

## Summary

### **'Blue Ports'; economic important of multimodal inland ports in the Netherlands**

The main objective of the Nederlandse Vereniging van Binnenhavens (Dutch Inland Ports Association) is to bring the inland ports more to the attention of policymakers, the business community and regional development organisations. The study '*Economisch belang Nederlandse Binnenhavens, 2004*' ('The Economic Importance of Dutch Inland Ports') is an important means in the communication process with political and other stakeholders about the economic potential of the inland ports in the Netherlands.

The inland ports in the Netherlands are important locations for industrial and logistics companies and multimodal nodes in transport chains (goods transshipment points). The inland ports are links in production networks and, as parts of clusters, have a function in direct and indirect employment opportunities for the region.

The 389 inland ports in the Netherlands can be classified according to the following typology:

- Multifunctional inland port
- Industry port
- Agro port
- Sand and gravel port
- Container port

The multifunctional inland ports in the Netherlands have an important national and regional function in the development of clusters of economic centres of industry and logistics and the development of employment opportunities in the region. These inland 'Main Ports' are the nodes of the urban networks in the Netherlands and access to the European transport network by water, railway and road.

For the industrial and agricultural sectors, the inland ports are essential nodes in the transport of raw materials for production processes and the conveyance of products to industries which are for the most part located on the water as well. The multimodal transshipment and storage facilities of inland ports and the scale and cost benefits of inland shipping form a vital infrastructure for the functioning of these sectors and also for the customers. The ability to transport basic raw materials for many industries and the livestock feed and fertilizers for the farmers means a substantial savings on logistics expenses for producers and customers. The (hydraulic) engineering and construction sector is largely dependent on the facilities of the inland ports in the Netherlands to continue transporting sand, gravel and other construction materials in a cost-effective manner by way of inland shipping.

An important growth market is the transport of containers by water and the value-added activities in the nearby logistics centres. Dozens of inland ports have constructed the infrastructure and suprastructure to be able to tranship and store containers by way of inland shipping and thereby strengthen the relationships with (non-water based) industrial and logistics companies in the district. In the future, in addition to their industrial, agrologistic and construction function, inland ports will increasingly have a function in the distribution of consumer goods from and to distribution centres in the Netherlands. Initiatives such as Distrivaart (transport of pallets) offer new opportunities for regional business, which will make the inland port very important for the economic structure in the region.

### **Economic importance of inland ports**

On the basis of thirteen case studies, distinguished according to the five typologies of inland ports, an estimate has been made of economic importance (employment and added value) of all inland ports in the Netherlands. According to a 'strict' determination, the inland ports in the Netherlands and the inland port-related activities alone provide direct employment opportunities of over **66,000 jobs**, a direct added value of **5.7 billion euro** and a direct and indirect backwards added value of 8.9 billion euro. These data can be easily compared to the economic importance of the Dutch seaports (strict classification according to Bureau Louter 2003), even though the added value is higher in the seaports because of the capital-intensive nature of seaport-related activities such as the petroleum industry.

### **Network of inland ports**

In addition to the economic importance of the inland ports, the inland ports play an essential part in national agricultural and construction logistics, as locations for the foodstuffs and chemical industry, and in the multimodal transshipment centres for regional economies. Through improved utilisation of the network of inland ports and the development of inland ports in regions which do not yet have a sufficient scale size and facilities for economic centres ('missing nodes'), these nodes can help to create a significant competitive advantage for the Dutch business community. These network relationships and the indispensability of inland ports for sectors such as construction, agriculture or logistics are very important for the structure of the economy in the region.

### **Inland ports under pressure**

The pressure of other functions on the industries and other activities located in the inland ports – housing and recreation, sometimes nature development – usually means increased costs because facilities must be constructed to limit nuisance (noise, stench and suchlike). This pressure often makes it impossible to expand or invest. This diminishes the attractiveness of inland ports as places to set up business, and business relocations are expected in the future (or even business closures).

### **Opportunities**

The study offers materials to tackle such issues in relation to spatial planning, the economy, infrastructure and administration at regional and national level.

An important point of interest is the development of a sense of urgency on the part of the policy makers regarding the interests of the inland ports. By involving the business community in communicating the economic interests for the region, support for investments can be strengthened.

A systematic development of nodes in the Netherlands requires an institutionalisation of the inland ports. Regional collaboration groups of inland ports (structure of port authorities) offer opportunities for policy and financial frameworks for the region, also supported by the decentralisation policy of the national government. The inland ports can help to strengthen the spatial-economic structure in the regions, provided the parties involved balance the interests correctly.

## Conclusions

### ***Facts and functions of inland ports***

- The 389 inland ports in the Netherlands are jointly responsible for the transshipment by inland waterways of over 380 million tonnes of goods. Without the seaports, the inland ports tranship about 180 million tonnes of goods.
- The inland ports in the Netherlands provide employment for 66,400 workers, an added value of 5.7 billion euro and a direct and indirect backwards added value of 8.9 billion euro.
- The inland ports in the Netherlands are an important place of establishment for large industrial companies which make a substantial contribution to employment in the region.
- The inland ports have an important function for the construction sector in relation to the transshipment of sand and gravel and the maritime cluster in relation to hydraulic engineering.
- Inland ports in the Netherlands can be distinguished into:
  - multifunctional inland ports
  - industrial ports
  - agro ports
  - container ports
  - sand and gravel ports
- The multifunctional inland ports are the inland 'Main Ports' in the Netherlands and are important for the development of a network of inland ports and for strengthening the transport relations between the production sites of industrial and distribution companies.
- The industrial ports are important locations for large-scale industry (read employment) in the Netherlands, and are indispensable for the cost-effective supply of raw materials (production process) and conveyance of products (logistic process).
- The agro ports are important for the development of large international companies in the food industry. The spread of agro ports can help to strengthen the agricultural sector through more (cost-effective) transport over water.
- The container ports have an important logistic function for present and future (non-water-related) businesses in the region, by adding value to the consumer goods and semi-finished products in the containers.
- The sand and gravel ports have an important function for the regional construction sector. Less sand and gravel is expected to be extracted and transhipped in the coming years, and therefore a further increase of scale and integration (transshipment sites as units of concrete batching and mixing plants) is expected to take place in the construction sector.
- The inland ports in the Netherlands are the links for the seaports in the transport of goods to and from production sites and markets.
- Some of the (multifunctional) inland ports in the Netherlands with an industry or agricultural function also have a relationship with European transport; the sand and gravel ports generally relate to regional and national transport. The inland ports in the Netherlands are used by approximately half of the companies with a waterway connection for transshipment and transport via the inland waterways. Only a small number of the companies without a waterway connection use (public) terminal facilities (mainly for container transport).

- The inland ports in the Netherlands do not have enough room for expansion of the water-related activities of existing companies.
- The inland ports in the Netherlands which are part of a zoned site have a shortage of noise allowance for expanding activities on the industrial estates.
- Without restructuring, the inland ports in the Netherlands do not have any wet grounds available for the location of businesses on the water.
- The inland ports in the Netherlands generally have good connections and facilities at their disposal for transshipment by water, but almost no railway facilities.
- The inland ports in the Netherlands do not yet form a network of nodes, but there are transport relationships between certain inland ports; a network of container ports is being developed.
- The inland ports in the Netherlands do not have (large-scale) facilities in all regions with a concentration of businesses. The potential of the inland ports can be used even more in developing these 'missing nodes' into fully fledged nodes.

### ***Policy issues***

- The inland ports in the Netherlands are not receiving enough attention from policymakers in their spatial policy at national, provincial and municipal level.
- The inland ports in the Netherlands are attractive locations on the water, which gives rise to conflicting claims on space for the development of industry, recreation and housing construction.
- The inland ports in the Netherlands are managed by local authorities, which often hinders the development of inland ports. Institutionalisation of the management of inland ports, for example in the form of collaboration groups of inland ports in a region, provides opportunities for policy and financial frameworks to improve the position of the inland ports (read: economic centres).
- The inland ports in the Netherlands are structurally important for the accessibility and cost-effectiveness of businesses in the region; there is a continuing lag in investments in the maintenance and management of ports which prevents companies in the region from utilising the scale benefits of the inland port (and savings on costs).
- The inland ports in the Netherlands are part of large-scale industrial estates with restructuring tasks that offer opportunities for more efficient use of space for water-related activities.
- The inland ports in the Netherlands are nodes that contribute towards the accessibility and economic interests of the region, but regarding which local interests (noise nuisance, traffic nuisance etc.) are often decisive in development issues.

## Recommendations

- Sense of urgency

The development of a sense of urgency by policymakers regarding the economic importance of inland ports is necessary to be able to facilitate the development prospects of companies. The inland port is an important location for direct and indirect regional employment by (large) companies as well as a link in the transport network, through which the accessibility of the region and transport costs of companies will not be put under pressure. In cooperation with Chambers of Commerce, regional meetings can be organised which will help to make companies and municipalities more aware of the interests and opportunities of inland ports for the region.

- Inland port network, organisation and commercial collaboration

An organisational approach by local authorities and commercial approach by businesses are necessary to develop an inland port network. The current local management of inland ports requires a regional organisational framework, in which the parties involved, such as local and regional authorities, but also water-related companies, can participate. The regional form of organisation is in keeping with the decentralisation policy of the national government, and offers opportunities for better coordination of regional interests, anticipation of security interests, development of a framework for annual costs and proceeds of inland ports (e.g. port dues), prioritisation of investments and attraction of financial resources for the region. The provinces are important parties in formation of the vision and working out the functions of the inland ports in the development of the economic structure and employment opportunities in the region. The development of regional collaboration groups of inland ports (structure of port authorities) offers opportunities for policy and financial frameworks for the region, also supported by the national government's decentralisation policy.

Businesses have an important function in communicating the importance of inland ports for the regional economy. Businesses invest in a transport network, in which a position is taken in inland ports at strategic locations with important economic centres. These inland ports play a part in the cost-effective transport of goods (e.g. containers) within their own organisation, and increase market share through joint product innovation and marketing efforts.

Collaboration among inland ports can be strengthened on the basis of economic and transport relationships, whereby account is taken of the function (typology) of the inland port and the possibilities inland ports have to utilise opportunities.

The inland port network can be developed in accordance with the vision of the seaports, which focus on operational collaboration and marketing with a number of important nodes which are of strategic importance to them.

- Conflicting claims on space by inland ports

For the development of inland ports, a regional vision is necessary on the threatening claims on space for industry and housing construction at strategic locations on the water. Provinces, together with regional collaboration groups of local authorities and businesses, can arrive at a clear view of economic and social interests. The municipality lacks adequate insight into the balance between local interests (such as noise and the environment) and regional interests (such as the economy and accessibility), which can limit the development of inland ports. Together with businesses, residents and the municipality, a regional approach can be found to the development of sites for businesses and housing, in which measures are taken to enable the sustained functioning of the housing and working functions in the region.

- Guarantee the accessibility of multimodal nodes

Without inland ports, accessibility by road and railway, in the region and on the main infrastructure, would deteriorate and the economic functioning of the businesses would be less efficient. Inland ports are important cost-effective links in the logistic process of the businesses in the regions. In some regions with important economic centres, scale benefits of the port and waterway infrastructure can be utilised inadequately because of bottlenecks in relation to 24-hour accessibility and insufficient capacity of waterways. Investment in multimodal (road, railway and waterway) connections between economic centres and urban networks offers opportunities to keep up with the growth of goods transport through a more efficient network. The infrastructure managers can make agreements on investments together with the new regional management organisation for inland ports.

- Monitoring the economic interests of inland ports

To monitor developments in the interests of the Dutch inland ports, an annual analysis of the quantitative data of the economic interests of the inland ports is desirable. This annual update of the economic interests of the inland ports can serve as an instrument for the policy of local authorities.