DEVELOPMENTS OF MARITIME TRANSPORT ECONOMY IN EUROPE

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ABSTRACT

The Maritime transport is the shipment of goods (cargo) and people by sea and other waterways. Port operations are a necessary tool to enable maritime trade between trading partners. To ensure smooth port operations and to avoid congestion in the harbor it is inevitable to permanently upgrade the port’s physical infrastructure, invest in human capital, fostering connectivity of the port and upgrade the port operations to prevailing standards. Hence, port operations can be defined as all policies, reforms and regulations that influence the infrastructure and operations of port facilities including shipping services.

Keywords: Maritime transport, economy

1. INTRODUCTION

It is widely recognized the importance of transport in the flow of goods and economic development. Under these circumstances the maritime transport play a key role, connecting the continents and covering the major part of the quantities of goods exchanged among different countries.

The maritime transport should be focused on sustainable development including implementation of all related new concepts.

This article includes some opinions related to major elements which should lead the maritime sustainable development in order to be able to answer to its important role in the economic development.

2. WHY ARE DEVELOPMENTS IN MARITIME TRANSPORT ECONOMY IMPORTANT

Year 2012 will mark 20 years since the Rio Earth Summit in 1992 which created the concept of sustainable development and it will also mark 40 years since the first United Nations Conference on Human Environment in 1972. Although sustainability of shipping has been widely discussed in the context of sustainable development over the last two decades, we have not yet developed a common concept for the sustainability of the maritime industries and, in particular, the shipping industry. The UN Conference on Sustainable Development (UNCSD) next year called as “Rio+20” will discuss the green economy and the institutional framework for the sustainable development and, therefore, give us all an opportunity to establish a new framework concept for “Sustainable Maritime Development” which should provide common objectives and guiding principles of future maritime developments in which IMO should play a major and significant role.

Governments, the shipping industry and the wider maritime community as a whole must be encouraged to consider the future of the shipping and maritime industries and generate together a new concept of “Sustainable Maritime Development” which should embrace, in my view, at least the following key fields of operation:

1. “Global Standards (GS)” for shipping at IMO covering safety, environmental protection, security and facilitation;
2. “Energy Efficiency (EE)” covering technical and operational measures for efficient fuel consumption based on the basic recognition that fossil energy resources are not infinite and every effort must be made to save energy resources;
3. “New Technology (NT)” for safety, environmental protection, security, clean energy and efficient operation of shipping to meet the present and future challenges;
4. “Education and Training (ET)” to ensure a continuous supply of quality seafarers and maritime experts required for all aspects of maritime industries including shipbuilding and maritime equipment manufacturing industries;
5. “Maritime Security (MS)” covering application of international measures for maritime security, anti-piracy measures, law enforcement mechanisms for maritime zone security and the supply chain security;
6. “Maritime Traffic Management (MTM)” in straits and sea areas of significant importance covering co-operative mechanisms of littoral States, public-private partnership for future systems and realization of the Marine Electronic Highways;
7. “Maritime Infrastructure (MI)”, including aids to Navigation, Search and Rescue, port facilities and technical cooperation to ensure availability of proper maritime infrastructure in all parts of the world.

Maritime transport is fundamentally important for sustainable development and the world economy. Maritime transport is international in all aspects and not just the shipping industry and composed of various players and stakeholders including the shipbuilding industry, maritime equipment manufacturing industry, finance and insurance industries, classification societies, ship owners, seafarers, shippers, trade industry, oil and energy industries, ports, navigation infrastructures, maritime administrations, port State authorities, coast guards, Governments and international organizations.

In the preparation of the concept of “Sustainable Maritime Development”, all these stakeholders should
be involved and their views should be reflected in the concept. This suggestion towards the formation of the concept of the Sustainable Maritime Development will generate active discussion on the role of shipping in the world economy and sustainable development and will provide substantial contribution in the process towards UNCSD (Rio+20) next year.

Throughout its history, maritime transport has been an important catalyst for development concerning economics and prosperity for the European continent. Maritime transport ensures the security of energy supplies, food supplies and commodities. It also provides the main vehicle for imports and exports between Europe and the rest of the world. Maritime transport ensures trade and contacts between all European nations, being an important provider of income and employment for the European economy.

It is known, according to the European Commission site, that almost 90% of the EU external freight trade is seaborne, while short sea shipping represents 40% of internal European exchanges. There are over 400 million passengers that embark and disembark in the European ports. Islands and peripheral maritime regions depend their quality of life on good maritime transport services.

3. THE OBJECTIVES OF MARITIME TRANSPORT ECONOMY DEVELOPMENT

Development is very important in maritime transport when it comes to preventing sub-standards shipping, minimizing the environmental impact in maritime transport, and, of course, reducing the risk of maritime accidents. Social dimension, working conditions, health and safety issues, providing seafarers with professional qualification are another concern that must be taken care of. Finally, the protection of citizens as users of maritime transport services, ensuring safe and secure conditions, looking after their rights as passengers and examining the adequacy of the public service maritime transport connections proposed by Member States are issues that must be solved.

This can be done, as the European Commission is proposing, by adopting some strict safety rules, concerning this matters.

In January 2009, the European Commission presented the main strange objectives for the European maritime transport system up to 2018. It’s purpose is to identify key areas where action by the EU will strengthen the competitiveness of the sector while enhancing its environmental performance.

While the Communication looks at the long term (10-years) horizon, the current economic context and the characteristics of shipping market cycles have been taken into account. It is set in the broader context of the EU Transport Policy, but also aims at supporting other relevant policies, in particular the EU’s integrated maritime policy.

In broad terms, the strategic goals and recommendations of the Commission Communication refer to two main issues:

- The ability of the maritime transport sector to provide cost-efficient maritime transport services adapted to the needs of sustainable economic growth of the EU and world economies and
- The long-term competitiveness of the EU shipping sector, enhancing its capacity to generate value and employment in the EU, both directly and indirectly, through the whole cluster of maritime industries.

4. DEVELOPMENTS IN EUROPE

Improvement of transport activity followed the line of the European economic development. While GDP (measured in 1995 constant prices) grew at an average annual rate of 2.5% during 1995 to 2007, freight transport, measured in tone-kilometers, increased annually by 2.7%, and passenger transport, measured in passenger-kilometers, up 1.7% annually over the same period. (Source: Eurostat - Energy and transport in figures – 2009).

The upward trend of performance of freight activity in the Europe in the period 1995 to 2007, was given by road transport and of maritime passenger transport. Road transport plays a predominant role in passenger transport activity, along with air transport. Evolution of maritime passenger transport followed a slightly descending trend during 1995 to 2007.

On the other hand, taking advantage of the rapid growth of international trade, shipping goods trade from Europe has grown considerably in recent years, with companies investing heavily in fleet renewal and expansion. Today there are over 1,200 commercial ports, spread over some 100 000 km of coastline and over 9000 commercial vessels under EU flag, totaling about 240 million deadweight tons (dwt), almost one quarter of world tonnage. European shipping industry has under control over 4000 ships flying foreign flags.

On January 1, 2007, EU control a number of 10,550 ships with tonnage over 1000 gto, totaling 368,486 million dwt. Out of these, 3,389 vessels are registered under national European flags and the rest by 7161 are registered under foreign flags (including those registered in other countries). Over 2 million vessels have operated in the main ports of the EU, in 2007, up 2.2% over the previous year. However, in terms of tonnage of vessels, the growth rate was 7%, reflecting an increase in size of vessels operating in EU ports.

Concerning the passenger ship safety, the European Commission upgraded its legislation, maintaining and upgrading reasonable objectives, in order to help developing this sector. The first main objective, relate namely, to identify and address within the current Directive 2009/45/EC on rules and standards for passenger ship safety any provisions that may need to be reviewed or updated and which lead to inefficiencies in the EU internal market for ships or maritime passenger services.

There is a second objective, for which the Commission’s services seek stakeholder opinions, primarily from those with experience in the maritime field. Following the recent Costa Concordia cruise ship accident in January this year, some issues have been raised specifically addressing larger passenger ships. The Commission would like to use the opportunity of this
consultation already planned as part of the review of the European legislation on passenger ship safety, to obtain stakeholder views on current arrangements. European Council is interested to consult all citizens and organizations. They are welcome to contribute to this consultation. In particular, views are sought from ship owners; ship builders; classification societies; seafarers; regulators at international, national, regional and local level; and passenger representatives.

At the same time as this general public consultation, two parallel consultations are also being undertaken: with all Member State maritime administrations; and a targeted consultation of all stakeholders in six Member States: Denmark, France, Greece, Italy, Sweden and the United Kingdom.

The safety of passenger ships is regulated at three levels: through International Conventions to which Member States are party (e.g., SOLAS), EU acquit and national law. EU acquit is piecemeal and is found in several different legislative instruments (see the reference documents below).

The rationale behind the main passenger ship safety directive, Directive 2009/45/EC (the former Directive 98/18/EC, now consolidated and codified as Directive 2009/45/EC, recently amended by Directive 2010/36/EU), is that persons using passenger ships and high speed passenger craft throughout the EU should have the right to expect and rely on an appropriate level of safety on board.

The Directive thus aims to set out a common set of safety standards for domestic ships to maintain a common high level of safety and remove potential barriers to the transfer of ships between Member States and the operation of ships in Member State domestic waters.

International safety standards for most types of passenger vessels operating on international voyages are normally developed by the IMO under the Safety Of Life At Sea (SOLAS) Convention.

The 2011 White Paper for the future of transport – “Road map to a Single European Transport Area – Towards a competitive and resource efficient transport system” recognizes the need to modernize the existing EU passenger ship safety legislation.

In 2010 the Commission had already started the process by undertaking a review of the main Directive, 2009/45/EC, and initiated an ongoing consultation with the Member States competent authorities to identify problems and challenges in its implementation. Based on this process, the Commission examined the problems raised, to identify the main issues and underlying causes and from there to reconsider alternative policy options.

Currently Directive 2009/45/EC sets safety standards for all passenger ships made out of steel engaged in domestic voyages. While there are different levels of safety requirements dependent on the sea area within which the ship operates, the Directive’s standards, derived from international standards, might not be suitable for smaller ships.

It is also a fact that the majority of ships operating in domestic waters are made out materials other than steel, such as Glass Reinforced Plastic. In addition, for certain categories of ship, there is no common regulatory framework: e.g., sailing ships, historic ships, vessels carrying offshore workers, cruise ship tenders.

The aim of this public consultation is to verify the accuracy of the problems identified, and to what extent stakeholders opinions are in line with and support the objectives and policy measures envisaged.

The consultation feeds into an ongoing impact assessment of alternative options for revised passenger safety regulation. It is planned to hold a stakeholder workshop at the end of the consultation to set out the results of the consultation process.

The safety of passenger has the purpose of increasing the interest and confidence of travelers in travelling by the sea, with low costs, good travelling conditions and high safety.

5. CONCLUSIONS

It is said that Maritime Transport is for economy what the artery is for the blood circulation system of the body. Without it, the world would be landlocked and its economy would not move forward, but remain stagnant in different areas. We can say that maritime transport is a key section in world’s economy.

6. REFERENCES