



## Danube Transnational Programme DIONYSUS

**Integrating Danube Region into Smart & Sustainable  
Multi-modal & Intermodal Transport Chains**

Output: T1.7

### **Workshops to facilitate cross- border/cross Black Sea services**

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## Document History

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0.1	15/06/2022	MPAC
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## 1 Description of the Output [Application Form]

### Event's purpose, goals, and objectives

The event was organized by MPAC within WPT1 - Transport Corridors & IWT Markets, O.T1.7.  
- Workshops to facilitate waterborne cross-border/cross Black Sea services.

*The Workshop to facilitate cross-border/cross Black Sea services* aimed to the possibilities and opportunities to build up new transport links among the Danube corridors and the riparian Black Sea & Central Asia regions.

The workshop analysed the existing transport infrastructure together with the status-quo of the on-going and planned infrastructure projects, as basis for the elaboration of various assumptions on potential traffic and trade flows of the Danube ports in connection to the development of the transport links to the corresponding corridors, gathering important and valuable feedback for the design and operation of potential new cross-border/cross-Black Sea transport links.

### Event's main topics (as per the agenda)

The presentations addressed the current context and the future perspectives of development of waterborne cross-border/cross Black Sea services. The speakers presented both weaknesses and strengths of such services and managed to also make relevant recommendation.

### Event's policy context

*(Contribution to EUSDR actions and/or targets etc., national, EU policies etc.)*

The recommendations and conclusions made can be successfully assimilated within the EUSDR actions and Eu policies and could provide important and valuable feedback for the design and operation of potential new cross-border/cross-Black Sea transport links.

### Events' expected outcome

The outcome of the events builds on the analysis of the possibilities and opportunities to build up new transport links among the Danube corridors and the riparian Black Sea & Central Asia regions.

Various assumptions on potential traffic and trade flows of the Danube ports in connection to the development of the transport links to the corresponding corridors were also formulated.

### Target audience

Project partners, public and private key stakeholders involved in the cross-border/cross Black Sea services.

**Event's type**

Workshop

**Event's format**

Virtual Event, In-person, Hybrid

**Contributing deliverables to the Output**

## 2 Abbreviations

Abbreviation	Explanation
<b>ENI</b>	European Neighbourhood Instrument
<b>EUSDR</b>	European Union Strategy for the Danube Region
<b>HFIP</b>	Hungarian Federation of Danube Ports
<b>IWT</b>	Inland Waterway Transport
<b>MPAC</b>	Maritime Ports Administration SA Constanta

### 3 Target Groups

#### 3.1 Event #1: 1<sup>st</sup> Workshop to facilitate cross-border/cross Black Sea services

		Number of Participants
1.	Business support organization	6
2.	Higher education and research	3
3.	Infrastructure and (public) service provider	-
4.	International organization under international law	2
5.	Local public authority	-
6.	National public authority	35
7.	Other – IWT and port operators	1
8.	SME – private port operators and SMEs	4
<b>TOTAL</b>		<b>52</b>

#### 3.2 Event #2: 2<sup>nd</sup> Workshop to facilitate cross-border/cross Black Sea services

		Number of Participants
1.	Business support organization	10
2.	Higher education and research	-
3.	Infrastructure and (public) service provider	-
4.	International organization under international law	3
5.	Local public authority	-
6.	National public authority	1
7.	Other – IWT and port operators	24
8.	SME – private port operators and SMEs	4
<b>TOTAL</b>		<b>42</b>

## 4 Conclusions & Lessons Learnt

### 4.1 Event #1: 1<sup>st</sup> Workshop to facilitate cross-border/cross Black Sea services

- Post-event reports (Summary of the main results, conclusions, recommendations, and lessons learnt)

With the occasion of the 1st Workshop to facilitate cross-border/cross Black Sea services the organizers succeeded to gather speakers representing relevant stakeholders for the event topic: representatives of TRACECA, Odessa National Maritime University Sea Lines, APM Terminal in Poti, Danube Logistics Holding.

This kind of event leads to an analysis of possible options of new links among the Transport Corridors crossing the Danube & Black Sea & Central Asia Regions. The assessment of the existing transport infrastructure, and also the status-quo of the on-going and planned infrastructure projects, are starting point for elaboration of various scenarios on potential traffic and trade flows of the Danube ports in connection to the development of the transport links to the corresponding cross-border regions.

One of the lessons learnt post this specific workshop is that the desired expanding of the use of the Danube waterways to new markets and new clients requires both commercial and political efforts, as well a comprehensive promotion. The Danube Corridor and the Middle Corridor (TITR) offer prospects of new cargo flows, making use of the Danube waterway.

Connection with the Black Sea, linking the sea and the Danube inland ports, having the destination CIS countries and Turkey, facilitate access to new potential cargo flows, resulting the business opportunities also for related industries.

Central Asia is a remarkable trading markets of 165 billion USD, having an attractive regional supply/demand balance and a hinterland market which has shown strong growth since 2000 with further attractive growth prospects. But, unfortunately, even though some gateways (for example Georgia) is geographically and infrastructurally superior, the container penetration rate is extremely low (<1% in Central Asia). The region has some challenges to overcome: lack of regional inland infrastructure creates equipment imbalance, rail network is uncommercial, the cargo base and lack of reliable container connections; a deficient containerized cargo base the lack of predictability.

Another issue regarding the cross-border transport in the Black Sea Regions is that the specific port services (for example Ro-Ro) and the services on the land way border have to be standardized and have the same level of development (in terms of facilitations, paperwork etc.).



As a negative conclusion, the region does not present a uniform interest: Turkey is not constant connected to Europe, the Middle and Far East don't have reliable connection, the container traffic is not predictable and regional inland infrastructure creates equipment imbalance. The essential effort in order to overcome these issues should be concentrated around stabilizing a strong economic network in order to the get traffic/cargo base and proper volumes to initiate viable routes.

By way of example, the representative of Danube Logistics SRL, presented Giurgiulesti Port, which could become a connecting port between Romania and Turkey. Administrated by a Moldavian company but with a stakeholder from Netherlands, Giurgiulesti is a both maritime and river multipurpose port and aims to be assimilated a international multimodal hub. Import/export to/from Moldova are predominating.

Giurgiulesti port has a special trade relation to Constantza Port, in terms of both imports and exports. As a matter of fact, a regular container services activated between 2014-2019. After the suspension, Giurgiulesti focuses on bulk services. There is a inland route, the Cernavoda Canal, and the maritime route to get co Constanta port; unfortunately the canal has extra taxes and papers and represent a disadvantage in terms of final costs.

The great potential in the Black Sea for Giurgiulesti is concentrated on Turkey, the traffic of goods being already significant; unfortunately, a large part of the total cargo is reaching Moldova by truck. If Giurgiulesti is seeking and identifying potential in the Black Sea region and is perceptible, that means that the efforts should focus on connecting the dots.

- Input provided to various project activities, deliverables, or policy initiatives (national, EU, regional level) in line with the topics discussed and conclusions delivered by participants

Expanding the use of the Danube waterways to new markets and new clients requires both commercial and political efforts, as well a comprehensive promotion. The Danube Corridor and the Middle Corridor (TITR) offer prospects of new cargo flows, making use of the Danube waterway. Connection with the Black Sea, linking the sea and the Danube inland ports, having the destination CIS countries and Turkey, facilitate access to new potential cargo flows, resulting the business opportunities also for related industries.

Dionysus project aims to provide a substantial support regarding the future development of the potential connections of the Danube Transport Corridor to other transport corridors or logistic network in the Black Sea region. One of the tools used for this perspective is organizing regional workshops in Romania, Ukraine and Hungary, in order to analyze the opportunities to build up new transport links among the Danube Corridor and the riparian countries in Black Sea region and Central Asia.

On governmental level, it was stressed the importance of developing the more improved cross-border/cross Black Sea services, in order to stabilize the existing traditional routes and increasing the cargo flows. The interest is to create, on one hand, the necessary conditions in order to develop a direct route between the Port of Constanta and Danube River as an important connection to Central and North-Western Europe, as an alternative route for effective transportation and available markets; on the other hand is essential to focus on the cooperation prospective with Middle and Far Oriental routes, taking into account the joint declaration from 2019 of ministries of Foreign Affairs from Romania, Georgia, Azerbaijan and Turkmenistan, as an expression of common commitment for promoting and support, in commercial, technical and political terms, the Black Sea-Caspian route, in order to create a permanent intermodal transport link connecting Europe through Danube water way.

A.T1.4 analyses all these socio-economic benefits and costs of increased cargo flows on the Danube waterway. Secondly, a strategic concept for the promotion of Danube waterway transport in the European transport policy framework and towards the transport & logistics markets will be elaborated. PDM has prepared a Strategy and an Action Plan for promotion and awareness-raising for the economic and socio-economic value of Danube transportation. MPAC, USPA, and HFIP will organize each workshop aiming at the facilitation of cross-border/cross-Black Sea cooperation.

The representative of MPAC (Head of Marketing Department) presented the main characteristics and advantages of Constanta Port, related to the theme of the workshop: the connection of the port with the Danube river is made through the Danube-Black Sea Canal, which represents one of the main key points of the port; Constanta is a trans-shipment hub for the cargo sent from or bound to the landlocked countries in Central and Eastern Europe; due to low costs and important cargo volumes that can be carried, the Danube is one of the most advantageous modes of transport, an efficient alternative to the European rail and road congested transport; the Port of Constanta has a dedicated barge terminal in the Southern part, close to the connection with the Danube. Regarding the perspectives of a Ro-Ro line between Karasu and Constanta, the terminals are strategically located near important highways and provide space for handling all types of cargoes. Their locations also provide a close and quick connection to the main industrial zones.

Keeping the workshop theme, MPAC representative noted that an alternative corridor to take into consideration is Caspian Sea-North China – both a potential intermodal corridor connecting the industrial region of Northern China to Europe, transiting the emergent markets of the Caspian region, and an alternative to the oceanic route from the Chinese ports passing through the Suez Canal.

The representative of Pro Danube Romania, the lead partner of Dionysus Project, underlined that the focus of this event is not going to be on the key facts or other project activities related

details, but on the main theme of the workshop - facilitate cross-border/cross Black Sea services, with regard on naval transportation services. The Danube corridor offers a cost efficient and a sustainable transport solution, which are not fully exploited by costal industry.

Expanding the use of the Danube waterways to new markets and new clients requires both commercial and political efforts, as well a comprehensive promotion. The Danube Corridor and the Middle Corridor (TITR) offer prospects of new cargo flows, making use of the Danube waterway. Connection with the Black Sea, linking the sea and the Danube inland ports, having the destination CIS countries and Turkey, facilitate access to new potential cargo flows, resulting the business opportunities also for related industries. Dionysus project aims to provide a substantial support regarding the future development of the potential connections of the Danube Transport Corridor to other transport corridors or logistic network in the Black Sea region. One of the tools used for this perspective is organizing regional workshops in Romania, Ukraine and Hungary, in order to analyse the opportunities to build up new transport links among the Danube Corridor and the riparian countries in Black Sea region and Central Asia.

The representative of Romanian Ministry of Transport and Infrastructure, talked about importance of developing the more improved cross-border/cross Black Sea services, in order to stabilize the existing traditional routes and increasing the cargo flows. The interest is to create, on one hand, the necessary conditions in order to develop a direct route between the Port of Constanta and Danube River as an important connection to Central and North-Western Europe, as an alternative route for effective transportation and available markets; on the other hand is essential to focus on the cooperation prospective with Middle and Far Oriental routes, Mrs. Patrichi mentioning the joint declaration from 2019 of ministries of Foreign Affairs from Romania, Georgia, Azerbaijan and Turkmenistan, as an expression of common commitment for promoting and support, in commercial, technical and political terms, the Black Sea-Caspian route, in order to create a permanent intermodal transport link connecting Europe through Danube water way.

The representative of APM Terminals Poti from Georgia stressed the fact the Central Asia is a remarkable trading markets of 165 billion USD, having an attractive regional supply/demand balance and a hinterland market which has shown strong growth since 2000 with further attractive growth prospects. Unfortunately, even though Georgian gateway is geographically and infrastructurally superior, the container penetration rate is extremely low (<1% in Central Asia). The region has some challenges to overcome: lack of regional inland infrastructure creates equipment imbalance, rail network is uncommercial and lack of reliable container connections across Caspian Sea.

Regarding the big potential of linking terminals, trade destination and businesses in the Black Sea related to the Ro-Ro connections, the representative of Sea Lines insisted on overcoming

the problems, having a positive starting point in the Ro-Ro line Constanta – Karasu, which had its test and the perspective still exist, indicating a more short and efficient way than using road transport; but with the amendment that their lowest level of port service needs to be as the highest level of service on the land way border.

The representative of Sea Lines talked about big potential of linking terminals, trade destination and businesses in the Black Sea. Of course, there are a lot of problems to overcome, but as for example creating short sea shipping routes could be more effective – the Ro-Ro line Constanta – Karasu had its test and the perspective still exist and indicates a more short and efficient way than using road transport; but their lowest level of port service needs to be as the highest level of service on the land way border.

The TRACECA Advisor and Representative in EU mentioned that the Middle Corridor initiatives didn't have so much success, especially the idea of starting a feeder line between the Georgian ports and Port of Constanta, the main challenge identified as the cargo base deficient, which results a lack of predictability. Even though the numbers indicate a huge cargo traffic this is represented by oil products but this category has already its own traditional routes and destinations - through Russia. The suggestion was to look for EU support, finding partners in order to discuss and meet, in a proactive way, finding benefits for all the stakeholders.

IST Logistic representative stressed the idea that, even though the situation hasn't changed too much, meaning that the Turkey is not constant connected to Europe, the Middle and Far East don't have reliable connection and the container traffic is not predictable, the essential effort should be concentrated in creating economic relation in order to the get traffic/cargo base and proper volumes to initiate viable routes.

- Follow-up measures and activities

O.T1.7 Workshops on Container Liner Services are events supporting the generation of deliverables and enable learning interactions. Analysis and recommendations will stay valid for at least 5 years which shall be sufficient for starting concrete services.

These recommendations shall feed into the work of EC services (DG MOVE, DG REGIO, DG ENPI) and into infrastructure plans of involved states. The forthcoming revision of the TEN-T networks provides an excellent opportunity to include identified gaps and recommendations into the implementation work for the relevant TEN-T transport corridors. In the new EU financial perspective, also the ENI – EoP infrastructure plans will be modified offering opportunities for better interconnectivity.

MPAC covered the required interaction with EC services together with involved public administrations (PPs and ASPs). In addition, PP MT is one of the coordinators of the EUSDR/PA1a which facilitates take up of output elements in future PA1a activities.

## 4.2 Event #2: 2<sup>nd</sup> Workshop to facilitate cross-border/cross Black Sea services

- Post-event reports (Summary of the main results, conclusions, recommendations, and lessons learnt)
- Input provided to various project activities, deliverables, or policy initiatives (national, EU, regional level) in line with the topics discussed and conclusions delivered by participants
- Follow-up measures and activities
- Any other relevant information

The major conclusions from keynote speeches on Danube-Black Sea channel, current and future projects, container traffic and the international impact of Hungary's National Port Development Strategy are summarized below.

### *Danube – Black Sea connections, intermodality from the perspective of the Port of Constanta*

- container traffic is not at the main focus
- one of the most modern bulk cargo ports with 25 million tons of cereals transshipped
- for Hungary for instance, it is the number one maritime port serving as an important chain on the Danube – Black Sea corridor

### *Ongoing and planned projects*

- aim capacity improvement, connectivity and integration, traffic management and digitalization
- based on all transport and infrastructure projects, road has the largest share

### *Container traffic*

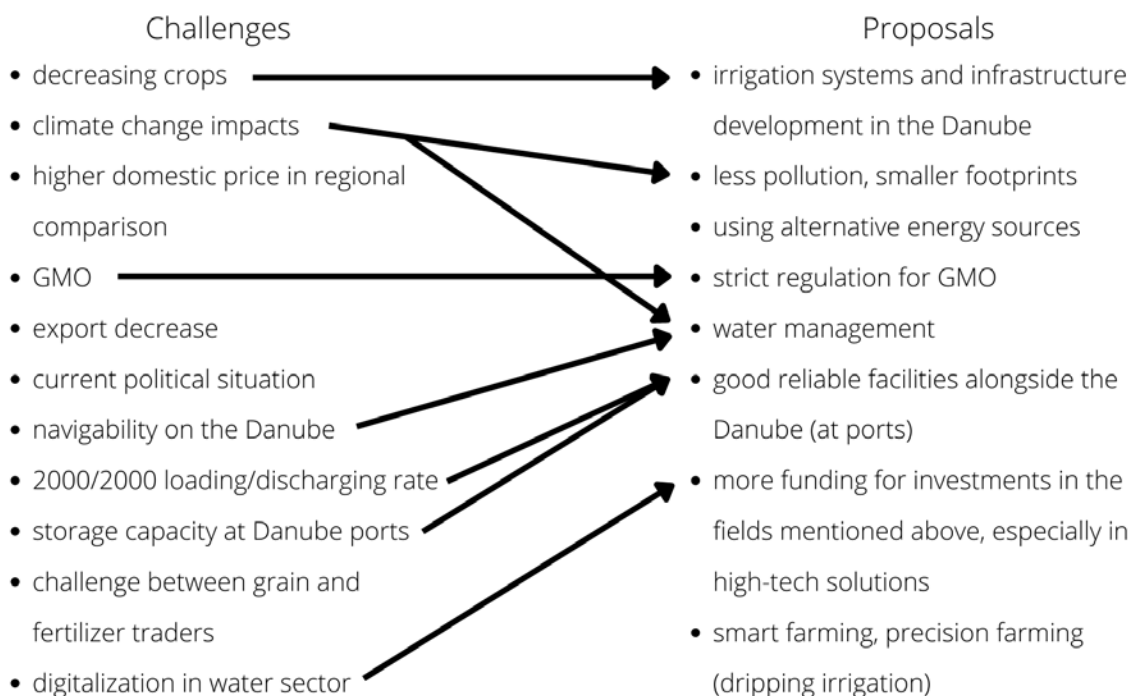
- pandemic had huge impact on logistics sector, all transport modes
- neither rail, nor IWW could take over traffic from road
- MCC being the only trimodal container terminal in Hungary, hard to find partners able to handle containers due to lack of proper port equipment and sufficient water level, and lack of proper vessels.
- DIONYSUS has been a great start to renew the outdated legislation to have specified regulation for containers and not the same as for dangerous goods.

*Hungary's three-year-old National Port Development Strategy has an international impact through aiming increasing the share of IWT among transport modes:*

- aims to have developed, efficient ports and such cargo base contributing to a multimodal logistics chain
- pries modal shift in cargo logistics and more demand to be generated
- facilitates workforce development and sustainable legislation framework to be updated
- 39 actions: KIR (national Port Management System), Market observatory, conferences, development of the Freeport of Budapest, training of port operators: done and ongoing
- Soft items shall be implemented easily but several actions need to be completed in the mid-term.

After the keynote speeches, there were three parallel discussions to identify the challenges of (1) grain market, (2) infrastructure and (3) container traffic, and proposals to target them. Major findings on the three topics are presented below.

### Challenges and proposals regarding the grain market:



### **Infrastructural bottlenecks:**

- low water level
- buoyage system
- bureaucracy hindering infrastructure development
- weather-dependent congestion in ports

### **Infrastructural proposals**

- 3 dams in the Hungarian section
  - dredging
  - water regulation
  - assess feasibility of fleet adaptation
- coordination and focusing on important sections
  - stronger role of European enforcement
- more covered berths, more vertical quay walls

### **Challenges of container traffic:**

- infrastructure
  - volume
  - navigability conditions
  - lack of equipment
  - custom formalities
  - lack of railway connections
- lack of dredging

### **Proposals on container traffic**

- upgrading crane with adapters (spreader)
  - maintaining the waterway infrastructure
  - simplified customs procedures shall be used in ports
  - self-driving vessels, larger vessels carrying 200 TEU
- proper management of documentation  
focusing on electronic documentation

Interesting keynote speeches and vibrant table discussions made the event successful with the participation of 42 attendees.

Even though it is an infrastructural issue, low water level and the lack of proper water management are challenges echoed strongly in other discussions as well since they have a huge impact on traffic volume of any type of cargo and any future development plan. Navigability condition is the number one reason why IWW could not take over traffic from road while all mode of transportation suffered due to the pandemic.

## 5 Annexes

### 5.1 **Event #1:** *1<sup>st</sup> Workshop to facilitate cross-border / cross Black Sea services*

ZIP file with the following documents/files:

- ✓ Agenda
- ✓ List of Participants
- ✓ Meeting Minutes
- ✓ Presentations
- ✓ Screenshots

### 5.2 **Event #2:** *2<sup>nd</sup> Workshop to facilitate cross-border / cross Black Sea services*

ZIP file with the following documents/files:

- ✓ Agenda
- ✓ List of Participants
- ✓ Meeting Minutes
- ✓ Presentations
- ✓ Photos from the event