



Annual Report

2001-2002



Inland Navigation Europe



Contents

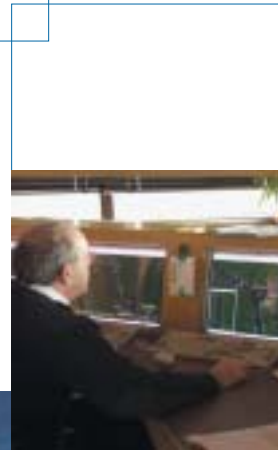
Foreword – Water is the way to go	2
Transport by water on the European agenda	4
Fact and figures	11
Users at the core of our attention	12
INE actions and news	14
Our members	16
INE organization	17

WATER IS THE WAY TO GO





The idea of setting up Inland Navigation Europe dates from 2000 when national promotion agencies decided to join their forces at European level. Our Brussels' office is active since September 2001 and looks back upon one year of busy activities. The publication of the white paper on transport by the European Commission placed the promotion of sustainable modes of transport such as inland navigation in the centre of the attention. We took up the challenge with enthusiasm towards policy makers and users with a new slogan "Water is the way to go!".



Source VNF



WATER IS THE WAY TO GO

Transport by water continues to grow, slowly as a ship but steadily. 2001 was nevertheless a year of economic recession in most sectors. Inland navigation lost some ground in traditional freight segments, but strengthened its position on new markets. This confirms the dynamism of the sector and the ability to offer high quality and integrated services. A ship moves indeed slowly, but without stand stills. There is still plenty of room on the water in contrast with capacity problems on the road and rail infrastructure. Reliability is a core concept in inland shipping. No wonder, it is an attractive solution for future-oriented shippers who are seeking a punctual service and who think environmentally friendly. Another advantage is the cost-efficient performance of inland navigation,

which turns it into a competitive alternative. The reconquest of the market by inland shipping is a positive sign for the increasing congestion threatening our mobility. Transport prices have been very low and have led to a massive demand, more than society could bear. Concrete policy measures are necessary to correct the current transport imbalance while maintaining seamless freight flows in the internal market. Smart and sustainable logistics must ensure more transport efficiency. Inland navigation is very well placed to play its part. An average barge transports the cargo of 60 trucks in one go. The impact on mobility is undeniable. But inland navigation does not want to replace road transport. Working in partnerships, they complete each other. Inland navigation offers new

A SOURCE OF NEW IDEAS



perspectives by relieving congested motorways and road transportation provides the necessary pre- and post haulages for door-to-door services. A sustainable future lies in multimodal transport combined with an improved regional planning. To achieve this objective, we need a guiding framework that consists of a sound mix of user-oriented measures in harmony with society's needs: maintaining and developing a basic network, creating incentives to connect industrial undertakings to the waterways and a set of clear rules strengthening the environmental and safety record of transport by water. A positive partnership between authorities and market players is the ideal recipe for competitive, innovative and sustainable services.



INLAND NAVIGATION EUROPE

CREATED IN 2000 BY NATIONAL PROMOTION AGENCIES WITH THE SUPPORT OF THE EUROPEAN COMMISSION, INE AIMS AT A BETTER USE OF EUROPE'S WATERWAYS BY

- highlighting the opportunities offered by inland shipping
- developing a common strategy for the promotion of inland waterways
- advocating the necessary policy measures to achieve this goal



Inland Navigation Europe



White paper on transport

The European Commission published in September 2001 a white paper "European transport policy 2010: time to decide" unveiling its views on how to safeguard sustainable mobility in an enlarged Europe and listing concrete proposals. The forthcoming decade is indeed a crucial period to decide and to act against the imbalance between the transport modes. The

transport of goods is expected to double over the next fifteen years, and this can no longer be solved by simply laying more asphalt. Road and rail do not have the capacity to absorb the growth of transport. There is, however, plenty of room on the water. INE advocated in its reaction to make a better use of transport by water to reach the goals of modal shift.



Pan-European conference

The Dutch and Romanian transport ministers held in September 2001 a pan-European conference on inland waterway transport with their European colleagues. Witnessing the expansion of the EU to include several Eastern European countries, they concluded that it is time for more intensive cooperation. The European transport ministers adopted a common declaration on how to jointly foster inland shipping. An inland shipping route from the North Sea to the Black

Sea will be created by developing an integrated waterway network and by removing administrative barriers. INE presented together with UINF and ESO the "Memorandum Inland Navigation 2010" containing a list of priority measures that accompany the growth of a dynamic sector. The transport ministers reiterated their commitment at the ECMT meeting in May 2002 under Romanian chairmanship.



*Accelerate towards a
Free and Strong Inland
Waterway Transport*

The future of the trans-European inland waterway network

The Economic and Social Committee published in January 2002 an own-initiative opinion on inland navigation. Employers' organizations, trade unions and other groups have understood the advantages of transport by water for long and short distances. They

want to draw the attention of the other EU institutions to take action on infrastructure bottlenecks, initiatives supporting intermodality and interconnection, and administrative measures facilitating the use of inland navigation.



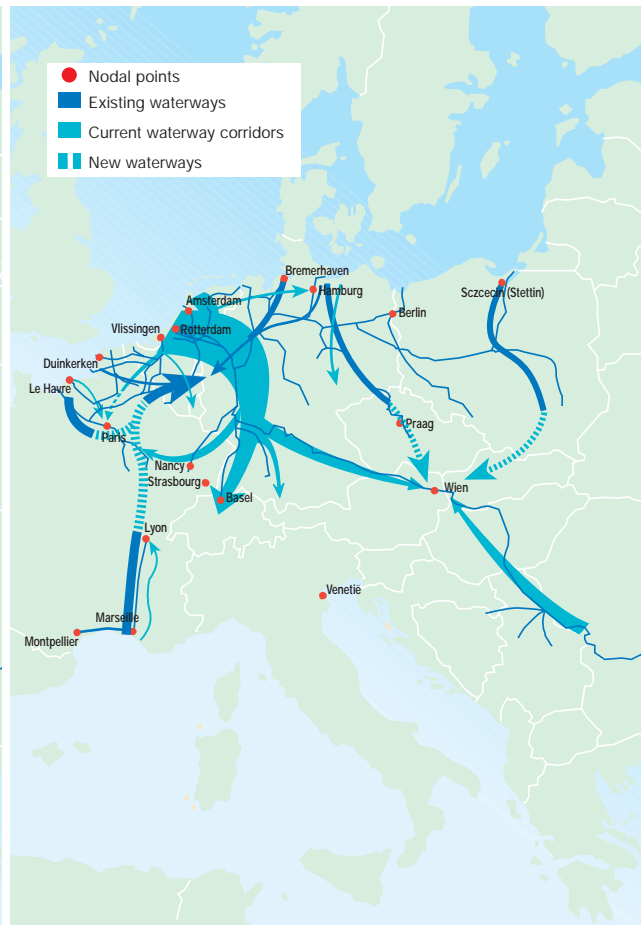
challenge

Challenge: sustainable transport in an enlarged Europe

The transportation of goods by ship has increased by 25% over the last five years. More and more companies and logistics decision makers are discovering waterways as a socially responsible, cost-effective, reliable, safe and environmentally friendly means to move commodities and other freight. The inland navigation sector can handle growth. It is important to prepare an optimal framework in time to benefit fully from the opportunities offered by

the unique waterway network covering the EU and the candidate countries. The following 4 priorities are the cornerstones of a sound policy that promotes the strong assets of inland shipping:

- eliminating infrastructure bottlenecks
- installing river information services
- creating links to waterways for a swift transfer between modes
- carry out a survey on all barriers hampering growth





"Towards multimodal corridors giving priority to freight"

The European Commission proposed in September 2001 a limited adaptation of the trans-European network guidelines along with an increased financial support from 10% to 20% for critical cross-border projects, mainly rail projects. Main objective is to update the priorities of the trans-European networks. According to the Commission, this is in the first place the concentration of investments on the creation of a rail network for freight and passengers with appropriate links to sea and airports. More importantly, the Commission added for the first time a waterborne project - improving navigability at Straubing-Vilshofen on the Danube - to the priority list. INE called upon the decision makers to take care of the optimal intermodal connections

with waterways in the overall network. Other important waterborne projects should receive full attention as well because of their impact and return in terms of a sustainable modal shift. Investing in waterways is investing in a sustainable future. Therefore, 20% co-financing should certainly also apply to waterborne links.



"Measures for intelligent transport systems"

The deployment of traffic management systems along congestion routes is another point of interest on the agenda of the trans-European networks. Intelligent technology will significantly improve network capacity and safety in the coming years. The European Commission attaches great importance to coordinated deployment in order to

prevent a patchwork of fragmented regional and national services. Initiatives exist in the field of roads, rail, air and maritime traffic management. INE called upon the European Parliament to include the establishment of interoperable river information services in the trans-European network guidelines to create a framework for concrete deployment.



Source VNF

challenge

Challenge: Turning the trans-European networks into a quality network

An extensive revision of the guidelines is planned in 2004 to prepare for enlargement with the candidate countries. Europe needs a quality network to move freight in an efficient and sustainable manner. Introducing the concept of "motorways of the seas" as a real competitive alternative to land transport implies bringing freight on the water as soon as possible to curb congestion at its source. Important European industrial centers are located along waterways. Road companies set up partnerships with barge

operators to avoid the busiest motorways and to maintain reliability of services. Waterways are therefore a key in the system. Making a priority of the modernization of the network provides solutions to absorb traffic in sensitive zones such as the trans-mountain routes and congested distribution areas.



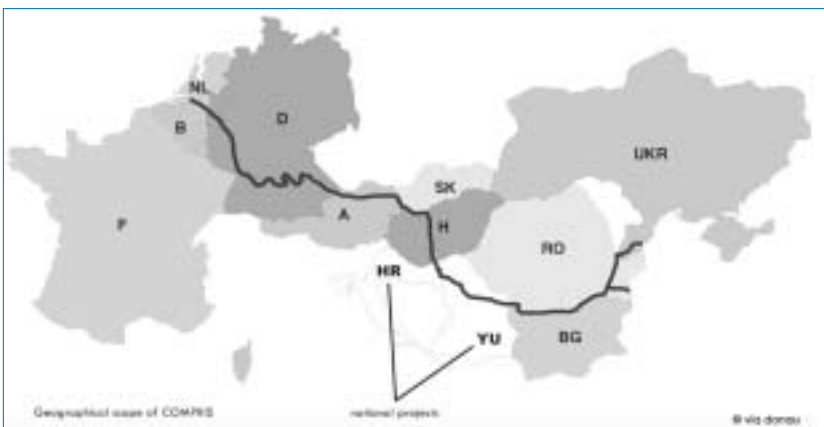
challenge

Challenge: Deploying river information services without borders

River information services (RIS) are more than just traffic management systems that ensure safety and optimisation of operations.

Transport management facilitates voyage, terminal and supply chain planning combined with user information systems.

In terms of research, the COMPRIS project will prepare with all involved countries and stakeholders the final steps for RIS throughout Europe and its integration in a multimodal context. Information and communication technologies develop very rapidly. The best tool to avoid the hampering of cross-border flows by interoperability problems is a legislative framework at Community level that accompanies the deployment process of RIS in all involved countries. Trans-European network funds can ensure overall implementation within the short term.





"Supporting intermodality"

3 Developing sustainable alternatives to road transportation for freight transport is a fundamental part of the EU strategy as laid down in the presidency conclusions of the Gothenburg summit. The European Commission issued in February 2002 a new program proposal "Marco Polo" to improve the environmental performance of the freight transport system as follow-up to the expired PACT program. Marco Polo should contribute to shifting the expected increase of international road freight of 12 billion tkm per year to rail, short sea and

inland navigation. The new program aims at supporting international commercial actions in this field with so-called external costs savings awards. The European Parliament advocates to include transport savings in the program. The council of ministers agrees with the scope of Marco Polo, but wants to reduce substantially the proposed budget of 115 million EUR. Ten intermodal transport organizations, including INE, addressed a memorandum to the transport ministers to maintain the budget if the EU wants to attain more transport efficiency.



"The facts behind the costs"

4 The European Commission announced in its white paper the publication of a framework directive setting out principles and structure of an infrastructure-charging system. It will be a receipt for containing congestion, tackling the environmental nuisances and building infrastructure. The current low price for transport the user pays today does not reflect the full costs for society. The introduction of charges correcting the price setting would on the one hand create a new source for financing transport infrastructure. On the other, it would influence the

demand side, reduce congestion and create a better modal balance. Finally, the publication of the European Commission will be issued later than initially foreseen. It is indeed far from easy to correctly identify and integrate all parameters within and across the transport modes that have to be taken into account for a fair and coherent approach. Nevertheless, INE agrees fully with the principle that the user should pay for the costs of inefficiencies and negative effects. The multipurpose character of waterways must of course be taken into account.



challenge

Challenge: Enhancing a swift transfer from one mode to another

«We have to multiply the interfaces where transshipment of cargo becomes an easy operation», AUTF (French Shippers' Council)
When talking to shippers, they point out the availability and quality of transshipment infrastructure close to important production and consumption centers as a first priority for shifting cargo. The European Commission echoes

in its white paper the need for a better accessibility of the waterways via the creation of links to rivers. The new Marco Polo program will only take care of services and some ancillary installations, which is not sufficient. Investments in transshipment infrastructure offer excellent opportunities for public private partnerships with a strong commitment towards infrastructure

and cargo. Undertakings along waterways have the possibility to put modal shift into practice and public authorities share the financial burden while controlling an optimal use of the infrastructure. Last but not least, it strengthens initiatives to rethink sustainable regional planning.

challenge

Challenge: Fair and efficient charging

There is today no evidence that the current charging policies on Europe's waterways are producing any significant distortion of competition. The systems applied are nevertheless very diverse. On the Rhine and the Danube, the main European waterway systems, navigation is free by force of international acts. On other waterways, charges are in place which differ from country to country both in amount and structure. In addition, transportation is only one of the several uses of the waterways next to drinking water

provision, energy winning, irrigation and cooling water supply, fishing, water discharge and recharge, flood protection, tourism etc. According to a French study, only 18% of total infrastructure costs should be allocated to waterway transport. All these aspects must be reflected in a new charging system based upon marginal social cost pricing. And how will the newly raised funds be used?
An open and in-depth debate on these delicate issues with wide-ranging effects is undoubtedly necessary.





"Protecting the environment"

Rapid traffic growth does not only lead to increasing congestion and capacity problems. Harmful effects as pollution and biodiversity loss and their costs to society make policy makers aware that environmental protection is becoming increasingly important. With regard to energy use and negative emissions, inland navigation has a positive record and consequently a very low share in the external costs. A negligible accident rate keeps the risk of toxic spills very low. Inland shipping also saves on space. A vessel transports a lot of cargo

per km creating more mobility. The infrastructure only takes up a very limited part of space in the landscape. With regard to infrastructure development, waterway managers prepare the implementation of the water framework directive that will ensure a more integrated management policy combining all waterway functions in a viable way. This complements the strategic environmental assessments proposed by the European Commission for new trans-European network projects.



challenge

Challenge: Maintaining the progress

Transport by water has a good environmental performance in terms of energy use and greenhouse effect emissions. Innovative technology and compulsory norms like in other sectors must ensure that gas oil suppliers and engine manufacturers keep pace with the latest developments. Barge operators want to invest in vessel engines

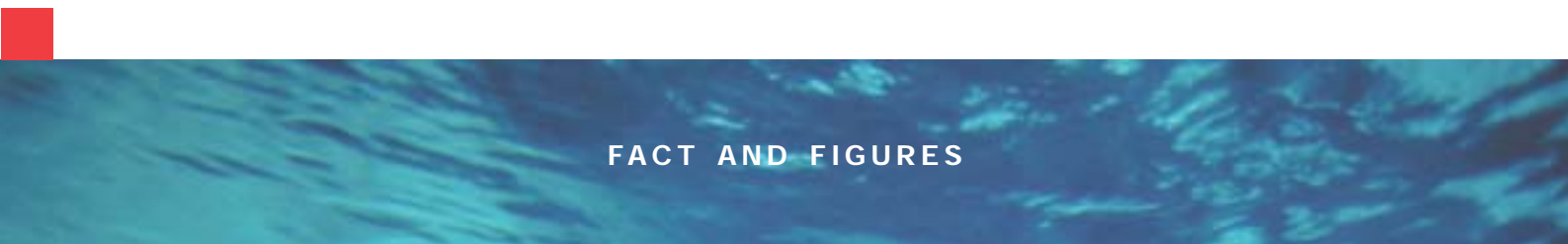
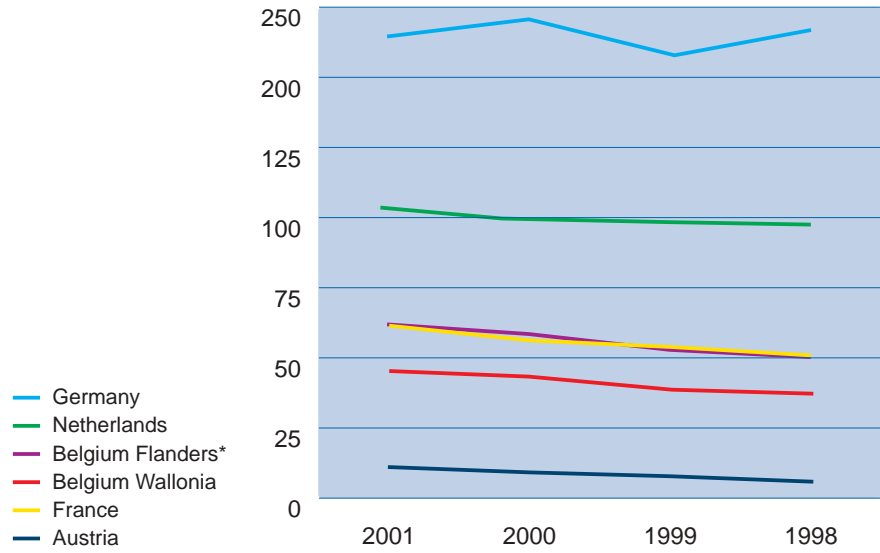
that meet the highest standards. With regard to infrastructure, investments in all transport segments have to be evaluated in their overall picture. INE advocates the broadening of the concept of the current strategic environmental assessment to a mobility impact assessment in order to take stock of all environmental impacts of transport projects.



Source VNF

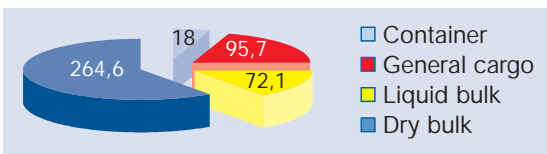
Inland shipping volumes in mio tons

Except Germany, all countries record a 15% growth in the last 3 years
 *excluding inland navigation in Flemish seaports

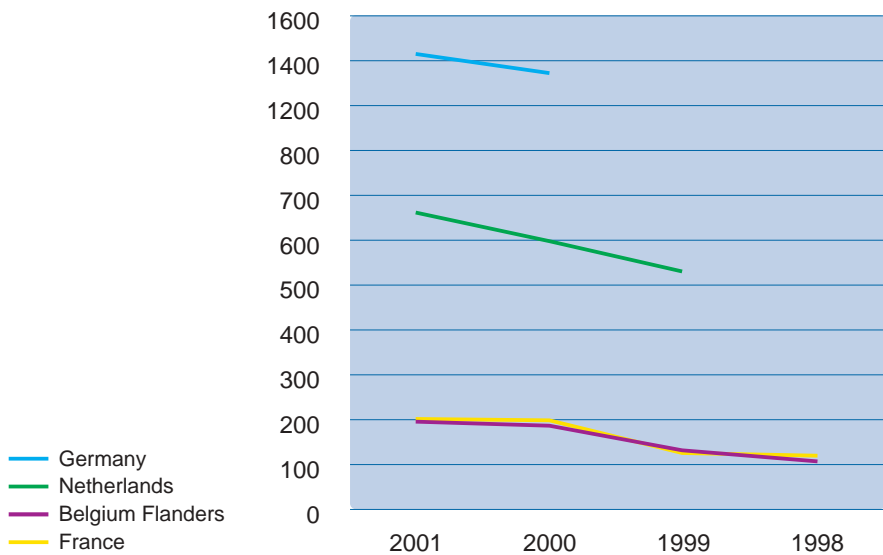


FACT AND FIGURES

Inland shipping volumes per commodity group in mio tons in 2001



Container growth in 1000 TEU



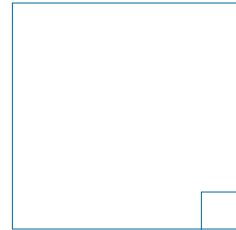


INE on the field

INE has become the contact and information partner for users and people interested in transport by water. Shippers frequently ask for information on how they can move their goods by water and what kind of aid programs exist to develop new traffics. Based upon the most frequently asked questions, online services will be created to reply in a better and quicker way in the future. There are regular contacts with chambers of commerce and other users' organizations to expand the existing potential of waterways and ports. INE is also an important information source for students and researchers. They will prepare the next generation of waterway users.

Fairs

INE participated in Interfreight Rotterdam of September 2001 and in the Salon International des Transports et Logistique of Paris in March 2002. With a stand on these fairs, INE created a direct window for transport by water open to all users and visitors who are interested in shifting ideas and cargo. Valuable contacts were made with shippers and transport organizers.



USERS AT THE CORE OF OUR ATTENTION

Members' highlights

■ France

VNF and the national office of cereals (ONIC) have signed a convention agreeing upon the objective to double the current traffic of cereals by waterway transport in France by 2010. A strategic plan combines taking away bottlenecks and stimulating traffic growth on the network by

stepping up service quality and introducing innovative logistics. VNF also initiated a strategic cooperation with French seaports for exchanging ideas, improving the performance of each partner and setting up joint projects. The first agreement has been signed with the port of Marseille.

■ Belgium

PBV was involved in the set up of a framework for public private partnerships aiming at connecting undertakings to the waterways. 75 Flemish undertakings today participate in this project and will soon realize an additional annual volume of 19,5 million tons on the waterways. Moreover, PBV led

dedicated information sessions, communication actions and tailor made undertaking advice on container transport. In the period 2000-2001, the container transshipment in Flanders grew by 76,6%. These activities have been completed with a support program for the modernization of the fleet.

■ Netherlands

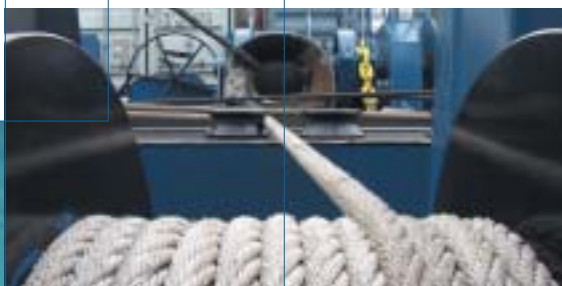
In the spring 2002, BVB organized a congress for shippers and transport organizers, presenting 4 practical case studies on modal shift alternatives for the transportation of goods.

BVB invited recently elected politicians to participate in field visits to highlight the practical and theoretical aspects of how inland navigation can contribute to free up congested roads.

■ Austria

Via Donau was involved in creating the pilot program for increasing the volumes shipped by inland navigation on the river Danube. The support program foresees an environmental premium for setting up intermodal waterborne services and aid for preparatory studies. This program completes the infrastructure and superstructure

aid scheme for combined transport of 1999. Via Donau also completed the set-up of the RIS test center in Vienna, which will become operational at the end of November 2002. The first national test center will prepare the implementation of RIS in Austria and stimulate the application of telematics for inland navigation in the Danube region.



Country information on inland shipping

- In cooperation with the short sea promotion office, OPVN and PBV produced in Belgium an interactive CD ROM "water power" with information and games. It is an educational tool to make a young audience familiar with the role of inland navigation in our economy and society.
- PBV last year also led a media campaign "are you waterproof?" to attract and motivate young people to choose waterborne professions in their future career.
- Via Donau published a comprehensive handbook on Danube Navigation with an overview of the Danube waterway, the fleet and inland ports focussing on economic, IT and legal issues. It is addressed to trainees, practitioners as well as interested readers and is available online.
- In co-operation with the Austrian Institute of Spatial Planning (ÖIR) and various European partners, Via Donau also created 7 new user-friendly charts of European inland waterways. The charts cover all important waterways with connections to the industrial zones in West, East and Southeast Europe, and are being continuously updated.
- VNF elaborated with AUTF, the French Shippers' Council, a "Carnet de Bord" or guide with basic users' information on French waterways, fleet, transshipment possibilities and market trends.
- BVB published "Facts & Figures" about Dutch inland shipping containing all key data on traffic and modal split, on infrastructure and fleet, on container transport and other commodities and last but not least on safety and environment.





What you want to know about waterway transport

Water is the way to go!

Introducing INE, its goals and its activities

Newsletters

Inland shipping success stories

Film

3 minutes introduction on inland waterways and shipping



INE ACTIONS AND NEWS

Coming soon

■ **Facts & figures**

ABC on waterway transportation in Europe
Information on infrastructure, fleet, market and transported goods

■ **Environment & mobility**

Fact sheets on environmental performance
Introduction on impact of waterway transportation on nature and human life

■ **Trans-European networks**

Building a quality network for the future
Preparing the TEN revision in 2004 for transport by water



INE Website

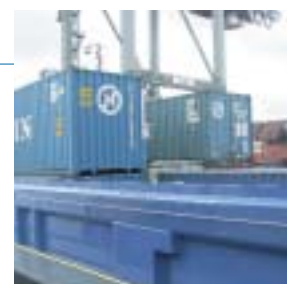
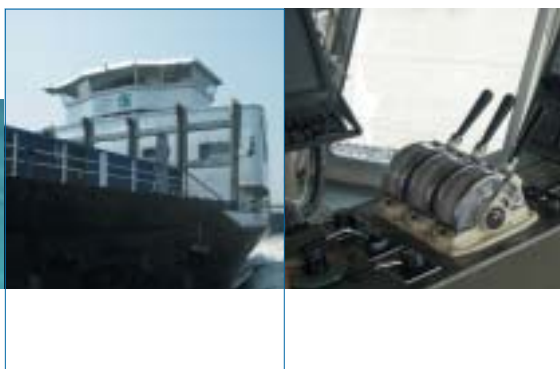
The INE website has been entirely updated and now contains a news page and user-friendly access to highlights about EU policy & initiatives, INE policy statements,

funding opportunities and inland shipping trends. Last but not least, a members only section provides special information services for members.



Studying inland navigation

- The Brussels' office of INE offers traineeships to students interested in gaining a practical knowledge about transport by water and EU issues.
 - Via Donau offers in cooperation with educational institutes traineeships in the fields of transport, logistics and telematics for young potentials from central and eastern Europe.
 - PBV was involved in Belgium in the set up of an officially recognized long distance vocational training program for inland shipping entrepreneurs aiming at improving management skills. The participation rate of the sector is 20%.
 - VNF in France was closely associated to the creation of higher education for inland navigation at the National Institute of International Transport and Ports enabling young professionals to access specific and future-oriented business preparation. The first students will start in 2003.



Networking

INE participates in SPIN, an EU thematic network which brings together all interested parties of inland navigation, including the candidate countries, Russia and Ukraine. It started its activities in September 2002. The new thematic network aims at promoting waterway transportation by creating a knowledge platform among researchers, users, operators and policy makers. Within SPIN, industry and authorities will exchange information, jointly elaborate new concepts, submit solid recommendations and enlarge the interest for inland shipping.

INE continues its mutual consultation and cooperation with the inland ports organization EFIP

and the skippers' organization ESO on matters of inland navigation. EBU, the European Barge Union representing the shipowners is a new partner that strengthens the interests of inland shipping at European level. INE is happy to see that transport by water gets a stronger voice in Brussels with the presence of more active partners. INE also takes part in the activities of Corridor VII, the pan-European corridor Danube.

Contacts with the maritime organizations are maintained through the Maritime Industries Forum (MIF) that groups all seaborne related activities. INE is active in the shipping group on nodal points and

administrative barriers.

Last but not least, INE made a number of presentations at conferences and seminars for specific target groups among policy makers and users to present in concrete terms the advantages of transport by water in finding solutions for the growing transport problems.

New member

Romania joined INE in June 2002 as a new member. The port of Constantza will actively promote transport by water within the organization and will follow in particular the enlargement process and the developments on the Danube corridor.

PARTNERS IN SHIFTING YOUR FREIGHT FLOWS

Bureau Voorlichting Binnenvaart – BVB

BVB has been established in 1989 by the Dutch inland navigation organizations co-financed by the Dutch government. Its main activity consists of presenting the advantages and possibilities of waterways transportation to the different players in the field. Promotion actions and lobby activities are mainly directed at policy makers and industry.

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Donau Transport Entwicklungsgesellschaft mbH - Via Donau

Via Donau was founded in 1999 as a governmental organization providing management, consulting and technical support for logistics and transport technology projects from the sector, shippers and logistics service providers. Its main objectives are promoting transport on the Danube towards decision makers and developing high quality transport services in order to encourage freight traffic to shift from road to the waterway.

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Office de Promotion des Voies Navigables - OPVN

OPVN was created in 1995 as a department of the Walloon Ministry of Transport and Equipment. OPVN's main task is to enhance the economic and recreational use of inland waterways in the southern part of Belgium through distribution of information, the organization of promotion activities, policy measures in favor of the sector's development and through contacts with economic decision makers.

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Maritime Ports Administration Constantza

The port of Constantza is a public company under the coordination of the General Directorate for Maritime Transports, on the Danube and Inland Waterways of the Ministry of Public Works, Transports and Housing.

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Promotie Binnenvaart Vlaanderen – PBV

PBV is a non-profit association founded in 1992 by the Flemish Government. Its mission is to increase the economic and recreational use of inland waterways in Flanders. PBV is a platform for consultation representing all private and public inland navigation interests groups. PBV has no commercial interests. It is an independent partner for the industry and public authorities.

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Voies Navigables de France – VNF

VNF is a public company created in 1991 by the French state. VNF has the mission to manage, to maintain and to develop 6700 KM of the French waterway network. VNF aims at developing activities around the waterways, at promoting the interests of transport by water and at stimulating inland shipping and waterway tourism.

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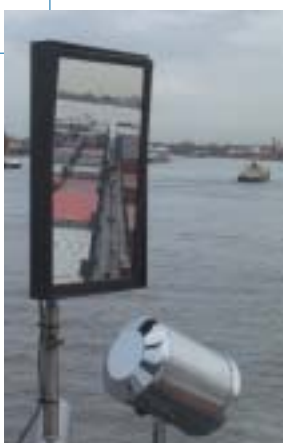


INE ORGANIZATION

2001-2002

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