

Failure of “Port Package”: A Big Fiasco, or a Blessing in Disguise?¹

Harilaos N. Psaraftis

Professor, National Technical University of Athens

Former CEO, Piraeus Port Authority

On January 18, 2006 the European Parliament rejected with a majority of 532 out of 677 the second Proposal of the European Commission for a Directive to regulate market access to port services (the so-called “port package”). At face value, this was a big fiasco for the European Commission, even bigger than the narrow parliamentary defeat of the first proposal in November of 2003.

For many people, including myself, this result was predictable. The first attempt to pass a Directive failed because the Commission managed to unite against it forces that one would logically assume to be for it in the best case, or against each other in the worst case. At the one end of the spectrum, one had “European Dockers United”, who felt that their jobs and port safety were at risk. At the other, one had the private ports of the United Kingdom, who did not see why they should allow their private facilities to be the subject of public tender, as the Directive stipulated. In addition, industry and labor circles felt that the package forced a ‘one-size-fits-all’ model onto a widely diversified industry and that inadequate consultation with trade unions and the industry was a major problem.

Just before leaving office in 2004, and less than a year after the parliamentary defeat, the previous EU Transport Commissioner Loyola de Palacio submitted a second version of the port package. Some regarded it as ‘the swan song of Mrs. De Palacio’, or ‘the revenge of Mrs. De Palacio’. The widespread view from the port industry was that it would be premature to resubmit the port package to the Council of Ministers and the European Parliament before making sure that adequate consultation with stakeholders took place. Along with a number of other stakeholders, ESPO (the European Sea Ports Organisation) had issued a call to the Commission asking it to freeze the discussion on this topic, only to see ‘port package No. 2’ officially submitted a few days later. In November 2004 the new ESPO chairman Giuliano Gallanti launched an appeal to the European Parliament, the Council of Ministers and the Commission to consider jointly with the port sector a fundamental revision of the new directive, voicing the concern that “*the proposal we now have on the table is not going to help ports in facing their common challenges*”.

¹ Written on 18/01/2006. To appear in SHIPPING International Monthly Review.

These appeals fell on deaf ears. In November 2005 the Transport and Tourism Committee of the European Parliament failed to agree to an amended Directive, and thus the Directive went to the European Parliament plenary session as originally submitted by Mrs. De Palacio. Some amendments were proposed, but the vote of January 18 was only the official certification of the fact that the Directive was clinically dead long time ago.

What now? New Commissioner Jacques Barrot tried to put the best face on what one may label as a miserable and unmitigated catastrophe, by expressing the wish that the Parliament would not lose sight of the motivations behind the Directive Proposal. The Commissioner said that he would present the opinion of Parliament to the College of Commissioners and then decide on further steps. The ESPO Chairman said: “We do not consider this as a day of victory as we were never against the idea of an instrument on port services as such. However, it became very clear to us after the vote in the Transport Committee in November that there was no steady political basis for the Directive and the risk was very high that something incoherent and counterproductive would have come out in the end. The fact that the controversial Directive is now off the table gives us the possibility to have a fresh start and look at the development of a more coherent European policy framework for our ports.”

So is this really a blessing in disguise? It depends. One cannot really ignore the fact that some 8 years have passed since the adoption of the Green Paper on Seaports and Maritime Infrastructures, which was considered as the precursor to the port package. The time and resources that were lost in all this debate are real, and cannot be ignored. At the same time, it is never late for a fresh start, and lessons from the port package failure can be valuable in that regard. Provided of course that the legislators and politicians that are active in European port policy-making have really learnt their lesson. The pertinent question is, “have they?”

In a paper of mine that was published about a year ago (Psaraftis, 2005), I concluded with this paragraph:

“These are certainly challenging times for the EU port industry. In our opinion, the industry is at a critical point, to move ahead proactively and meet these challenges, instead of retracting to inertia, complacency and fragmented action. However, this will not happen automatically, and it will definitely require the full energy and cooperation of all stakeholders involved.”

These words will never be more true than they are today.

Reference

Psaraftis, H.N., “EU Ports Policy: Where do we Go from Here?” Maritime Economics and Logistics, No. 7, pp. 73-82, 2005 (Palgrave-Macmillan).