

Report
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Results from Regional Workshop

Bratislava, Slovakia

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Terms and abbreviations

DBS	Danube-Black Sea
ARVD	Waterborne Transport Development Agency
ŽU	University of Žilina
SR	Slovak Republic
STU	Slovak University of Technology
SVP	Slovak Water Management Enterprise
SPAP	Slovak Shipping and Ports
LNG	Liquefied natural gas

List of national stakeholders invited to participate in the Regional Workshop.

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Results of the regional workshop:

Summary

As part of the DBS Gateway Region project, a regional workshop was held on June 23, 2017 in Bratislava, at which national participating parties identified further possibilities for the development of water transport in the Danube-Black Sea region and examined the current water transport situation in this region. The most important factor as regards better use of waterways in the Danube-Black Sea region is to create the required conditions and parameters to ensure navigability of the Danube waterway and the removal of obstacles to ensure continual navigability. In this context, it is necessary to increase the engagement of organizations responsible for the condition of waterways in Slovakia. To increase the use of water transport by Slovak stakeholders, it is necessary above all to ensure a higher quality of provided services and their modernization by the ports in Slovakia and other countries. This raises the issue of motivating the private sector to invest in this area, which would create a competitive environment and increase the quality of services. An important factor for providers of water transport services is the harmonization of regulations and removing legal barriers that apply in the different countries of the DBS region, notably in relation to new regulations concerning the issue of posting of workers (especially in relation to Germany and Austria, where new legislation for the protection of the internal labour market applies to ship crews) and thus indirectly increases the costs of this ecological transport mode. Better coordination between individual ports and faster provision of services in partner ports is also important. Barriers include the lack of skilled professional employees. After 1989, Slovakia lost its traditional markets and so the transport of commodities along the Danube also declined. Current capacity exceeds demand and the possibilities for development lie in container transport and the introduction of regular lines. State aid and the promotion of projects and incentives to invest in areas near ports are also important. Potential commodities for the future are vehicles, liquid goods and natural gas. The shipping of Chinese goods is also a potential growth area, due to the growth of Chinese investments in Europe.

Discussion themes:

I. Transport logistic requirements and regional value added services in the Danube – Black Sea Region

i. Major challenges that companies face when transporting goods on the Danube River;

- technical parameters of the Danube waterway and navigability.
- need to modernize infrastructure and port operations and services in Slovakia, and downstream of Bratislava on the Danube.
- lack of skilled labour, which is reflected in the critical state of ship crews (high average age of over 50 and need to find crew outside of the EU, i.e. in Ukraine, Serbia, Romania and Bulgaria). There is also a shortage of skilled staff in ports, which affects the quality of services.
- administrative burden, inconsistency and a lack of harmonization of national legislation (customs forms, etc.).
- administrative obstacles and financial burdens for water transport operators in Germany and Austria due to legislation affecting staff posting. Obstacles due to new laws regulating the posting of workers in EU countries to protect the internal labour market and related administrative and financial barriers (particularly in Germany and Austria) disadvantage waterways where, unlike road transport, loads cannot be redirected to other routes.

ii. How low should be the price of the cargo transportation and handling on the Danube River in comparison to the road and rail, in order to choose this transport mode over the others?

- current water transport prices are higher than for rail transport, which is reflected in the lower use of shipping.
- prices depend on fleet quality and fleet operating costs .
- the cost of transporting goods by water must be as low as possible for water transport to be competitive.
- state aid is needed to make water transport more attractive for larger businesses (e.g. car plants). Another problem is the support of road transport in relation to investors

and their good connections to road transport. (Investment zones with water transport connections are effectively supported abroad).

- the criteria for choosing a carrier for customers are not only price, but also the speed of transport and the quality in which the goods are delivered.

- insufficient use of the Constanta - Passau container line, as water transport on this route proved uneconomic.

iii. How do you perceive the landlord ownership structure of the Danube ports in your country?

- the majority position of the port operator (SPAP controls 95% of transshipment areas) and the problem of a lack of infrastructure (infrastructure is owned by a single operator) and the absence of conditions that would allow competitors to enter the market, causes market distortion.

- the majority water transport operator is not competitive as regards its prices and its functioning.

- problem of competitiveness at the Komárno port (volume of up to 400-500 thousand tonnes), goods previously shipped from here now shipped from Klížská Nemá (privatized port).

iv. In what time frame do you expect some significant changes in the Danube logistics?

- in the event of positive changes, in about 10 – 20 years

II. Potential of shifting transport modes

v. Do you expect the cargo flows on the Danube to increase in the next 10-20 years?

- changes such as the further development of ports and an increase in investment should positively influence the volume of goods transported on the Danube. Further port developments, better connections to internal infrastructure, extending the range of services offered, and modernizing services in line with new trends and modern transport requirements and investment in port facilities should increase cargo transport on the Danube.

- an increase in container traffic is expected from the current level of 20% to 90% in 2020.

- the introduction of regular shipping lines transporting cargo to Danube ports should intensify inter-port cooperation and make better use of existing capacity, and improve regularity and flexibility.

- an increase in water transport could be achieved by state promotion and preferential treatment of water transport. The ever-worsening situation as regards road transport (traffic jams and overburdening of sections) will positively impact water transport.

vi. If yes, what type of cargo you expect to increase and how much (in percent)?

- an increase in the transport of oversized goods is expected.
- the arrival of another car plant in Slovakia will create potential for car transport .
- gas, liquid goods, LNG.

vii. What origin and destination of the increased cargo flows do you foresee?

- the key issue is the use of water container transport for goods from China. Container shipping could be an alternative to the broad-gauge railroad. In the future, further Chinese capital investments are expected in Europe.
- East - West and West - East – Germany (Slovakia’s largest trading partner).

III. Barriers for the business, forecasts and recommendations

viii. Measures necessary to increase the attractiveness of the IWT in the DBS region;

- modifying and safeguarding the parameters of the fairway to ensure the navigability of the Danube. A high quality waterway is essential for water transport to be a success.
- improving the situation can be achieved by increasing the number and quality of vessels (to speed up shipping), and by using tariffs or other projects.
- another problem is the time taken to unload goods – e.g. the unloading time in the port of Constanta is 14 days.
- promoting projects to harmonize services provided, connect providers and consolidate legislation.

ix. What are main reasons for the underdeveloped IWT on the Danube River?

- the standard methods for maintaining the fairway are limited by the physical characteristics of water = maintaining the flow of the Danube to prevent suspensions of water transport during dry periods or harsh winters (such as early 2017, when the river froze and goods had to continue by road).
- there was a decline after 1989 of goods flows via ports and these were rerouted to other modes. This occurred over 30 years ago and the current situation is incomparable
 - there was a sharp decline in the water transport of goods that were traditionally carried on the river.
- absence of promotion of water transport to logistic operators (logistic operators lack information about water transport).
- the lack of infrastructure and the distance of manufacturing plants from ports.
- environmental obstacles.

IV. Other issues

- lack of state involvement in the public sector in the Danube region. It is important to clearly define the powers and responsibility for maintaining the Danube waterway to ensure navigability. It is necessary to clearly define who is responsible for maintaining the navigability of the river. Without navigability, water transport in Slovakia cannot be further developed and navigability should be considered by the state as a fundamental condition which must be ensured.
- a lack of motivation of organizations responsible for the condition of the waterway.
- no professional association representing the interests of water transport operators.