

TRANSPORT SITUATION IN BELGIUM IN 2008

1. Traffic trends

Please provide short **qualitative** comments on the **evolution** of traffic volumes of the various modes of transport in your country in 2008 and the **prospects** for the forthcoming years. You may also wish to provide a short description of emerging transport **trends** in 2008 in your country.

The economic crisis

Ever since de last quarter of 2008, the transport sector in Belgium is taking its share of the economic crisis, with a serious decline in activity. The very first signs of the coming storm could already be detected in July: in the midst of buoyant economic activity and against the trend of steady growth, there was this sudden 2% drop in activity at Brussels Airport. Gradually the crisis got hold of other transport modes: rail cargo, road haulage, activity in the ports and inland navigation. By the end of the year the economic downturn was general, even if some end-of-year figures still reflect the overall record activity in 2008.

Belgium being a small open economy in the EU, future prospects highly depend on the large stimulus packages currently being deployed by the authorities (European, Belgian federal and regional). These packages seem to include considerable transport investment, mainly in new or more efficient transport, in infrastructure, multi-modal hubs and intermodal services. These initiatives come on top of efforts by the private sector in the field of efficiency in transport organisation & logistics service. This announces an important role for transport in the recovery process. So, beyond the current crisis, the promising long term transport & logistics agenda of Belgium remains unchanged.

1.1. Passenger traffic in general

- Car ownership remains very high (over 5 Mio cars for 10,6Mio inhabitants) and congestion - still mild by international comparison - does not get any better around Antwerp and Brussels. In contrast to other European countries, car sales reached a new record high in Belgium in 2008 (up 2%), even though by October the economic crisis began to be felt sharply in the automotive sector and by November in the sales figures for vehicles. Ever since the year 2000, the BVRI index for cars turns around 133, corresponding to an average of 15,000 yearly km/passenger;; this trend of stabilization at a high level is also observed in other European countries. Car occupation continues to drop slightly.
- Car traffic: high fuel prices in the summer of 2008 hardly influenced motorized traffic, but then the period of observation was too short to jump to any conclusions. As no figures for the fourth quarter 2008 are available yet, the influence of the economic downturn is hard to estimate. Some observations could however been made over the last few years: while traffic on weekdays seems status quo, weekend road traffic, especially on motorways, seems to grow slightly. The latter phenomenon remains unexplained, but there could be a link to the lower level of heavy truck traffic during weekends and the intercity character of Belgian motorways as well as to a modal shift to public transport for commuting to work on weekdays.
- The sale of motorized two-wheeled vehicles is up again and the cycling culture keeps going strong in the northern part of the country, while there is a growing interest in Brussels and Wallonia.

1.2. Public transport

Further growth in the number passengers due to government efforts at a modal shift for commuters, improved offer of public transport and a more attractive commercial attitude of the public transport companies:

- In 2008 the railroad company NMBS/SNCB again transported a record number of passengers: over 206 mio within Belgium, up 4,8% compared to the 196,6 mio of 2007 and thus higher than the 3,8% target imposed by the 2008-2012 contract with the federal government (in the year 2000 the number of train passengers stood at a mere 139,9 mio). The *total* number of railway passengers, including 10,6 Mio passengers in international traffic (mostly Eurostar with 9,1 Mio passengers, but also Thalys) rose to 216,6 Mio. Ever since 2004 the Belgian railway group invests an average 500 Mio euros annually in new trains, upgrading of infrastructure and quality of service; the period 2010-2012 total investment could reach an average 530 Mio euros annually, the railway stations being gradually turned into multimodal transferia and shopping centers. For 2009 planned investments total 890 Mio euros.
- In 2008 record numbers of passengers were again registered for the Brussels metro, bus and tramway-operator MIVB/STIB: 290 Mio (277,3 Mio in 2007); the company works at a further capacity boost of 35% by 2011. The number of passengers already grew by 70% over the last 10 years. Major investments are planned for better service levels and infrastructure alike.
- The same trend characterizes the results of the regional bus and tramway-operator De Lijn in Flanders. In 2008 De Lijn transported over 500 Mio passengers, double the number of passengers in 1998; the pace of growth still stands at over 3% annually. Clearly, the option for free public transport works, as only half of the passengers have to pay for their ticket.
- For the Walloon public transport operator TEC the growth over the past years was substantial, but more modest than in the 2 other regions. The number of passengers reached a record 243 Mio in 2008, compared to 215 Mio in 2007 (+18 Mio in one year, up 33% since 2001).

As a result, the historic loss of market share of public transport in the seventies and eighties is now stopped and the respective public transport companies are all heavily investing in extra capacity and service levels.

1.3. Air passenger transport

- In Belgium the very first signs that an economic crisis would follow the breakdown of part of the international financial system actually came in July, in the form of a sudden 2% drop in passengers at Brussels Airport. Eventually, the total number of *flights* fell by 3.300 in 2008 (- 15%) The cuts came as much from business flights as from some touristic destinations and air cargo traffic. By November 2008 Brussels Airlines, the national carrier, had 16% less passengers than in November 2007.
- Nevertheless, by the end of the year total passenger traffic at Brussels Airport still stood at 18.5 Mio travellers, up 3.6 % on 2007 (17.8 Mio passengers). With this result, Brussels Airport for the second year in a row does better than most other large and medium-sized airports in Europe. At the start of 2008, passenger traffic registered remarkable growth rates (+7%); this growth was achieved in all passenger segments and is due to the extended short-haul and long-haul route network and the arrival of several new carriers.
- Eventually, as a result of the sharply rising fuel prices and, subsequently, a slowing in the economy, the monthly growth gradually came to a halt, reaching zero growth by September and negative growth figures in the last quarter (-6%). The figures for January 2009 confirm the downward trend.
- In February 2008 the construction of a low cost terminal was announced at Brussels airport. In June 2008 Lufthansa made a bid for the acquisition of Brussels Airlines which implies – pending the blessing of the European authorities - the Belgian carrier will join the Star Alliance group in 2009.

- Like Brussels Airport in Zaventem the regional airport of Charleroi Brussels South (BSCA) attempts at permanent upgrading, excellent scores for punctuality, safety standards and quality of service. As a result traffic at Charleroi airport grew by 13% to a record 2.9 Mio passengers in 2008. In January 2008 a new low cost terminal was opened with a capacity for 5 Mio passengers..
- The number of passengers at smaller regional airports remained stable or continued to grow.

1.4. Freight transport in general

- Due to the geographical situation of the country - at the heart of major European markets in a globalized economy - and its expertise in transport and logistics, goods transport in Belgium has been expanding at a steady rate in all modes for the last 10 years. Overall traffic volumes in 2008 were still growing, but, due to the global economic crisis, activity has been affected ever since the disastrous 4th quarter. A worsening of the economic situation is expected in the first quarters of 2009.
- Containerisation of freight continues at a steady pace. The impressive traffic growth in the seaports of Antwerp, Ghent and Zeebrugge was somewhat stemmed by the end of 2008, but overall the whole of "Flanders Port Area" is still doing very well compared to their competitors in the Hamburg-Le Havre range.
- The need to ensure timely distribution of (container) goods to the hinterland gave rise to the concept of considering all inland ports and multi-modal terminals as an "Extended Gateway[®]" network of the seaports. This option is important in the context of the choice for logistics as a growth vector in the economy.
- The modal share of road transport in the total for inland transport remains rather high, but rail cargo and inland waterways are far from insignificant compared to other some European countries. Inland transport remains primarily attracted towards road haulage (75%): because of the advantages it still offers in terms of flexibility, reliability and price it is favoured over railroad (11%) and inland navigation (14%). Goods transport over railroad and especially inland waterways is being officially promoted.
- The underlying driver of trends in the transport of goods remains globalization. However, as the experience of 2008 shows, a sharp rise in the price of fuel or better internalisation of costs could put further globalization on a hold and stimulate a return of production in the vicinity of the Western European consumer markets or at least to Eastern Europe. Such a trend would have an equally important influence on intra-European transport flows as the present economic crisis has on East bound and West bound flows of goods in maritime transport.

1.5. Road freight transport

- In 2008 road haulage companies had a very hard year as they were subsequently confronted with record fuel prices, higher wages, the threat of a credit crunch due to the banking crisis and finally the sudden slump in the broader economy. All subsectors of road haulage are affected but especially transport activity in the steel and automotive sector, the sector of building material, chemicals and non-food retail. No hard figures are available as yet; but the number of failures is on the rise (+27%), especially among the smaller road haulage players. Moreover the market for second hand trucks has collapsed.
- 2008 had started relatively well, transporters were mildly optimistic but in the second half of the year with the development of the global financial crisis, the economy slowed down resulting in a drop of incoming transport orders
- Prospects for 2009: most companies expect a further drop in activity (another -1,5%) due to a more conservative market view from clients and the general economic recession. However, some of the transport firms expect this to be a transitory stage and the activity will pick up pace again once the economy has adjusted to the current crisis. For some of the more flexible transport firms with sufficient profitability this is a time of opportunities; there

are quite a number of mergers and acquisitions in the field of road transport and logistics. Due to the resilience of the activity in the ports, a general upswing of activity is expected by 2010 with a return to the previous pace of growth of 1,5 to 2% annually in road haulage. As 40% of traffic on Belgian motorways is transit traffic – especially of heavy trucks – the economic crisis is expected to have an effect on general road traffic figures.

1.6. Rail cargo

- In 2008 the performance of B-Cargo, a spin-off of the previous public monopolist NMBS/SNCB suffered further from severe competition under the ongoing liberalisation process. After a financial turnover of the company and a return to (modest) profitability in 2007, the company again lost business and turnover fell back below 60 Mio tonnes in 2008: -3,8% in volume and -+3,3% in tonnes-kilometres. December even witnessed a drop of 36,3% in volume. A further drop of 10% is expected for 2009. Major efforts to improve quality of service will have to be made in order to be ready when the pace of growth of the broader economy improves. The situation at French SNCF may worsen, but that is poor solace in the present highly competitive context.
- As matter of fact, a few years ago the liberalisation of the international rail cargo market as of the 1st of January 2007 was not expected to have much more impact on traffic volumes than the ongoing (soft) trend. However, the number and scale of new private initiatives seem to belie this. Newcomers rock the boat; they are specialised in dedicated blocktrains and offer non stop cross border transport (service) by rail. In Belgium they have put international rail cargo back on the map as a full transport alternative. They provide regular and intermodal transport from Belgium to Holland, Germany, France, Austria and Poland and have close partners in Switzerland and Italy for transalpine rail cargo.

1.7. Intermodal transport

Remains rather marginal, though the trend is positive;

- Interface road/rail: for the years 2005 to 2007 financial aid has been organized by the authorities for certain intermodal rail cargo initiatives. This resulted in modest traffic growth; By the end of 2008 a new financial aid initiative was launched by the Belgian authorities in agreement with the European Commission to encourage this kind of intermodal transport.
- The interface air cargo/inland transport remains monopolised by road haulage. Experiments are being conducted at the Liège-Bierset Airport in the Walloon Region with operators of Aéroport de Paris on the feasibility of HST/Freight-feeding;
- Waterways: cfr. beneath

1.8. Inland navigation

- Even though the results for 2008 are good, it became clear by the end of the year that inland transport in Belgium would not escape from the present economic recession: traffic volumes revealed that the sector began to suffer under the negative economic environment: e.g. the downturn in the steel industry, the chemicals and the sector of building materials. Moreover, as 90% of international trade is maritime, it seems evident that the international economic crisis is also hurting the huge network of inland navigation in the hinterland of the ports.
- With a modal share of 14% in tonnes/km and of 24% in volume, inland navigation is significant in Belgium and growing (up over 50% between 1998 and 2008). Growth has been especially strong in ports and waterways in Flanders.

No global figures for 2008 are available as yet, but there are data for some ports:

- In 2008 inland navigation represented a huge part of the modal split in the port of Antwerp: 80 Mio tonnes out of a total traffic of 189 Mio tonnes; The fast growth of container traffic in the port of Antwerp could explain why the growth of inland navigation does not keep pace with the growth of maritime traffic.

- For the port of Ghent the modal part of inland navigation is estimated at two-thirds: 18 Mio tonnes out of 27.
- For the inland port of Liège 2008 was a historically good year, even though the activity slowed down seriously in the fourth quarter: of the 5% growth in inland navigation realized in September only 1,5% remained by the end of the year, totalling 16Mio ton. All modes of transport confounded, turnover stood at 21.8 Mio tonnes, up 2,63% (compared to +9,5% in 2007).
- 2008 was an excellent year for the inland port of Brussels that equally flourishes as it is gradually turned into a multi-modal hub. Total cargo traffic in 2008 grew by half a million tonnes to 7.9 Mio tonnes (up 6%), the equivalent of 740.000 truck loads to and from Brussels. The loss of 4% transit traffic (at 3 Mio tonnes) was easily compensated by a 13% growth of port dedicated traffic (volumes treated on the quays of the port) to 4,9 Mio tonnes. which is further proof to a favourable economic development (added value of the port traffic climbed by 35% since the year 2000). No figures for 2009 available yet.
- In January 2009 the Flemish government came to an agreement with 25 private partners to make inland navigation more environmentally friendly through emission reduction, a shift to low sulphur fuel, more ecological traffic techniques and the use of inland navigation for waste disposal and city distribution.

1.9. Maritime traffic

Trend 2008

- Even though at 266,87 Mio tonnes maritime traffic in the Belgian seaports hit an new record high(+3,4%) - due to good results in the 1st (+4,1%), the 2nd (+10,7%) and the 3rd (+5,1%) quarter - the steady growth of the last 10 years was broken off in the disastrous 4th quarter 2008 (-5,7%). The figures for January 2009 confirm the downward trend;
- 4th quarter results in the ports: Antwerp: -6,7%; Ghent: -7,7%; Zeebrugge: -5,2%; Ostend: +27,7% (normalisation after negative local factors in 2007 for Ostend);
- For the normally fast growing container traffic, the 4th quarter 2008 was equally disappointing; the average drop in traffic was -1,8%, as giant Antwerp lost 3,2% (in TEU) while the deep seaport of Zeebrugge still gained 4,4%;
- All in all the 4 Belgian maritime ports treated 267 Mio tonnes of goods: Antwerp: 189; Zeebrugge: 42 ;Ghent: 27 and Ostend: 8 Mio tonnes.

Conclusion: the years of exceptional growth seem to be seriously interrupted by the global economic crisis.

Short Sea Shipping

- Notwithstanding the negative economic news of the last months, SSS grew with 3,04% in the 4 seaports in 2008.
- About half of the traffic in the ports is SSS (130 Mio tonnes), more than double the SSS-traffic back in 1999. SSS is especially important in the deep seaport of Zeebrugge (70%) even if other forms of traffic are growing faster these last years.

Container traffic in the ports

- In 2008 total container traffic in the four Flemish maritime ports grew by 6,6 % to 10,9MIO TEU (in 2007 the growth stood at 17 %). Most of the traffic growth was realised in Antwerp and Zeebrugge; there was some slight progress in Ghent. Container traffic has been almost abandoned in Ostend for other priorities.

Fleet (last years figures)

- The Belgian fleet under Belgian Flag kept its capacity of 6.5 Mio tonnes (dwt) in 2007, up from 1.5 Mio tonnes in 2004 (17th in de world ranking). This is still only 51% of the total fleet under Belgian ownership.

1.10. Air cargo

- After years of growth, the promising niche of air cargo was hit by the economic crisis: 2008 saw a drop of traffic. At the close of 2008 Brucargo registered 661,100 tons of cargo carried, a decrease of just 15% from the 719,560 tons registered in 2007. Brussels Airport may have been especially affected by the departure in the Spring of a part of DHL to Leipzig, the growth loss of 44% in the express cargo segment was partly compensated by the cargo volumes carried on board of passenger flights (belly load) and full freighter flights that together showed an 11% increase. Cargo activities at Brussels Airport show a marked shift from night-time traffic to day-time traffic.
- Furthermore, cargo activity on the regional airports of Liège-Bierset remained relatively stable in the first half of 2008, but fell back by the end of the year. The years of fast growth seem to be over here too.
- The regional airport of Ostend-Bruges evolved in different directions: more passengers, less cargo (a mere 82,920 tonnes of freight in 2008 compared to 108,953 in 2007, down 23,9%) due to local factors and urgent infrastructure works.

Conclusion: The worst of the economic downturn is yet to come and for 2009 IATA expects a worldwide drop in passenger and cargo activity, resulting in growing financial losses.

2. Obstacles to the development of transport

Please provide **information** on main **problems** that have hindered the development of transport in your country during 2008 such as, for example, the impact of high fuel prices and credit crunch on transport & logistics firms. Please describe any measures taken to alleviate such problems.

2.1. General obstacles

- The split up of responsibilities between the EU, the federal and the regional governments;
- Some lack of coherence between policies in the field of transport & mobility, urbanization, environment and fiscal policy;
- Obligations under the Kyoto Agreement and other environmental challenges;
- The unfinished liberalisation of transport at the European level, preventing an evaluation of the real strength of the underlying market trends and thus of a reorientation of policies in the field of transport and logistics;
- Problems of calculating and internalising external costs asks for solutions on EU-level so that a new modal split can underpin real multi-modality; example: road pricing and other forms of internalizing external costs;
- Due to its small scale and central location, Belgium depends upon EU-decision making and EU-budgets where the huge European infrastructure projects (TEN's) are concerned; 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 limits the growth of night flights at the airports and creates scarcity of land for further development of massive transport infrastructure (ports, airports, canals) or logistics industry, especially in the northern part of the country;
- NIMBY

2.2. Road transport

- Fierce competition from Eastern European countries increasingly leads to delocalisation of the truck fleet and /or transport business, especially in long distance haulage. Problems of "shortage of wheels and truckers" lie at the basis of the turnaround of part of Belgian transport businesses towards logistics management;
- A problematic evolution is the growth in recent years of heavy transit traffic on toll free Belgian roads, mainly trucks to the Channel and the ferries in Calais (Fr);
- The fluctuation of fuel costs in 2008;
- The cost of labour.

2.3. Railroad

- Due to previous investment deficit and given the historic density of the Belgian railroad network, there are a few bottlenecks in the passenger traffic to and from Brussels and in the freight transport to and from the ports;
- In passenger traffic as well as in cargo huge investments in capacity (rolling material) are needed;
- The reliability of rail cargo systems and the traceability of goods remains the main challenge for combined rail/road haulage transport systems. This reliability depends on all operators in these mainly international supply chains;
- Within Belgium the priority of passenger traffic over freight regularly gives rise to problems due to shortage of tracks on some crossings and also due to lack of dedicated traction capacity for freight.
- Another obstacle to be overcome - especially for international connections - is the lack of interoperability of personnel and infrastructure in international rail traffic.
- Finally a solution has to be found between Belgium, The Netherlands and Germany for the reopening of the historic 'Iron Rhine'-railroad linking the port of Antwerp to Germany.

2.4. Inland navigation

- The pace of growth is hampered by severe competition and the low profitability poses a threat to the renewal of the fleet;
- One of the problems faced by inland navigation – and is not merely characteristic for Belgium, is the gradual disappearance of the smaller vessels in the fleet, notwithstanding the flexibility they offer. This is due to the lesser profitability of these ships, where tariffs are often dictated by
- The growing importance of container traffic in the ports is not altogether favourable for inland navigation, the bridges over the canals often being too low for high stacked containers;
- There is a serious problem of labour shortage;
- There is a serious need for new investment.

Some solutions:

- *Higher capacity boats and bundling of traffic should improve efficiency and profitability;*

- *Priority must still be given to further clarification and simplification of legislation:*

Evaluation and adaptation of new rules (e.g. for the crew), taking into account international evolution; Creation of a register of Belgian vessels for inland navigation; Further harmonisation of navigation rules amongst EU member states; Modernisation of some contractual stipulations;

- *Optimisation of fiscal incentives for fleet owners, within the limits of EU-competition rules.*

These incentives (could) take the form of new fiscal depreciation rules; tax deduction for ecological investments and new rules for tax exemption on added value; not all of this is ideal for vessels below 1.500 tonnes.

- Improving professionalism: the lack of qualified personnel and labour shortage in general poses a serious threat to the further growth of inland navigation

At the federal level the qualifying examinations for the profession could be further improved, professionals with basic management skills must be attracted; teaching with navigation simulators should be stimulated and interim labour ought to be reintroduced.

- Even though the Regions are the main players in the field of economic stimulating packages, cooperation between the federal administration and the Regions is needed to eliminate the following obstacles: aid for young entrepreneurs (especially owners of smaller ships), aid for greening of the fleet, coordination of mooring rules and crew prescriptions, opening hours of navigation infrastructure, transport of dangerous goods (implementation of TDG and AND-directives) and mooring places for cone ships.

2.5. Maritime

- The EU-habitat directive and tensions with The Netherlands over deepening the draught of the river Scheldt used to complicate the expansion of the port of Antwerp, but solutions have been found for most problems;
- Due to traffic growth there is increased risk for port congestion as hinterland connections begin to reach their maximum capacities;
- Speaking in terms of competitiveness, SSS still suffers from administrative burdens when compared to road traffic, slowing down the pace and/or reducing the smoothness of SSS traffic flow;
- Maritime and inland containers are still based on different standards, impairing their interoperability;
- Further disenclavement at the landside of the seaport of Zeebrugge through the widening of two existing canals meets with fierce opposition for a number of reasons: ecological, economic and...NIMBY.

2.6. Air transport

- Sub-urbanization and the proximity of Brussels hinders further expansion of night flights at Brussels Airport: due to fears over stricter noise and safety regulations in Brussels, DHL moved the bulk of its night flights to Leipzig (Germany) in the Spring of 2008.

3. Best practices in transport and infrastructure regulation

Best practices in addressing transport problems through regulation in your country may serve as a model for other countries. Please indicate the **main successful regulatory and infrastructure developments** implemented or under implementation in 2008 which have significantly improved the efficiency, safety and/or environmental performance of the transport sector in your country.

With regard to transport infrastructure, please highlight major developments concerning **"E" networks**, provide the latest available information on **infrastructure investments** in terms of % of GDP in your country, and describe the measures taken in 2008 aimed at **promoting infrastructure investments** (targeted taxes, road funds, regulatory reforms to encourage private investment,...) which could also be of interest to other countries.

3.1. Option for sustainable mobility

In principle, authorities at all levels are in favour: EU, Belgium, Regions, local authorities.

3.2. Regulatory framework. Regulations influencing modal split

- In order to combat congestion on the road during peak hours, the federal government offers free public transport to civil servants and subsidizes 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, tramway or metro.
- Authorities at all levels also stimulate the new cycling culture: on a daily basis Belgian households make over an million cycling trips, mainly trips to school, work or shopping.
- In the same context of clearing the roads of excess commuter traffic, some (timid) forms of fiscal advantages are offered to employers and employees alike.

3.2.1. EU-rules on the liberalisation of the use of railroad infrastructure

The progressive access for new cargo operators favourably influences the rail traffic offer, but for national passenger traffic no form of liberalisation has been implemented yet as national authorities fear cherry-picking amongst the more profitable operations and lines.

3.2.2. 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 has dropped significantly between 2000 (+-1500) and 2006 (+-1000). The rate at which the number of accidents and casualties comes down is slowing however.

3.3. Upgrading of infrastructure & filling in of missing links

3.3.1. Road infrastructure

In general, road infrastructure remains among the best in the world.

The Flemish Region plans to fill in a number of missing links, especially in the hinterland of the ports of Antwerp and Zeebrugge.

In 2006 the Walloon region launched a pilot project whereby fast bus services could make use of adapted stretches of the emergency lane on the motorway to Brussels; in 2008 a positive evaluation of this project led to an extension of this fast bus services, also on Flemish territory. A similar project in the direction of Antwerp by the Flemish Region has been continued even though the infrastructure works lying at the base of it are now over.

3.3.2. Road pricing

In December 2005 the regional governments - who are responsible for infrastructure policy - took the option to make an end by 2011 to the toll free use of Belgian highways; the reasons are both environmental (internalisation of costs) and financial (40% of truck traffic is international transit); An agreement is sought in the Benelux-context and with France.

3.3.3. Railroad

- The density of the Belgian railway network remains amongst the highest in the world; still the firm option has been taken to upgrade the main rail connections that are part of the Trans-European Network and to fill in some missing links.
- Infrabel – responsible for rail infrastructure of the state-owned NMBS-SNCB-Group plans further major investments;

- Moreover the decision by Infrabel to put in place the ETCS for the main railroad network is expected to heighten the capacity and the safety of rail traffic from 2012 onward; work has already started on the HST-lines;
- Amongst the new railroad infrastructure taken into service in 2005-2006 there is, on the one hand, part of the "Diabolo-railroad link" to Brussels Airport and "the bypass of Leuven", seriously reducing travelling time for train passengers coming from the eastern part of the country to Brussels and beyond; moreover it heightens the chances of intermodal cargo projects in the field of logistics. On the other hand, the correspondence to Luxembourg has been improved by the reopening of the Virton-Athus-Arlon crossing; in 2008 works started on the part of the "Diabolo-railroad link" to Antwerp.
- In 2008 works at the suburban railroad around Brussels continued; this so-called GEN-project is mainly intended at commuters and should alleviate congestion of motorised traffic in the Brussels area;
- The recent option by the Regions to promote and expand plant sites with a rail siding ought to contribute to the growth of railroad cargo and multi-modal transport as multimodal hubs are being created around the ports and some main logistic centres.
- In order to speed up the construction of the 18 km long missing railroad link "Liefkenshoektunnel" to new multi-modal container terminals in the port of Antwerp, the Flemish government made the necessary budgetary reservations in 2006 so that the work can start. Realisation is planned for 2011 instead of 2015 in view of the expected exponential growth of container traffic in the hinterland of the port.
- Rail tariffs: ever since 2006 new agreements between the authorities and the rail road operators have led to simplifications and common ticketing with other forms of public transport like the Brussels underground and regional bus and tramway companies; existing special tariffs have been extended to new social and age groups;
- TEN's: Several projects on rail corridors departing from or running through Belgium.

3.3.4. Inland navigation

These last 10 years several elements have fundamentally changed and play in favour of a modal shift to inland navigation and intermodal solution in the supply chain. Due to globalisation of the world economy and the explosion of container traffic in the seaports, the relationship between the seaports and the inland ports has changed; their activity seems to be more intertwined; inland navigation is seen as a major solution to keep the seaports congestion free; Around the seaports and important logistic centers a network of multimodal hubs is being built: over the past 10 years 13 of these multimodal hubs were developed. Together with the inland ports and the Albert Canal in Limburg they form a system of "Extended Gateways" in the immediate hinterland of the seaports;

- Underlining its ambitions as an inland port situated in the natural hinterland of the seaports of Antwerp, Rotterdam, Zeebrugge and Dunkirk, Liège is building the major trilogistic hub "Triligiport". This multimodal hub - with port infrastructure combined with a container terminal and logistics platform - is expected to become operational by 2011;
- New industrial opportunities are underpinned by European incentives such as the Marco Polo II and Naïades-programmes;
- By the law of 29 June 2008, published in the official journal (Moniteur) of Octobre 10th, Belgium has finally ratified the CMNI-treaty aiming at simplification of contracts;
- Investment in CCRII-motors is encouraged in the Naïades-context;
- More emphasis on safety and renewal of the fleet;
- Bundling of traffic should improve efficiency and profitability, as should further improvement of professionalism;
- Inland navigation also profits from huge investments by the regional governments in quays along waterbound industrial sites (especially the quay programme of the Flemish Region);
- TEN's: EU-decision to upgrade the main canal connecting the Belgian and French

inland waterways and firm option to fill in some missing links as part of the Trans-European Network. So the European authorities will enhance the positive trend in Belgian inland navigation by major infrastructure works linking the French inland waterways with the waterways of northern Europe (TEN-project "Seine-Nord"). The Flemish and Walloon Regional governments also have an important role to play in this respect.

- Development of standards for river-sea going vessels: in order to decongest road traffic around maritime ports and to link them to inland waterways use is made of river-sea going coasters for estuary traffic; This type of traffic at the port of Zeebrugge is expected to give a boost to inland navigation and to further disenclave the port on the landside;
- The inland navigation fleet is developing further, mostly through growing vessel capacity and engine power. The type of boats is as varied as the transported goods and their volume, varying from 350 to 4000 tonnes of goods; the choice also depends on the infrastructure available. On December 31, 2007 the inland navigation fleet of owners with domicile in Belgium was composed as follows:
 - 1208 dry bulk ships, with a total capacity of 1.516.011 tonnes;
 - 217 tank ships with a total capacity of 333.737 tonnes ;
 - 127 pusher crafts with a total capacity of 57.017 Kw.
- TEN's: unique identification of vessels in the context of the RIS Programme (River Information System);

3.3.5. Maritime

As main gateways to the European markets, Belgian ports are being better integrated with the road and rail networks and, as such, are prime examples of multi-modality; missing links are being built through public-private cooperation. New waterbound intermodal hubs and rail infrastructure in the hinterland must help to keep the seaports congestion free.

TEN's: Belgian ports fully play their role as main SSS-hubs in the EU-project "Motorways of the Sea". Where container transport is concerned, SSS is bound to become an ever more important feeder in international maritime traffic as ports are increasingly confronted with the gigantism of ships (up to 13,000 TEU). For the ports in the Hamburg-Le Havre range the main challenges lie in providing adequate access through a better draught and optimal mobility, supply chain management and logistics in the hinterland.

Maritime Transport Area Without Barriers (EMTAWB): this European action plan to simplify customs procedures for intra-European maritime traffic by 2018 could highly improve competitiveness of EU-firms.

3.3.6. Air transport

Brussels Airport and other more local airports, like Charleroi, Liège and Ostend-Bruges, are being turned into multi-modal hubs, both for passengers and high value cargo. In 2008 permanent upgrading of infrastructure, safety and service levels in all Belgian airports was intensified further.

Both Brussels Airport in Zaventem and Charleroi Brussels South Airports plan a new low cost pier; the latter also installed a new radar system for safe landing by foggy weather.

3.4. 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 safety, security, simplifying customs procedures and finally for traffic management.

3.5. Information needs

Belgium favours adequate, reliable, swift, and homogenous international statistics on transport and mobility and expects initiatives at EU-level.

Sources:

Data and figures collected from the website of the Belgian Federal Ministry of Transport and Mobility: www.mobilit.be and from the websites of: Eurostat, Direction Statistics at the Belgian Ministry of Economic Affairs, Belgian Federal Planning Bureau, the Flemish Region, SERV, Short Sea Shipping Vlaanderen, Promotie Binnenvaart Vlaanderen, Vlaams Instituut voor Logistiek VIL, ports of Antwerp, Zeebrugge, Ghent, Ostend, Brussels, Liège, the public and private public transport companies NMBS/SNCB, DLC, HUPAC, De Lijn, MIVB/STIB, TEC, the airports of Brussels Airport, BSCA, Antwerp Airport, Bruges-Ostend Airport and air carrier Brussels Airlines and finally the professional transport publication De Lloyd.

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