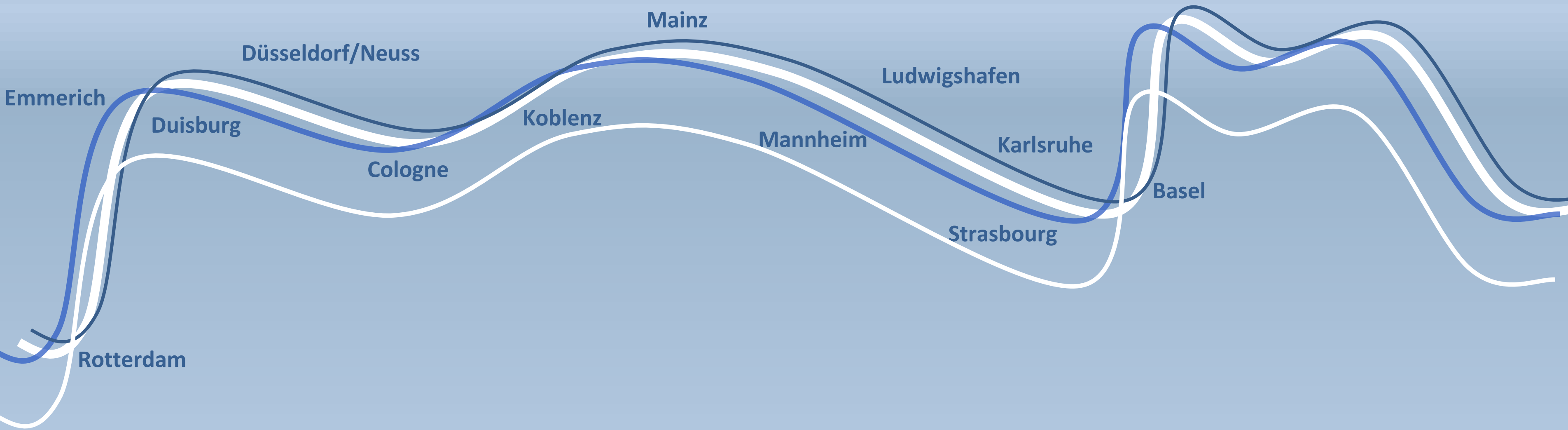


SETTING THE FRAME FOR THE GREENING OF INLAND NAVIGATION

Hans van der Werf

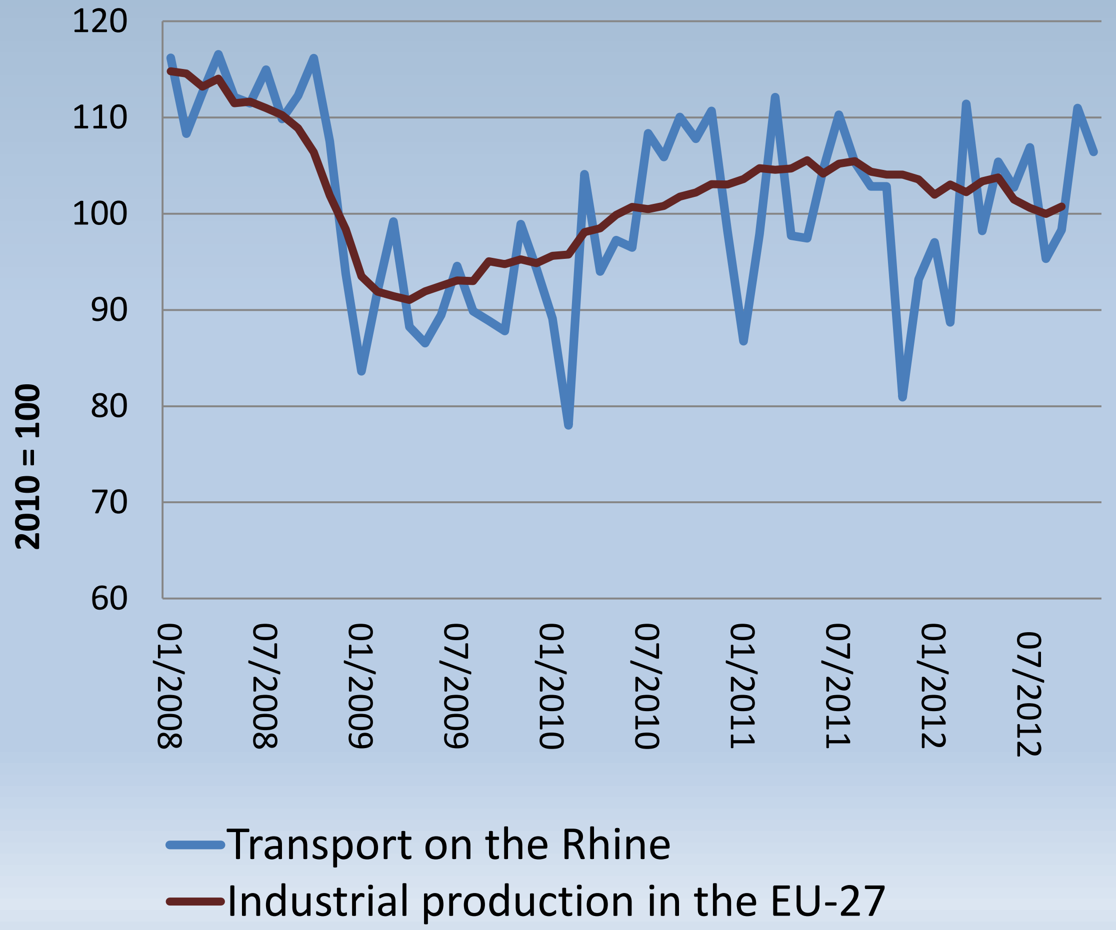
Secretary General

Central Commission for the Navigation of the Rhine

EBU Seminar “Greening the corridors”,10 April 2013

Economic situation:

Transport on the Rhine and industrial production in the EU



Source: Eurostat; destatis; Calculation CCNR

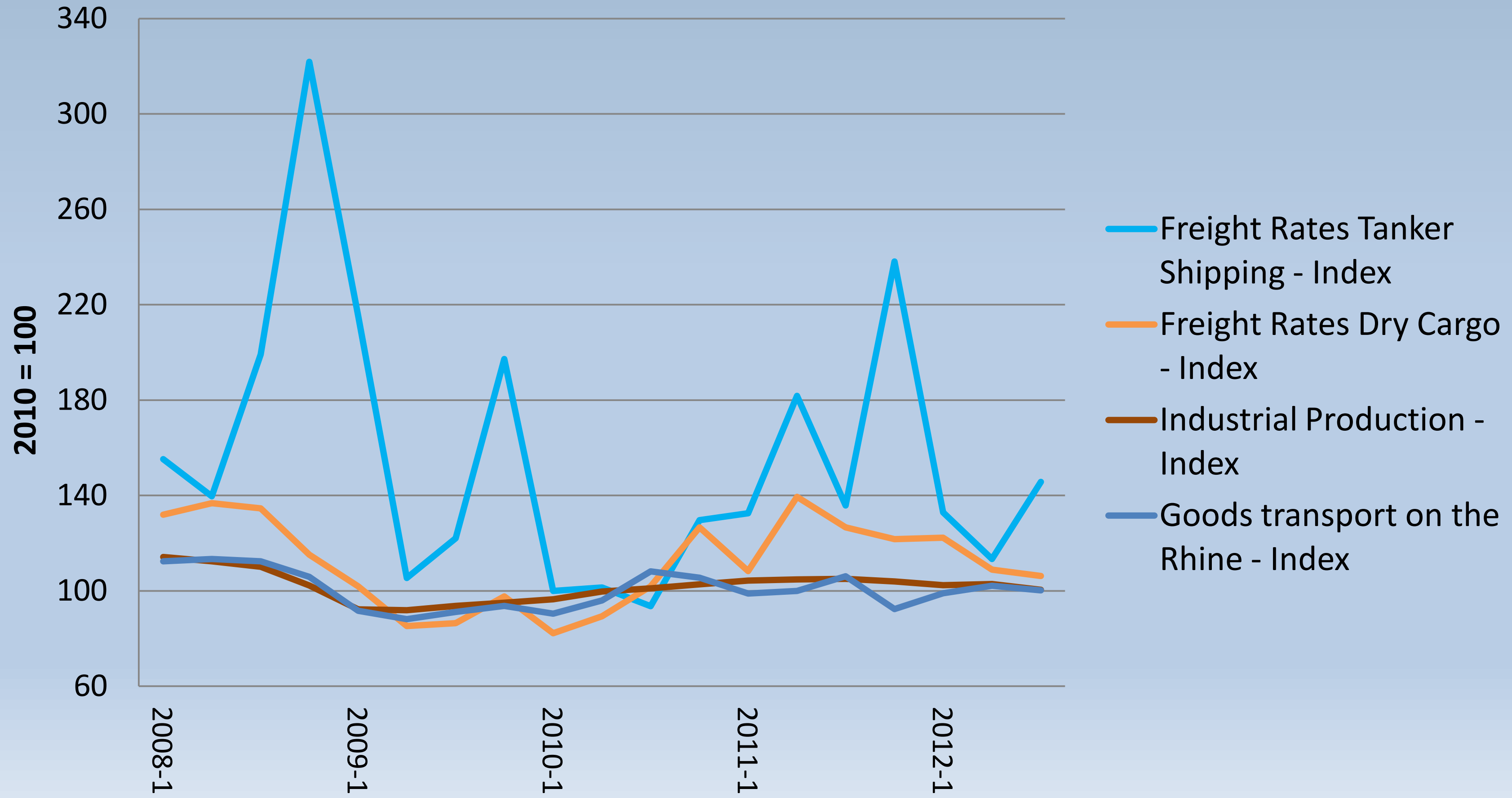
Economic recovery stopped at the beginning of 2011

Outlook for the near future rather pessimistic:

- No growth foreseen for 2013-2014
- High risks ahead (economic crisis not over)

Economic situation:

Freight rates, goods transport on the Rhine and industrial production in the EU*



Source: Eurostat; Rabobank; Panteia; calculation CCNR.

*smoothed data, due to calculation of quarterly data based on monthly data

The “market paradox” of profitability:
Tanker shipping and dry cargo shipping

- **The “paradox”**
  - Both dry cargo shipping and tanker shipping hit by the economic crisis
  - Tanker shipping has to shift from single hull to double hull vessels
  - But: Indications that financial position of companies in tanker shipping is on average better than in the dry cargo sector

- **Suggested explanation**
  - Higher barriers for market entry in tanker shipping (due to high safety standards) create a quality-orientated market niche
  - Market niches help to avoid ruinous cost and price competition
  - Focus on quality-approach in transport services is stronger in tanker shipping

How can dry cargo shipping be segmented and create market niches?

Greening: Impact assessment

Large vessels (≥110m) and push boats			
+ 22% ⬆	Number of vessels in Europe 2012-2030 for business-as-usual	⬇ -40%	
In most cases positive (LNG)	Business economic impact of higher emission standards	Negative	
High	Benefits of higher emission standards for society	Low	

Differences suggest <u>a differentiated approach</u>

Greening: Policy ideas

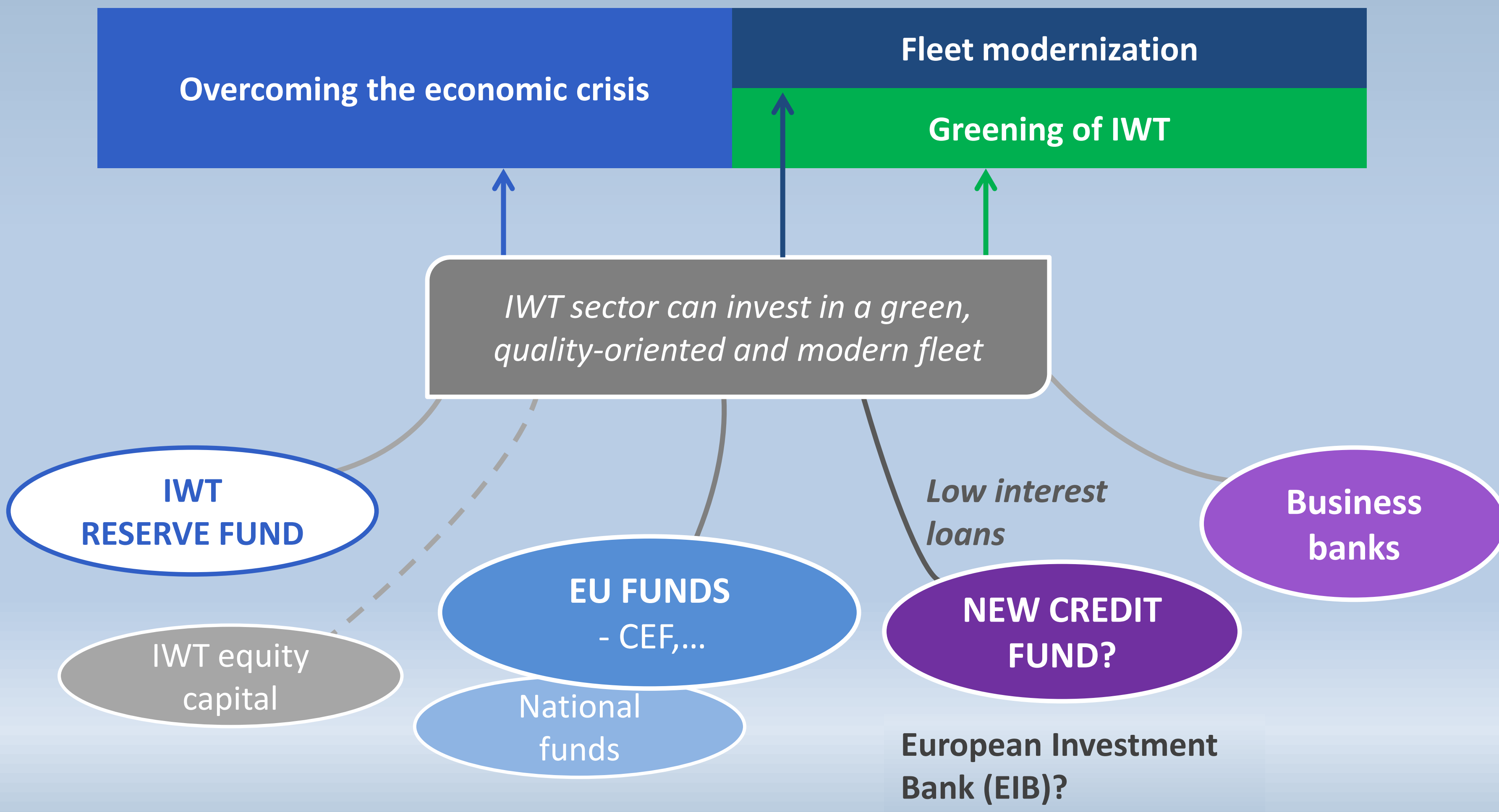
Large vessels (≥110m) and push boats		**Small vessels (<110m)**
Modernization strategy More demanding standards and tighter transitional provisions	***Emission standards***	**Non-interference strategy** Less marked tightening of emission standards
High	***Investment costs***	**Low**
YES	***Investment support needed***	**NO**
Fleet modernization	***RESULTS***	**Continued fleet adjustment**

Greening of IWT

Greening: Financing fleet modernization

(larger vessels and push boats)

Environmental and economic policy goals



Conclusion

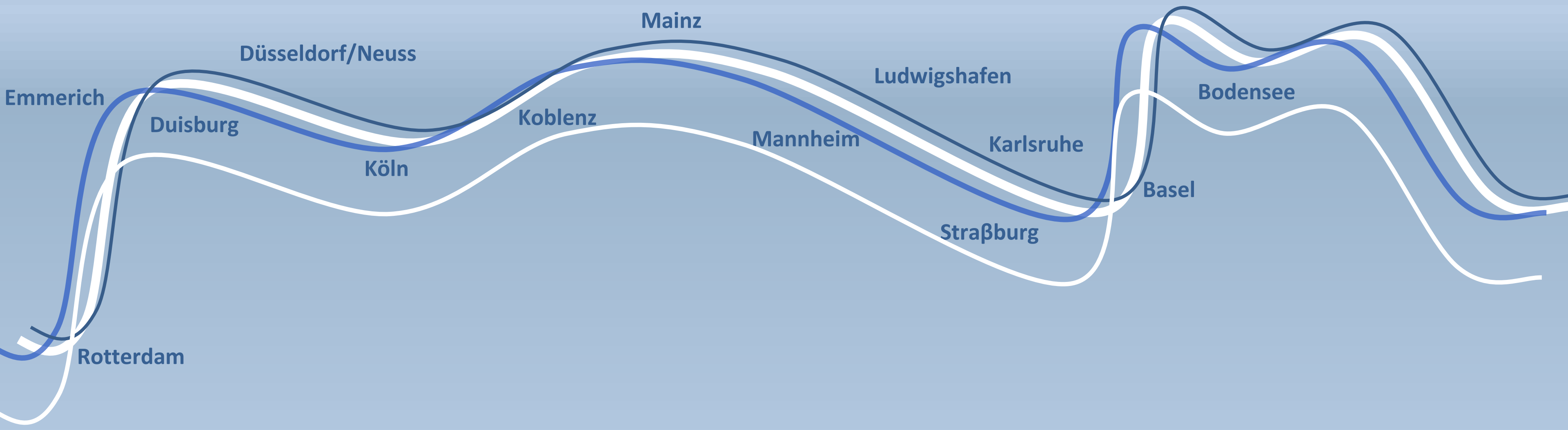
- **Greening as an economic challenge and opportunity |**
  Quality-oriented modernization of IWT fleet
  - ➢ Distinct strategies; investment loans based on reserve fund

- **Greening and sustainable development of IWT |**
  Next years are crucial for the future of IWT
  - ➢ **Towards a “vision 2018 for sustainable inland navigation”**

Ambitious, but feasible

IWT authorities and stakeholders

Environmental, economic and social issues



THANK YOU FOR YOUR ATTENTION!

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