time the growth of the Baltic Sea hinterland. This automatically increases the potential of the Baltic ports industry.

All in all, the ESPO Conference kept it promise and established a breeding ground for thought by gathering dozens of people from the port and maritime industries in one place. Having experts literally at hand, there's always something to talk about. And you never know when a chat can turn into a valuable idea. ■

Julian Skelnik

BPO Chairman and Vice-Chairmen of ESPO



# Port of Elbląg joins BPO

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## The new amber port

The city itself was founded in 1237 by the grandmaster of the Teutonic order. From its very beginning, Port of Elbląg was bonded to the Hanseatic League, where up to 90% of the city's trade was with the Hanse. Later on, the port gained importance in the hands of the Polish-Lithuanian Commonwealth rulers, who waged wars against the Free City of Gdańsk. During that time, Elbląg served as the kingdom's main port. After Prussia seized East Pomerania, the shipbuilding business began to flourish in the port. Schichau-Werke was renowned as the biggest German engineering company and shipyard in East Prussia, which exported vessels all around the world (even to China and Japan) and fitted the navy with submarines. After World War II, Elbląg returned to Poland, but the Soviet regime sealed the port's unfortunate fate. Not until the fall of the iron curtain was Port of Elbląg able to rebuild its significance in the region.

Currently, Port of Elbląg spans over 450 ha and has 2.5 km of quays. The depth of the fairways leading to the port is 2.5 m, but varies due to environmental circumstances and in extreme situations can be 1.8 m. The port features a railway siding, an overhead gantry with a 150 tn lifting capacity and a 14 thou. m<sup>3</sup> grain storehouse. Ships of up to 120 m can use the port's turntable. Elbląg Port also has five docks and five yacht piers. Additionally, there is a ship repair yard. The port is connected via rail and road to the Kaliningrad Oblast (through the border crossing in Braniewo), Warsaw, Gdańsk, Olsztyn and Malbork.

The port's cargo terminal covers 5 ha, of which 3.1 is for storage. The terminal has a 12 m ro-ro ramp and two ships or barges can call at the same time at the 196 m long quay. The depot is also suitable for storing containers. Commodities requiring a solid roof can be placed in the 1,440 m<sup>2</sup> warehouse. The terminal also offers additional services – goods can be sorted, refined, packed and customized. Within the port reefer cargo can also be handled.

The second leg on which the port stands is its passenger terminal, able to receive vessels up to 65 m in length, 12 m wide and 2.3 m in draught. The pax terminal has the capacity to check-in 200 persons and 30 cars at one time. From Elbląg ferries can go to Kaliningrad and Baltijsk. If one prefers to stay in Poland, there's no problem to take the inland waterways and sail to Frombork, Tolkmicko, Krynica Morska, Kały Rybackie, Gdańsk and last but not least – to the Great Masurian Lakes via the Elbląg Canal (named one of the seven wonders of Poland).

Looking ahead, Port of Elbląg has entered into a collaborative project called 'The Amber Coast Logistics'. The main aim of this idea is to improve the connectivity of remote areas in the southern and eastern parts of the Baltic Sea region, both in sea traffic and on the landside. One of the chief objectives is to strengthen the economic ties with non-EU countries like Belarus, Russia and Ukraine. Recently, a first step was taken, as the local border traffic between Poland and the Russian Federation was streamlined.

City of Elbląg together with its port has a turbulent story to tell. Once upon a time, the port was fighting with Gdańsk for the victor's palm, but then amidst the history's turmoil its importance diminished. Nowadays, it succeeds in serving local industries and tourism.

Baltic Ports Organization unites big ports which play a crucial role in shaping maritime transport in the BSR. Taking this into account, Port of Elbląg sees its accession to BPO as a strategic and prestigious issue. Since we are a small port, currently having its renaissance, we are chiefly hoping for a reciprocal flow of information, share of experiences and getting involved in the joint development of the maritime sector. As a member of BPO, I am convinced that we will have the opportunity to get the small port's agenda on the table as well as undertake collective measures concerning a wider partnership.

**Arkadiusz Zgliński, Managing Director at Port of Elbląg**

**Tab. 1. Total cargo turnover and pax traffic in Port of Elbląg**

	2009	2010	2011
Cargo handlings (thou. tn)	4.0	64.8	113.5
Passengers	32,899	39,323	38,221

