

## **PRESS RELEASE**

### **ELP: Challenges of the Maritime Logistics Supply Chains at Disrupted Times**

**Brussels, 26 April 2022** – At the second webinar organised by the European Logistics Platform (ELP) this year, more than 75 EU policymakers and industry representatives met to discuss with experts the challenges of the maritime logistics supply chain. Over the past years, global supply chains have been under stress due to many disruptions. COVID-19 and measures related to the pandemic, such as lockdowns and border closures, have disrupted value chains and demonstrated the lack of resilience in global maritime supply chains. How can European economy sustain this situation and what can policy makers do to support business?

**Caroline Nagtegaal, MEP and Member of the EP Transport and Tourism Committee** opened the webinar by welcoming the dialogue with the various stakeholders in the chain, which she thought to be extremely important in view of the ongoing challenges and disruptions, with the Russian war in Ukraine adding further uncertainties to the supply chain. She added that there were no easy solutions, but there was a role for policymakers to enhance resilience in the supply chains and to solve bottlenecks by facilitating trade and digitalisation: “The war made clear that we need to protect our critical infrastructure, ultimately increasing service security and digital resilience”, she noted. Ms Nagtegaal also called for regular exchanges with the European Parliament to find solutions with all the actors in the supply chain.

**Olaf Merk, Administrator for Ports and Shipping at the International Transport Forum** gave the opening presentation noting that the recent disruptions of the maritime supply chain were not due to a demand explosion or port congestion in Europe, but to a misalignment between demand and deployed capacity, and to limited incentives to solve bottlenecks. Mr Merk highlighted that the shipping market is more concentrated than ever, with the top-nine carriers controlling more than 85% of global capacity. This concentration results in global interdependence, where local supply chain crises (fuelled by higher demand in the US, foreclosures in China) have spilled over to the rest of the world; contributing to price increases of ocean transport for European shippers. As the system of global alliances and consortia could be seen as facilitating this interdependence, Mr Merk noted the need for policymakers to mitigate its negative impacts by developing comprehensive indicators on performance on container transport and more transparency on rates and charges. It would also require more coordination from competition authorities throughout the world, with particular focus on fair competition in door-to-door container transport, and carriers’ vertical integration.

**Jordi Torrent, Strategy Director of Port of Barcelona**, gave the perspective of a very diversified port on the ongoing maritime supply chain disruptions. The war in Ukraine is the last addition to a long list of disruptions, which were more frequent in the last decades because of an increasingly globalised world. He noted that ports were seeking to manage and adapt to these disruptions thanks to more flexibility, a diversification of suppliers and modes of transport. Referring to the Port’s new strategic plan for 2040, clear ambitions have been drawn up to secure its competitiveness, continue energy transition to towards decarbonisation of its activities, as well as ensuring a sound working place for people. Mr Torrent highlighted that diversification, differentiation, decarbonisation, digitalisation and

flexibility were essential to ensure that ports can adapt and respond to the next disruptions in the logistics supply chain.

**Roderick de la Houssaye, founder of Nedcargo International** gave the perspective of a typical medium-sized freight forwarder providing transport and logistics services to many small and medium sized customers. He noted that with extremely low reliability and skyrocketing rates offered by ocean carriers, fair competition in the maritime logistics supply chain is no longer playing its role. This is damaging for SME's who are relying on their forwarders for the importing and exporting of their goods. If carriers continue to pursue their discriminatory behavior towards freight forwarders, forcing SMEs to do direct business with them, including ancillary services (customs, pre-/on-carriage, port management), they will risk being confronted with continued high rates and low service levels. He noted that policy makers should raise serious questions about the consequences of a market where only a few players manage the complete door-to-door supply chain. He urged the European Commission to take initiatives, like competition authorities in other parts of the world and to tackle the hugely dominant position of carriers, in the pursuit of a fair and well-functioning shipping market in Europe.

**Magda Kopczynska, Director Waterborne transport at DG MOVE** commented on the presentations from the previous speakers by noting that there are no quick fixes possible at these uncertain times, in particular in view of the geographical coverage of the disruptions which are today ongoing in China due to the lockdowns and the war in Ukraine. Also, the Commission was not very eager to propose or amend legislation without a clear idea on what the actual outcome would be. She however emphasised that the Commission services have regular exchanges with the competition authorities in the US and China and welcomed further dialogue with the stakeholders in Europe.

*The European Logistics Platform consists of more than twenty industry stakeholders representing a wide variety of actors involved in logistics and supply chains across Europe. Current members are ACEA, Amazon, BDL, CER, CLECAT, Deutsche Bahn, Deutsche Post DHL Group, duisport, ECG, ERFA, ESC, ESPO, FEPORT, FERRMED, Hutchison Whampoa, IRU, Logistics UK, Michelin, NLA, Port of Rotterdam, TLN, UIRR, Volvo Group.*

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