

On the brink of a 2015 revolution

The Baltic Ports Conference 2014 will tackle how increased internal competition within the port sector, stricter environmental regulations and still unfavourable economic conditions will impact shipping and Baltic port businesses in the near future.



This year's Baltic Ports Conference, organized by the Baltic Ports Organization, will be held under the theme of 'Competitiveness of maritime transport – from a global to Baltic scale'. The event will take place in Griffen Hotel on the beautiful Danish island of Bornholm during September 4-5, 2014.

There are reasons for the Baltic maritime sector to address serious competitiveness challenges, including the enforcement of stricter air emission standards imposed by IMO regulations as well as the EU Sulphur Directive. The conference will try to answer how this will increase the level of internal competition between Europe's seas (e.g. the case of the Scandinavian-Mediterranean Corridor), influence the competitiveness

of ro-ro and container sectors, alter opportunities of the 'Motorways of the Sea' programme for Baltic ports as well as the role of the port authorities in all of this.

The first day of the event will begin with a closer look at the geo-political and macroeconomic driving forces behind trade and the port sector. Kari Liuhto, Professor of Russian Economy at the Turku School of Economics, will deliver a speech on Russian economic relations with the EU and the Baltic States, while the Baltic Development Forum representative will present a report on the state of the BSR, showing the region's most significant challenges, opportunities and priorities. Moreover, maritime transport in Europe and in the BSR will be discussed. And finally, participants of the

The European Sustainable Shipping Forum

The European Commission has created a structure, which will provide an opportunity to unite EU Member States with industry organizations and cope with several significant setting changes currently facing the European maritime sector.

The European Commission (EC) announced the establishment of the European Sustainable Shipping Forum (ESSF) in September 2013. The Forum, created in response to the challenges imposed by the EU Sulphur Directive, faces the issues related to the sustainability and competitiveness of maritime transport in the European Union.

The ESSF helps the EC to support the enforcement of the stricter sulphur emission limits (up to 0.1% of sulphur in fuel starting from 1 January 2015 for ships sailing in the EU Sulphur Emission Control

Areas). Its task will be to create the framework conditions for the use of Liquefied Natural Gas as a ship fuel as well as scrubbing technology in shipping. The Forum also concentrates on exploration and evaluation of all the available financing opportunities, coordination of R & D activities and encouraging innovation. The actions of the ESSF are not limited to SECAs, but spread across the European regions, which enables the Forum to maintain a global perspective.

The structure of ESSF consists of a plenary, a secretariat and five non-permanent technical working groups responsible for marine

Karolina Boholm

Member of the Board, Swedish Shippers Council (Näringslivets Transportråd)

Swedish Shippers Council has worked with the sulphur issue since it was implemented in 2008, as it affects the competitiveness of shippers – that was our reason behind joining the ESSF. Our criticism has been of the economic implications all along, as low sulphur fuel is costly and well-functioning abatement technology has been lacking. Sweden is a country with a lot of exports, especially with heavy goods from mines, steel and paper industries as well as sawmills. These exports are dependent on effective sea transports. These types of goods are sold on a world market where a global price is set, which means that cost increases, for example in transport, directly influence the possibility of competing on the world market. For a pulp mill in Sweden the competition with a pulp mill in Brazil is fierce, also on the European market. With the new sulphur limits the cost of transport from a facility in Brazil is lower than from one situated in the north of the Baltic Sea in Sweden. A recently published report by the Swedish government agency, Transport Analysis, showed that the sulphur limits in maritime transport will lead to structural changes in the industry sector, hence industry closures because of low competitiveness on a world market. This is especially crucial for factories in inland Sweden and north of the country. The ESSF Forum is needed to help the EU Commission with the different topics concerning the sulphur issue like fuel availability, technology, competitiveness, financial possibilities and monitoring/verification. All these working groups are very important, but unfortunately the work started very late so there is many actions that will not be in place before the new year, when the new sulphur regulations are in place. This is truly worrisome for shippers in Europe as their competitiveness will be affected. That also means implications for jobs and economy.

discussion panel (port managers and their clients as well as the European Commission) will concentrate on the issue of the port sector's competitiveness. The day will end with a Gala Dinner.

The second day will begin with the BPO General Assembly. The conference section will focus on TEN-T policy and financing of port infrastructure within the EU, since EUR 26 bln has been declared to be spent on transport infrastructure improvements across EU Member States over the next seven years. Summarizing the event, Bogdan Ołdakowski, Secretary General of the Baltic Ports Organization, stated, "During the BPO Conference in Rønne, apart from facing the SECA questions, we will look into the recent trends in the transport market in the region. Being on Bornholm we will also focus on the tourism industry and the role of small & medium ports in it." And inviting to the event, Thomas Bendtsen, CEO of the Port of Rønne, highlighted, "We are very delighted to host the BPO Conference 2014 with its rich agenda, and are looking forward to welcoming the conference participants to the island." ■

Baltic Ports Conference

Competitiveness of the maritime transport – from a global to Baltic scale

and the BPO's General Assembly 2014

- + *Session on TEN-T Policy and financing transport port infrastructure*
- + *Seminar on comprehensive and semi-sized ports in the Baltic*
- + *Seminar on tourist/leisure and fishery ports in the Baltic*

4-5th September 2014

Venue: Hotel Griffen
(Nordre Kystvej 34, 3700)



www.bpoports.com/baltic-ports-conference

LNG, exhaust gas cleaning systems, implementation of the Sulphur Directive, financing aspects, research & innovation and competitiveness of EU maritime transport. The European Commission's intention is to unite Member States with maritime industry stakeholders and initiate a dialogue, exchange best practices and create an opportunity to discuss practical issues that could rise during the implementation process. The Forum currently brings together 60 members – all 28 EU Member States and 32 representatives of industry organizations and experts from the technology sector. ■

Natalia Struzik

Bogdan Ołdakowski

Secretary General of the Baltic Ports Organization

BPO recognizes the ESSF as a valuable stakeholder platform discussing the way the European Commission should assist the maritime transport sector in meeting the Sulphur Directive requirements. It is a bit too early to summarize the activity of the Forum, as the discussion remains internal at the moment. The advantage of the Forum is that it is a really good set-up of industry organizations and experts, which on one hand guarantees a very good representation of the maritime transport industry in Europe and, on the other, allows discussing technical issues. Some of the issues have been identified as having quite a substantial impact on ports. For example, waste from scrubbers is a new area of concern and has to be dealt with properly. In our opinion such a forum should probably have been formed 2-3 years ago, as the conclusion from the Forum will be known just before the introduction of new sulphur emission limits. However, better late than never. Hopefully, the results of the Forum will have a long-term impact on the EU's maritime transport policy.

Tor. E. Svensen

CEO of DNV GL Maritime

DNV GL is extremely pleased to have been invited to become a member of the ESSF plenary. We feel we can offer a very broad perspective, as our organizational expertise spans so many aspects of the issue, be it regulatory, technical, safety or environmental. Shipping is by far and away the most efficient part of the logistic chain and we believe that making sure that the implementation of the EU Sulphur Directive is handled in a fair, cost effective and efficient manner is crucial to the ongoing viability of the industry. Making sure that the new regulations enable rather than hinder the industry is an important part of supporting the overall EU policy goal of moving more cargo transport off the roads and onto ships. Increasing sea and inland water transport can play a significant role in cutting emissions, and we need to encourage this shift as much as possible. The incoming sulphur requirements means the work of the ESSF is not only important, but also urgent. I am sure, that with the expertise and experience of the parties involved, the recommendations that will emerge from this process will be technically precise, practical in their implementation and with a balanced awareness of both the commercial and environmental implications. There are several areas where I think we can provide valuable input, but in particular in the fields of LNG as a ship fuel and in exhaust gas cleaning technologies, DNV GL has deep technical expertise and a long standing engagement on these issues. We have been championing LNG as a ship fuel for some time now and I think it offers a very promising alternative to current bunkers, especially in ports, harbours and in ecologically sensitive areas. There is a real ground swell toward this technology and I hope that our participation in the ESSF will help to speed its uptake in the industry.