

Barcelona – Session on Ports, Mediterranean's Maritime Infrastructures & Industrial Acceleration

First let me thank you for the opportunity to speak today at the conference focusing on developments in port, shipping and infrastructure.

Ports and maritime transport play an important role within Europe including the Mediterranean region.

Through the past years many ports within the EU have – fortunately - experienced a positive growth on the turnover of goods. According to EU statistics 4 billion tons of freight were handled in EU ports in 2017 – with an increase of 2,6% from 2016.

The total number of passengers in EU ports was 415 million in 2017, a rise of 4.6 % from the previous year. It is a clear illustration that the European economy is recovering. So in general the figures show a positive trend.

There is no doubt that well-functioning European ports are important for us all and for our economy. Ports are service providers for the internal market and for European import and export. To this you may add that activities in the European ports offer good employment opportunities. For a small country like Denmark with a population of app. 6 million Danish ports offers employment to 60-70.000 persons.

Based on the experiences in my own country, Denmark, many Danish ports share the same positive development as seen within the major European ports. A number of the larger Danish ports experienced a positive development. Danish ports had in general an increase in freight handled of 1,7 % from 2016 to 2017. However, some smaller Danish ports have also experienced a decrease.

Danish ports have their income from handling goods, from the fishing industry and passenger trade. Danish ports have more than 40 million passengers with 1,1 million cruise passengers and a 10 % increase from 2017 to 2018. 20 % of the fish in EU is caught by Danish fishing vessels.

My assumption is that the increase in goods for some ports may reflect the situation in many European states. Some ports have benefitted from the stabilization of the European economy while some have not been so fortunate.

Looking from the perspective of ports as an industry the question is what could be done to ensure growth and what will be the challenges in the future.

Looking upon European ports as an industry the challenges are often the same as other industries may face, namely the issue of ensuring the competitiveness, demolishing unfair competition and ensuring a relevant infrastructure.

As for the legislative framework it is positive that the EU finally has adopted a legislative framework on port services and common rules on the financial transparency – a regulation which entered into force last month. For ports infrastructure is important and the lack of high quality port infrastructure results in congestion and extra costs for shippers, transport operators and consumers. To facilitate infrastructure investments, the European Commission has adopted guidelines on group exemptions on state aid for infrastructures which now also covers ports. This should make it easier to get critical infrastructure investments.

The challenges may be to ensure a relevant implementation, but also to ensure other factors influencing the ports are not putting unnecessary burdens on the industry. Taking into consideration that the just in time principle of delivery not only involves

the delivery of the goods to the port, but should be seen as delivery from the producer to the user has the consequence the all parts of the chain must be looked upon. That includes also other time consuming processes before the products are delivered to the end-user. In that aspect Member States may consider adopting a proper and effective risk based approach to reduce custom formalities.

Another challenge is the environment and how the protection of the environment will influence our decisions and trade patterns. If you contact young people in Denmark and also in other parts of the EU many express serious concerns for the future. They want green solutions. Improving the climate and reducing the CO2 emissions will be the biggest challenges for the next years and young people will demand faster solutions, not targets and actions by 2050 but within few years?

Maritime transport is green and most likely the volume of maritime transport - except for the transport of fossil fuels will increase. A better environment will call for new regulations in ports such as reduction of noise, shore based electricity for ships and other green solutions. But speaking of future growth in handling of goods there are also some uncertainties. How will the U.S. influence the concept of free markets and will U.S. introduce trade barriers, which will cause counter actions, also from Europe? Will the road congestion finally result in more goods transported by sea.

Handling goods in ports is the core business of a port but to expand further activities in ports and a new way of looking at port and activities may be relevant.

Ports are a part of the maritime cluster, but also a part of the industries based at the ports. I know that this may not be a one size fits all and that individual circumstances may influence what opportunities different ports may have. The following examples are just for inspiration.

Thinking outside the box many major Danish ports are thinking of themselves as ports in transformation both on the management side and on the activity side.

Some Danish ports are expanding from not only providing services for ships but transforming into a central payer for multimodal transport. Ports by nature thrive by multimodal transport – but it is a new concept that ports own the transport centre which is not placed in the port. This is an example of transformation that ports provide for a package of logistics solutions.

Also ports are specializing – not all ports are the same or offer the same services, but most ports could use their specifics as a strength. If a port is used by the fishing industry further thought could go into having factories for fishing products, repair services and other activities.

In one Danish port, Frederikshavn, offers services on decommissioning of old oil and gas rigs and sea windmills. This is a big market – estimated by Danish port to be 65 billion Euros. Decommissioning of rigs and windmills in an environmentally friendly way in our part of the world with the North Sea will be a big business opportunity. Another port – the port of Esbjerg – a former fishing port at the North Sea is now integrating the wind mill industry taken benefit from the establishment of offshore windmill farms and the maintenance of these farms.

Another port Odense Linderød attracts and service industries investing and developing new technology and thus participates in developing a new cluster.

From this you may notice that the Danish experience is a need for change or transformation while still offering traditional service. Let me conclude by a quotation of the words of Albert Einstein. *“ The world as we have created it is a process of our thinking. It cannot be changed without changing our thinking.”*