



Donaukommission – Commission du Danube – Дунайская Комиссия – Danube Commission

Austria Bulgaria Croatia Germany Hungary Moldova Romania Serbia Slovakia Ukraine



“The Danube as a key element for the EU-UA Solidarity Lanes”

13th Annual Forum EUSDR, 20 June 2024

Session 4 – New approaches for resilient waterway management

Manfred Seitz, Director-General of DC Secretariat
Vienna, 20 June 2024,



Danube Commission & Solidarity Lanes

International Intergovernmental Organization

[Convention for the Regulation of Navigation on the Danube, Belgrade, 1948]

- 11 member states: 7 EU and 4 non-EU; since 1954 based in Budapest
Russian Federation excluded from work since 17 March 2022
- **New Convention** in elaboration with main objectives:
 - **Only Danube riparian states as state members**
 - Adapting objectives, tasks and structures to meet the challenges of Danube navigation (climate change, energy transition, reduction of greenhouse gas emissions, digitalization, shortage of skilled labor)

DC supports implementation of Action Plan for EU-Ukraine Solidarity Lanes to facilitate Ukraine's agricultural exports and bilateral trade with the EU
[COM(2022) 217 final/12 May 2022]

- Technical Assistance Agreement EC/DG MOVE - DC (since 23 May 2022)
- On-site & hands-on support for logistics chains using Danube and Danube ports/Port of Constanta for UA-EU cargo flows
- Identifying administrative barriers and proposing abolition/mitigation measures in close cooperation with national authorities & administrations
- Supporting EC/DG MOVE in coordination and implementation work





“The Danube proves to be a powerful lifeline”

- **Russian aggression blocked / limited UA seaports**

2021: UA seaports handled approx. 145.4 mio. tons / UA Danube ports approx. 5.3 mio. Tons

--> **River transport & maritime Danube (min. 7.3m draught on Sulina canal) provided in few weeks high capacity & competitive alternative logistics solutions**

- **Danube with its ports enabled UA to stay competitive in grain export and to ensure world food security**

- 05/2022 – 05/2024: UA exports of agricultural products (grains and oilseeds incl. oils & meals):

- In total about **134 mio tons** (Solidarity Lanes, BSGI, Greater Odessa corridor)
- Via Solidarity Lanes (SL) about **77.6 mio tons**
- **Via UA Danube ports 36.9 mio tons (i.e. 58% of all SL and 28% of total)**

--> Most important Solidarity Lane

- **Essential for export & import of other goods: > 10 mio tons**

- In 2023: **32.02 mio. tons of total cargo handled in Reni/Izmail/Kilia** / 21.7 mio tons grains & edible oils / maritime vessels – inland barges: approx. 55:45

- **Private vessel & terminal operators quickly scaled up transport & transshipment**

- 23.2 ktons in March 2022 / 1.1 mio tons in June 2022 / peak in August 2023 with 2.4 mio tons of grains & oilseeds in UA Danube Ports





- Sulina and Bystroe Canal (UA) create waterway network (Bystroe opening 02/2023)

| Maritime Traffic 2023 | | | |
|-----------------------|----------|---------------|----------|
| Sulina Canal | | Bystroe Canal | |
| Inbound | Outbound | Inbound | Outbound |
| 1,625 | 2,660 | 2,257 | 1,311 |
| Total | | Total | 3,568 |
| | | Total | 7,853 |

Source: USPA

- Port of Constanta becomes logistics hub for UA

| Constanta Port Traffic 2023 | | |
|-----------------------------|--------------|------------|
| | million tons | (2022=100) |
| Total traffic | 92 | 121 |
| <i>Thereof total UA</i> | 25 | 148 |
| Grains total | 36 | 140 |
| <i>Thereof grains UA</i> | 14 | 161 |
| Maritime traffic | 71 | n.a. |
| River traffic | 21 | n.a. |
| Container from UA | 65.864 TEU | n.a. |
| Container to UA | 8.107 TEU | n.a. |

Source: APMC

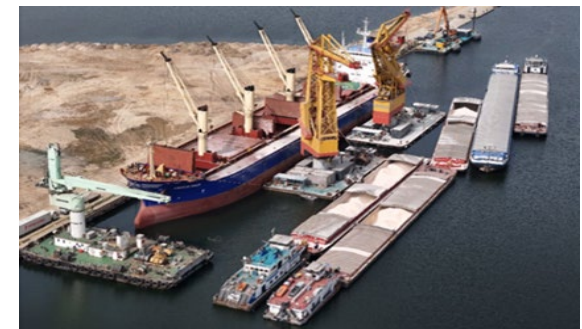
“Danube ports & Constanta form logistics network “





“The Danube – the most important Solidarity Lane “

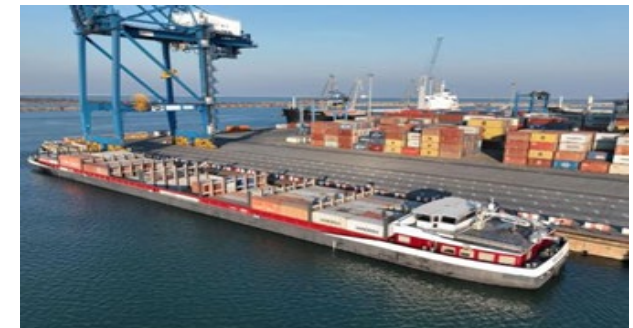
- **The most important challenges that had to be overcome**
 - Initial shortage of pilots for the Sulina Canal / Recruitment campaign & training / EU-funded investment project for traffic management / Opening of the Bystroe Canal to form a waterway network (February 2023)
 - Initial lack of cross-border communication and cooperation between authorities and administrations
 - Shortage of trained staff for control authorities (customs, border police, navigation authority, doctors for phytosanitary control); all inspection work on paper, complex administrative procedures
 - Long waiting times (3-5 days and more) for all modes of transport due to lack of inspection staff and infrastructure deficiencies of the BCP / Constanta temporarily overcrowded (trucks and barges)
 - Massive increase in freight rates and displacement of regional and domestic cargo transported to Constanta by barge during peak period
 - Import ban on UA grain in several EU countries increased pressure on the Danube corridor
- **Now Phase 2 – Danube important parallel & backup route for Greater Odessa corridor**
 - Danube proved essential when BSGI was undermined by RF (March – July 2023) – 2.4 mio tons in August 2023; daily peak UA ports with 126.5 k tons (26/09/2023)
 - The risk of Russian attacks on the UA port infrastructure and the access roads & rail remains





“Danube is key for UA economic reconstruction & sustainable economic growth in the Danube region”

- **The Danube ports will remain important in the coming months**
 - The Greater Odessa Ports corridor reduces the UA Danube ports to about 1.8 - 2 million tons/month (0.9-1.2 million grains and oilseeds)
 - This is a reasonable volume corresponding to the institutional capacity of the control bodies and the current infrastructure as well as ensures competitive freight rates
 - EC/DG MOVE & DC advise companies to maintain this level of cargo flows of agricultural products in order to keep the corridor operational and serve as a backup for a possible temporary closure of the ports in the Odessa area as a result of the Russian attacks
 - **UA grains & oilseeds export 2025 are estimated to 43-45 mio tons plus 10-11 mio tons oil & meals**
- **The Danube will be essential for the recovery of the UA economy & offers great economic potential for the entire Danube region**
 - The reconstruction of Ukraine (estimated at EUR 500 billion) will require enormous transportation and transshipment capacities in Ukraine's river and sea ports.
 - The Danube has a high potential for large and heavy goods needed for the reconstruction (e.g. transformers for energy sector, machinery, construction materials)
 - The border area between RO and UA has a high economic potential for renewable energy (hydrogen from wind and solar, ammonia as hydrogen carrier)



“Danube as smart logistics corridor”

- **DC advices to develop Danube Solidarity Lane into “Europe’s first fully digitalised transport corridor for seamless cross-border traffic EU-UA/MD”**
 - Integrating systems of customs, border control, MSW, PCS, RIS, eFTI interoperability
 - Extension of RIS to UA Danube (CEF2 project application submitted), alignment with RIS COMEX 2
 - Benefits:
 - Facilitate export of core UA commodities
 - Eliminate long waiting times at borders and elsewhere along the corridor
 - Increase traffic with limited inspection authority headcount growth
 - Provide comprehensive transparency of all processes, contributing to corruption prevention
 - Remove inefficient & unnecessary manual procedures to speed up cargo flows
 - Enable Lower Danube ports to play important role in Ukraine economic reconstruction
 - Link maritime and land-based transport effectively and efficiently
 - UA accession to EU requires fully compliant border crossing
- **Project can serve as flagship project for future seamless EU – UA trade-flows**



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WITH THIS





“Danube as sustainable economic backbone of the Danube region ”

Conclusions

- Political support, entrepreneurial spirit and the commitment of public administrations made the Danube Solidarity Lane a success story, and the coordination of EC/DG MOVE proved to be essential
- The Danube and its ports are the economical backbone of the entire Danube region, therefore compliance with “TEN-T Good Navigation Status” is a must!



**Thank you for your
attention!**

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Director-General

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