

TRANSPORT SITUATION IN BELGIUM IN 2005

TRAFFIC TRENDS

Passenger traffic in general: as car ownership remains among the highest in the world, congestion - still mild by international comparison- is getting worse around the cities; however, due to attempts at a more sustainable mobility, all modes of public transport are growing steadily; the number of air passenger is growing fast again after a previous dip.

Freight transport in general: overall traffic volumes are up in 2005; given the growth in the world economy (China, Brazil, India) the prospect is that the volumes will continue to grow in all modes.

Despite efforts made towards a more sustainable modal split – favouring railroad (10%) and inland navigation (14%) over road transport (72%) – road transport will continue to grow faster than the other modes. This is mainly but not exclusively due to the following new factors:

- The recent choice of Belgium as European Distribution Centre for the logistics of a great number of multinationals (already over 400 EDC's in 2005), due to the exceptional location, road network and logistics-know how of the country;
- The fast expansion of the port of Antwerp, a main gateway to Europe for container goods coming from overseas, especially China. For Belgium this trend means an expansion of road transport from 196 mio tonnes to 240 mil. tonnes by 2015;

Only road transport could react fast enough to these two new growth factors in Belgium, though huge investments are planned in *all* modes.

Road transport: steady growth, see above. Furthermore fierce competition from Eastern European countries causes a delocalisation of the truck fleet and a turnaround of part of Belgian transport businesses towards logistics management.

Railways:

- continual growth in passenger traffic as in other forms of public transport, due to government efforts at a modal shift for commuters and a more attractive commercial attitude of the rail road company;
- still mitigated results in rail cargo, notwithstanding efforts to increase the part of railroad transport in the modal split; in 2005, however, there were some promising public and private initiatives, mainly in the field of international rail cargo as short distance rail transport remains below a certain profitability level.

Intermodal transport: remains rather marginal, though the trend is positive;

Inland navigation: steady growth, due to infrastructure works by regional governments and the industry alike, stimulated a.o. by European incentives (Marco Polo programme); the inland ports of Liège and Brussels flourish.

Maritime: steady growth, especially of short sea shipping.

Next to the exceptional growth of turnover in the port of Antwerp, traffic growth is up and expected to continue to grow in the deep sea container port of Zeebrugge and the port of Ghent; furthermore, merely due to re-localisation, the capacity of the Belgian

fleet grew from 1.5 mil. tonnes to 6 mil. tonnes (dwt) between 2004 and 2005. Total turnover was 204 mil. tonnes in 2004.

Air transport: steady growth both in freight and passenger traffic;

- Passenger traffic in Brussels National Airport continues to grow after a serious dip in 2001-2002 when the national air carrier Sabena went out of business and in the wake of 9/11. An annual 16 million passengers transited through Brussels in 2004, compared to 15,5 in 2003 and the figures are further on the rise in 2005 but are not expected to reach the number of passengers of 2000 soon (20 mio).
- strong annual expansion of air cargo in Brussels National Airport (660.000 tonnes in 2004, compared to 514.000 in 2003) is expected to take an end by 2008, when DHL will move the bulk of its night flights to Leipzig (Germany) as further expansion in Brussels is limited due to population density and sub-urbanisation.

Furthermore, thanks to permanent upgrading, excellent scores for punctuality, safety standards and quality of service, the activity on the regional airports of Charleroi, Liège, Antwerp and Ostend is equally expanding, with growth both in cargo and passenger traffic in 2005.

OBSTACLES TO THE DEVELOPMENT OF TRANSPORT

General obstacles:

- the intricacy of the Belgian political system, with a split up of responsibilities between the EU, the federal and the regional governments;
- lack of coherence between policies in the field of transport & mobility, environment and fiscal policy;
- due to its small scale and central location, Belgium depends upon EU-decision making and EU-budgets where the huge European infrastructure projects are concerned (Trans-European Network of roads, waterways and railways); however, this is also in some respects an *opportunity* for a small open economy;
- road congestion, especially around Antwerp and Brussels, though mild in comparison with neighbouring countries;
- the exiguity of the territory combined to the high density of the population and decades of sub-urbanization creates scarcity of land for further development of transport infrastructure;
- environmental challenges as transport is a major source of atmospheric pollution, air pollution, noise and other environmental damage;

Road transport:

Mild congestion, see above; but severe competition however from Eastern European countries for the national transport businesses, with ensuing delocalisation, especially in long distance haulage;

A problematic evolution is the recent growth of transit traffic on toll free Belgian roads, mainly trucks to the Channel and the ferries in Calais (Fr.) as links from the northern European ports to the UK are shifting from unaccompanied traffic to accompanied traffic now that large haulage companies are hiring dozens of cheap drivers from Eastern European countries (after a growth of +150% between 2000 and 2003, this traffic grew

by another average 10% between 2003 and 2005 and is still going strong); This trend clearly goes against EU transport policy;

Railways: investment deficit of the past; bottlenecks; tension with The Netherlands over the Iron Rhine-railroad linking the port of Antwerp to Germany; lack of inter-operability of personnel and infrastructure;

Inland navigation: not suitable for fast goods; severe competition; low profitability poses a threat to the renewal of the fleet;

Maritime: the EU-habitat directive and tensions with The Netherlands over the river Scheldt complicated the expansion of the port of Antwerp, but 2005 brought some solutions;

Air transport: sub-urbanization hinders further expansion at Brussels National Airport, especially of night flights;

BEST PRACTICES IN TRANSPORT REGULATION AND INFRASTRUCTURE

Option for sustainable mobility - in principle, authorities at all levels are in favour: EU, Belgium, Regions, local authorities.

Regulatory framework

Regulations influencing modal split

In order to combat congestion on the road during peak hours, the federal government offers free public transport on weekdays to civil servants and offers to subsidize part of the public transport fares for commuting workers in the private sector. Due to this initiative a fair percentage of workers have already switched to train, bus or metro; authorities at all levels also stimulate the new cycling culture;

EU-rules on the liberalisation of the use of railroad infrastructure: the progressive access for new operators could favourably influence rail traffic, but national authorities fear cherry-picking amongst the more profitable operations and lines;

Regulations influencing road security: in conformity with EU-policy, the traffic code and transport regulations were made more stringent and police/camera controls intensified in order to further reduce the number of casualties on the Belgian roads; this policy proves successful as the number of people killed in road traffic dropped significantly between 2000 (+1500) and 2005 (+1128); the rate at which the number of accidents and casualties comes down is slowing however;

Upgrading of infrastructure & filling in of missing links

Road infrastructure: 2005 saw the end of the main part of huge infrastructure works at the Antwerp Ring; in general, road infrastructure remains among the best in the world;

Road pricing: In December 2005 the regional governments - who are responsible for infrastructure policy - took the principle option to make an end by 2009 to the toll free use of Belgian's highways; the reasons are both environmental (internalisation of costs) and financial (40% of truck traffic is international transit);

Railroad infrastructure:

- Decision to upgrade the main rail connections which are part of the Trans-European Network and firm option to fill in some missing links;

- In 2005 works at the suburban railroad around Brussels started; this so-called GEN-project is mainly intended at commuters and should alleviate congestion in the Brussels area;
- As Belgium's railway network is one of the most concentrated in the world, the recent option to promote and expand plant sites with a rail siding ought to contribute also to the growth of railroad cargo and multi-modal transport; e.g. multimodal hubs are being created around the ports and several logistic centres in Flanders, Brussels and the Walloon region.
- In 2005 a missing link to Brussels Airport was cleared away due to the realisation of the "Diabolo-railroad link"; this is important for further growth of passenger transport and, to a lesser degree, of air cargo;
- In 2005 the decision was made to speed up the construction of missing railroad links to new multimodal container terminals in the port of Antwerp at the Liefkenshoektunnel and Deurganckdok. Realisation is planned for 2011 instead of 2015; this is very important in view of the expected exponential growth of container traffic in the hinterland of the port.

Inland navigation:

- More emphasis on safety and renewal of the fleet; inland navigation is also up due to huge investments by the regional governments who continue to invest in quays along water bound industrial sites;
- EU-decision to upgrade the main canal connecting the Belgian and French inland waterways and firm option to fill in some missing links (Canal Seine-Nord) as part of the Trans-European Network (TEN's).

Maritime: Belgian ports are being fully integrated with the road and rail networks and, as such, are a prime examples of multi-modality; generally speaking, there also is excellent cooperation between the public and the private sector; the seaports expect to profit from the recent EU-option favouring the SSS-project "Motorways of the Sea".

Air transport: Brussels and other important airports are being turned into multi-modal hubs, both for passengers and high value cargo; in 2005 permanent upgrading of infrastructure, safety and service levels in all Belgian airports was intensified;

Technological progress

Being a small open economy and transit country, Belgium hopes for progress in the GALILEO-satellite navigation programme of the EU as a key instrument for the development of an intelligent, safe and efficient transport system in Europe; The country also favours the speeding-up of the introduction of advanced telematics in the transport sector, both for reasons of road safety and traffic management.

Information needs

Belgium favours adequate, reliable, swift, and homogenous international statistics on transport and mobility and expects initiatives from the European authorities in 2006.