



Minutes of the Workshop of the Danube Commission "A Prosperous Future for the Danube Navigation"

Budapest, 17 September 2013

Introduction

On 17th of September 2013 the Workshop "A Prosperous Future for the Danube Navigation" was held under the auspices of the DC's (Danube Commission) Secretariat at its Headquarters in Budapest. The Meeting was attended by the representatives of shipping industry and companies from Hungary, Serbia, Austria, Romania, Slovakia, Bulgaria, Germany and Croatia and other stakeholders (Pro Danube International, the Hungarian National Association of Radio Distress-Signaling and Infocommunications (RSOE)).

The objectives of the Workshop were:

- to improve the dialogue between the navigation sector and the Danube Commission;
- to raise the Danube Commission's awareness of the problems and needs of its customers, the people dedicating their work and careers to the Danube River.

Opening

The Meeting was opened by the introductory address of **H.E. Mrs. Biserka BENISHEVA**, the President of the DC. She welcomed all participants on behalf of the Danube Commission and pointed out that *"the discussion on how further enhance cooperation between economic actors and institutional bodies in charge of improving navigational conditions is a timely opportunity to review bottlenecks, to raise awareness, to consider recommendations and to design future actions. The last four years all efforts of governments and business have been aimed at economic recovery and latest forecasts are promising. Resumption of economic growth against the background of maintaining austerity measures justifies transportation costs as important factor in business strategies. Inland navigation and in particular Danube navigation merit special attention in support of growth, jobs and prosperity of the Danube basin region. In line with this, the European Commission proposed a new transnational cooperation program for the period 2014-2020 with the objective to design a specific and complementary instrument in support of projects addressing the goals of the Danube strategy. These developments prompted the DC's Secretariat to invigorate initiatives aimed at further enhancing cooperation with stakeholders – governments and business. On behalf of the States Partners in the Danube Commission I acknowledge the energy and motivation of the DC's Secretariat in sparing no effort for the prosperous future of the Danube navigation"*.

Following her address, **H.E. Mr. Alexandru CODREANU**, the Vice-President of the Danube Commission, reaffirmed the positive value of the established practice of regular practical consultations with the involvement of different representatives of the Danube sector, in particular those who are directly linked to the shipping industry. He added that the Workshop will serve as a supporting basis for the practice-oriented and integrated approach, addressing the key problems existing in the shipping industry sector. Mr. Codreanu expressed his confidence that such events constitute a new promising contribution to the further development of all-round cooperation among the Danube States.

In his statement, **H.E. Dr. Gordan GRLIĆ RADMAN**, the Secretary of the Danube Commission, emphasized the importance of the workshops with optimistic titles alike "A prosperous Future for the Danube Navigation" which reflects one of the Danube Commission's tasks – to provide prosperous future for the organization. He expressed his conviction that the Danube Commission, the oldest international organization in Europe, whose glorious history dates back to 1856, together with its eleven Member States would maintain a common platform of cooperation and implement all planned activities.

Presentations and discussions at the Workshop were divided into two sessions: the morning session introduced the Secretariat of the Danube Commission (*Moderator: Mr. Pjotr SUVOROV*, the Deputy Director-General for the Development of the Danube Navigation of the DC's Secretariat), while the afternoon part gave floor to the invited stakeholders (*Moderator: Mr. Horst SCHINDLER*, the Chief Engineer of the DC's Secretariat).

Session 1: Introduction of the Secretariat of the Danube Commission

On behalf of the Secretariat of the Danube Commission **Mr. Petar MARGIĆ**, the Director-General, in his introductory address underlined the critical importance the DC's Secretariat attaches to this Workshop as a core informal mechanism to bring Danube development processes forward on the basis of consultation and sharing of experiences among professionals, to improve dialogue between the navigation sector and the Danube Commission. This is for the first time when the representatives of industry are invited to present their views, to talk about existing problems, obstacles for navigation. He considered it to be of particular importance that this event will provide a forum for active discussion of the concrete experiences and findings at interregional level. Mr. Petar MARGIĆ shifted a focus to the following core issues that have been selected for in-depth discussion:

- Navigational problems
- Bottlenecks
- Low and high water levels
- Cooperation with competent authorities
- Locks
- Lack of Crew
- Old Fleet

Following the presentation of the professional staff members of the DC's Secretariat, he referred to the historical background of the Danube Commission, tasks assigned by the Belgrade Convention regarding the regime of navigation on the Danube from 1948 (Belgrade Convention), goals and perspective lines of the development of the Danube Commission that reflect the overall situation in the Danube region.

Mr. Horst SCHINDLER, the Chief Engineer, informed about the conditions of navigation, bottlenecks and recommendations of the DC. He presented an overview of the DC's *Master plan for achieving recommended fairway parameters* (from 25 December 2011) based on the provisions of the Belgrade Convention, TEN-T priority areas, UNECE's Waterway Classification and Reports of Member States. He also

analysed the situation related to the critical sections and bottlenecks along the whole Danube stretch, included both in the Master Plan and list of TEN-T projects. Mr. Schindler pointed out the status of the projects, pending cases and the main problems facing the implementation of the projects aimed at improvement navigational conditions. In this regard, he considered a key issue - bad draught situation along free flowing sections. The DC is aware about this fact and Member States are dealing with it, but currently the implementation of certain infrastructure projects without participation of NGOs and ecological partners is impossible, that is one of the reasons why DC's puts a lot of emphasis on cooperation between the International Sava River Basin Commission and International Commission for the Protection of the Danube River, which led to the Joint Statement on Guiding Principles for the Development of the Danube Navigation and Environmental Protection in the Danube River Basin - a guiding document for the maintenance of current inland navigation, for planning and investments in future infrastructure and environmental protection projects.

At the end the Chief Engineer focused on *the DC's Recommendations on parameters of the fairway* (from 25 December 2011, in force from 1 January 2013). He said, "*We have to face the truth that minimum values stipulated by the Recommendations are considered more and more to be maximum values. This is a situation where we have to focus on not having less and less. It explains why we tried to slightly change our approach to the fairway parameters which led to new Recommendations on parameters of the fairway based on the analysis of the waterway, demands and needs of IWT, and sustainability. This paper resulted in harmonized draught conditions, flexibility of major parameters with the focus on safety of navigation. According to a new definition scheme, Recommendations don't refer anymore on fairway depth, but on load draught. The DC wants to establish load draught of 2,5 m based on Regulation Low Water Level. This is a perspective to the future, it will allow the industry a competitive operation and gives a hint to the needs of navigation*".

Mr. Pjotr SUVOROV, the Deputy Director-General for the Development of the Danube Navigation, made a presentation on market observation, traffic organization and Corridor VII. Abstracts from his speech are quoted below:

"Transport market and appropriate infrastructure of the Danube navigation were mainly shaped more than 25 years ago and determined by geographical location and current logistics of major industrial centres on the Danube. Unlike other European water basins, recovery of transport volume on the Danube to a pre-crisis level is very slow, as the main industrial centers of the states in the river basin haven't yet regain their potential, while some of them have ceased to operate. Particularly, it refers to steel, chemical, auto and construction industries where the decline in production is determined by the values from 30% to 40% compared to 2008.

Underdeveloped infrastructure (first of all, navigable waterway and communication systems) and uneven development of its certain elements are the main reasons of the traditionally weak market of the Danube navigation and inability to introduce on the Danube new, first of all, high-speed transport technologies, which by cargo delivery time and cost can compete with railway transport and motorways.

Existence of a large number of fords, which in critical hydrometeorological periods during a year "close" navigation, puts the Danube transport in a difficult situation and tends to the loss of freight flows. This factor may be substantially minimized by the systematical involvement into the projects dealing with the elimination of the bottlenecks existing on the Danube navigable waterway.

Market of the Danube navigation reacts sharply to such climate impacts that fact additionally impairs its image as compared to the other modes of transport. Apparently, we are not able to influence on such climate phenomena; however the task of the Danube commission is to ensure maximum safety of fleet traffic in these critical conditions. Therefore, national projects of the member states shall contribute not only to the market development, but also to the reducing of influence of critical sections on fleet traffic.

In 2011 the Danube Commission launched a project on market observation for the Danube navigation. The system is designed for performing operational analysis of the density of vessels and cargo flows on the Danube for estimating operating capacity of certain river sections in different navigation periods and the influence of various factors on the navigational conditions and economic indicators of navigation.

The Danube Commission has done a great deal of work on systematization of bottlenecks and critical sections, however, due to its legal status, the DC can't directly influence the implementation of projects related to their elimination - it requires considerable financial resources and European Community's absolute belief in the need of the development of the Danube navigation".

Mr. Sergey TZARNAKLIYSKI, Counsellor for Technical Issues, gave a comprehensive analysis of the RAINWAT Arrangement regulating the radio communication service for inland waterways. He noted that Arrangement was concluded in order to implement common safety principles and rules for people and goods on inland waterways, acknowledging that the harmonization of the radiocommunication service will contribute to safer navigation, facilitate more efficient and effective use of the radio spectrum and contribute to more efficient, economical and smooth execution of ship management. Further Mr. Tzarnakliyski made "a chapter by chapter" detailed comment to the principle provisions of the Arrangement.

Mr. Alexander STEMMER, the Deputy Director-General for the Administrative and Financial Issues, focused on the activities of the DC. He stated that the DC's activities, deriving from the tasks specified in the Belgrade Convention, are: to define the plan of big works on the Danube river, to develop a unified system of signals and pilot services, to harmonize rules (not only within the DC but within the whole Europe), to coordinate hydrometeorological data, to deliver advice and recommendations, to provide statistical data on Danube navigation, to issue publications, etc. Mr. Stemmer explained the role of the DC – as a facilitator, a service provider and a platform for performing tasks assigned by the Belgrade Convention. Having in view its tasks, the DC is actively cooperating with the help of its Secretariat in various international fora, primarily on: professional matters of navigation, safety of navigation, development of navigation infrastructure, fleet matters and environmental issues. At the same time, since the 90's the DC is engaged in an internal reform process of its conventional base. The Deputy Director-General also took a closer look at the DC's involvement into the cooperation with the international organizations, in particular international river commissions, and different scales of interaction: international, regional, EU scale. The later was marked out by the DC's contribution to the European Union Strategy for the Danube Region with a package of proposals, including a list of national infrastructure projects. DC's Secretariat aims to be present in various circles to contribute wherever discussions go about internal navigation in Europe and on the Danube river. In doing so the main focus and stress is laid on the harmonization of rules, on the improvement of navigation standards, on the support in managing infrastructural challenges on the river and on the dialogue with the stakeholders of internal navigation in Europe. The Secretariat's role for the implementation of the provisions of the Belgrade Convention is, to a certain extent, limited, therefore the DC's Secretariat is empowered to act as an advisory, expert body, but not as a decision-making institution.

In conclusion Mr. Stemmer underlined that the DC's Secretariat will strive to be more and more involved into the European navigation programs. The rising number of international projects or initiatives shows a growing demand for coordination, but to some extent a certain orientation is needed. He stressed the importance of communication and reference with the DC, policymakers and market users.

Mr. Petar MARGIĆ, the Director-General, closed the introduction of the DC's Secretariat by his presentation dedicated to the perspectives of the DC. He said that "*To enhance the role of the Danube Commission in international cooperation in the field of inland navigation, Member States of the Belgrade Convention intend to modernize Danube Commission, by vesting additional powers in it and new functions. The forthcoming revision of the Convention undoubtedly will become a new important step in its history.*

The Danube Commission's outlook is connected with the creation of unified navigation system of inland waterways in Europe. With due consideration of the before mentioned the priority areas of the Commission are focused on the unification and provision of mutual recognition of the basic regulatory documents, required for the navigation on the Danube and on the other sections of the unified navigation system, with the contribution to the improvement of navigation conditions and safety of navigation, creating requirements for the Danube's integration into the European system in the capacity of the significant transport corridor, as well as developing the Danube as an efficient and competitive waterway, in particular development of passenger transport: pleasure crafts and cabin vessels' lines.

Among the key priorities there are also the following:

- *ensuring the execution of the regular fairway maintenance work on the Danube and its tributaries applying sustainable and effective methods of river training works as well as deploying adequate equipment and highly skilled personnel;*
- *maintaining adequate fairway parameters for a good navigation status according to the provisions of the Belgrade Convention and - for those countries who have ratified it - the AGN, while respecting the international obligation relating to the protection of environment when taking the above mentioned measures;*
- *installing the necessary national and cross-border coordination procedures in order to implement effective response actions, in extraordinary circumstances (low water, ice, floods), re-establishing the optimum and safe navigation conditions;*
- *ensuring continuous communication on the up-dated fairway situation, in particular fairway depth and width data in shallow sections, via the national administrations respectively River Information Services providers to inform the waterway users;*
- **providing a sustainable dialogue platform between the waterway administrations, the Danube Commission and the relevant public and private stakeholders".**

Questions and Answers

Mr. Manfred Seitz, General Secretary, Pro Danube International

Mr. Seitz confirmed that as an industry representative they are very much welcoming an active, new setting of the DC. He considered today's meeting as a first step towards a new area of cooperation with the DC. Regarding the main problems of the sector the General Secretary emphasized a lack of proper maintenance and quoted the article 4 of the Belgrade Convention: "*Should a Danubian State be unable itself to undertake works within its own territorial jurisdiction which are necessary for the maintenance of normal navigation it shall be bound to allow the Danube Commission (art. 5) to carry them out under conditions determined by the Commission, which may not entrust the execution of such works to another State unless the section in question of the waterway forms the frontier of such State. In the latter case, the Commission shall decide the conditions on which the works shall be carried out*". He stated that stemming from the fact that over many years some Danube states have failed to maintain their sections in a proper way, the DC's "strong" mandate foresees even to enforce required maintenance. In line with this, the industry would like to see in future an active role of the DC in addressing such challenging cases.

Session 2: A view of the navigation sector

Mr. Alexandru Capatu, Chairman, Pro Danube International; representative of River Navigation Company "NAVROM SA", Galați, Romania

Mr. Capatu gave a presentation on the "Guaranteed standards for waterway maintenance - Pre-condition for safe and cost-effective Danube navigation". Following a brief presentation of his association which consists of the members of industry, shipping companies, port terminals, logistics, shipyards, etc., he recalled a catastrophic situation with the navigation taken place in Autumn 2012 when the navigation was interrupted for 67 days. Firstly, he showed the interference between the draft and the economic results for the convoys based on the data provided by River Navigation Company "NAVRUM SA" from Romania (Galați). As an example, he cited a case with the voyage between Constanta and Hungary, undertaken by a pusher with 6 barges of type "Europe 2" which is typical for the Danube. Mr. Capatu gave an analysis of loading capacity and annual average revenues depending on 4 examples of draft, ranging from 2 m to 2,70 m. In this context, he pointed out that upstream revenue for freight was 13 euro/mts, while downstream revenue for freight amounted to 17 euro/mts. The Chairman emphasised a special situation existing on the Danube with regard to the freight and interdependence between costs, freight and draft. Total costs per ton up and down for 2 m draft is about 23,48 euro, when for 2,7 m draft – about 14,85 euro. These values demonstrate serious losses for the shipping companies navigating under conditions of 2 m draft. In reality, sometimes, being bound with contract's obligations, they have to sail with 1.60 m -1.70 m draft.

Mr. Capatu reminded the audience about *the Declaration on effective infrastructure maintenance on the Danube and its navigable tributaries*, signed by the Transport Ministers (except for Hungary) on 7 June 2012 in Luxemburg. This paper declares to maintain the fairway by 2,50 m after the recommendations of the DC. He went on with a critical situation during a period of 1 September – 31 December 2012 with fairway depths. He listed Danube's sections where during the given period the draft was below 2,5 m. For instance, within this period in Germany there were 87 days with less than 2,5 m, in Austria – more than 50 days, in Hungary – at a certain points also more than 50 days. The most critical situation was on the Romanian-Bulgarian section, for Belene it was 80 days with less than 2,5 m draft. On the Croatian-Serbian section, during the investigated period, fairway depths were above 2,5 m, but in several other periods, the sectors Apatin (km 1405-1401), Mohovo (km 1310-1308) and Novi Sad (km 1269-1268, km 1266-1265 and km 1248) also caused restrictions.

Mr. Capatu proceeded to the case with convoys of NAVROM SA left Constanta in August 2012. When operating these convoys, an unpredictable critical draft is the main problem. This situation brought about serious losses for the company. Additionally, he informed that over the last 20 years no shipping company has made two consecutive years of profit. The reason is a poor maintenance of the fairway by all Danube countries. Therefore, the industry representatives expect assistance from the DC in tackling this issue. They appealed to different international institutions, such as: the European Commission, DG MOVE and DG REGIO; as well as Ministry of Transport of Bulgaria and Romania, but the problem remains unsolved. A consequence of such an approach was a water depth situation in August 2013 when 81 vessels have been stopped on the Romanian-Bulgarian section and water depth at Belene fell down to 1,8 m. Summarizing the before-mentioned, Mr. Capatu underlined that maintenance of minimum standard of fairway is of extreme importance both for shipping industry and for the development of new lines of transport on the Danube.

Also he underlined a necessity to identify and to fight with the administrative barriers existing in the Danube countries. This was followed by some examples of unnecessary barriers: excessive formalities and fees for customs and other authorities causing additional costs and extra waiting times, restrictions concerning the size of the vessels, etc.

Mr. Mladen Grujić, Deputy General Manager, Yugoslav River Shipping

Mr. Grujić shared the view that the Workshop is a beginning of improvement of cooperation between shipping companies and all transport chambers in order to solve problems on the Danube. He introduced his company, having a long-standing tradition of 150 years, owning ca. 120 barges and the biggest tanker fleet on the Danube.

He recognized an existing problem facing the shipping companies concerning crew aging. To handle this issue, almost two years ago Yugoslav River Shipping elaborated a program for attracting young generation to the sector. This initiative resulted in 40 well-trained young specialists who have passed a rigorous selection learning to operate as captains, mechanics and as other crew members. There are some positive developments, thus loading and discharging operations are performed faster than last 2-3 years.

With regard to the old fleet, this is a common case for all Danube shipping companies, though the Company has a very promising investment program for the fleet modernization, in particular it refers to the tanker fleet, having in mind ADN's requirements and deadline for tankers dating 2015-2018.

In critical sectors the biggest problem is focused on the Romanian-Bulgarian sector which features by the excessive waiting time. Among other challenging items are: a lot of paper work at harbour masters related to the custom formalities, especially at boarders. All these difficulties slow down the transportation process as a whole that, in its turn, brings about serious losses for the industry. Mr. Grujić highlighted that all Danube industry shall be united in order to work for the mutual benefit and prosperity of their companies and jointly address existing challenges.

Mr. Karl-Heinz Kuhn, DDSG-Holding

Mr. Kuhn addressed participants with a speech quoted below:

"Bavarian section of the Danube between Straubing and Vilshofen. The so-called "bottleneck".

Expansion, variant A

Estimated opportunity for a draft of 2.50 m - 165 to 200 days and with a draft of 2.10 m 300 days per year. With the expansion, the flow rate will increase, for undertaking navigation upstream more engine power will be needed and existing complicated navigation will be even worse for the downstream navigation. The accident risk for the downstream navigation will also increase. Lightering in the continuous traffic between the Danube and Rhine MDK will remain unspared. Further it results in additional costs for vessels' operators. The considerable loss of time for the transshipment services and waiting time thereof will have an adverse impact as well. The goods, which can't be taken from Hungarian port or needed to be lightered before the mentioned section, amount up to 1 000 t for a coupling convoy. That means, between Hungary and Passau and between the North Sea and Regensburg there is nearly the double amount for fully capacity over a year as opposed to the section Vilshofen and Straubing.

Austrian section, especially below Vienna. *The efforts to obtain fairway depth of 2.50 m through the whole year have not been realized until now. In particular, in the area Wildungsmauer and Petronell it always comes to sedimentation and displacement of the waterway. Although measurements of the riverbed are made and these records are available to the shipping industry, but this does not really solve the problem. The deterioration of the fairway would cause timely dredging measures to be undertaken in order to allow the vessels' safe passage. Currently, due to a lack of mooring and transshipping places, etc., a traffic jam has brought about the unplanned interruption of a journey, thereby generating huge losses for the owners of the vessels. The factor which thereby causes accidents will certainly be significant.*

A shipping industry's wish is to improve a situation with route planning, predictive dredging and river engineering measures which are not only useful for the ecological interest but also for navigation. (The activities carried out in recent years on deconstruction were not conducive to ensure a security for the fairway depth. The erosion of the banks and the widening of the waterway are the results and their impact is reflected in the poor condition of the fairway again).

Hungarian section, Komarom – Budapest. *Following several amendments made to the regulations, on the section between Budapest and Komarom a permitted convoy's size is currently 6 vessels going downstream and upstream in pushed convoy or side-by-side formation. This is a reduction of 2 vessels going downstream and 3 vessels going upstream. For this reduction currently an additional vessel must be used.*

We're not speaking about extreme low water conditions or bottlenecks, but normal medium water levels. For our shipping company this regulation seems to be incomprehensible.

A shipping industry's wish is to return to the old convoy's dimensions in the said section. A further request, common for the both Germany and Austria, is a possibility to be able to check the current state of the water level for bridges or related level by telephone or via the Internet. We must not forget that some limits are placed on a water level and for repeal we have to wait the next day 7:00. These values are mainly published from 10:00.

Bulgarian and Romanian section, in particular at low water. *The lack of dredging operations at the onset of the low-water period and the monitoring of the water levels are completely absent within the past years. Once the vessels have blocked the fairway, the annual chaos begins in this area.*

A shipping industry's wish is to provide accompanying dredging operations (conventional term "rake" vessel) for maintaining stable level of fairway, appropriate buoys marking for prevention false interpretation of the navigational situation, adequate information from the navigation authority like riverbed recording applied on the Austrian section in Wildungsmauer. A situation observed in recent years is that not the large convoys but often the self-propellers as a single propeller or coupling convoy due to the misjudgment or ignorance of the fairway conditions cause a waterway deterioration. As a consequence, this aggravated situation is resulted in a night ban for navigation, in a restriction for the convoys or limitation of draft which means a stop of the Danube vessels in this area.

Following talks taken place at the meetings in Austria, I would like to emphasize that vessels which are practically in line service like in our fleet, can share their observations to the authorities to provide additional data for better control of a certain route section. Further, it's worthwhile to go back to the previously existed practice of collaboration between the engineering, authority and shipping sectors.

Aging of the ships. *In recent years, I have witnessed several changes of ownership in the company. Each time the attempts have been made to optimize the company's structures compared to the before-existed one. There are little investments in vessels and barges. Both the propulsion and the size of the vessels were adapted to a modern fleet. The staff has also sought to realize the optimistic plans for the future owner.*

I am confident that a well-functioning waterway is prerequisite for the beneficial investments into fleet and its smooth operation. At the same time, I don't share a view that the Danube fleet is not profitable and outdated. The main problem encountered by shipping industry is difficult conditions to keep the shipping afloat. It's obvious that maintenance of fleet, vessels requires sufficient funding and vice versa a profitable fleet can be ensured only by deployment of well-equipped vessels. A current status of the waterway cannot promise the high-standard requirements, and responsible bodies don't always address appropriately essential problems. Therefore, I am not surprised that the backers don't want to invest into new, modernized vessels, because there is a high risk that the financial resources would not come back".

Mr. Nenad POPADIC, IFC-Western Balkans Trade Logistics Project, Consultant

Mr. Popadic by his presentation introduced the project's activities on trade facilitation on Danube and Sava Rivers. The objectives of the project are focused on the reduction of administrative and regulatory bottlenecks (documentation requirements and checks), harmonization and assistance with simplification of boarder clearance procedures for imports and transit of cargo on Danube and other regional inland waterways, improvement of the competitiveness of local firms through more efficient (and lower cost) access to markets and promotion of regional integration by facilitating trade in the Western Balkans.

In the course of the project the following core findings were made:

- intensive inspections and revisionary checks (for composite barges involved in multiple trips);

- documents 6 – 10 are required for transit/import/export shipments;
- risk management is not utilized ;
- poor communication and coordination between country agencies, missing regional cooperation;
- River Information Service (RIS) is installed on 80% of vessels that operate on the Danube in Serbia;
- RIS is not utilized at all as a trade facilitation tool – pre-arrival information for customs, agencies, ports, transport and logistics companies;
- provision of data input to RIS is currently optional, new RIS legislation is expected to come into force from January 1, 2014 and ERI - January 1, 2015.

Mr. Szalma Botond, MAHOSZ - Hungarian National Shipping Federation, Plimsoll Ltd.

Mr. Botond pointed out that the Workshop's message is connected with the perspective to have a priority access 18 – Rhine-Main-Danube-Mosel, etc. He underlined the following problems deserving special attention and urgent measures: loss of well-trained crew, old fleet consuming a lot of fuel, continuously reducing freight levels and bunker rates.

Efficiency of Danube transport suffers extremely from reduced draught at shallow water sections: water levels cannot be predicted which creates losses of carriage capacity and revenues, transport costs per ton can increase up to 100% for long distance transportation.

Additionally, guaranteed minimum standards for infrastructure based on UNECE – AGN are needed. With regard to the fairway this means for the Danube an ensuring of minimum draught of 2.5 m at least for 300 days on average per year. These minimum standards cannot be compensated by fleet innovation.

Mr. Botond underlined that the DC's role is to act as leading partner in the EUSDR. The Danube River is the 2nd longest and biggest river of the continent, being qualified by the following international institutions: Danube Commission, UNECE, European Commission, International Transport Forum, etc. In conclusion, he figured out a selection of postulates:

"The Danube works for Europe

- *We must have workable economic concept in every country:*
 - *Transport concept*
 - *For medium term (5 years at least)and long term as well*
- *Regulation of the river Danube by experts*
- *Logistic investments generate jobs*
- *The power of the water is the cheapest fuel*
- *The proper education is essential – lack of skilled skippers soon*
- ***The Danube Commission must have a leading position.***

Mr. Botond considered the Danube Commission's status of a diplomatic organization as a big advantage for solving above-mentioned problems and proposed to use this tool for intensification of the decision-making process. He called for the well-coordinated utilization of the European backbone – Rhine-Main-Danube waterway.

In the name of Dunavski Lloyd, Sisak, **Mr. Pavlak Hrvoje**, welcomed the initiatives of the DC's Secretariat to solve problems familiar to all shipping companies on the Danube. He emphasised the difficulties experienced with the crew shortage, fleet condition, bottlenecks on the Danube, etc. The Dunavski Lloyd shares the same opinion of other representatives of shipping industry and faces the same problems like all the other ship-owners. He said: "*The biggest problem of low water level that occurs during the year on the Danube in the sector from 520 to 580 km is the issue that we never get tired to repeat. This issue causes*

great losses for shipping companies and it seriously threatens the existence of ship-owners on the Lower Danube.

Technical maintenance of the waterway is a crucial issue for river shipping sector to stay alive and has a chance to get back on the right way in terms of financial and operational meaning. Also, the low water level on the Lower Danube forces the ship-owners to go around through the canal Borcea towards the port of Constanta that brings about extra costs in terms of fuel and crew expenses because in the downstream direction it is the longer way around.

During this year the problem of river piracy has expanded, and our company has become a victim of pirate attack. The problem is expanding on the territory of the Republic of Serbia near locations Smederevo and Obrenovac (Sava river). River pirates are armed and dangerous and, besides stealing fuel, they cause damage to our vessels while their actions threaten the lives of our crews.

There is no doubt that a number of difficult problems center around additional costs and loss of precious time for the ship-owner. This topic may become one of the potential subjects for the next workshop.

I would also like to point out the issue of the custom formalities in the region of Serbia and Croatia. The problem is that the working hours of the authorities are limited and the ship-owner can find himself in a position to wait for the second day to arrange formalities. If he comes in the afternoon, and if this period is connected with a national holiday or a weekend a vessel can wait for a few days to finish the formalities and continue with its path. The ship-owners have to lose time and to bear additional costs in terms of fuel and crew expenses. This problem is the most common at Novi Sad, Vukovar and Osijek. We would like to propose the Danube Commission to study this problem and to try to influence on a matter of working hours of custom authorities and arrangement of custom formalities on a 24-hour regime. This could enable the ship-owners to follow their contracted transit time in the port of loading and discharging.

Once again, we would like to reiterate our respect and appreciation to the intention of the Danube Commission to create appropriate navigational conditions on the Danube".

Mr. Manfred Seitz, General Secretary, Pro Danube International

Mr. Seitz delivered a presentation on the LNG Mater Plan for Rhine-Main-Danube. A strong need to modernise the fleet, environmental and economic needs have motivated LNG Mater Plan. He noted that implementation of the LNG requires co-ordination of public and private actions along a well-defined strategy. The key drivers for the introduction of the LNG as a fuel are: planned EU's Greenhouse Gas Emissions legislation, pricing reduction for the LNG compared to a gasoil and Directive on Deployment of Alternative Fuels Infrastructure (draft) demanding implementation of the LNG infrastructure. The LNG Mater Plan is intended to be a driving force in terms of harmonised government law and legislation on the use and transport of the LNG on inland waterways and roads, along with the new the LNG technologies and standards; to provide assessments of potential the LNG pioneer markets; to investigate costs and benefits of the implementation of the LNG as a fuel and as a cargo for the European inland fleet; to increase and transfer know-how from Northern Europe and maritime sector to the inland navigation sector; cost-effective and stepwise deployment in co-operation of public authorities and private industry; to position the LNG as a green and alternative source; to facilitate pilot implementation of the waterborne LNG chains with build-up of pilot LNG infrastructure in ports as well as of pilot LNG powered vessels - newly built or retrofitted; to strengthen European innovation in ship-building and related technologies and thus improve the competitive position of European shipyards and equipment provider.

Mr. Seitz pointed out that the LNG Mater Plan can serve as a platform for cooperation of authorities and industry stakeholders with the purpose to facilitate the creation of a harmonised European regulatory framework considering LNG as a fuel and as a cargo for inland navigation, to deliver technical concepts for

new and retrofitted vessels and to execute pilot deployments of vessels and terminals. He presented some basic data for the LNG Mater Plan relative to the geographical scope, breakdown of activities, pilot deployment of the LNG terminals and bunker stations; LNG tankers; LNG propelled vessels; LNG vehicles and machinery. Mr. Seitz also touched on matters of time frames, budgeting, funding sources and beneficiaries of the LNG Mater Plan.

In conclusion Mr. Seitz outlined the major benefits arising from the LNG Mater Plan:

- It provides an appropriate project platform and fosters a co-ordinated and structured development as well as pilot deployment for the LNG terminals and vessels.
- It provides basis of an European wide legal and organizational framework for development and deployment of the LNG (vessel technical regulations, terminal regulations, etc.).
- Inland navigation will be more competitive and the most environmentally friendly transport mode; the LNG as a cargo will increase the political awareness for the Danube as import transport resource.
- Inland barging sector is a pioneer market for the LNG as a fuel and a cost-effective transport solution to reach European hinterland.
- Inland terminals will function as satellites to the hinterland enabling to reach other pioneer markets like public (transport) sector and heavy duty transport industry.
- The LNG Master Plan will pave the way for a full scale-deployment and provides guidance for public and private investment as well as for EU funding.

Closing

At the end of the Workshop, Mr. Horst Schindler thanked all participants for a fruitful input and expressed his hope that it might be the first meeting of industry in a series of follow-up workshops convening every year.

This was followed by conclusions by Mr. Petar MARGIĆ, where he indicated that the Workshop has shown a necessity to create a synergy within the array of different opinions and perspectives among all partners involved in the Danube navigation while respecting, as an intergovernmental organization, important messages of the Member States of the Danube Commission. It means that a series of regular consultations among industry partners in order to identify concrete problems facing the Danube navigation and to define ways of their solving are needed.

The purpose of the first meeting was to provide a round table for the kick-off dialogue between the navigation sector and the Danube Commission and to raise the Commission's awareness of problems and needs of its customers and people dedicating their work and careers to the Danube. It's worth to underline that the outcomes of the Workshop will also assist in performing challenges existing in the Danube industry and in proposing strategic actions for the process ahead and further form a basis for the discussion with the DC's competent authorities within the Working groups of the DC. Industry's representatives are expected to attend technical groups of the DC. In this context, he reminded that accordingly to the DC's Decision of 75th session from 2010 certain recognized associations have been granted a right to attend Commission's technical group, among them are Members of Bratislava Agreements, etc.

The Secretariat reiterated its commitment to maintain continuous exchange of information, so that to provide competent authorities of the DC's Member States with upgraded, in-depth data and serve as a connecting link between industry and competent authorities.

Mr. Margic believes that a new round of dialogue will provide both sides with the opportunity to reconsider how the DC can best support Danube industry sector and contribute to a prosperous future for the Danube navigation.

Annex 1: Programme

Annex 2: List of Participants



PROGRAMME

- 9:30-10:00 **Registration**
- 10:00-10:30 **Welcome**
H.E. Biserka Benisheva, President of the Danube Commission
H.E. Alexandru Codreanu, Vice-President of the Danube Commission
H.E. Gordan Grlic Radman, Secretary of the Danube Commission
- 10:30-10:40 **Introduction**
Petar Margic, Director-General, Secretariat of the DC
- 10:40-10:50 **The Danube Commission – History, Tasks and Goals**
Petar Margic, Director-General, Secretariat of the DC
- 10:50-11:05 **Conditions of navigation, Bottlenecks, 2 Recommendations of the DC**
Horst Schindler, Chief Engineer, Secretariat of the DC
- 11:05-11:10 **Q&A**
- 11:10-11:20 **Coffee break**
- 11:20-11:35 **Market observation, traffic organization features, Corridor VII**
Pjotr Suvorov, Deputy Director-General, Secretariat of the DC
- 11:35-11:50 **The DC and the EUSDR**
Pjotr Suvorov, Deputy Director-General, Secretariat of the DC
- 11:50-12:00 **RAINWAT**
Sergej Tzarnakliyski, Counsellor, Secretariat of the DC
- 12:00-12:05 **Q&A**
- 12:05-12:15 **Activities of the Danube Commission**
Alexander F. Stemmer, Deputy Director-General, Secretariat of the DC
- 12:15-12:25 **Perspectives**
Petar Margic, Director-General, Secretariat of the DC
- 12:25-12:30 **Q&A**
- 12:30-14:00 **Lunchbreak**
- 14:00-15:00 **The view of the navigation sector (Part I)**
Alexandru Capatu, Pro Danube
- 14:00-14:20 *Alexandru Capatu, Pro Danube*

- 14:20-14:40 *Ladislav Gnacek, SPaP*
- 14:40-15:00 *Karl-Heinz Kuhn, DDSG*
- 15:30-15:40 **Q&A**
- 15:40-16:00 **Coffee break**
- 16:00-17:30 **The view of the navigation sector (Part II)**
- 16:00-16:20 *Nenad Popadic, IFC*
- 16:20-16:40 *Botond Szalma, Plimsoll*
- 16:40-17:00 **Q&A**
- 17:00 **Conclusions**
Petar Margic, Director-General, Secretariat of the DC



LIST OF PARTICIPANTS

The Danube Commission's Workshop
 "A Prosperous Future for the Danube Navigation"
 status 17.09.2013

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