

The Comprehensive Ports Group



Photo: BPO

by Ewelina Kroll

The main focus of the BPO's recently formed Comprehensive Ports Group (CPG) will be to familiarise various EU institutions with the specifics of managing a Comprehensive Port in the Baltic, hence help to drive the development dynamics of the TEN-T map with our region's best practices. In order to achieve this goal, the CPG will carry out a number of meetings both with EU authorities and other port business representatives, organize seminars and study visits, as well as initiate multi-partner projects.

The term "Comprehensive Port" was introduced by the EU within the TEN-T Comprehensive Network, which in the Baltic encompasses 76 ports, accounting for 21% of all the EU's ports with this status. In order to further develop the European port business in general, and that of our region in particular, all TEN-T ports, irrespective of their sizes and handled volumes, have to enjoy a similar market, regulatory, and policy conditions. It is both the BPO and CPG's firm belief that

meeting the needs of Comprehensive Ports lies in the EU's best interest, and as such their needs should be duly taken into consideration when future distributing funds from the Connecting Europe Facility (CEF).

Recently, the Associated Danish Ports' Fredericia hosted CPG's second meeting, where participants discussed the position of Comprehensive Ports across the TEN-T network, analysed the state of the market and how it relates to Comprehensive Ports' current situation, talked about port

infrastructure development and environmental issues, as well as shared their thoughts on the difficulties when applying for CEF funding. "The meeting was very fruitful, and the discussions showed the complexity of being a Comprehensive Port within the EU system. The Group will now work together, focusing on the issues of future classification and roles of Comprehensive Ports," Björn Boström, the Port of Ystad's Managing Director and Chairman of the CPG, said. ■

The next CPG meeting is scheduled to take place at the Port of Ystad on September 6th, 2017.

The BPO's debate in the European Parliament

by Ewelina Kroll

On March 22nd, 2017, the Baltic Ports Organization together with Merja Kyllönen, MEP and Finland's former Transport Minister, hosted an annual lunch debate in the European Parliament (EP) entitled "Baltic ports in TEN-T network – meeting the future."



Photo: BPO

The event joined together EP members and port and industry representatives to talk about Connecting Europe Facility (CEF) possibilities, the TEN-T policy and its importance to the EU economy, as well as take a fresh look at the Baltic's role model as a region for green solutions. Merja Kyllönen opened the meeting

with an overview on the EP's current areas of interest regarding transport issues, such as shipping emissions, decarbonisation, and the circular economy. Bogdan Ołdakowski, the BPO's Secretary General, said, "We are glad that the European Commission is open to discuss maritime transport, which operates under a stricter regulations regime in the

Baltic compared to other EU seas. The industry is now focusing on TEN-T policy review and the EU's next financing period." Wojciech Sopinski, DG MOVE's Policy Officer, highlighted the new so-called Transport Blending Call, aimed at coupling EUR 1.0 bln together with other EU support mechanisms and most importantly the private sector. ■

On balance

by Przemysław Myszka

Year 2017 welcomed us with mixed feelings on macroeconomics and geopolitical developments, but on the other hand and for the most part also with positive port performance. We talk with Bogdan Ołdakowski about ports' ways of keeping a sense of balance in uncertain times, both when it comes to the Baltic market itself, as well as its ties with world trade. We also discuss the pros and cons of the region being the first to be subjected to stricter rules, and advancements throughout the LNG industry.

■ **What is the condition of Baltic seaports at the beginning of 2017?**

After two crisis years, 2016 was fairly good for our region's harbours, as we approached 2017 with impressive results in ro-ro handlings and the number of served passengers. The sharp fall in container volumes has luckily met its end, and the Russia's Baltic market is more stable these days, though both are far from being in their best shape. The Baltic Sea region saw the conclusion of several impressive investments last year, too, just to name doubling the capacity of the Deepwater Container Terminal Gdańsk, Stockholm's new Värtahamnen ferry terminal, Finland's first Liquefied Natural Gas (LNG) terminal in Pori, and the continuous roll out of the Baltic's youngest port, Bronka. Meantime, other projects entered their "shovel" phase, the brand-new greenfield ro-ro and container port Norvik in Nynäshamn probably being the most outstanding one. The TEN-T corridors are developing as well, and the Baltic ports along them as beneficiaries of the Connecting Europe Facility. However, this is to be taken with a grain of salt, because the Motorways of the Sea programme isn't progressing as smoothly as it should, by and large because Member States do not have a clear focus on this element of maritime transport. One of our jobs at the Baltic Ports Organization is therefore to convince cabinets that this form of cross-border cooperation is really worth a shot.

■ **What are the BPO's plans for the nearest future?**

We'll continue representing the interests of the region's ports both locally and on an EU agenda, e.g. the latter when it comes

to establishing a Europe-wide level playing field in terms of regulations. It is true that the Baltic is usually the pioneer or one of the first to test various eco-concepts, just to name already being part of the Sulphur Emission Control Area (ECA) and the first in Europe, together with the North Sea to be also a Nitrogen ECA. It gives us a competitive edge, because we obtain first-hand know-how and develop new technologies which can then be exported, but at the same time – given that other regions aren't subjected to stricter rules – its burdens the Baltic maritime transportation industry with higher costs. As much as we're proud to be trendsetters, we'll actively work towards having a single European port market, not by-laws as is unfortunately the case today.

■ **Are you planning any new projects, covering e.g. infrastructure, widening port cooperation, or in the field of LNG?**

The Green InfraPort project is one of our latest initiatives, aimed at helping to target ports' investment needs, as well as to match their strategies with regulations, like the one on port reception facilities. The Green InfraPort also gives an opportunity to create other projects between ports through an increased cooperation level. Lately, we've also set up the Comprehensive Ports Group (CPG) to assess the position of these kinds of ports across the TEN-T map. And there's always the LNG topic, as we've already been exploring this market since 2011. We firmly believe that this fuel is the marine bunker of the future, even though the initial forecasts of exactly how many ships will be using it proved to go through the roof; the oil price dump didn't help in

this regard either. Nevertheless, we mark some tangible market developments both on- and offshore across our region, and in the case of the latter advancements made in providing bunkering infrastructure are particularly encouraging. There are more and more LNG-driven vessels as well, and not only ferries like Tallink's brand-new *Megastar* addition to the Baltic LNG fleet, but also tankers, the world's first gas-run dry bulker *Greenland*, and soon also Europe's first container carriers will feed by LNG. In other words, the future outlook for LNG is stable.

■ **What about approaching issues outside of the BPO's influence, but which can have a profound impact on the port sector, like e.g. political (under) developments?**

While being in its core a port organization, the BPO must keep its fingers on the pulse of macroeconomics and politics. However, it is far easier here to identify the risks and write scenarios on how things will go than actually find or create remedies within ports' portfolios, as simply some events completely go beyond ports' scope of power, just to recall how the West-Russia economic war mishandled the Baltic port market. As such, we and our members closely watch how the free trade vs. protectionism debate unfolds, what effect Brexit is having, but also what effect the trade agreement with Canada will have on Baltic countries' economies, in which direction EU-US-Russia relations will head, and of course Trump's effect as well etc. Surely, our next conference in Trelleborg, to take place between 7th and 8th of September, will circulate around these topics, too. ■