

BPO Statement regarding the newly proposed EU Ports Strategy

The Baltic Ports Organization (BPO) welcomes the European Commission's (EC) initiative to develop a comprehensive EU Ports Strategy, as outlined in the recent Call for Evidence. We recognize the strategic importance of this endeavor, aiming to modernize and adapt the EU's port sector to evolving geopolitical, economic, and environmental landscapes. The BPO and its Members firmly believe that a well-conceived strategy is a crucial step towards ensuring the long-term competitiveness, security, and sustainability of European ports, which are indispensable pillars of the Union's economy and connectivity.

However, while acknowledging this positive direction, the BPO emphasizes that the success of any strategy lies in its practical implementation. It must serve as a guiding policy framework that fosters growth and resilience, rather than imposing additional regulatory burdens or significantly altering existing legislative regimes. Our collective motto for this strategy should be "Easier, not harder," ensuring that it facilitates rather than complicates the complex undertakings required from the port industry. This statement outlines the Baltic Ports Organization's key perspectives and recommendations, urging policymakers to consider the unique challenges and opportunities faced by ports, particularly within the Baltic Sea Region.

Enhancing Competitiveness and Sustainable Growth

Ports are not merely logistical nodes; they are dynamic economic engines vital to Europe's continuing prosperity and global trade. Their role extends far beyond cargo handling, encompassing crucial functions in people's mobility and tourism, an aspect especially pertinent and economically significant for the Baltic Sea Region.



The sustained growth of the European economy is inextricably linked to the assured competitiveness of its ports.

The BPO believes that the overall growth of the port industry must remain market-driven, not policy-driven. This approach is essential to mitigate the risk of overinvestment, ensuring that development aligns with genuine demand and economic viability rather than theoretical projections. To facilitate this, investment processes must be significantly shortened and eased up, actively supported by deregulatory actions that are in line with the strategic goals of the new European Commission. This means streamlining administrative procedures, reducing bureaucratic hurdles, and fostering an agile environment where port authorities and private investors can act decisively.

The extended duration of administrative decision-making processes is another significant challenge to be underscored, particularly those related to environmental protection (e.g., environmental decisions, water permits). These processes consume a disproportionate amount of time in the project design cycle, leading to construction delays and often preventing project completion within a single EU financial perspective, especially for EU-funded initiatives. The inherent technical and organizational complexity of port projects, located at the interface between land and sea, necessitates additional consultations, further prolonging preparation and design phases over several years.

Regarding financing, the BPO strongly advocates for CEF III (Connecting Europe Facility) to be recognized and utilized as the primary financing mechanism for port infrastructure development and modernization. Its proven track record and focus on strategic European connectivity make it the most suitable instrument. That said, the current imbalance in EU infrastructure funding shows that nearly 80% of recent CEF-T calls were granted to rail projects. This needs to be noted, as equitable treatment across transport modes should be a priority.



Furthermore, it is essential to create an environment that actively supports access to private investment capital, for example, through robust public-private partnership (PPP) models. Simultaneously, ports themselves must remain open and attractive to private investments, fostering a collaborative ecosystem where public and private sectors can co-invest in critical infrastructure. The implementation of the TEN-T (Trans-European Transport Network) policy must continue under previously agreed-upon terms, providing a stable and predictable framework for long-term infrastructure planning and investment.

Rules for securing financing for public investments carried out by state-owned entities require simplification. At the same time, public purpose investments should ideally be exempt from notification obligations, as the current system effectively requires the state to notify aid granted to itself, leading to redundant bureaucracy. Furthermore, a flexible, security-conscious approach to foreign direct investments in ports, respecting port ownership and Member State sovereignty while maintaining dialogue on contractual partners, should be supported.

Security, Resilience, and Military Mobility in the Baltic Sea Region

Ports are unequivocally strategic infrastructure assets, forming one of the key pillars of Europe's economy and security. For the Baltic Sea Region, the aspect of their security is of paramount importance due to its unique geopolitical context. The region's proximity to the ongoing conflict in Ukraine renders it especially vulnerable to hybrid attacks, encompassing cyber threats, physical sabotage, and foreign influence. Therefore, ports in the Baltic Sea Region must be adequately prepared for such contingencies, which will necessitate increased budgets and enhanced access to financing for robust security measures and resilience-building initiatives.

Ports are increasingly dependent on information systems that manage ship traffic, cargo, and logistics. Attacks on traffic and logistics management systems, malware



(ransomware), or attacks on critical infrastructure systems can paralyze port operations and affect the region's economy. Additionally, authorities, not just ports alone, should bear the primary responsibility for wider societal security functions, with ports having access to external funding for related investments. In order to strengthen the security and resilience of ports, it is desirable that at the European Union level:

- Common (where possible) cybersecurity standards for seaports be introduced, covering IT systems and critical infrastructure,
- Information exchange and cooperation between ports on cyber threats and best practices in the area of security be increased,
- Promotion of training and competence development in cybersecurity for port employees be intensified,
- Investments in modern technologies for protection against cyberattacks, such as real-time monitoring systems, artificial intelligence for anomaly detection, and advanced mechanisms for protection against ransomware, be supported via EU funding
- Cooperation with EU agencies and international organizations be fostered to develop global solutions for port security.
- Cooperation between law enforcement and customs authorities, developing best practices for security controls be strengthened

Ports, as elements of the supply chain where military transshipments take place, are particularly vulnerable to the activities of foreign services. In order to reduce the level of threat, it is necessary to:

- Introduce security standards for security personnel,



- Introduce standards for electronic security systems,
- Develop a model for cooperation between ports and allied forces.

While acknowledging the growing importance of the military mobility function of ports, the BPO stresses that this crucial role cannot be allowed to collide with their core commercial and civilian functions. Ports are primarily hubs for trade, logistics, and civilian transport. Any integration of military mobility requirements must be carefully balanced to ensure it complements, rather than compromises, the efficiency and competitiveness of their primary commercial operations. This requires clear guidelines, dedicated funding streams, and a collaborative approach between civilian port authorities and military stakeholders, ensuring that security enhancements serve both defense and economic resilience without hindering trade flows or imposing undue burdens on port operators. Crucially, any actions undertaken by port terminal operators for military purposes that impair their operational capabilities (e.g., assuring access to the leased areas for the exclusive use by military forces on the constant availability basis) should be subject to compensation measures given by the State/EU (lease rent reduction). Such tools should be unified on the EU level.

Navigating the Green Transition and Future Energy Hubs

The Baltic Ports Organization fully supports Europe's ambitious climate policy and has consistently demonstrated active involvement in environmentally conscious actions. However, it is crucial for policymakers to acknowledge that harsh regulations imposed solely on European waters do not significantly contribute to lowering global emissions if they merely shift maritime traffic to non-EU ports or disadvantage European operators. A delicate balance must be maintained between ambitious pro-climate actions and assuring the necessary competitiveness of European ports on a global scale.



The European Emission Trading System (ETS) serves as a stark example of how regulations, if not carefully designed, can negatively impact the competitiveness of the European port sector. The BPO finds it particularly concerning that road transport is currently excluded from the ETS, while maritime transport is not. This disparity stands in direct contrast to the EU's stated objective of supporting short sea shipping, which is inherently a more environmentally friendly mode of transport than road haulage for many routes. Such inconsistencies undermine the very goals they aim to achieve and distort the level playing field within the transport sector. Furthermore, the allocation of funds collected via the ETS should, at least to some extent, directly support the development of green shipping and the accompanying, necessary infrastructure.

The complex legislative nature of various environmental regulations leads to other challenges and inconsistencies. The current design of the AFIF (Alternative Fuel Infrastructure Facility) programme should be addressed, as in its current form it excludes publicly owned ports due to their inability to seek external funding in the form of bank loans. It cannot be stressed enough that the EU funding instruments must be designed with more flexibility and accessibility in mind, allowing for use by diverse ownership structures.

Regarding the development of alternative fuels infrastructure, the BPO believes that ports should not be obliged to ensure the availability of alternative fuels infrastructure based solely on theoretical projections. Shipowners should be the main driving force behind the demand for such infrastructure, as the real demand remains largely unknown and should be a result of natural market growth. Mandating infrastructure investments without clear, market-driven demand risks significant overinvestment and stranded assets for ports, which offer no direct advantage in terms of higher revenue.



On-shore power supply (OPS) systems, for instance, represent very costly investments for ports, offering no immediate direct revenue advantage, and are coupled with limited access to appropriate financing opportunities, making their timely and widespread implementation challenging. Upcoming regulatory demands regarding OPS for cruise vessels do not necessarily succeed in taking into account the massive power demands of cruise vessels – a single, large cruise ship can demand power equivalent to a small town. Electrified ferries, soon to be a staple in the vessel landscape of the short sea shipping industry, while significantly smaller than cruise ships, require substantial power for rapid charging. These issues, coupled with insufficient existing grid capacity and the high cost of grid reinforcement (oftentimes based on the distance between ports and high-voltage transmission lines), as well as the regulatory and permitting complexities, should be viewed as a market and reality driven reason for reconsidering the approach to maritime industry focused legislation. Ensuring permanent tax exemption for OPS use in the Energy Taxation Directive should be strongly considered.

As highlighted during the summary of this statement, the clear understanding of the intricacies governing the operations and decision-making process unique to the maritime industry, required (but not always displayed) from the bodies responsible for policymaking, should go hand in hand with transparency and openness to dialogue during the introduction and subsequent implementation of industry-defining strategies, policies and regulations.

Nevertheless, the BPO recognizes that ports are the natural energy hubs of the future. To enable them to retain and expand this vital role, regulations and policies need to actively support new investments in energy infrastructure and offer sufficient financing opportunities. This includes investments in grids, smart energy systems, and facilities for handling and storing new alternative fuels, but always in response to a clear, evolving market demand from shipping and industry.



The necessity to adapt safety procedures and standardize operations related to new fuels, such as hydrogen, creates a need to develop uniform regulations at the EU level. Clear but realistic legal guidelines on safety and bunkering procedures for new fuels are also needed so that ports can operate in accordance with uniform standards. In addition, investment in innovative technologies is essential for the further development of sustainable transport.

Cooperation with other ports in the region and the exchange of experience in the implementation of zero- and low-emission technologies also play a key role in accelerating the energy transition. The development of training and certification systems for personnel should be considered.

New talent and retraining

As handling new fuels, digitalization, automation etc. all require specialist knowledge and operational preparation, coordination of European educational programs on the handling of low-emission fuels and new technologies should be sought after.

Preparing employees for new skills in the context of digitalization and sustainable development is a process that requires commitment from both the organization and the employees themselves. Employee development, retraining and attraction, promoting diversity, and effective social dialogue in the context of digitalization and sustainable development are complex challenges that require the cooperation of all entities operating in the Baltic Sea region.

Initiatives and mechanisms that might help achieve these goals could include:

- broader access to information about existing education and training programs that support digitization and promote sustainable development,



- creation of programs/processes that support diversity and integration in port workplaces – these programs could include both education and initiatives to adapt port infrastructure to different needs,
- supporting the creation and development of platforms enabling regular industry dialogue between employers, employees, trade unions and non-governmental organizations, promoting initiatives, temporary employee exchanges or study visits to ports in the Baltic Sea or other regions, enabling the exchange of experiences and the acquisition of new skills,
- ensuring proportionality in port staff screening to avoid overly stringent criteria that could impact workforce availability.

A Call for Transparent, Supportive Implementation

The Baltic Ports Organization believes the proposed EU Ports Strategy to be a step in the right direction as a guiding policy document. However, its effectiveness hinges on its implementation. It should not put additional regulatory strain on the port industry and should not significantly impact the existing legislative regime that already governs port operations. The focus should be on clarification, coordination, and facilitation, rather than introducing new layers of complexity or conflicting rules. In this vein, cooperation can also be added to the list, in the form of favoring effective global regulation (e.g. IMO Net-Zero-Framework) for shipping and thus preventing doubling the burden for ports.

While it is always beneficial to have a strategy, a transparent plan for its implementation is equally important. This plan must clearly outline responsibilities, timelines, and expected outcomes. Crucially, the strategy has to be backed by suitable financing mechanisms and genuinely deregulatory tools. The implementation of such complex undertakings, especially those related to green transition and security enhancements, has a direct and profound impact on the



ports' competitiveness. Without adequate financial support and a streamlined regulatory environment, ports will struggle to meet the ambitious targets set by the EU, potentially hindering their ability to contribute to Europe's economic growth and strategic autonomy.

Policymakers must maintain a pragmatic understanding of the port industry's operational realities. The motto "Easier, not harder" should guide every aspect of the EU Ports Strategy, allowing for the assurance of basic connectivity and providing accessible financing opportunities that truly empower ports to evolve and thrive. The BPO stands ready to collaborate with the EC and all relevant stakeholders to ensure that the final EU Ports Strategy is a pragmatic, supportive, and forward-looking framework that truly benefits the entire European maritime transport sector.

