

A NET-ZERO, SMART, RESILIENT AND COMPETITIVE EUROPE: EUROPE'S PORTS ARE PART OF THE SOLUTION



Priorities of the European Sea Ports
Organisation for 2024-2029

EUROPE'S SEAPORTS TODAY

Ports in Europe are gateways to the world and are at the crossroads of supply chains. They connect maritime with the hinterland through various modes of transport. Ports are hubs of energy and play an instrumental role in safeguarding Europe's energy security. They are a catalyst in realising Europe's energy and climate ambitions and must be seen as a crucial resource for the economy and the society.

Many seaports in Europe are clustering industry and blue economy sectors.

They are ensuring the mobility of people — citizens and travellers — and are the indispensable lifelines between Europe's mainland and its islands and peripheral regions.

Through all these roles, they are paramount in strengthening Europe's security and resilience.

More than ever, ports are strategic entities and enablers of Europe's ambitions and its sustainable, digital, competitive, strong and social future.

THE MULTIDIMENSIONAL ROLE OF PORTS

The saying “ports are more than piers” has been a longstanding common knowledge in the maritime and logistics industry. Whereas the prevailing vision of a port is one of large container cranes and mega vessels, the truth is far more diverse and complex. Within the EU there is a wide variety of ports, ranging from ports focusing only on passenger — cruise and ferry vessels — to ports active in offshore and energy business, urban ports, island ports, industry and logistic ports. Europe harbours large diversified ports, serving container markets, large chemical complexes, manufacturing industries, breakbulk — and project cargo as well as smaller ports, servicing either one or two segments or clients. To add to this complexity, the port of today is not the port of tomorrow. Induced by sustainability, technological, geopolitical and demographic drivers, the European port sector is transforming and responding to several ongoing trends.

Source: Europe's ports at the crossroads of transitions, A Deloitte and ESPO Study, June 2021



PRIORITIES
OF EUROPEAN
PORTS
FOR 2024–2029

THE IMPLEMENTATION CHALLENGE: MAKE IT WORK!

Over the last five years, Europe has set important ambitions to pave the way for a net-zero, resilient, smart and sustainable future. These targets have been accompanied by a roll-out of different legislative initiatives, tools and rules.

Europe's ports are supportive of this ambitious European project. It is now time to focus on implementation! Implementation is the best strategy to turn ambitions into reality.

Europe's first priority should be to **take stock** of what has been agreed and focus on how to put into practice the different packages and policies in the best way to deliver the agreed ambitions. The Commission should **provide clarity and support** to guarantee an effective and smooth implementation of the legislation. Policy should provide a **stable pathway forward**, avoid taking "start and stop" measures which discourage investors and are a barrier to planning future investments. It should **provide a policy environment which allows all players in the port ecosystem to progress** as much as possible in becoming net-zero, resilient, secure and smart. Where incoherences, conflicting measures or unnecessary complexity appear during the implementation, adjustments should be made. Reaching the ambitions should remain the driving force.

WAY FORWARD

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- Turn ambitions into reality.

 - Focus on implementation: bring clarity and give support to ports to ensure an effective implementation of existing legislation.

 - Incoherences or conflicting policies should be addressed.

EUROPE'S AMBITIONS ARE THE PORTS' AMBITIONS

Europe aims to be the first net-zero continent by 2050, wants to achieve 55% GHG reductions by 2030 and has set itself the target to raise the share of renewable energy in the EU's overall energy consumption to 42,5% by 2030. Europe aims to produce 10 million tonnes and import 10 million tonnes of clean hydrogen by 2030 and have its offshore wind capacity increased to 300 GW by 2050. Europe strives to become a resilient and strategically autonomous Union, safeguarding among others a secure and sustainable supply of critical raw materials and making sure 40% of the need of net-zero technologies is produced in the EU by 2030.

WAY FORWARD

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- Give ports the space to take up their role as facilitator of renewable energy.

 - Remove permitting barriers.

 - Ports should have a seat at the table of the energy stakeholders when energy policy is being developed.

 - Continuous support for ports as natural gateway for hydrogen.

 - Consider pipelines as a mode of transport.

 - More financial support for ports when pioneering with more risky energy investments.

 - Ports must be recognised as a partner in the development of circular economy and circular carbon strategies.

SUPPORTING THE ROLE OF PORTS AS CRUCIAL PARTNERS IN DECARBONISING AND REPOWERING EUROPE

The energy transition and the strengthening of Europe's energy independency and security cannot be realised without ports.

As hubs of energy, ports are instrumental to Europe's decarbonisation and repowering agenda.

The role ports will play in supplying Europe's economy and society with new energies is unprecedented. It requires a whole rethinking of the port ecosystem, both by the port, different stakeholders and by the legislator. The energy transition will in many ports lead to a true port transition.

The energy transition will change the port landscape. New energies and new energy-related commodities will pass through Europe's ports. They will come with specific transport needs, infrastructure and new connectivities (both maritime and to the hinterland), storage requirements and supply chains. Safe transport of these commodities to the hinterland, in particular when these commodities contain hazardous substances, needs to be ensured. Even if the maritime leg will remain important, other modes, such as pipelines, are gaining in importance. Pipelines should be seen as a mode of transport.

The energy transition will require space. The new energies are more demanding in terms of volumes. They require much more space in the port compared to fossil energies and fuels (lower density, safety perimeters, conversion and storage). Providing the necessary space and removing the permitting barriers is a priority.

Europe's policies must fully recognise and support the role of ports as energy hubs. Europe's new TEN-T Regulation very rightly recognises that ports cannot only be measured and prioritised on the basis of tonnes and TEUs. Their contribution to the diversification of EU energy supplies and an accelerated roll-out of renewable energies must be considered as well. But this is not enough. Recognition must translate into adequate support.

Ports are natural gateways for hydrogen and hydrogen carrier flows. Continuous support for the development of port infrastructure and the connection to both industrial and transport users in the hinterland of ports will be of critical importance to deliver the 2030 hydrogen production and import targets.

Ports should be sitting at the table of stakeholders when relevant energy and energy infrastructure policy is being developed, since they play a vital role in building and strengthening the supply and value chain for the new energy landscape. Synergies between TEN-T and TEN-E should be intensified.

Ports will go through a business transformation. Their role and business model will be changing.

Ports investing in the future energy landscape are pioneers. The role ports are playing to become a partner in Europe's energy transition comes with large, often more risky investments, in many cases with a serious funding gap, and often with no perspective on returns on investment in the short and medium-term. **Financial support** is instrumental in mitigating the funding risks and closing the funding gap.

Being the nexus where industries come together and being located in or close to big urban agglomerations, ports can play an important role **as hub of circular economy**. Circular economy projects in ports are helping the supply of critical materials that are needed to decarbonise the energy sector, and are playing a role in turning waste and emissions into energy. The role of ports should be taken into account when further developing a European circular economy policy and a circular carbon strategy.

THE ROLE OF PORTS AS ENERGY HUBS

The role of ports as hubs of energy can vary from production, storage, conversion, import and export of new sources of energy and providing these directly to the industry located in the port area or for the wider region. New commodities will pass through ports. Ports are, moreover, actively involved in technologies such as carbon capture and storage, batteries, residual waste and heat, on- and offshore wind, solar, circular economy, and they are instrumental in the development of Europe's hydrogen economy.

WAY FORWARD

■ Agree on a well-defined global maritime GHG emission pricing mechanism to accelerate the greening of shipping. The EU ETS maritime should be aligned to the future global measure.

■ Ports must be able to prioritise green investments that make most sense in terms of emission reduction.

■ Investments in alternative fuel infrastructure are only effective if these are used. Both the obligations to use and the incentives to attract users, such as tax exemptions for the use of on-shore power supply (OPS), are essential instruments to push the greening of the shipping sector.

■ A continuous dialogue between all relevant stakeholders must limit the risk of stranded assets.

■ The new 2040 target of 90% net GHG emissions reduction should be a new stepping stone on the route to 2050.

■ Support circular economy and industrial carbon management (carbon capture and storage as well as carbon capture and use and carbon removal).

REDUCING EMISSIONS AND POLLUTION: AN IMPORTANT KPI FOR PORTS

Europe's ports fully share Europe's ambition to become net-zero carbon and net-zero pollution by 2050.

Ports are at the crossroads of supply chains, are nodes of industry and hubs of energy. Many activities come together in ports. Hence, while port managing bodies themselves have limited carbon footprints, they are often the locus where major emitters come together.

For ports, the green transition is a three-layered effort: it means facilitating the greening of the shipping sector, greening all port operations within their remits, and facilitating and encouraging the greening of the entire port ecosystem and the economy and society around.

For many port authorities, greening the port has become a strategic decision in view of ensuring a sustainable future beyond 2050.

The greening of the shipping sector is a first and far most important priority for ports. The Fit-for-55 package translates the overall Green Deal ambition in a concrete timeline for shipping to reduce emissions – both during navigation and at berth – with 55% by 2030. Ports in Europe strongly advocate for the implementation of the set of measures at EU level.

A continuous dialogue between shipping lines, ports, terminal operators, fuel providers and developers must limit the risk of stranded assets and guarantee that trust is given to the investors and long-term plans can be made.

Europe's ports would like to be granted a certain level of **flexibility** to prioritise green investments where it makes most sense in terms of emission reduction. As such, within the strict framework of the Alternative Fuel Infrastructure Regulation (AFIR), ports should be able to **prioritise and focus first on deploying the infrastructure where most emission reduction gains can be made.** It is at this stage impossible to select one technology or solution to green the shipping sector.

Investments in alternative fuel infrastructure are only effective if they are used. Both the obligations to use as well as the incentives to attract users, such as a tax exemption for the use of on-shore power supply (OPS), are essential instruments to push the greening of the shipping sector.

Shipping being a **global sector** and climate a **global challenge**, it is time to give the 2023 IMO commitment to net-zero by or around 2050 a more binding character through an international agreement on concrete measures. **A well-defined global maritime GHG emission pricing mechanism** must incentivise the shipping sector at global level to act and prepare for an emission-free future and put a halt to the limited and even negative impacts of a regional measure. Once the global measure is installed, the EU ETS should be aligned.

While the legislators are still working on the implementation measures for the Fit-for-55 and ports and stakeholders are trying to grasp how the different pillars of this package will work in practice and how to prepare for the implementation, a new 2040 emission reduction target has been put forward. For Europe's ports **the new 2040 target of 90% net GHG emissions reduction should be seen as a new stepping stone on the route to 2050**, a trigger which motivates policy makers and stakeholders to work seriously on implementing what has been agreed as part of the Fit-for-55 package. Well-defined policies and pathways should not be put into question. European policy should however work on supporting additional areas and potential solutions, such as **carbon capture and storage (CCS), carbon capture and use (CCU), carbon removal, and circular economy.**

WAY FORWARD

- The level playing field both within the internal market as well as towards non-EU competitors must be secured.

- Boosting net-zero industries and production implies reinforcing the net-zero supply chains and connecting ports.

- Make work of administrative simplification. Introduce a “do not harm competitiveness check” in EU policy making.

- European permitting ease initiatives should be further enforced on national, regional and local authorities.

- Equal access and conditions to funding across Europe remains key.

- The fair power play and level playing field within the maritime sector should be monitored more closely.

A MORE COMPETITIVE EUROPE: SAFEGUARDING THE LEVEL PLAYING FIELD BOTH WITHIN THE INTERNAL MARKET AND VIS-À-VIS EUROPE'S NEIGHBOURS

Facing fiercer international competition and geopolitical tensions, Europe aims at strengthening its position as an industrial, technological and commercial powerhouse. This requires strong ports. Ports needs an economic environment in which the level playing field is guaranteed, both within the internal market as well as vis-à-vis the EU's neighbouring ports.

Over the last three years, Europe has been taking different initiatives to reinforce Europe's strategic autonomy and resilience. Europe's Recovery Plan, its REPowerEU Strategy as well as its Net-Zero Industrial Plan contain good intentions and measures to empower Europe. But there is more to be done if Europe's economy and society are to successfully compete with its main economic competitors and to counter their far-reaching financial (subsidies) and non-financial (permits, deregulation) support policies.

The European **permitting ease** initiatives should be further strengthened and enforced on national, regional and local authorities.

Reindustrialising Europe, creating and attracting net-zero industries require a reinforcement of both the supply chains and the ports. Some ports are well placed to host such new net-zero production sites. Other ports will play a role in supplying these new industries or be an ideal gateway to ensure these products can be exported. Some ports might need an upgrade of their facilities to play this role.

Such an industrial plan should reinforce Europe's economy and industrial ecosystem, while remaining a fair and open market attractive to investors and developers alike.

Reducing the administrative burden, avoiding overreporting and developing a certain regulatory hygiene are important conditions for enhancing Europe's competitiveness. The "one in, one out" approach when creating new legislation is a first start but should be further expanded. Where and whenever relevant, a "**do no harm competitiveness check**" should be introduced in the policy making to ensure Europe takes the most effective measures to reach its climate and energy ambitions while remaining agile and competitive.

For ports, Europe's transport, energy, climate and environmental policy making should not be any longer just an inward-looking exercise. While located on Europe's territory, Europe's ports are working in a larger geoeconomic and geopolitical context. They are not only competing between each other, but more and more with their non-EU neighbours. European and non-European ports are often playing in the same pitch, but they are not playing according to the same economic rules.

The competition distortion between European and non-European ports must be monitored more closely and prevented. **Funding and financing of ports and port investments that are in direct competition with EU ports should be avoided.** European initiatives such as the Global Gateway should support partners, not competitors.





The level playing field within the internal market should also be safeguarded.

A European approach is needed to strengthening Europe's economic base. Different approaches towards state aid can distort the competition between countries and ports. **Equal access to and conditions for funding remain key.** European funding schemes that are accessible to all EU players in the same way and with clear common goals and requirements are the best guarantee to ensure a level playing field between different players in the internal market.

Last but not least, **the fair power play and level playing field within the maritime sector should be guaranteed and monitored more closely.** In addition to the already very strong market position due to the past and ongoing concentrations in the sector, certain shipping lines are now pursuing their expansion plans into the hinterland. They are acquiring an increasingly dominant position in logistics, supply chain and even port services. Such vertical integration must be carefully assessed and addressed if needed, in terms of a necessary balance between efficiency gains and the risk of too dominant market positions.

PORTS ARE PIVOTAL IN STRENGTHENING EUROPE'S RESILIENCE

As gateways to trade and logistic hubs, nodes of energy, and clusters of industry, ports are in the middle of the changing geo-economic and geo-political turmoil. Throughout the different crises, Europe's ports have been in the frontline of resilient supply chains. They have played a critical role as nodes of emergency supply chains during COVID, as a key actor in ensuring Europe's energy supply and in setting up the solidarity lanes following the Russian invasion in Ukraine. Moreover, ports are playing a significant role in enhancing Europe's military preparedness. As mission-driven entities, Europe's ports are engaged to do whatever they can to help building a strong and resilient Europe. As gates to free and fair trade, ports should remain open, safe and an attractive place for investments.

Increasingly throughout Europe, ports are considered as critical and strategic infrastructure. Foreign influence that can compromise the European Union's safety, security and resilience should be avoided. Foreign investments into critical port infrastructure that enable effective participation in the management or control of a port should be avoided. The recent proposals and initiatives to further harmonise the resilience and protection of Europe's critical infrastructure through a revised Foreign Direct Investment (FDI) Regulation and a close monitoring of the Foreign Subsidies Regulation (FSR) are to be welcomed. A more harmonised approach towards addressing foreign influence in the different Member States will ensure a level playing field within Europe, giving both port managing bodies and potential investors more legal stability and clarity. **Europe's ports should remain an attractive place to invest in. This signal should be clear to investors.**

WAY FORWARD

- The role of ports as a fundamental pillar of Europe's supply chain sovereignty must be recognised. Ports must be supported accordingly.
- A more harmonised approach towards addressing foreign influence across EU Member States is needed to ensure the necessary level playing field within Europe.
- Europe must remain an attractive place to invest.
- EU security measures should not stop trade, but make it safer.



In enhancing resilience, it is important to find the right balance between trade measures in security-related areas and maintaining the free and fair trade where possible. Security should not stop trade, but make it safer.

Being a strategic geopolitical asset for Europe, ports must be protected and supported. The recent crises have shown how important efficient and well-functioning ports are for keeping Europe's economy and society going. Europe should put everything in place to protect and embrace ports and recognise ports as a crucial pillar of Europe's supply chain sovereignty.

As unique gateways to trade, **ports are also being misused by criminal organisations as key entry points for illicit drugs.** This affects society as a whole and undermines the safety of ports, its workers, the adjacent cities and their citizens. The recent launch of the European Ports Alliance Public Private Partnership to combat drugs is to be highly welcomed. This new partnership should further step up the exchange of best practices and bottom-up initiatives already taken by ports together with other relevant stakeholders of the maritime supply chain and the very wide spectrum of competent authorities involved.

PORTS ARE PARTNERS IN STRIVING FOR A SMART, BUT SAFE AND SECURE CYBER ENVIRONMENT

Digitalisation and artificial intelligence are probably the biggest game-changers for the transport and logistics industry in general, and for ports in particular. Digitalisation, smart technologies and artificial intelligence are important tools in making ports more efficient, safer and more sustainable. Port managing bodies can have a pivotal role in enhancing digitalisation processes.

The growing dependence on digital solutions and data combined with the new geopolitical context is however increasing the risk of cyber attacks. As operators of essential services, ports seek to avoid such risks and minimise their impacts.

Being complex physical ecosystems, many ports in Europe are working on the development of a **digital twin**, let's say a digital copy of the port, or at least of parts of it. With sensors, drones and/or smart cameras, ports know in real-time what is happening in the port. This leads to better and more accurate information, increases safety and efficiency, and helps detecting pollution.

The more ports rely on digitalisation processes, the more ports need to protect them. **Cyber attacks** can enter ports through the least secured and weakest link. Port managing bodies together with all port stakeholders, operators and players in the port, including many SMEs, **must work on raising the awareness of possible cyber risks.**

WAY FORWARD

■ Digitalisation, smart technologies and artificial intelligence are important tools in making ports more efficient, safe and sustainable.

Implementation of the cyber security legislation (NIS II) is a priority.

■ Ports and relevant parties should reflect on additional measures to step up cyber security and further digitalisation.

■ Raising awareness of possible cyber risks is a shared responsibility of all port stakeholders. No one should be left behind in these efforts.

Ports must engage together with all relevant parties and authorities to work on **the implementation of Europe's new Cyber Security Directive (NISII)**, the Network and Information Security Directive, and on the development of the measures needed to step up cyber security, further digitalisation and automation.

WAY FORWARD

- Ports more than ever need access to robust funding support to continue to invest in projects with a high societal value but often slow, low and risky returns on investment.
- European funding should be simple. Funding and financing processes in the EU should be made easier, more accessible and less complex.
- Dedicated port envelopes within the different EU funding instruments are essential and must reflect the needs and realities of Europe's ports.

EUROPE'S PORTS HAVE 80 BILLION EUR INVESTMENT NEEDS FOR THE NEXT TEN YEARS

Ports in Europe do more than before. From being mere multimodal hubs in the supply chain linking the sea with the hinterland, they are developing into hubs and facilitators of sustainable energies, clusters of industry and circular economy, as well as important pillars of geopolitical and geo-economic resilience. The new functions are coming on top of their traditional roles. In many of these new functions, ports are facilitators of engagement. The investment pipeline of ports reflects this multidimensional role. Next to investments in developing basic port infrastructure and keeping it state-of-the-art, ports are more and more investing to take up strategic and societal responsibilities and achieving Europe's ambitions. This often implies projects with a high societal value but slow, low and risky returns on investment. Ports are fully committed, but need European support to turn all goals and ambitions into a success.

Notwithstanding their new roles and challenges, ports must continue to invest in upgrading, maintaining, managing and improving their basic infrastructure, maritime access and hinterland connectivity. But, on top of these 'traditional' investments, ports increasingly carry out large investments to realise the green, smart and resilience EU agenda. They facilitate the greening of transport and industry and prepare the economy and society for a net-zero and resilient future. Many ports in Europe are also fundamental in enhancing Europe's geopolitical, geo-economic and climate resilience. This requires amongst others stepping up investments in energy resilience, critical infrastructure for military mobility and emergency supply chains.

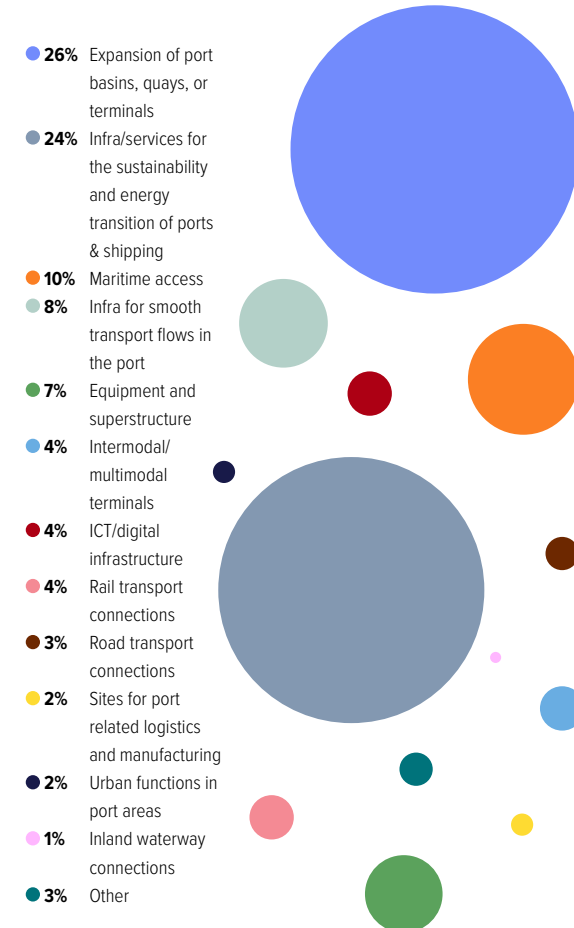
The tension between ports being considered as commercial and revenue generating entities, while simultaneously being expected to address public interests and deliver societal values is more and more present and is only expected to increase in the near future.

ESPO's new Port Investments Study (April 2024) reveals that **the investment needs of European ports amount to 80 billion EUR for the next 10 years (2034). The study also shows how the investments in sustainability and energy transition are becoming second most important investment category for port authorities.**

Ports more than ever need access to sufficient public funding. They must be able to rely on **dedicated port envelopes within the different EU funding instruments, in the first place through the Connecting European Facility**, but also through the Innovation Fund, the Just Transition and Modernisation Fund.

European funding should be simple. EU funding instruments must be accessible and projects must be **assessed on their EU added value** and merit to contribute to achieving the goals put forward, even if there is no national co-funding available. Rules and conditions to submit projects for financing should be further streamlined, simplified and matched with the realities of Europe's ports. EU calls for proposals must be designed in such a way to deliver upon the ambitions and avoid unnecessary bottlenecks and administrative burdens. Europe must foster **a stable and attractive investment climate** and must make sure investors continue to be willing to invest in European ports.

PORTS IN EUROPE HAVE MORE THAN 80 BILLION EUR INVESTMENT NEEDS FOR 2024–2034



Source: Study on "The investment needs and financing challenge of European ports", 2024

WAY FORWARD

- The new Commission should adopt a more integrated approach across their different DGs when preparing policies which are cross cutting, to ensure coherent and effective policies.

- A closer cooperation between DG MOVE and DG ENER should be envisaged.

- Addressing the complexity of today's challenges requires a continuous, transparent and open dialogue between stakeholders and EU policy makers.

THE EU INSTITUTIONAL STRUCTURE SHOULD BE ADAPTED TO THE NEW REALITY

Europe's transport policy is and remains the most important policy for ports. Yet, considering their multidimensional role and the changing geopolitical and geo-economic reality, ports are being part of a wider political and economic agenda and are impacted by a wider range of interests, policies and challenges.

Many initiatives impacting ports are pursuing different goals and are developed by a wider range of Directorates General (DGs) in the Commission. To avoid incoherent and conflicting policies, the new Commission should have a more integrated approach to their policy making procedures. The dialogue between different DGs and different areas of policy should be intensified. Commission DGs can no longer work in isolation.

ESPO should have a seat at the stakeholders' table of all DGs that are developing initiatives of importance to ports. Transport (DG MOVE) and Energy (DG ENER) - being both network industries - must work closer together, find synergies, and could even become a single DG, as it was in the past.

Moreover, ports cannot be only seen as part of Europe's internal policy but should also be considered as part of Europe's foreign policy.

The political response to today's challenges is complex and multifaceted. It requires a profound and common reflection between policy makers and stakeholders. Online public consultations and surveys are often not sufficient to share mutual understanding and information, reflect on impacts and define the best policy forward. ESPO therefore calls for a continuous, transparent and open dialogue with EU policy makers. The participation of EU policy makers to work and port visits and conferences can enhance the understanding and should again be stepped up and encouraged.



WAY FORWARD

■ Nurturing good port-city relations is crucial for a sustainable development and future of the port and its surroundings.

■ The new roles of ports can be door openers for attracting new businesses and new talents.

■ Ports cannot get the job done without the right people. Effective cooperation between all stakeholders in the port is needed to attract people to the port.

PORTS CONNECT PEOPLE: THE PORT AS RESOURCE FOR THE CITY

95% of Europe's ports are located in or very close to urban areas. Ports perform important urban functions, support the local economy and offer solutions to urban challenges. Over the last years and throughout the different crises, the strategic role of ports as an essential hub in the supply of goods and energy to the citizens has come even more to the forefront.

Proximity to urban agglomerations does not only bring benefits and opportunities, but can also trigger tensions and the need to reconcile different interests. Nurturing good port-city relations is crucial for a sustainable development and future of the port and its surroundings.

Many port managing bodies in Europe have set the bar high by engaging towards a net-zero and pollution-free port well before 2050. Together with their strategies to further restore nature and reduce air pollution, ports are taking initiatives to make sure the port areas will increasingly become attractive places for people to work and spend time. **The new green and sustainable port landscape will be a catalyst in bringing the port and the city closer to each other.**

The new roles ports are taking up as partners in the energy transition, testbeds of innovation as well as drivers of the transition to a digital and smart port ecosystem can **be door openers for attracting new city and entrepreneurial talents and transforming cities in maritime and port capitals.**

Ports cannot get the job done without the right people. Many ports in Europe are currently lacking skilled employees to fulfil their role as logistic and supply chain nodes as well as to take up the new responsibilities that ports have in the field of energy and sustainability. Being an attractive employer for current and future generations and creating a safe and inclusive work environment are essential ways of closing the gap between the city and the port. Tackling this challenge requires cooperation between all stakeholders in the port.

Ports realise that attracting a diverse workforce to the port, reflecting the cultural and social diversities that are present in the city and society, will be crucial for the long-term and successful development of the port.



Port environment, stakeholders and interests



Source: Deloitte ESPO study June 2021
www.espo.be

UNDERSTANDING PORTS

THE DIFFERENT ACTIVITIES AND RESPONSIBILITIES OF EUROPEAN PORTS

Gateways to the world

Essential nodes of the multimodal transport chain

Hotspots for Europe's industrial activity

Nodes of energy

Safe and secure shelters

Hubs of innovation and digitalisation

Linking Europe's peripheral regions and islands to the mainland

Key players in the transport of passengers

Essential part of an emergency supply chain and facilitators of military mobility

Clusters of blue growth

PORTS ARE MULTITASKERS

EUROPEAN PORT AUTHORITIES/MANAGING BODIES AT A GLANCE

The European Union counts more than 1200 seaports, including those ports located in the outermost regions. 327 ports are part of the Trans-European Transport Network.

The **management of European seaports** is in most cases assigned to a “port authority” or “port managing body”, an entity which, regardless of ownership and other institutional features, assumes public, commercial and economic responsibilities.

This **hybrid character** makes port authorities ideally placed to meet the various opportunities and challenges that both market forces and society impose upon seaports.

Generally, as **landlords**, port authorities manage the port land and infrastructure and are responsible for port development.

Under **the regulator function**, port authorities ensure the application and enforcement of rules and regulations set by local, regional, national, European or other agencies. Cargo handling services are generally in the hands of private operators who are generally granted the use of port land through lease agreements or public domain concessions subject to various conditions (e.g. operational, social, sustainability).

In a limited number of cases, port authorities act as **operators**. In such cases, they provide services of general economic interest and/or commercial services (including cargo handling). Integrated ports where port authorities themselves provide a full range of services are however an exception.



MARITIME FREIGHT AND PASSENGERS

In 2022, 3.5 billion tonnes of maritime freight were loaded/unloaded in EU ports (Eurostat). The total number of passengers embarking and disembarking in Europe's ports was 348.6 million in 2022 (Eurostat). It is important to note that these passenger figures only include the cruise passengers starting or ending a cruise holiday (turnaround passengers), and is not including the passengers disembarking a cruise vessel for an excursion (transit passengers).



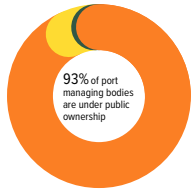
Ports in Europe also more and more have a **facilitator function**. They are matchmakers bring together and interacting between players and interests and as such they can take up even a more entrepreneurial role aiming at attracting new business for the ports as a whole.

Through the **community manager function**, the port authority may help to solve hinterland bottlenecks, address environmental concerns, provide training and education, digitised services. The port authority may perform important urban functions, fostering good port-city relations, supporting the local economy and offering solutions to urban challenges. The community builders' function is also gaining in importance.

Although **European ports are very diverse**, European port authorities share the same ambition to be dynamic, future-proof commercial port developers and community interfaces. Port managing bodies nowadays have to do more than just administer port land and regulate nautical safety. They have a broader range of tasks that add value to the wider port community, the logistics chain, business and trade in general and the societal and environmental context in which ports operate.

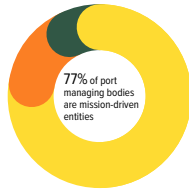
More detailed information on European ports and their governance can be found through ESPO's latest report on **Trends in EU port governance** (2022).

BOTH PUBLIC ROLE AND COMMERCIAL EXPECTATIONS ON THE RISE



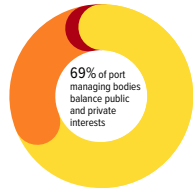
Ownership of EU port managing bodies

- 93% Public ownership
- 6% Mixed public-private ownership
- 1% Private ownership



Port managing body by type of organisation

- 77% A mission-driven entity where profit/cost recovery is a must but not the only consideration
- 15% A non-economic public body run with general interest objectives
- 7% A profit-maximising business



Goals of the port managing body

- 69% The balance between public and private interests
- 28% The realisation of public interests
- 3% The realisation of private interests

BOTH PUBLIC ROLE AND COMMERCIAL EXPECTATIONS ON THE RISE

Port activities considered strategic functions

- 85% Supply chain
- 57% Storage of goods
- 55% Passenger transport
- 47% Access to essential industries in the port
- 36% Energy supply
- 27% Energy storage
- 23% Energy production
- 6% Other



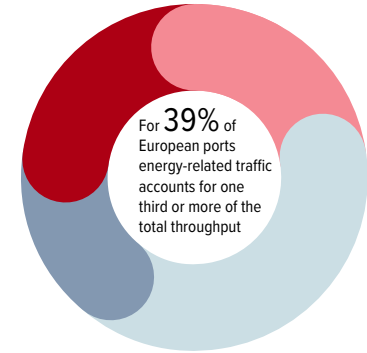
85% of port managing bodies play a strategic role for supply chains

Source: Trends in EU Port Governance 2022

ENERGY INCREASINGLY PART OF THE PORT BUSINESS

Approximate percentage of energy-related traffic in the port by volume

- 23% Less than 10%
- 39% 10% – 30%
- 16% 30% – 50%
- 23% More than 50%



For 39% of European ports energy-related traffic accounts for one third or more of the total throughput

MORE OFTEN HOME OF INDUSTRIAL CLUSTERS

Role of port managing body for circular economy

- 86% Facilitator
- 79% Provider of land
- 50% Initiator
- 29% Logistics support
- 18% Co-Investor



86% of port managing bodies active in circular economy initiatives act as facilitators



Building on a long tradition that goes back to 1996, ESPO and EcoPorts monitor the top environmental priorities of European port managing bodies. The top ten is each year being published as part of ESPO Environmental report.

Source: ESPO Environmental report 2023

Port managing bodies are fully responsible and in charge of reaching the emission reduction goals and reducing their environmental footprint for all activities falling within their own remit. Since most European ports are landlord ports, this is limited to their own management, the office and port building(s) they manage, the transportation means (fleet), and/or any services the port managing body offers (e.g., technical nautical services that are still operated in-house).

79% of port managing bodies monitor the energy consumption, 88% take measures to reduce it, and 74% have established energy targets.

However, as mission-driven entities, ports strive to help their customers, as well as shipping and transport stakeholders' businesses and communities within and around the port in their emission reduction efforts through proactive measures related to their roles as hubs of energy, transport, and innovation.

Source: Trends in EU Port Governance 2022 and ESPO Green Guide, 2021

ECOPORTS

EcoPorts is the main environmental initiative of the European port sector. It was initiated by a number of proactive ports in 1997 and has been fully integrated into the European Sea Ports Organisation since 2011. The overarching principle of EcoPorts is to raise awareness on environmental protection through cooperation and sharing of knowledge between ports and improve environmental management. PERS (Port Environmental Review System) is the only port-specific environmental standard. The last five years have seen important increases in its recognition and membership, with 91 ports from 27 countries currently counting themselves as part of the EcoPorts Network, and 37 ports currently holding PERS certification. Compliance with the EcoPorts' PERS standard is independently assessed by Lloyd's Register and the certificate has a validity of two years. EcoPorts' PERS is revised after the 2-year period, ensuring ports continuously meet the requirements.

More information at www.ecoport.com



THE EUROPEAN SEA PORTS ORGANISATION TODAY

The European Sea Ports Organisation (ESPO) was founded in 1993. It represents the interests of the port authorities, port associations and port administrations of the seaports of the 21 maritime Member States of the European Union and Norway. ESPO also has observer members in Albania, Iceland, Israel, Montenegro, Ukraine and United Kingdom.

ESPO ensures that European port managing bodies have **a clear voice in the European Union**. The organisation is the principal interface between Europe's ports and the European institutions and its policy makers. ESPO is also engaged in a dialogue with European stakeholders in the Port and Maritime sector.

In addition, ESPO is **a knowledge network** which brings together port professionals with a view of exchanging good practices and developing pro-active bottom-up initiatives in different fields: environmental management, port-city relations, reporting of key performance data and cruise as well as ferry passenger issues.

ESPO works through **a permanent secretariat**, which is based in the centre of Brussels, a General Assembly, an Executive Committee, six specialised Technical Committees and three Networks.

Since 2009, ESPO has had a joint office with the European Federation of Inland Ports (EFIP).

OVERVIEW OF ESPO MEMBERSHIP

The following national port associations are members of ESPO: Bulgarian Ports Infrastructure Company, Croatian Ports Association, Cyprus Ports Authority, Danish Ports, Finnish Ports Association, Union des Ports de France (UPF), Hellenic Ports Association (ELIME), Irish Ports Association, Associazione Porti Italiani (Assoporti), Norwegian Ports, Association Ports of Portugal (APP), Ports of Sweden. The following port associations are observers at ESPO: Associated Icelandic Ports, Israel Ports Company (AIP), British Ports Association / UK Major Ports Group.

The following port administrations are members of ESPO: Puer-tos del Estado, Administrația Porturilor Maritime S.A. Constanța, Transport Malta (together with the port).

The following port administrations are observers in ESPO: the Ukrainian Sea Ports Authority (USPA), Montenegro Maritime Administration.

The following member countries are represented by their ports directly: Belgium, Germany, Latvia, Lithuania, Netherlands, Poland, Slovenia. Albania is represented by the port of Durrës.

THE ESPO TEAM

Isabelle Ryckbost
Secretary General



Danique de Jonge
Senior Policy Advisor
Intermodal & Logistics,
Port Governance, Economic
Analysis & Statistics, Social
Dialogue



Piotr Krasnicki
Senior Policy Advisor on
Trade Facilitation, Marine
Affairs, Customs and
Security Issues and Cruise
and Ferry Network



Anaëlle Boudry
Senior Policy Advisor
Sustainable Development,
Energy and Blue Growth,
EcoPorts Coordinator



Belén Landaluce
Junior Policy Advisor



Turi Fiorito
Director Inland Ports



Chiara Mantovano
Personal Assistant,
Communications and Events
Manager



Cécile Overlau
Finance and Office Manager



Ana-Maria Voicu
Administrative and Event
Assistant



Anne Stuhlmann
PortinSights

ESPO'S MOST RECENT PUBLICATIONS AND STUDIES

- The Infrastructure Investment Needs of European Ports (April 2024)
- ESPO at 30: Ports looking into the future (November 2023)
- ESPO Environmental Report 2023 (October 2023)
- Trends in EU Ports Governance 2022 (June 2022)
- ESPO Study – The new energy landscape 2022 (June 2022)
- ESPO Green Guide 2021, a Manual for European Ports Towards a Green Future 2021 (September 2021)
- Code of Good Practices for Cruise and Ferry Ports (June 2016)
- Code of Practice on Societal Integration of Ports (May 2010)

These publications can be downloaded from:
www.espo.be/publications.

Hard copies are available at the ESPO Secretariat (mail@espo.be).

HOW TO FOLLOW US?

The ESPO website is ESPO's library, newsroom and notice board. It gathers all our position papers, publications, press and updates you about our upcoming events. You can also consult ESPO's annual report which features amongst others the annual throughput of Europe's main ports. Do you want to get our news directly in your mailbox, just drop a line to: mail@espo.be.

Follow us on Twitter @ESPOSecretariat and on LinkedIn.

HOW TO CONTACT US?

European Sea Ports Organisation

The European Port House is situated in the centre of Brussels, behind St Gudule Cathedral, a five-minute walk from the central station and a three-minute walk from metro stop Parc.

The European Port House
 Treurenberg 6
 B-1000 Brussel / Bruxelles
 T: +32 (0)2 736 34 63
 E: mail@espo.be



Priorities of the European Sea Ports
Organisation for 2024-2029