

## **Hinterland Connections of Seaports**

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### **Introduction of the Session ‘Challenges to the Development of Seaports in a Globalized World’**

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#### **Introduction**

The World Bank is honoured and pleased that it was invited to participate in this important Conference. The World Bank, as a member of the UN Family and alike the UNECE, is committed to achieving the United Nations Millennium Development Goals.

In 2008 the World Bank Group published its Transport Business Strategy (TBS) for 2008-2012. The TBS emphasizes the importance of the relation between ports and efficient inland transport modes; ports are not an entity by itself. As is often quoted, they are a link in the chain and should serve as the efficient connection between the maritime and the various modes of land transport.

Trade Facilitation is, in that respect, also an important issue. In 1999 the World Bank initiated the formation of the Global Facilitation Partnership (GFP) initiative.

#### **Major Issues**

Major issues that require attention and initiatives from all stakeholders in ports and land and maritime transport are:

- Issues related to Port Reform processes, such as the transfer for the Public Service Port Management model towards the Landlord Port Management model, including the concessioning or outsourcing of former public functions to the private sector;
- Issues related to the environment such as pollution of air, water and land;
- The impact of the rise of the cost of energy;
- Issues related to Trade Facilitation, Customs and border crossings;
- Port congestion;
- City-Port relationship; and
- Port (ISPS) and Supply Chain Security.

#### **Hinterland Connection Selection**

As mentioned above, hinterland connections are important components in the transport of goods from producer to consumer. The relation between ports and hinterland connections is strong and ports can benefit from hinterland connections.

For instance: ports that offer the possibility of choice of hinterland modes and/or of multimodal connections have an important competitive advantage. In the final selection of the mode to be used it is however the Price Quality Ratio (PQR) that counts.

### **Hinterland Connections and the Environment**

As in all modes of transport, also in hinterland connections there is a sharp increase of attention for its environmental impact. It is common knowledge that the emission of NO<sub>2</sub> and CO<sub>2</sub> per ton-kilometer of road transport is higher than the emissions by rail or barge transport. As a consequence, shifting from road to rail and, if available, inland waterway transport, or possible combinations in multimodal transport, should be promoted as much as possible. Having said this, the economics of the entire transport chain and the nature and the value of the cargo, will determine if such a shift is feasible.

It is interesting to note that increasingly Port Authorities factor the distribution of the hinterland modes into new concessions contracts, i.e. awarding operators that achieve higher percentages of the use of modes other than road. Having said that, also here there are conditions and boundaries: the other modes must be available and offer competitive and efficient services, and there is a preference for with-in port competition (terminals competing for the same segment of the market).

### **Some Examples of World Bank Projects**

Examples of types of projects that the World Bank is presently engaged in and for which ETWTR (Ports) provides Cross Support are the following:

- Inland Waterway Transport (IWT) Development, including dredging policies and terminal development (IWT);
- National Port Strategy Projects;
- Regional Transport Studies;
- Port Development Projects;
- Port and Supply Chain Security (Production of the SCS Guide), and
- Port Reform.

Hinterland Connections, Trade Facilitation and Environmental Assessment are important components of these projects.

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