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Summary

Baltic Countries' Ports Drying Up Due to Lack of Russian Cargo

Keywords: *Baltic Sea, cargo, railway, Estonia, Latvia, Lithuania, Russia, transport sector, port*

The ports of Estonia, Latvia and Lithuania along the Baltic Sea are facing a historic lull in activity, with cargoes from the east into Europe and from the West into Russia finding new routes circumventing Baltic ports. The situation has led to near-crisis conditions for the local transit sector.

The situation, Russian news journal PolitRussia explains, is also leading to a catastrophic situation for the countries' national railway companies.

Estonian Railways has been hit especially hard, and is looking in Moscow's direction to "resolve the problem" of low cargo traffic. A delegation from the railway company, including company director Sulev Loo, went to Moscow last week following Russia's announcement that it would halve rail transport into the country, from twelve to six trains per day. The answer they got is that the demand just isn't there.

Ten years ago, Estonia's railway network received an average of 32.4 Russian cargo trains per day. The prospects for returning to that volume now seem low, according to Andres Valgerist, the chair of the Estonian Logistics and Transit Association. In fact, he suggested, the problems Estonia's transport sector faces "no longer relate only to the transit sector; they cover the entire economic environment in Estonia as a whole, and ports especially."

Russian Railways explained (in an official letter sent to its Estonian counterparts) that the decline in traffic comes down to a drop in orders to ship to Estonian ports. The Russian side, the company emphasized, "did not impose any restrictions on the movement of trains, or applications for the transport of goods to/through Estonia."

Last week, Estonian Railways director Loo confirmed that his sector faces catastrophic losses. "We are engaged in a dialogue with Russia in order to understand what can be expected of us." Otherwise, he suggested, "everything could come crashing down to nil."

In 2015, the tonnage transported by Estonian Railways declined to historic lows, to 28 million tons' worth of cargo – 23% less than in 2014.

At the same time, PolitRussia recalled, **"the situation is even worse in Baltic ports. Last year saw a decline in economic performance for a vast majority of them."**

"It's simple," the news and analysis website explained. "The countries' ports, built during Soviet times, traditionally lived off of cargoes, first those coming from the rest of the Soviet Union, and then from Russia." Worsening relations with Russia resulted in decline for them, particularly over the last two years. In 2015 alone, the volume of goods headed to or from Russia through Baltic countries' ports declined between 15-20%.

The **port at Riga**, the country's largest, finished the year in the red, with a decline in the shipping of Russian coal (which accounts for about a third of the port's turnover) having a big effect. The **port at Ventspils was also hit hard after Transneft announced that it would be reorienting its transit to Russian ports in the area.** Volumes of crude oil transit at the Liepaja port collapsed by 61.5%, and in neighboring Estonia, Tallinn saw a 21% decline in trade turnover.

Earlier this year, Latvian business newspaper Dienas bizness calculated that the decline has been a long time coming; between 2005 and 2015, it explained, cargo turnover at ports in the eastern Baltic grew by a total of 39%, from 265 to 368 million tons. At the same time, the share of Russian ports among this activity grew from 52 to 62% of the total. In 2015, compared to the previous years, Russian ports along the Baltics increased their transit of coal by 9% (to 23.2 million tons), the shipment of oil products by 3.9% (to 2.5 million tons), and the shipment of mineral fertilizers by 17% (1.5 million tons), while their Baltic country competitors faced a decline.

The trend, Dienas bizness suggested, will only get worse, with Russian companies reducing transit to unfriendly countries, transferring it to their own infrastructure, and thus providing Russian transport workers more work.

PolitRussia recalled that Russia's initiatives to increase its transit independence are state policy, reiterated by President Vladimir Putin last year in his address to the Federal Assembly.

"We will continue to upgrade our transport infrastructure and expand major logistic centers such as the Azov-Black Sea and Murmansk transport hubs, modern ports in the Baltic Sea and the Russian Far East," Putin said.

Ultimately, PolitRussia writes, this "officially designated state policy has opened up new opportunities, in particular for the ports of Vyborg, Ust-Luga, Primorsk, Vysotsk," while putting the interests of the ports in Estonia, Latvia and Lithuania in jeopardy.

According to officials from **the Russian transport ministry**, the last five years have seen yearly growth in capacity of an average of 20 tons per year among the country's ports, with 2016 capacity expected to grow by another 32 million tons.

Last year, total turnover at the Ust-Luga port grew to 75.6 million tons, the highest figure in the Baltic region. The ultimate goal is to grow it to 170-180 million tons per year, most of it transit redirected from the Baltic states.

"For the economies of the Baltic, this maneuver will hit hard," PolitRussia notes. "In Latvia, for example, transit accounts for 12-13% of the country's GDP, with 80% of it transit of cargo coming from the east. The Ministry of Transport has already calculated the material losses in case of the loss of Russian transit, with the Latvian budget losing 1.6 billion euros."

At the same time, the online paper notes, only manufacturers and financiers seem worried. "The political elite in Latvia, Estonia and Lithuania continues to enthusiastically saw away at the tree branch they're sitting on, choking from their own Russophobia. For them, the ports and railways are, in the first place, a 'legacy of occupation', and secondly, pose a risk of an 'economic fifth column'. And it really is frightening that such large numbers of workers have a vested interest in constructive and mutually beneficial relations with Russia."

Last year, Russia committed nearly 28 billion rubles (about $426 million US) to improving port infrastructure. "A large part of this money," PolitRussia writes, "could have gone to the Baltic countries, were they to keep up normal business relations with Russia. But it was not to be; the desire to curry favor with the West, and the Russophobia nurtured over many years, has led to multimillion dollar losses. Russia has learned to penalize Russophobia through the ruble."

"Of course, the simple port workers from Estonia, Latvia and Lithuania can only be sympathized with; in front of them is the prospect of unemployment. On the other hand, they live, as they loudly declare, in democratic countries, and could grab their elected officials by the collar and shake them up."

Working people in the Baltics, PolitRussia notes, now face the consequences "for entrusting their fates to Washington's protégés, for agreeing to see their countries become second-class entities in the EU, for allowing NATO weaponry to overrun their countries, and for forgetting that when you become a bridgehead for the aggressive plans of others, you can also become the first target for retaliation," in this case economic.

Source: Sputnick News

Link: http://bit.ly/1TjAvVG

EU regulators to clear $2.4 billion container shipping deal: sources

Keywords: *Shipping, cargo, container, EU regulators, container shipping company*

French shipping group CMA CGM's [CMACG.UL] $2.4 billion takeover of Neptune Orient Lines (NEPS.SI) is set to be cleared by **the European Union's competition regulators**, on condition that NOL pulls out from a rival shipping alliance, two people familiar with the matter said on Thursday.

CMA CGM, the world's third-biggest container shipping company, is looking to strengthen its position against bigger rivals Maersk Line (MAERSKb.CO) and Swiss-based Mediterranean Shipping Co (MSC).

CMA CGM's plan to withdraw NOL from the G6 alliance, which competes with its own Ocean Three alliance, was able to address European Commission concerns, the people said.

Shipping alliances, which involve sharing vessels and routes to save costs, are seen as crucial to helping the industry deal with a severe market downturn.

The concession is similar to that offered by German container shipping company Hapag Lloyd (HLAG.DE) and Chilean peer Compania Sud Americana de Vapores (CSAV) two years ago in return for the EU approving their tie-up.

European Commission spokesman Ricardo Cardoso declined to comment. CMA CGM had no immediate comment on the EU review. Its spokesman said the intention is for NOL to join the Ocean Three group, a four-way alliance unveiled on Wednesday.

An NOL spokeswoman declined to comment on the deal but said that NOL unit APL will remain in the G6 Alliance until the first quarter of 2017.

Ocean Three, whose members include CMA CGM, China's COSCO Container Lines, Evergreen Line (2603.TW) and Orient Overseas Container Line (0316.HK), will focus on Asia routes. It has more capacity than the rival grouping of Maersk and MSC.

Source: Sputnick News

Link: http://reut.rs/1TSlOWV

European shippers, ports, forwarders, terminals urge uniform SOLAS implementation

Keywords: *European Shipper, Port Authorities, terminal operators, International Maritime Organization, Federation of European Private Port Operators, CLECAT, the European freight forwarding association, European Sea Ports Organization, the European Shippers Council, supply chain*

European shippers, freight forwarders, port authorities and terminal operators have made a joint appeal to their national governments for a coordinated implementation of an international regulation requiring all containers to be weighed before they are loaded onto ships.

The call for a harmonized approach by **European governments** reflects growing concern in the industry over the potential for disruption in the supply chain when the amendment to the **International Maritime Organization**'s SOLAS convention comes into force around the world on July 1.

"Supply chain actors and national authorities should work towards commonly accepted guidelines in order to minimize distortion of competition and ensure smooth functioning of the SOLAS requirements," according to the statement issued by the **Federation of European Private Port Operators**, **CLECAT, the European freight forwarding association, European Sea Ports Organization and the European Shippers Council.**

Feport, whose members operate some 400 terminals across the European waterfront, has led the campaign for a coordinated approach to the new regulation, but its two earlier statements this year calling for governments to clarify regulations appear to have fallen on deaf ears in some capitals.

The joint statement focuses on national guidelines for the **two methods of weighing containers:** *Method 1,* which requires the container is weighed after it has been packed, and *Method 2*, which requires weighing all the cargo and packing materials in the container and adding them to the container's tare weight as indicated on its door end.

The groups said European governments should focus on two main elements: **tolerances applying to weighing equipment and the certification of those shippers approved to use verified gross mass certificates using Method 2.**

"National authorities need to be aware that excessive requirements can have an adverse impact on the logistics chain," the statement said.

An over-reliance on weighbridges for Method 1 risks creating unnecessary bottlenecks that could be avoided by using other devices, such as spreader mounted weighing devices.

An over-complicated system for the regulation of Methods 1 and 2 could also lead to delays in their authorization.

To avoid market distortions, European governments must adopt similar certification standards that are not overly restrictive and do not have an adverse impact on the functioning of the **supply chain**.

"So as to ensure transparency and certainty for all actors in the supply chain, evidence should be available when required of the shipper's authorization to provide a VGM."

European authorities should also aim for a flexible tolerance level for weighing equipment that takes into account variations that may occur through inaccurate tare weights on official plates, or through the use of different equipment, the groups said.

Source: Joc.com

Link: http://bit.ly/22dFP0h

Member States holding back digitalisation of EU transport logistics, says ECG

Keywords: *Member States, digitalisation, EU-wide digitalisation of the transport logistics sector, Association of European Vehicle Logistics, multimodal transport e-documents, road, rail and maritime transport, EU Reporting Formalities Directive*

Legal uncertainty and a lack of uniform implementation of existing **European and international legislation by Member States** is holding back **EU-wide digitalisation of the transport logistics sector**, says the **Association of European Vehicle Logistics**, ECG.

Lack of standardisation at European level regarding **multimodal transport e-documents** is **a barrier to seamless, streamlined, flexible transport logistics within the EU.** The **economic, social and environmental advantage of e-documentation is clear.** The 16.5 million cars transported annually in Europe result in 33 million pieces of paper or 135 tonnes of paper each year. The courier industry has been paperless for over 20 years with electronic tracking and online proof of delivery accepted as standard throughout the EU. Application in the transport sector is being hampered by insufficient harmonisation at national level.

A legal framework for the **use of electronic transport documents** already exists for **road, rail and maritime transport**. The e-CMR Protocol (2011) provides for the use of electronic consignment notes for international transport. However, only **eight EU Member States and Switzerland have ratified this international treaty to date.**

In rail, not all EU Member States recognise electronic consignment notes (e-CIM) and ongoing legal uncertainty exists in some national authorities as to the validity of electronic signatures or for the transportation of certain goods.

The **EU Reporting Formalities Directive** (RFD) 2010/65/EU aims to simplify, harmonise and rationalise administrative procedures and reporting requirements for maritime carriers calling at EU ports. By 1st June 2015 Member States should have implemented measures to allow the electronic submission and reception of reporting formalities concerning vessels, their crew and cargo via a 'national single window'. However, no effort has been made by the majority of Member States to harmonise their national requirements, resulting in a patchwork of systems and requirements, sometimes even within the same country.

Source: ITS International

Link: http://bit.ly/1Xuwv7N

Landmark LNG-fuelled tanker set for sea trials

Keywords: *LNG, fuel, European Commission Clean Fuel Strategy, vessels, the European Union, Trans-European Transport Network (TEN-T)*

The first of four LNG-fuelled tankers on order for Swedish operator Terntank, to be powered by the first commercial application of a Wärstilä dual-fuel two-stroke engine, will begin sea trials on 18 May.

As reported, the 15,000dwt tanker and its sister vessels are currently under construction **at AVIC DIngheng Shipbuilding in China**, with the lead ship due for delivery in June**. Dick Höglund**, *financial manager of Terntank*, presented an update on the project at **European Commission Clean Fuel Strategy** seminar in early May.

The new vessels are designed specifically for trading in the sulphur ECA zones, and in LNG mode will meet IMO Tier III NOx emission limits without after-treatment. Terntank has noted that combined with an efficient hull form, the propulsion plant will enable the vessels to operate on a reduced fuel consumption of between 13.5-14.0 tonnes per day, compared to 22 tonnes for existing vessels of similar size.

The 147m vessels will be propelled by a Wärtsilä 5RT-flex 50 DF main engine, generating 5,850kW at 108rpm. Auxiliary power is provided by three Mitsubishi MAS 850-S generators rated at 790kWe at 1,800rpm. A variable frequency drive shaft generator with power take-out capability of 780kW and power take-in of 1,000kW (at 80rpm), will further enhance fuel efficiency.

"Ninety-five percent of our revenue lies in the North European SECA zone (the North Sea and Baltic Sea) and that is why we are eager to be a frontrunner," Höglund said. **"We chose LNG – a choice made in close collaboration with our customers, the main oil companies, who wish to be at the forefront on this agenda."**

The project was jointly funded by **the European Union under the Trans-European Transport Network (TEN-T) initiative**. It is one element of the EU's €300 million-plus initiative to support the transition from conventional marine fuels to LNG – at the seminar Danish MEP Ole Christensen welcomed the EU ambition to have LNG bunkering facilities at all ports in the European Core Ports Network* (more than 90 ports across nine core shipping corridors).

Source: Motor Ship

Link: http://bit.ly/1WBxmnI

Shipping to be key ingredient of the EU's Africa agenda

Keywords: *African economy, shipping, European shipowner, Trade Cecilia Malmström, ECSA Secretary General, European Community Shipowners' Associations*

The **African economy** has become one of the **most promising global growth markets**. Shipping is taking care of the **largest part of international trade and in Africa this is even more the case due to less developed land infrastructure**. European shipowners strongly believe that maritime services are enablers of trade and development, particularly in **Sub-Saharan Africa**. This is the core message ECSA sent earlier this week in a letter to **EU Commissioner** for **Trade Cecilia Malmström,** inviting her to include maritime transport services in the EU Africa agenda.

"Efficient maritime transport is critical to the **region's trade and economic growth. Shipping is the backbone of the mobile supply chain which ties European and African economies together"**, says Patrick Verhoeven, **ECSA** Secretary General, "We need to ensure that European shipping is able to keep its strong presence in the region and the EU representations should continue to play an important role in supporting this", he added.

European Community Shipowners' Associations recently organised a stakeholder roundtable to discuss the challenges and opportunities shipping companies face in Africa. European shipping companies are important partners to African governments and businesses and ensure that the countries are connected to world trade. At the same time EU shipowners are increasingly confronted with market access barriers targeting foreign logistics and maritime services. In some African countries for example, it is not possible to get a license to operate anymore unless the business is fully owned by locals.

A shared interest and willingness to address the challenges shipping companies face in Africa emerged from this meeting with the shipping companies and associations, the European Commission and Member States representatives. For European shipping, the **end goal should be to include shipping, and logistics services at large, in any development and trade discussions carried out with African partners.** This in order to ensure mutually benefiting business conditions in Africa, including a level playing field in terms of investment opportunities for **European companies**. EU representations in Africa should indeed grow, as planned, into fully-fledged economic diplomacy delegations as their leverage towards African governments is larger than the one of individual Member States.

Source: Hellenic Shipping News

Link: http://bit.ly/1TSt9Wt

Asian, European Cargo Lines Form New Alliance

Keywords: *Maersk Line, Cargo, Alliance, European, Asia, container-shipping operators*

Container-shipping operators continue to team up in challenging market

Some big Asian and European container-shipping operators left out of a recent wave of industry consolidation said Friday they would form an alliance to counter the dominance of global giants such as Maersk Line and Mediterranean Shipping Co.

The new alliance, set to go into operation in April next year, consists of the Japanese trio of Nippon Yusen K.K., Kawasaki Kisen Kaisha Ltd. and Mitsui O.S.K. Lines Ltd.; Germany's Hapag-Lloyd AG; South Korea's Hanjin Shipping Co. and Taiwan's Yang Ming Marine Transport Corp. It was announced simultaneously in Hamburg and Seoul.

Korea's Hyundai Merchant Marine Co., currently under restructuring by main creditor Korea Development Bank, said it plans to join the alliance later. Hanjin and Hyundai Merchant Marine move almost all of Korea's exports.

"The six-member alliance is not final and definitive," said a Hyundai spokesman. "The door is still open to us. We expect to have no problem joining the group once our debt-restructuring program with creditors ends successfully."

The Wall Street Journal on Thursday reported the new alliance, saying some of its potential members may join in coming weeks

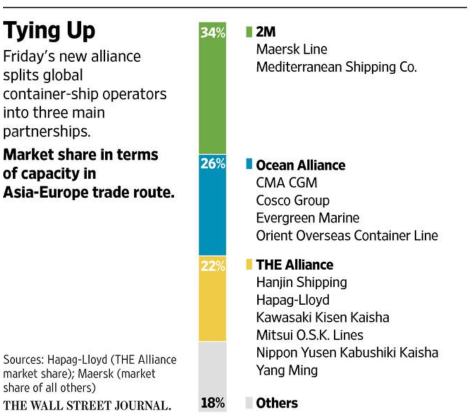
The new grouping, called "THE Alliance," closes a circle of new partnerships bound to dominate the movement of global cargo in coming years. It is subject to regulatory approvals by U.S., Chinese and European maritime watchdogs.

Hapag-Lloyd is also in separate merger talks with Dubai-based United Arab Shipping Co. People involved in the talks said they expect the merger to be announced later this year and that UASC would join THE Alliance as well.

Being part of an alliance has become imperative within the industry, which is beset by a 30% oversupply of vessels in the water and freight rates that have been well below break-even levels for much of the past two years. Alliance partners share ships, networks and port calls, which can cut their costs by hundreds of millions of dollars annually.

"This brings clarity to the competitor landscape of the major east-west trades from next year," said Lars Jensen, head of Copenhagen-based Sea Intelligence Consulting. "But with so many in the new group, it will be challenging to agree on a common network as members must cast aside parts of their own specific needs in the interest of the alliance."

Mr. Jensen said much will depend on Hapag-Lloyd's ability to set the basic framework for the new network, the German operator being the biggest player in the group.



Denmark's Maersk Line, the shipping unit of A.P. Moller-Maersk A/S and the world's biggest container operator in terms of capacity, already operates in the 2M alliance with Geneva-based MSC, the second-biggest.

2M controls roughly 34% of the Asia-Europe trade route, the world's most lucrative.

Another grouping, called Ocean Alliance, has brought together France's CMA CGM SA and China's Cosco Group, the third-largest and fourth-largest shipping lines by capacity. Other members are Hong Kong's Orient Overseas Container Line and Taiwan's Evergreen Marine Corp.

Ocean Alliance, also set to begin operations early next year, would control around 26% of the Asia-Europe voyages, with THE Alliance controlling about 22%.

Container ships move more than 95% of the world's manufactured products, which include things as diverse as electronics, clothing, toys, cars, furniture and food.

Source: The Wall Street Journal

Link: http://on.wsj.com/1suQFma

Maritime and space industries testing unmanned aircraft technology for surveillance

Keywords: *European Space Agency, European Maritime Safety Agency, security, migrant*

In response to the migrant crisis in Europe, the European Space Agency and the European Maritime Safety Agency have selected the unmanned aircraft system TEKEVOR for testing the benefits of deploying unmanned aircraft for surveillance, including search and rescue missions. This is being touted as the first demonstration of drone technology being used for maritime surveillance operations. The testing will commence this summer.

During the testing, TEKEVER will be deployed from land and will assist with determining how the deployment of unmanned aircraft can augment or replace satellites, manned aircraft and vessels.

The testing will take place in the Atlantic Ocean, the North Sea and the Mediterranean Sea during multiple environmental conditions.

Source: JD Supra

Link: http://bit.ly/27E5ByI

FLow-Sulphur Non-Compliance Jumps from 1% to 5%, and 8.5% in North Sea

Keywords: *sulphur emissions control area, International Maritime Organization, European Community Shipowners' Association*

Non-compliance with **European Union** legislation on low-sulphur fuel is running at **5%**in the sulphur emissions control area (SECA) and**8.5%** in the **North Sea**, according to **Brussels Environment Commissioner** K**armenu Vella**.

An "initial assessment" of port inspection figures for 2015 indicates that the average compliance rate was "about 95%", said Commissioner Vella in response to a parliamentary question by Euro MPs.

There were variations within the SECA, said the Commissioner. "**Non-compliance in the North Sea is higher (8.5%) due to the proximity to the SECA entrance, which leads to a higher number of fuel 'change-over' operations by ships to comply with the SECA requirement,**" he wrote.

The Commission was basing its assessment on **6,800** port inspections. Official data from the EU coastal states are due to be sent to the Commission by the end of June, after which there will be a formal compliance assessment, the Commissioner said.

The **5%** non-compliance figure, which is in line with **International Maritime Organization** data, is close to the **6%** figure that was circulated in the **European Sustainable Shipping Forum**last year but is significantly higher than the official non- compliance figure of just **1%** given by the **European Maritime Safety Agency** last June.

EMSA refused to lift the lid on its methodology at the time, leading to accusations of a lack of transparency.

Danish giant **Maersk** has been lobbying for tougher sulphur inspections. Fines for non-compliance are not large enough to dissuade cheaters, Maersk believes, and inspection regimes have gaps.

While ships arriving at ports in the SECA risk inspection, they could in theory switch to non-compliant fuel with impunity as soon as they leave port.

There is however no uniform industry position on inspections. The **European Community Shipowners' Association** is notably not asking for a tougher regime. The **Trident Alliance**, a group of owners with an interest in strict enforcement, has been less active over the last year.

The Dutch transport inspectorate claimed that "more than 10%" of seagoing ships were non-compliant with the EU law in an article quoted by the Dutch Liberal MEPs who tabled the question: **Gerben-Jan Gerbrandy** and **Matthijs van Miltenburg**.

The Commissioner said fines for non-compliance were "not uniform" across the EU. Fines are supposed to be large enough to be dissuasive, though precise fine levels are a national government prerogative.

Compliance issues are important in the context of the upcoming worldwide low- sulphur rules, which are expected to have a much bigger impact than today's SECAs.

Source: Ship and Bunker

Link: http://bit.ly/2535gDz

Maritime security issues in focus at TRACECA event in Ukraine

Keywords: *TRACECA, EU regulation, European Maritime Safety Agency, migrant, maritime safety and security*

The application of EU regulations and recommendations on places of refuge was discussed during a two-day course organised last week in Kyiv by the EU-funded TRACECA Maritime Safety and Security II Project. Participants discussed relevant EU guidelines, including the EU directive on establishing a community vessel traffic monitoring and information system, guidelines of the International Organisation for Migration, as well as methods of setting up a system for granting refuge, and support services offered in the EU, TRACECA's press release said.

The TRACECA project on maritime safety and security was initially launched by the European Commission in January 2013 for a duration of three years and has recently been extended until June 2016. It aims to support the approximation of EU legislation and further ratification and implementation of international conventions in the domains of maritime safety and security. It also seeks to improve quality and coordination of maritime administrations in the Black Sea and the Caspian Sea partner countries, which include Armenia, Azerbaijan, Georgia, Moldova, Ukraine, Kazakhstan, Turkmenistan, Bulgaria, Romania and Turkey.

Source: Enpi - Info

Link: http://bit.ly/22hkyTz

LNG and Methanol "Most Promising" Alternative to Conventional Bunkers: EC

Keywords: *LNG, European Commission, Joint Reaserch Centre, fuels, biomass, European Sustainable Shipping Forum*

The **European Commission** (EC) says that a new study from the **Joint Research Centre** (JRC) shows that fuels such as liquefied natural gas (LNG) and methanol are **"the most promising" alternatives to conventional bunkers for reducing shipping sector emissions.**

"Results show that from a long-term perspective, moving to LNG and methanol is strategically attractive as each of the two fuels has a biofuel counterpart, biomethane and biomethanol," the EC said.

EC says that vessels and infrastructure built for LNG and methanol can also supply bio methane and bio methanol "without a large overhaul," making it possible to use the two fuels as transition bunkers before completing a shift to biofuels.

However, their potential use will depend on a number of factors, including environmentally sustainable biomass feedstock for their production, cost-effective production technologies and ultimately on their market penetration.

"The EU aims to shift some of the road transport load to the more efficient marine and inland waterways systems," said EC, noting that a specific renewable fuel mandate for shipping could complement the current road transport mandate.

Further, **EC notes that the results of December's COP21 summit in Paris makes this an advantageous time to invest in the shipping industry's decarbonisation**.

The news comes on the heels of EC's announcement last week that it has extended the deadline for applications to select members of the **European Sustainable Shipping Forum** (ESSF) from May 2 to May 10, 2016.

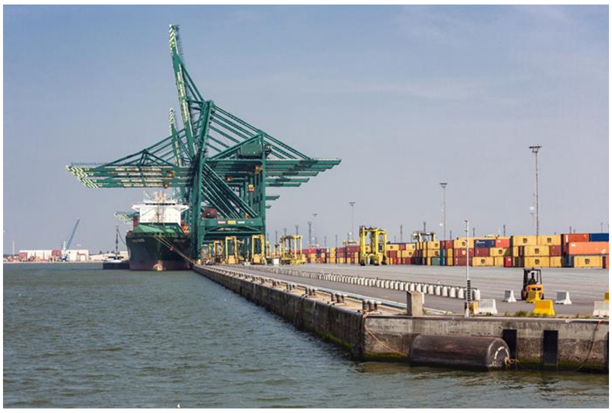
"Bearing in mind the broader aspects of sustainable shipping to be covered by the ESSF, and the significant interest from organisations who have not applied to the first call for members (25/09/2013), the Commission has decided to organise a new call for applications and to increase the total number of participants in the Forum from **60** to **68 members**," states EC.

Source: Ship and Bunker

Link: http://bit.ly/1TpXX3K

North Europe ports tapped as best gateways for Asia cargo

Keywords: *cargo, ports, North Europe, Asia, Sulphur Emission Control Area, Southern European ports*



Europe's northern gateway ports will remain a better option than their Mediterranean rivals for shippers transporting containers to and from Asia as environmental factors come more into play, according to a report.

Transporting containers across most of Europe from northern ports is currently cheaper and more sustainable than via southern ports such as Koper, Genoa and Constanta despite their shorter transit times to Asia, Panteia, a consultancy said.

The northern ports will become even more competitive as Europe seeks to reduce the environmental impact of supply chains, according to the report commissioned by the Rotterdam Port Authority and Deltalinqs, a Dutch industry association.

"The Northern European ports perform well because many large container vessels call here and much of the hinterland transport is done by inland shipping and rail. This provides for a relatively small ecological footprint" said Allard Castelein, chief executive officer of the Rotterdam Port Authority.

"The report also shows that further improvement is possible, especially by using LNG (liquefied natural gas) as a transport fuel and making logistics more efficient through IT. These are two important challenges for the coming years."

Mega-ships with capacities of up to 20,000 twenty-foot-equivalent units, which have much lower carbon dioxide emissions per container than 10,000 TEU ships, call more frequently at northern hubs than at the smaller southern European ports "because more goods are shipped to and from this densely populated region."

The report concludes that imposing a Sulphur Emission Control Area, currently restricted to the North Sea, the English Channel and the Baltic Sea, to the Mediterranean will not impact the market share of European ports.

The major shippers and logistics firms interviewed by Panteia said price was the most important factor in choosing ports followed by service and reliability, with sustainability not seen as an important criterion.

"Sustainability is a deal maker, but not a deal breaker, yet," the Rotterdam Port Authority said.

The Panteia report contrasts with the findings of a recent study by Drewry Supply Chain Advisors that said the traditional gateway ports in Northwest Europe no longer hold all of the trump cards on the Asian container trades.

The cheapest option to ship a container from China to southern Germany was via Rotterdam and Hamburg, but only by a margin of $150 and $100, respectively, against Koper in Slovenia, which has a three-day transit time advantage.

"As such we believe Shanghai-to-Munich via Koper is a true Best-Route contender for shippers with time sensitive cargoes," Drewry said.

Southern European ports will also become more attractive as freight rates to the Mediterranean, which have traditionally been higher than those to northern Europe, have recently become cheaper than those on the longer haul.

South European intermodal operators are also developing "exciting and competitive" concepts that will be boosted when the trans-Alpine Gotthard rail tunnel opens in June.

"More shippers will look to route via southern gateway ports as the maritime price differential equalizes and intermodal connectivity improves," Drewry said.

While Rotterdam, Europe's top container hub, is bullish about its ability to see off the challenge from upcoming southern European ports, other northern gateways are less confident of maintaining their market share.

Antwerp recently urged Rotterdam, its closest rival, to join forces to meet the challenge of China's growing investment in the southern European waterfront that could lure container traffic from the Le Havre-Hamburg range.

The two ports could build joint storage facilities for Asian cargo bound for central and Eastern Europe, the Belgian port's CEO Eddy Bruyninckx suggested. **"We each play our part, but it would be wise to join forces to ship goods to Poland, the Czech Republic and Hungary,"** he told Dutch newspaper Financieelle Dagblad.

"China wants to lessen its dependence on northern European ports," Frans Paul van der Pullen, an analyst at the Clingendeal Institute, told the paper.

"China will eventually be able to ship products to central Europe more quickly via southern ports than through Rotterdam or Antwerp."

Source: Joc.com

Link: http://bit.ly/1WFpQIz