



UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

RESEARCH ROUND TABLE: SEAPORT COMPETITION AND HINTERLAND CONNECTIONS

**OECD/ITF TRANSPORT RESEARCH CENTRE
IEA, Paris, 10-11 April 2008**

A report by Jaromir Cekota, Transport Division, UNECE



Introduction

- Roundtable a part of the ITF process
- Ministerial Meeting on Globalization (2009)
- One chairperson, four rapporteurs
- Thirty-five invited participants
- Incl. twenty-nine researchers
- All reports and presentations available
- <http://www.internationaltransportforum.org/jtrc/roundtables.html>



1. Theo NOTTEBOOM (Belgium)

- ‘The relationship between seaports and the intermodal hinterland in light of global supply chains: European challenges’
- Development of major ports and logistics
- Intermodal results market driven
- Ports compete increasingly on land (scale advantages matter)
- Divides ↑ (North-South, governance)
- Market deregulation → concentration ↑



2. Genevieve GIULIANO (USA)

- ‘Responding to increasing port-related freight volumes: Lessons from Los Angeles/Long Beach and other US ports and hinterlands’
- Globalization → Trade ↑ → Dispersed benefits (P ↓)
- But localized costs (congestion & air pollution ↑)
- Dominant actors (ports, terminal operators, steamship lines, major clients, unions) win
- Railroads benefit from market power
- Price takers (truckers) lose
- Land-use planning very important



3. Peter W. DE LANGEN (Belgium)

- ‘Ensuring hinterland access: The role of port authorities’
- Port authorities increasingly commercialized
- Can actively contribute to better hinterland access (key competitive factor)
- Efficient use of infrastructure not spontaneous
- Port authorities can invest in infrastructure inside and outside port areas
- Can also improve hinterland access by setting infrastructure access rules
- And by setting conditions in terminal concessions



4. Anming ZHANG (Canada)

- ‘The impact of hinterland access conditions on rivalry between ports’
- Hinterland access: dedicated corridor facilities and inland roads
- Assume ports compete in quantities
- Corridor capacity of a region \uparrow \rightarrow own port output and profit \uparrow
- And rival port output and profit \downarrow
- Inland road capacity \uparrow \rightarrow unclear outcomes



Some conclusions

- Institutional factors and size very important
- Governance and concession terms matter
- Congestion managed better in ports than in hinterland
- Market power: ports ↓ shipping lines ↑
- Quality of transport increasingly important
- Unified legal framework for hinterland connections desirable



Some questions

- Capacity bottlenecks – mainly physical or institutional?
- Market concentration bad for competition?
- Re-regulation to achieve efficient social outcomes?
- A multilateral framework to reduce pollution?
- What do ports maximize?
- Incentives of players and intelligent regulation