

ECONOMIC CRISIS AND RECESSION IN EUROPE

INLAND NAVIGATION SUFFERING FROM THE CRISIS

Europe is suffering from an economic crisis which recently led to a recession. Transport is closely connected to the economic situation and development of the industry. Consequently the transport industry has fallen in an economic crisis as well, which will have severe consequences for the sector as such. In the recession discussion launched by the Council transport however is missing and no supportive measures have been announced.

EBU draws the attention of policy makers on the severe consequences of the economic crisis to the inland navigation industry.

General remarks

Transport follows trade patterns. Since the economic crisis seriously effects world trade, transport and inland navigation is suffering from an enormous decrease of volume since the beginning of 2009. Meanwhile the situation has serious effects on the economic situation of the inland navigation industry.

In January 2009 the volume of cargo carried for instance in Germany in general decreased **some 27,5 %** compared to the year 2008. In France the international carriage of goods on waterways decreased **some 23 %** in the first two months of this year (-12 % in the field of export and -34 % in the field of import). The situation in the other countries with navigable waterways is at least comparable.

The situation however differs in the various segments. The carriage of containers on the river Rhine for example since the beginning of 2009 decreased some 30 %. The situation in the carriage of mass products such as iron ore and coal is even worse after the collapse of the steel industry and the reduction of production which already lead to the closure of some plants in Europe. The carriage of steel by inland vessels for instance to France shows a decrease of 20 %, in the field of carbon recent figures show a decrease of 27 % and in the field of chemical products even 54 %.

According to recent statistics regarding the import and export of goods in the Port of Rotterdam the handling of containers in the period January-March 2009 decreased by some 18 % compared to the same period in 2008 while the handling of iron and ore even decreased by some 50 % in the period referred to. The goods taken over by inland vessels in the Port of Antwerp in the same period in overall decreased by some 17 %, taking into account decreases of up to 40 % in the metal-ware segment.

The actual crisis is of an unprecedented intensity and of an unknown duration, but it will be limited.

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Consequences of the economic crisis and measures to support the industry

Recently many newly built vessels came on the market as an answer to the increased transport demands. In the actual economic crisis this leads to a serious overcapacity of vessels. Consequently there is a lack of cargo for the actual fleet capacity which goes hand in hand with a fall of the freight rates. The inland navigation industry thus is suffering on both the supply side as well as the prices to be paid for its services.

This leads to undesirable effects on the whole market.

In the actual situation it is important to **maintain the fleet capacity on one hand and to guarantee reasonable prices for the carriages of goods and passengers on the other hand**. To overcome the crisis therefore supportive measures are necessary.

The European Community and the Member States are able to support the industry by a number of measures which can be taken up immediately. These are

1. Investment in infrastructure:

EBU urges the proper maintenance of the existing waterways, the realisation of the bottlenecks and the implementation of the missing links as defined on the TEN-T priority list and proposed in EBU's comment on the recently launched Green Paper on the revision of the TEN-T guidelines. The available financial means in the TEN-T- as well as the national budgets thus should be dedicated to waterway infrastructure to support this ecological and economic transport mode without delay.

2. Avoidance and decrease of administrative burdens

3. Decrease of financial burdens such as for example port fees and taxes.

4. Investigation how the industry can be supported to overcome the difficult financial situation for example with the assistance of the European Investment Bank (EIB).

EBU calls upon the European Commission, the Parliament and the Member States to support the inland navigation industry by the proposed measures without delay.

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The European Barge Union EBU represents the interest of inland navigation on a pan European level and deals with all questions, arising out of the future development of the inland navigation industry and inland waterway transport.

To realise this aim EBU is active in the field of

- the development of the European transport policy
- the improvement of the economic position of inland navigation
- the structured cooperation with national and international institutions
- the exchange of information and experience between the parties involved

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