

## **SPEECH**

**by Deputy Director General of the Danube Commission Secretariat**

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**on the 2<sup>nd</sup> Session of the Steering Group for Priority Area 1a of the EUSDR**

**(Bucharest, October 28, 2011)**

Dear Ladies and Gentlemen,

On behalf of the Danube Commission Secretariat I would like to make a short report.

Navigation on the Danube has a sufficiently strong impact on the national economies of the most of our states. As it is known, **transport market and appropriate infrastructure of the Danube navigation** were mainly shaped more than 20 years ago and determined by geographical location and current logistics of major industrial centres in the Danube river basin.

Unlike other European water basins, recovery of transport volume on the Danube to pre-crisis level (72 mln. tonnes in 2008) is very slow, as the main industrial centres of our states haven't yet regain their potential. Particularly, it refers to steel, chemical and construction industries. Passenger transport on the Danube is an exception.

Further I'd like to focus on some basic characteristics concerning current status of the Danube navigation.

### **1. Market and Infrastructure**

It should be stressed that the development of freight transport by redirecting freight flows from related modes of transport to the traditional river transport lines would

be possible if infrastructure of the Danube navigation - navigable waterway, ports and communication systems - would be most seriously modernized.

Insufficient infrastructure and uneven development of its certain elements are the main reason of weak market and inability to introduce new high-speed transport technologies, which by delivery time for cargo can compete with railway transport and motorways.

Existence of a large number of fords, which in critical precipitation periods throughout a year close navigation (for instance, situation on the Lower Danube in August - October of the current year), puts the Danube transport in a difficult situation. This factor can be seriously minimized through systematic involvement in projects dealing with elimination of bottlenecks on the navigable waterway of the Danube.

The Danube Commission has done a great deal of work on systematization of bottlenecks and critical sections, however, by its legal status it can't directly influence on the implementation of projects related to their elimination - it requires considerable financial resources and European Community's absolute belief in the need of the development of the Danube navigation.

There is no doubt that in near future the Danube navigation will be under the influence of the EU Strategy for the Danube region, adopted in December 2011. Goals declared in the Strategy will require significant financial resources and from the technical point - effective project decisions, in the development of which the Danube Commission intends to take an active part.

Package of proposals has been approved by the Decision of the 75<sup>th</sup> session of the Danube Commission, adopted on 14 December 2011, as a contribution of the Danube Commission into the development of "EU Strategy for the Danube Region" (EUSDR) including four documents, among which are:

- Overall concept;
- "Principle Directions of Shipping policy for the Danube";

- List of national infrastructure projects (projects of the DC member states as of 1 December 2010).

DC's Package of proposals has been sent to the European Commission in December 2010.

Therefore, the Secretariat of the Danube Commission forwards to the Steering Group two documents to be addressed to the Thematic Working Group "Waterway Infrastructure":

1. Master Plan on achievement of recommended fairway parameters, hydrotechnical and other facilities on the Danube (Working document of Expert meeting on hydrotechnical issues, 20-23 September 2011 – DT III.1(2011) rev.1).
2. List of national infrastructure projects (projects of the DC member states as of 1 December 2010) accompanied by the letter from the Embassy of Romania in the Republic of Hungary and endorsed by the 75<sup>th</sup> session of the Danube Commission. This paper represents common position of all DC member states on achieving target (2) for Priority Area 1a of the EUSDR (Document № 2 will be supplemented by additional projects from individual states).

The DC Secretariat considers that both documents can be used as a basis for the activities of Working Group "Waterway Infrastructure", therefore we in our turn, upon request of the Danube Commission, are ready for active cooperation.

## **2. Targets for the Priority Area 1a of the EUSDR**

Meeting of Experts on Shipping policy for the Danube, held on 19 September 2011, generally confirmed proposal suggested at the Steering Group Meeting on 21 June 2011 regarding reformulation of target (2) as well as introduction of two additional targets for the Priority Area 1a of the EUSDR. It's worth mentioning that achievement of target (1), namely: "Increase the cargo transport on the river by 20% by 2020 compared to 2010", is a consequence of achieving targets (2) and (3)

in the initial version (Communication COM (2010)715 final) or targets (2) – (5) for the updated list of targets (Proposal of Steering Group).

### **3. Fleet and Crew personnel**

Over the past 15 years the Danube fleet hasn't been practically replenished with the new vessels, except for the passenger vessels, but these vessels have come from the Rhine and are considered as "canal vessels" (at the same time the Rhine fleet is provided with at least 30-35 units every year, with emphasis made on complex vessels: self-propelled containers, gas carriers with increased capacity and power characteristics, as against ordinary vessels). This factor, as well as extremely weak pace of market recovery, has caused significant movement of highly skilled fleet personnel from the Danube countries of Eastern and Central Europe to the river basins of Western Europe. Accordingly to the current forecasts by 2015 the number of staff employed in the Danube navigation will be reduced to 5 – 5,5 thous. (as against 11 thous. in 2006). Besides this, age for crew personnel will increase.

Proposals of the Danube Commission, stemming from market forecast and infrastructure development, are based on a concept for modernization of the existing fleet under 20 years old, aimed at improving economic and environmental performances. Construction of new fleet may be feasible only for the new lines with high freight level – gas carriers, tankers and passenger vessels.

Strengthening of the Danube navigation significantly depends on transport in interbasin connections, mutual recognition of crew and personnel certificates for the Danube and Rhine will contribute to the intensification of this process.

Successful work undertaken by the Danube Commission on the establishment of the system of harmonized requirements for the certain professions of river transport workers, primarily for the boatmasters, can facilitate movement of potentially highly skilled personnel into the Danube navigation from the other transport areas, first of all from maritime transport.

Consequently, ongoing work within the Danube Commission on unification of boatmasters' certificates is of great importance, therefore it should continue in light

of the Danube characteristics, own vast experience of the Danube navigation and positive impact of widespread introduction of RIS systems on safety of navigation.

Activity of the Danube Commission rests on general and sufficient pool of knowledge on all aspects of the Danube navigation. It should serve for the development of the Danube navigation, strictly orienting on the provision of high safety standards and economic interests of the DC member states.

In this regard, our proposals will be sent to the Thematic Working Group "Invest in education and Jobs".

#### **4. Participation in Working Group**

The DC Secretariat also acknowledges its engagement in five Thematic Working Groups. For their fields of work we have highly qualified experts and extensive actual information in the form of the official developments of the Danube Commission (Rules, Recommendations and Standards), providing integrated position of the 11 DC member states on the main aspects of the Danube navigation.

The Danube Commission is composed of 11 member states with different economic potential and level of the Danube's significance for the national economy. The reality is that the financial resources, particularly in the Danube basin, are absolutely insufficient to achieve the EUSDR goals.

It's quite justified to assume that in near future our states will be able to resolve all doubts related to the draft of the revised Convention regarding the regime of navigation on the Danube (as is known, text of the Convention has been adjusted by State Parties to the Convention in June 2008). Therefore, the Danube Commission should further contribute to the promotion of actions of our states within the Preparatory Committee and find reasonable compromise approach to the interpretation of certain articles (territorial scope, cabotage) and dates of its signature. Signature of the Convention should be a unifying factor, which will allow considering the Danube as a really efficient and competitive route for freight and passenger transport in international trade, effectively integrated into a network of European waterways and transport corridors shaping sustainable economic links in East-West, Nord-South directions.

Naturally that the Convention by itself only outlines the international legal frameworks for the integration processes that enable establishment of integrated infrastructure of the Danube waterway corridor that meets the needs of national economies of individual states and states' unions in transport with high safety standards and efficiency.

The Danube Commission associates concrete steps and implementation of projects on the development of the Danube with the historic opportunity – existence of EUSDR.