

**Address given by Mr Hans van der WERF
Secretary General of the CCNR**

Speech at the naming of the 'Greenrhine'

Rotterdam, 3 September 2013

Mme la Présidente, dear madam, ship builders, ship owners, charterers, dear representatives of Shell, ladies and gentlemen,

The Central Commission – which will soon be celebrating its bicentenary in 2015 – considers more than just safety and regulations.

(Quote Article 1 of the 'Acte de Mannheim'): "*Navigation on the Rhine is free to vessels of all nations provided they conform to the collective measures prescribed for the maintenance of general safety.*"

... and also has a mission regarding the "prosperity of Rhine navigation", as it is so movingly called in Article 45 of the Acte. Today's event is aligned with both these objectives. Let us see where this takes us.

Perhaps we should start with the "prosperity of Rhine navigation". What is the position of inland waterway transport in 2013?

- Let me first further clarify 'inland waterway transport'. Inland waterway transport is still in crisis, but whom or what is 'inland waterway transport'?
- It is undeniable that dry cargo is in dire straits. The effects of the financial crisis and the lack of real growth have resulted in hard times for dry cargo across the board. The freely available capacity, but also the large productivity of the new vessels, means there is excessive internal competition in dry cargo. It appears there is no longer the structural power to negotiate reasonable cargo prices in the market.
- Is this different in the tanker trade?
- I think it is. An extreme number of ships have been added to the fleet during the last few years. Over 1 million tonnes in the past 5 years, which is about 35% of the tanker fleet. That's quite a few.
- Scrapping single hull vessels and exporting them to exotic continents has not been able to compensate for that.
- But there have also been positive developments on the demand side of the tanker trade, not only on the Rhine, but also in the whole Delta region. Inland navigation here has become an essential partner in the industry and trade in oil products and chemicals, and this method of transport can ensure ultimately flexible and efficient overflow between seaports, between transshipment sites and between industrial zones.
- Tanker trade means: high-quality cargo. And high-quality cargo demands high-quality service provisions.
- This sector got the message during the sorrow and misery experienced in the nineties. At that time the sector was internally weakened due to excessive segmentation into an extreme number of small enterprises, so much that the physical overcapacity was even reinforced by a virtual one.
- Since then we have certainly seen a restructuring of vessels, but we have also seen a consolidation of intermediate layers, and the rise of powerful market players. Specialisation has also certainly occurred in vessels, but more so in the logistics services, as befits high-quality transport.

- In the approach to safety, procedures and techniques were introduced that were necessary based on socially responsible business practices, but, at the same time, they are vital contributions to creating a robust market supply. The interaction between specialised people, vessels, organisations - notably ADN - of well-equipped installations and responsible operators in the interface for loading and unloading - notably ISGINTT - or the transshipment rules in ports and harbours, complemented by measures to enhance the transparency of the whole regulation system - notably EBIS - undeniably ensures a level playing-field that befits a mature sector.
- All these measures and instruments are not obstructions to successful business operations and cannot be seen as unnecessary administrative burdens; on the contrary, they are the elements of business operations focussed on quality, and strategies focussed on sustainability.
- The economic, ecological and social come together in this strategy: each of these aspects is considered, given attention with the aim to achieve optimisation, and there is also a need for coherence.
- In this context, inland tanker trading shows resilience. The challenge undertaken in the previous decade to transform the fleet into double hull constructions was initially inspired by ecology, and tackled the questions: how can natural infrastructure used by inland navigation be better protected; and how can the social acceptance of inland navigation be reinforced?
- But the sector did not stop at double hulls. The challenge was further met with, what is these days so fashionably called, “greening” and “carbon footprint”.
- The wave of investments needed for the switch to double hull constructions were used for innovations, in the form of constructions, propulsion installations and energy sources for equipment. And innovations in training, to familiarise the crew with new technologies, in particular using simulators.
- Indeed, tanker traffic, inland waterway navigation, is innovative, and capable of pursuing a strategy of sustainability.
- A strategy that, where ships are concerned, must be further elaborated in collaboration with ship builders, suppliers, research institutes and ship owners. And we have witnessed this today.

- Back to our inland navigation. What lessons can be learned from these deliberations? What conclusions can be drawn for inland navigation as a whole?
- The tank trade has favourable perspectives in the medium term. Even though not everybody is currently satisfied, a clear horizon can be perceived for the medium term:
 - o Though the consumption of mineral products may stagnate as a result of energy savings and alternative energies, transport demand is also affected by other factors;
 - o There is still potential in the chemical industry
 - o And it is not expected that the tide will turn for Delta traffic.
- The sector’s focus on quality and sustainability is a guarantee for the fleet’s stable development. By 2016, or at the latest in 2019, the “level playing field” will again be achieved in the sector. By then, single-hulled vessels will have been substituted by double hulls. Actually, expectations are that these will phase out gradually, enabling economic recovery to occur earlier.
- With the focus on quality and sustainability, I see a future for inland navigation as a whole.
- The time for for thinking in terms of capacity is over, for the sector itself, and in political circles.

- In the market, the capacity-mentality (such as scrapping and 'old-for-new') leads to competition which will encompass the whole fleet, while the opportunities must be found in the added value. That requires a focus on market niches and in making services distinct.
- The key to the success of inland navigation is in its ability to specialise in water transport. A service provided with tailor-made equipment, with skilled people, appropriate procedures and the right partners.
- This requires strong enterprises with enough scope to anchor the link that is inland navigation in the logistic chain.
- This also requires a modern system of conditions: regulations which respond adequately to the social demands of safety and sustainability while offering scope for innovation and remaining as close as possible to practice.
- The Central Commission is working on these, in line and in collaboration with the European Commission and the NAIADES II action programme that Vice President Kallas will launch in a few days. And the CCR congress for "*bringing skills together for a sustainable inland navigation*" will take place in Strasbourg in December.
- In the next few years, plenty of consideration will be given to:
 - o RIS as instruments for safe and efficient transportation;
 - o Sailing staff, primary assets of inland navigation:
 - Qualifications for crew members;
 - Simulators as tools for education and training, possibly even for certifications;
 - Electronic registration of sailing times and rest periods on board;
 - o Energy consumption and emissions: greening, with special consideration for LNG:
 - 'stable' regulations for using LNG as fuel by 2014, perhaps 2015 ... in any event , a task force is working full steam ahead on this subject;
 - Framework for LNG refuelling in inland shipping,
 - LNG as cargo, in the hands of UNECE, is on the right track ... (decision in December 2013)
 - Monitoring LNG applications for inland navigation; in this regard the CCR will shortly be launching a website; 8 projects have been approved of which 3 have been put into service; a total of 36 projects are being worked on, including ferries, floating power plants and vessels for the dredging industry. By 2015, there will be 16 inland navigation vessels using LNG.
- Back to where I started. I hope to have given you an idea of our view on the development of inland navigation. In its entire existence, the CCR has given and retained attention to practice and attached great value to a joint approach to market prices. When, in the early part of the nineteenth century, the foundations were laid for free navigation on the Rhine it started with the premise of: "*sous le rapport du commerce*": inland navigation as a precondition for trade, and prosperity for all.

In this context that - in French – I would like to congratulate all of us, that is to say, the ship owner, the charterer, the industry and ourselves on the acquisition of the "Greenrhine".