STATEMENT BY EVA MOLNAR, DIRECTOR, TRANSPORT DIVISION, UNECE, AT THE OFFICIAL OPENING OF THE UNECE CONFERENCE ON HINTERLAND CONNECTIONS OF SEAPORTS

(Piraeus, 17 September 2008)

Dear Ministers, Excellencies, Ladies and Gentlemen:

It is a great honour to welcome you to this conference on behalf of Mr Marek Belka, Executive Secretary of the United Nations Economic Commission for Europe. I wish to express our gratitude to the Government of Greece for hosting this important event here in the city of Piraeus, famous worldwide for its natural beauty, its historic role as a port for ancient Athens and its revival in modern times that saw it becoming not only the largest national port but also the commercial hub of Greek shipping and an important transport node for container flows between Europe and Asia.

In addition to hosting the conference, the Government of Greece has approved a grant to cover travel and accommodation costs of those speakers and session chairs who could not participate in the conference otherwise. Moreover, the Hellenic Chambers Transport Association provided a voluntary contribution from the business community to pay for travel and accommodation of a smaller group of speakers in need of financial assistance. On behalf of the UNECE, I would like to express our gratitude to the Greek Government and

business sector for this generous support that made this international conference possible.

The topic of hinterland connections of seaports is particularly important. The massive increase of trade between China and Europe in recent years should be seen as a great opportunity for all countries situated on the Euro-Asian land bridge. Following China's accession to WTO and given the historically low trade tariffs, physical and non-physical obstacles to international transport have become perhaps the most important (non-tariff) barrier to international trade. In today's global economy trade facilitation cannot work without transport facilitation.

What is then needed for efficient and sustainable international transport links? The solution entails (1) adequate and coherent infrastructures, (2) harmonized national transport regulations and (3) efficient border crossings. The UNECE has developed the basic tools in all these areas with respect to <u>inland transport</u>: the key UN Agreements and Conventions on transport. These legal instruments pertain to international transport infrastructure (e.g. AGR, AGC, AGTC, AGN) and facilitation (e.g. TIR, Harmonization Convention).

The dynamically growing merchandise trade between East Asia (China, Japan, South Korea) and the ECE region (Europe and North America) has relied foremost on maritime transport of containers. However, the phenomenal increase in this trade has been accompanied by a number of unforeseen problems, including traffic congestion on hinterland links (that were usually not designed to

carry unprecedented volumes of containers), environmental pressures in ports and adjacent urban agglomerations and a pronounced duality in economic development (e.g. the 'exclusion' of geographically remote regions or even national economies from benefits of globalization due to prohibitively high transport costs). If inland transport routes <u>and</u> their connectivity with seaports could be improved, the costs of trade would decline noticeably. Clearly, this would be conducive to economic development of all UNECE member States, including landlocked countries in the Caucasus and Central Asia.

In order to improve our understanding of hinterland connections of seaports and explore feasible solutions to related problems, the UNECE Inland Transport Committee approved last February at its 70<sup>th</sup> session in Geneva the formation of an Expert Group. One of the tasks facing the Expert Group was to prepare and international conference on hinterland connections of seaports that would bring together leading experts from the academy, business and public sector with the aim to analyze various aspects of seaport connectivity with hinterland and generate some evidence-based conclusions through open discussions, including follow-up proposals for the UNECE and its member States.

I should like to conclude by reiterating our strong commitment to strengthen cooperation between our member States and adjacent countries with a view to developing hinterland connections of seaports that are both competitive and sustainable. I would like to congratulate the Greek Government in general and the Ministry of Mercantile Marine, The Agean and Island Policy in particular for

making this important event possible. I wish every success to this conference and hope that all of you will find the forthcoming presentations and discussions intellectually stimulating and of lasting value. I would also like to thank all speakers and session chairs for their remarkable commitment and willingness to contribute to this event. Thank you all for your attention.