Government policies for efficient and sustainable port-hinterland transport

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Kurt Van Dender
Joint Transport Research Centre
of the OECD and the International Transport Forum
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• Context
• Concerns about sustainability
• Concerns about market power
OECD/ITF JTRC Roundtables:
• Port competition and hinterland connections
• Integration and competition between transport and logistics businesses
• Competitive interaction between airports, airlines and high-speed rail

See http://www.internationaltransportforum.org/jtrc/DiscussionPapers/jtrcpapers.html

ITF Forum 2009:
See www.internationaltransportforum.org
Context

• growing trade and cargo volumes

• changing industrial organization of supply chains
  • Performance of supply chain, not of links and nodes.
  • Expanding hinterlands, containerization, larger vessels.

  ➔ Ports more interchangeable, hinterland more critical.
  ➔ Opportunities for rail and barge corridors (cargo consolidation)
  ➔ Environmental impacts: scale?

• crisis – non-transitory effects?
  • Uncertainty, scarcer funds, slower growth, localization
Sustainability

• Not limited to climate change
  • local and regional impacts: race to the bottom or to the top?
• CC measures limited impact at current carbon prices
  • but do these match policy aspirations?
• Adapt transport activity or transport technology?
  • Modal switch: limited scope; revise production patterns: difficult and uncertain impacts.
  • Shift emphasis from abatement to technology incentives.
Efficiency

• Increasing horizontal concentration
• Increasing vertical concentration?

➔ Market power? Abuse of market power?

  Dense vs. thin markets

  VI: consider up- or downstream markets

Weak case for ex ante regulation. Instead, conditions for competition (transport policy) + vigilant competition authorities.
Efficiency – vertical separation in rail

• US: competition between VI companies works, but limits to concentration.
• Europe: focus on allowing rail freight competition, in a context where passenger traffic is prioritized. Separation reasonable (i.e. feasible and effective) and needs to be completed.
• Emergence of strong players: competition authorities’ prominent role to avoid dominance
Efficiency – essential facilities

• E.g. port – hinterland rail access
• What matters is overall performance (i.e. consumer interest), not entry or access in itself.
• Voluntary agreements (public role for brokering).
Summing up

• Dynamic (volatile?) context – don’t condition policy on current structures. No micro-management.
• CC: integrate in broader policy thrust.
• Establish broad conditions for competition to emerge.
• Retain oversight on competition.