

Government policies for efficient and sustainable port-hinterland transport

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Government policies for efficient and sustainable port-hinterland transport

- Context
- Concerns about sustainability
- Concerns about market power

OECD/ITF JTRC Roundtables:

- Port competition and hinterland connections
- Integration and competition between transport and logistics businesses
- Competitive interaction between airports, airlines and high-speed rail

See

<http://www.internationaltransportforum.org/jtrc/DiscussionPapers/jtrcpapers.html>

ITF Forum 2009:

See www.internationaltransportforum.org

Context

- growing trade and cargo volumes
- changing industrial organization of supply chains
 - Performance of supply chain, not of links and nodes.
 - Expanding hinterlands, containerization, larger vessels.
- ➔ Ports more interchangeable, hinterland more critical.
- ➔ Opportunities for rail and barge corridors (cargo consolidation)
- ➔ Environmental impacts: scale?
- crisis – non-transitory effects?
 - Uncertainty, scarcer funds, slower growth, localization

Sustainability

- Not limited to climate change
 - local and regional impacts: race to the bottom or to the top?
- CC measures limited impact at current carbon prices
 - but do these match policy aspirations?
- Adapt transport activity or transport technology?
 - Modal switch: limited scope; revise production patterns: difficult and uncertain impacts.
 - Shift emphasis from abatement to technology incentives.

Efficiency

- Increasing horizontal concentration
- Increasing vertical concentration?

➔ Market power? Abuse of market power?

Dense vs. thin markets

VI: consider up- or downstream markets

Weak case for ex ante regulation. Instead, conditions for competition (transport policy) + vigilant competition authorities.

Efficiency – vertical separation in rail

- US: competition between VI companies works, but limits to concentration.
- Europe: focus on allowing rail freight competition, in a context where passenger traffic is prioritized. Separation reasonable (i.e. feasible and effective) and needs to be completed.
- Emergence of strong players: competition authorities' prominent role to avoid dominance

Efficiency – essential facilities

- E.g. port – hinterland rail access
- What matters is overall performance (i.e. consumer interest), not entry or access in itself.
- Infringe on ownership? Opportunity cost? Investment incentives.
- Voluntary agreements (public role for brokering).

Summing up

- Dynamic (volatile?) context – don't condition policy on current structures. No micro-management.
- CC: integrate in broader policy thrust.
- Establish broad conditions for competition to emerge.
- Retain oversight on competition.