



Virtual Autumn Conference

November 19th, 2020

The impact of COVID-19 on European ports

and the challenges ahead to become greener, smarter and more resilient

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FIGURES



1225 companies



56 billion € investment



390.000 employees



**72 billion €
contribution to the GDP**



425 terminals



1.140.000 indirect jobs



**93 million TEU & 3,8 billion tons of
average throughput**

Effects of COVID on port operations



The effects of COVID on ports have been very significant in the second quarter 2020 with sharp drops in volumes for all sectors including container.

In the third quarter 2020, there is a slow recovery in the container sector

But for the following sector:

Liquid Bulk

RoRo

Cars

Passenger

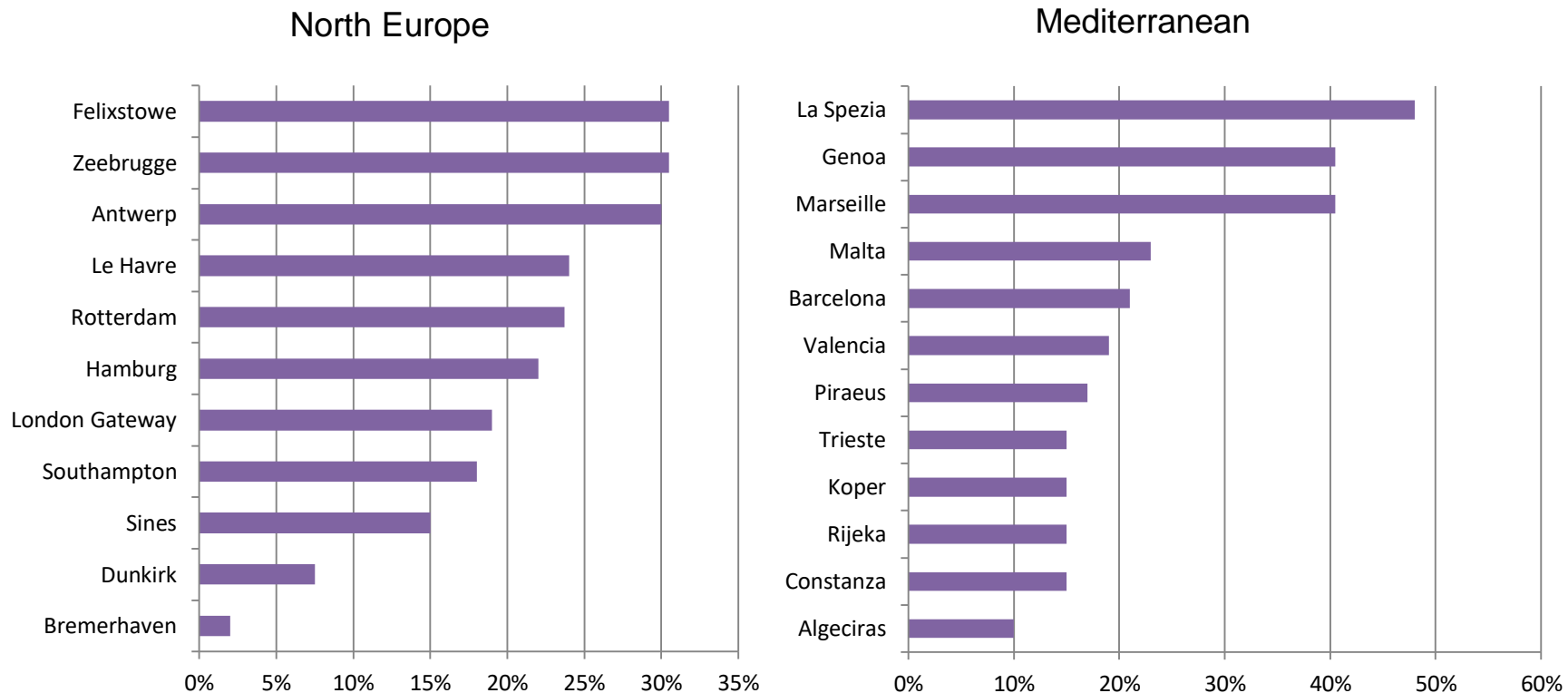
Cruise

The situation is still very worrying (drop in volumes up to 40% and sometimes close to 100% for instance for cruise and passengers)

and now Brexit is looming....

Effects of COVID 19 but not only....

Asia-Europe port calls cancelled in 2020-Q2:



Blank sailings in the order of 20-30% of services during most weeks of the second quarter of 2020; resulting in port call cancellations of at least 40% in ports like La Spezia, Genoa and Marseille

Expectations from Policy makers in view of the recovery and the Green Deal

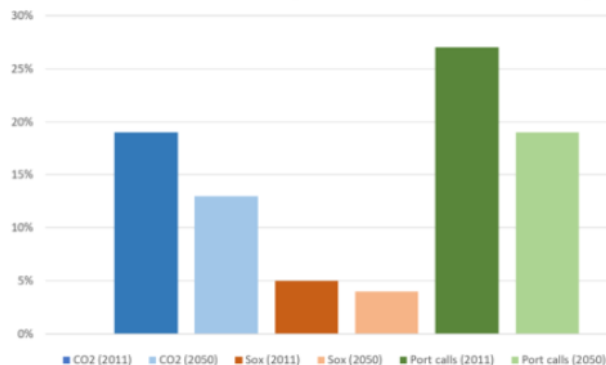
- to support innovative models, **early movers and new business models**
- to adapt **regulatory frameworks to facilitate the transition**

Sustainability & Climate crisis

Private port terminals have invested large amounts of private resources to lower their GHG emissions and are exceeding 2020 targets whilst also continuing to invest to meeting 2030 targets and beyond.

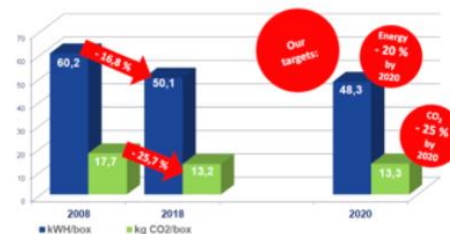
EU funding to innovation and R&D for the greening of the maritime sector should be better coordinated to allocate resources to projects that propose sustainable and efficient solutions.

Share of emissions and port calls, 2011 and 2050 in Europe



Source: FEPORT on the basis of the ITF Discussion Paper No. 2014-20 about "Shipping emissions in ports" based on data from Lloyds Marine Intelligence Unit

Environmental Management
Energy and emissions



Source: Eurogate

Recommendations:

- Discussions on the reduction of carbon emissions in ports should concentrate on the mapping of the different sources of pollution to better target them and to monitor the good implementation of the rules where they do exist.
- [EC study on methods](#) for emission reduction targets for international shipping has concluded that

developing a standard for ship-shore (port call) communication, or a standard for port incentive schemes as well as creating a framework to incentivise the uptake of renewable fuels would reduce CO₂ emissions by less than 1% in 2030.

- There is a need to ensure that legislation focuses on the objective, namely reducing carbon emissions, rather than focusing on infrastructure

development for pre-described alternative fuels without any guarantees of market uptake.

- Most costs for innovating in new green technologies are borne by the first movers and innovators.
- It is essential that in the future, funding mechanisms support first movers and make innovation in green technologies attractive.

Expectations from Policy makers in view of the recovery and the Green Deal

- To work hand in hand with the industry and support its efforts to embrace the 4th industrial revolution ie automation, digitalization, decarbonization and upskilling
- to adapt regulatory frameworks to facilitate the transition

Automation, Digitalization & Data sharing

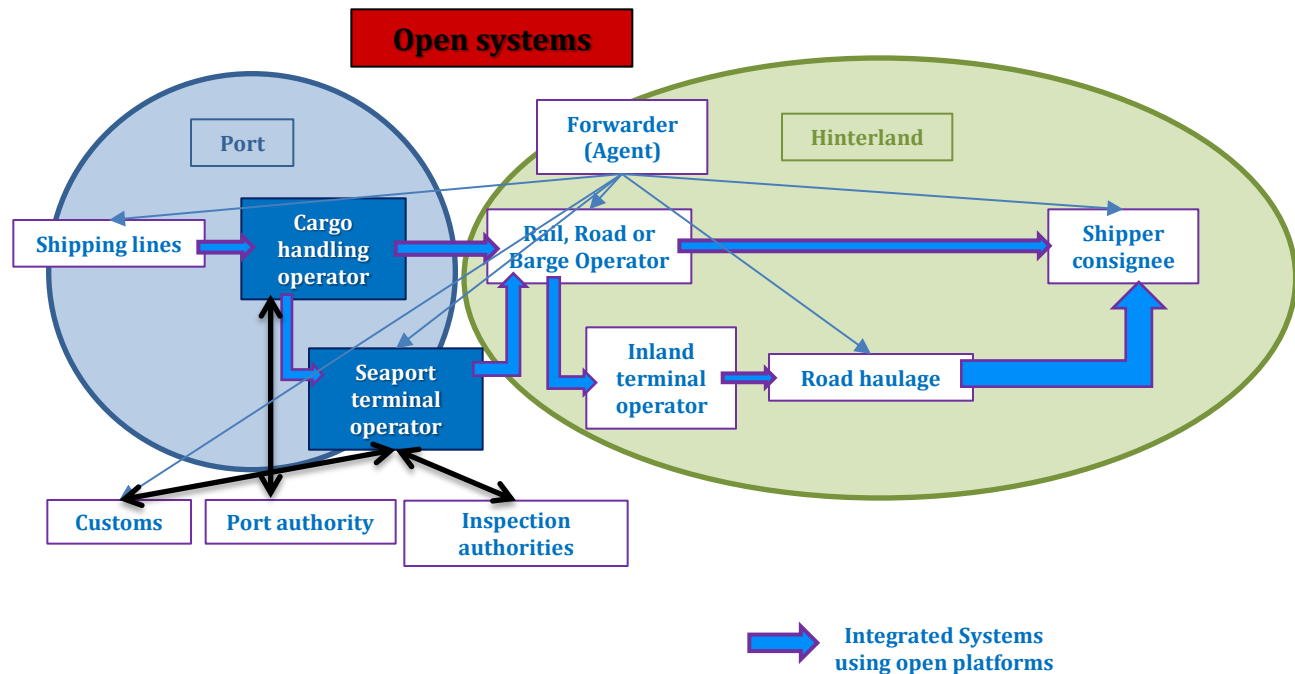
Digitalization has helped operators become more seamless and efficient.

FEPORT favours the development of a digital economy strategy capable of handling the impacts of digitalization and automation.

The use of automation requires a holistic debate between a wide range of stakeholders, such as governments, employers, individuals, educational institutions and labour unions to prepare for accelerated structural change of the labour market.

Recommendations:

- A clear framework on data sharing for B2G information through Europe is needed to increase industry buy-in by ensuring a B2G environment built on open standards and reducing costs for digital communication.



- The European institutions need to ensure that most system developments are for improving systems and not complying with regulatory requirements with unclear added value.
- The increasing strain placed on terminals to manage peaks, requires

continuous investment in systems to optimize port calls. The European institutions should assist industry initiatives in this regard. To further facilitate port call optimization, it is also crucial to agree on a framework/convention.

Expectations from Policy makers in view of the recovery and the Green Deal

- to review **competition rules** (State Aid and anti trust) **to ensure a level playing field within the internal market and outside the EU**

Example of the Consortia BER

Article 3

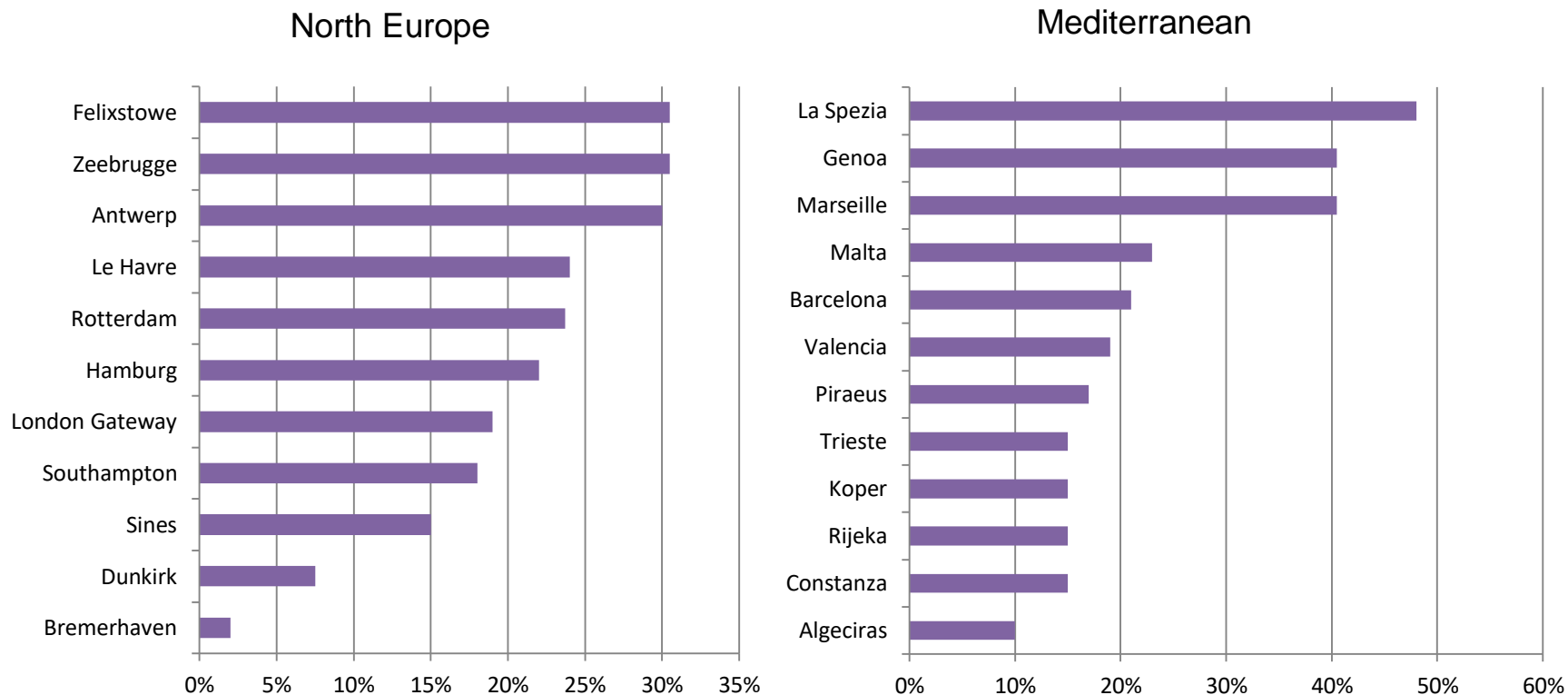
Exempted agreements

Pursuant to Article 81(3) of the Treaty and subject to the conditions laid down in this Regulation, it is hereby declared that Article 81(1) of the Treaty shall not apply to the following activities of a consortium:

1. the joint operation of liner shipping services including any of the following activities:
 - (a) the coordination and/or joint fixing of sailing timetables and the determination of ports of call;
 - (b) the exchange, sale or cross-chartering of space or slots on vessels;
 - (c) the pooling of vessels and/or port installations;
 - (d) the use of one or more joint operations offices;
 - (e) the provision of containers, chassis and other equipment and/or the rental, leasing or purchase contracts for such equipment;
2. **capacity adjustments in response to fluctuations in supply and demand;**
And not anymore as it was the case in the original version “temporary capacity adjustments”
3. **the joint operation or use of port terminals and related services (such as lighterage or stevedoring services);**

Effects of blank sailings

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Conclusion and a wish....



COVID 19 crisis has shown how essential maritime transport and logistics workers are.

Ports are more than a component of maritime transport. They are clusters of transport, energy and industry.

They are in many ways a strategic partner in Europe's ambitious decarbonization agenda.

Vessel/Port call coordination centers involving cargo handling and technological services should be further promoted and supported.

EU policy makers should work hand in hand with the industry and support its efforts to embrace the 4th industrial revolution ie automation, digitalization, decarbonization and upskilling

Innovative models, early movers and new business models will be crucial for the transition and must therefore benefit from a strong support.

EU competition rules (State Aid and anti trust) as they are do not ensure a level playing field within the internal market and outside the EU should be reviewed.

The wish....

Can we dream that one day the maritime industry will also be able to present its collective vision of the recovery ?



And as Seneca could have once said :

"If one knows to which port one is sailing, winds will be favourable"



Thank you for your attention



An ICTSI Group Company

FEPOR membership consists of large, multinational terminal operating companies and national associations from the individual European Union member states.

The organization's aim is to promote the interests of our members and to maintain constant dialogue with all EU institutional and non-institutional stakeholders.



A.B.A.S.



Belgian port employers' federation



Danske Havnerværksskøder



ZDS

Zentralverband der deutschen Seehafenbetriebe e.V.



Asso-logistica



TÜRKİYE LİMAN İŞLETMENLERİ DERNEĞİ