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**AREAS OF CO-OPERATION AND COMPETITION  
OF THE SZCZECIN-ŚWINOUJŚCIE PORT  
AND THE GERMAN NORTH SEA AND BALTIC PORTS**

**Abstract**

*When at the beginning of the 90ties the Polish ports, in that the Szczecin-Świnoujście port, started to function in conditions of market economy, they also became subjected to increasing competition, mainly of the German ports. In this situation, the initiative of the Polish and FRG ministries of transport to seek areas of co-operation of the Szczecin-Świnoujście port and the German ports must be looked on as a very needed action. The activities could reduce, competition and replace it with co-operation.*

**Co-operation of the Szczecin-Świnoujście port and the German ports  
in the service of common land/sea transport chains**

The Szczecin-Świnoujście port (SŚP), as all the other sea ports on the Baltic, can participate in the following types of land/sea transport chains serving various cargoes:

- a) service of direct transportation of various goods to Baltic ports;
- b) feeder services, of containerised cargo mainly, in relations with oceanic base ports on the North Sea (mainly German ports - Hamburg and Bremen-Bremerhaven and also Rotterdam, Antwerp and others);
- c) various Baltic services - direct transports to other Baltic ports by ferry, ro/ro and other relations.

From the point of view of co-operation with German Baltic and North Sea ports, attention should be given to land/sea chains listed under b) and c). They are related with co-operation of the SŚP with oceanic German ports on the North Sea and ports servicing the Baltic trade. In both cases the objective is to increase the participation of SŚP in the service of Polish foreign trade and

of transit in Baltic transports, and a wider inclusion of the SŚP in feeder services with the north Sea ports.

It should be expected that for many years to come the Baltic Sea will be an area of feeder shipping, servicing oceanic relations, especially container traffic, between the North Sea ports and other regions of the global ocean. This concerns first of all connections with all the large ports of the Hamburg - Le Havre zone, especially with the German ports Hamburg and Bremen-Bremerhaven. Both these ports are strongly engaged both in the service of round-world container services (RTW) and in numerous, especially container, oceanic services. It should be stressed that the concept of developing feeder services co-operating with long-range services, functioning between large base ports (and to such belong the large North Sea ports), is gaining popularity not only in the global container traffic, but also in the global sea trade in other cargoes, also bulk cargoes.

In this framework, one of the basic tasks of the Szczecin-Świnoujście port is to strive for the development of feeder services to the German North Sea ports. This is especially important to the SŚP in conditions of increasing competition coming not only from land/sea routes passing through other ports of the southern Baltic (mainly Rostock in Germany and Gdynia in Poland), but also from alternative land transport routes. In this respect, especially dangerous to attempts to increase traffic through the SŚP are land routes connecting the main dispatch and receipt points of cargo mass in the national and international hinterland (Czech Republic, Hungary, Slovakia) of the SŚP, and which form direct connections with ports in Hamburg and Bremen (e.g. the rail connection Polzug in the Poland-Hamburg relation). These connections bypass the Polish ports, and are activated and developed with a significant participation of capital coming from German ports.

At present traffic between the Szczecin-Świnoujście port and the German ports is rather limited. In 1996, between all German ports on the Baltic and North Sea and the Polish ports Szczecin-Świnoujście, Gdańsk and Gdynia only 2.7 mln. tonnes of cargo was transported (Tables 1 & 2), of that volume 53% was in relations with Hamburg and Bremen-Bremerhaven.

In the recent years, a large part of Polish foreign trade cargo in relations between the voivodships of Northern Poland and northern regions of Germany, evaluated at about 700 thous. tonnes [1], instead of the land/sea route through Polish ports uses direct land transports, by road transport mainly. Some of this cargo could be transferred to the land/sea route through SŚP. However, this would require that a number of conditions would have to be fulfilled (shorter time of transportation, lower total cost, competitive quality), and attaining this may prove difficult.

Competition between sea and road transport is especially significant in general cargo services. The gap, which appeared in the capacity of sea transports to service Polish foreign trade, especially in the European range, is among others filled by road transport. An important change, which became visible at the beginning of the 90ties, is the "escaping" of a part of Polish general cargo to the North Sea ports (besides Hamburg and Bremerhaven also to Dutch and Belgian ports), bypassing the Polish ports. This is, first of all, containerised cargo. The

largest transit port for Polish containerised cargo is Hamburg, which in the last years has been serving annually about 1.5 mln. t of East European cargo, in that Polish cargo. The opened in 1992 permanent rail connection Polzug in the Poland-Hamburg relation, which practically includes the whole territory of our country together with transport point services at the Polish eastern border, transports over 32 thous. TEU per year, i.e. about 1/6 of the total number of containers handled in Polish ports.

Table 1. Participation of Polish foreign trade cargoes in traffic through German ports on the Baltic Sea in 1995

PORT	Total traffic			In that traffic with Poland		
	sum	import	export	sum	import	export
	thous. t					
Lübeck/Travemünde	15047	8602	6445	56	8	48
Puttgarden	8881	4637	4244	-	-	-
Kiel	3692	2323	1269	57	47	10
Rendsburg	508	462	46	15	15	-
Mukran	717	308	409	3	1	2
Rostock	16660	8313	8347	821	711	110
Stralsund	759	459	300	35	15	20
Wismar	2027	1246	781	49	41	8
Sassnitz	2423	1736	687	-	-	-

Source: [6].

Table 2. Participation of Polish foreign trade cargoes in traffic through German ports on the North Sea in 1996

PORT	Total traffic			In that traffic with Poland		
	sum	import	export	sum	import	export
	thous. t					
Husum	426	374	52	11	8	3
Brumsbittel	7735	5890	1845	75	66	9
Hamburg	64455	49475	23980	780	469	311
Butzfleth	3555	2417	1138	6,5	-	6,5
Cuxhaven	1131	804	327	8	-	-
Bremen/Bremerhaven	28406	17654	10752	566	396	170
Brake	4312	2008	2304	23	21	2
Nordenham	1834	1450	384	36	36	-
Wilhelmshaven	36121	28583	7538	37	1	3
Emden	3151	2482	669	15	12	3

Source: as in Table 1.

Participants of the land/sea transport route through SŚP should take up actions aiming at directing to this route the cargo which at present is transported in trade with the Hamburg and Bremen regions by land routes. However, realising this objective may prove difficult. The SŚP is only to a limited degree prepared for a

larger volume of container traffic, and in terms of time the route through the SŚP is longer than by land (Table 3).

Table 3. Average cost and time of realising transportation services in relations with Germany

RELATION	Road transport		Sea transport	
	cost of transportation in DEM	time of transportation [hours]	cost of transportation in DEM	time of transportation [hours]
<b>Szczecin</b>				
Bremen-Bremerhaven	1700	20	1460/1660	40
Hamburg	1500	18	1460	35
Hannover	1500	20	1760	40
Essen	1900	23	1860	41
<b>Piła</b>				
Bremen-Bremerhaven	2000	23	1740/1945	40
Hamburg	1900	21	1740	38
<b>Poznań</b>				
Bremen-Bremerhaven	2000	23	1860/2065	42
Hamburg	1900	21	1860	40
Essen	2300	25	2265	46
<b>Warszawa</b>				
Bremen-Bremerhaven	2400	28	1950/2155	48
Hamburg	2300	26	1950	47
Essen	2500	30	2355	53

Source: [1].

To summarise, possibilities of developing co-operation of the Szczecin-Świnoujście port with oceanic German ports on the North Sea within the framework of feeder services are rather limited. It will be difficult for the land/sea route through Szczecin-Świnoujście to compete with the cheaper and much quicker land route, connecting the main dispatch and receival centres in the Polish hinterland with German ports. Nevertheless, every attempt should be made to attract additional Polish foreign trade cargo onto the transportation route through SŚP. This should be facilitated both by actions aimed at forming capital bonds of the port with other participants of the Polish transport route, and by "making use" of the competition between North Sea German ports and Rotterdam, which last competes with the German ports in the whole East and Central European hinterland. An important element in these activities should be direct talks of the SŚP management with operators in the German ports concerning the co-operation in the service of Polish foreign trade and transit cargo. Also in these talks use could be made of the competition between Hamburg and Bremen-Bremerhaven.

In the service of Baltic trade, functioning of the Szczecin-Świnoujście port is mainly connected with competition with German ports on the Baltic.

With respect to Baltic relations, the SŚP should continue to solicit to increase German transit, using its advantages of a transit port serving the Berlin agglomeration and the eastern German Lands, especially the efficient land and inland water connections with Berlin, the distance to which is only 150 km [5].

Activation of the Odra estuary ports should be also facilitated by actions aimed at taking over cargoes transported between Northern Germany and the Baltic States and the northern - Baltic - regions of Russia (the St. Petersburg district mainly), which at present are served by road transport. According to [1] about 600-800 thous. tonnes of general cargo transported in the last years by road between North Germany and northern regions of the Baltic States could be transferred through the SŚP.

The SŚP can also be included into co-operation with North Sea German ports by starting common Short Sea Shipping (SSS) services along the southern coast of the Baltic.

The possibilities of developing SSS over the whole area of the Baltic, in that especially between ports of the southern Baltic coast in the east-west relation, should be seen as a generation of alternative transport chains (with respect to overloaded land, road mainly, connections), meeting the new conditions of functioning and development of Baltic sea trade and transport.

The increased interest in opening short sea connections between the Polish ports (in that Szczecin-Świnoujście) and the Baltic ports of Russia, ports of the Baltic States and German ports coincides in time with the activation of SSS in EU countries, also as an alternative to the overloaded land transport corridors [7].

At present, between the German ports and the Baltic ports of Russia, annually about 9.5 mln. tonnes of cargo is carried by sea, and in relations with ports of Lithuania, Latvia and Estonia - 2.4 mln. tonnes. Of that amount, on relations with Baltic ports of Germany 3.1 mln. t (with Russia) and 0.7 mln. t (Baltic States) respectively is carried. At the same time road transports in relations Baltic States and northern regions of Russia - northern part of Germany amount to 500 thous. t per year. A part of these cargoes (both carried by land and sea) could be taken over by SSS connections of the Szczecin-Świnoujście port with the ports of the Baltic States and Baltic ports of Russia, making good use of the shorter distances in terms of space and time of the sea route (Table 4).

Table 4. Distances in terms of space and time between the Szczecin-Świnoujście port and main ports on the southern coast of the Baltic.

BALTIC PORTS;	Sea route		Land route	
	km	days	km	days
Estonia-Tallin	1100	1.6	1100	1.8
Lithuania-Klaipeda	550	0.8	780	1.1
Latvia-Riga	890	1.3	920	1.5
Latvia-Ventspils	670	1.0	980	1.65
Russia-St. Petersburg	1310	1.9	1480	2.5
Russia-Kaliningrad	500	0.8	820	1.4

Source: [3].

### Other areas of co-operation of the Szczecin-Świnoujście port and the German ports

The functioning of sea ports is first of all connected with competition between them. However, the existence of free and fair competition is no obstacle to the development of an even very close co-operation of the ports. This co-operation can appear in various forms [4]: (1) in the framework of international governmental and non-governmental organisations; (2) in global scale, in the framework of such organisations as IAPH, IMO, UNCTAD; (3) in European scale (ESPO) and regional scale (e.g. Baltic - BPO or the Group of Baltic Sea Port Experts); (4) co-operation (and co-ordination) between ports of one country; (5) it can be realised within the framework of problems of transport as a whole, but it also can concern only the sea port sector.

On the international platform - global and European - one may talk mainly about the co-operation of sea ports concerning *int. alia*: development of technical support programmes for developing countries in order to implement modern transportation and handling techniques; problems of safety of navigation in ports; training of port staff; exchange of information on new techniques and technologies of port services, port management, organisation and realisation of port services etc.

The need for close co-operation, even co-ordination, is apparent also in the regional (e.g. Baltic) plane, and especially in the national (national system of sea ports) plane.

The need for close co-operation of ports and for forming port alliances in regional scale is pointed out by Frankel [2]. In his opinion, during the last 20-30 years sea ports were subjected to growing inter- and intraport competition, resulting not only from excessive production capacities and often competitive technology, but also due to the growing intermodal integration. This resulted in the appearance of a larger number of alternative land/sea transport routes, and in the possibility to choose among ports and means of transport. From the point of view of shippers and users, ports of a given region in fact act as one large port complex.

In conditions of differentiation of the role and importance of the sea ports, there is a tendency to develop inter-port co-operation, especially between ports which are complementary (distribution ports - feeder ports). In Frankel's opinion, similarly as in the case of the developing co-operation between sea carriers, close co-operation between sea ports can be very wide and can include: standards of service, development of production capacities and technology, port rates and marketing, EDI systems, communication systems, financial services, customs clearance procedures, common work-force resources, training and transfer of technology. Development of co-operation in these fields can result not only in reducing port costs or improvement of quality of services and better utilisation of production capacities, but also can allow the ports to plan more effectively their development. If a group of ports in a region operates on one market, then loss of traffic by one of the ports means additional profit for the other ones. In other words, all the time competition between these ports is a zero balance game.

In the European plane - EU countries - the need for close co-operation, even co-ordination of the development of sea ports, results from the fact that ports must be treated as an integral part of the European transport system, and the policy of the Community ports must be convergent with the objectives of common transport policy. Therefore, integration of the European port strategy and the separate national port strategies is necessary; this concerns mainly the proper flow of information on investments planned in the Community's ports.

Lately, in the regional, especially Baltic, platform, one can observe a gradual strengthening of co-operation between the sea ports. The co-operation is realised in various planes; a practical plane, especially important for the development of co-operation of ports of the Baltic countries is the BPO - Baltic Ports Organisation. Its task is to facilitate: (1) effective operation of the region's ports, so that it will correspond to the needs of developing economies of the Baltic countries and to the requirements of forming land/sea transport corridors; (2) co-ordination and close co-operation in the fields of development, investment and specialisation of the ports; (3) exchange of information, technology transfer, restructuring, organisation and management; (4) training of port personnel; (5) Baltic Region marketing; (6) contracts and negotiations with other sea transport organisations.

In the framework of the concept of a common European transport network, several years ago the Regional Baltic Sea Group was formed. Its activities are directed at adapting the Baltic ports and including them into that network. The establishment of the Group and its inclusion into the programme of the EU Sea Transport and Ports Directorate is a reflection of the growing importance of the Baltic region. Among others, works of the Group aim at the defining the strategic problems of Baltic ports and at determining the directions of co-operation in port planning, especially planning of the Baltic port infrastructure, taking into account the present and future demand and supply of port services in the scale of the whole Baltic region. The most important objectives are to prevent over-investment in the ports, especially in the scale of the whole southern coast of the Baltic, and to ensure rational use of financial support of international institutions for the development of basic port infrastructure.

The functioning and development of the Szczecin-Świnoujście port system is related with all the mentioned above forms of co-operation, but especially with regional - Baltic plane of joint actions.

Co-operation in the Baltic region, also with German ports, should be facilitated by documents recently (1997) drawn in the framework of European co-operation under the auspices of the European Commission: *Memorandum of understanding on information and studies relating to the development and operation of Baltic ports* and *Guidelines for the common work programme on water transport in the Baltic Sea region*, signed by all the Baltic countries. Both documents deal among others with promotion of investment and efficiency of operation of Baltic ports and all sectors of sea transport as an alternative to land transport, support in defining the most effective ways to use public and private funds, attaining sustainable development of the port/transport system in the Baltic region, promotion of multi-modal transport and improvement of safety of sea transport.

*In accordance with the Memorandum, co-operation between the Baltic ports and with the European Union should result in promoting international transport of passengers and goods through the development of a consistent European transport system and integration of ports with the transport chains, in that with the transport chains connecting the Baltic ports with their economic hinterland, and in improvement of the position of these ports in the Baltic region.*

On the basis of the above, co-operation between the Szczecin-Świnoujście port and the German ports should be developed on a wide front, especially in the following fields:

- a) modernisation and development of transport infrastructure connecting the ports with their international hinterland, in that: (1) modernisation and development of inland waterways in the near-border regions, (2) modernisation of near-border road and rail systems, especially connecting the Szczecin-Świnoujście port with the Berlin agglomeration, (3) ensuring safe passenger and cargo traffic in the land/sea transport chains;
- b) co-operation in the realisation of *Memorandum* objectives;
- c) exchange of experience in introduction of modern port technology, in that information systems, handling/storage technology, systems improving operation of state administration in port areas, environment protection facilities in ports;
- d) exchange of experience in organisation of work-force in ports, in that stevedore organisations, personnel management, motivation systems;
- e) exchange of experience in co-operation between subjects managing the ports and the local self-governments, in that participation of port city in port management, organisation of port-city land-use planning, shaping of the port's image in the city and region.

The presented potential areas of co-operation of the Szczecin-Świnoujście port system with the German ports should become an object of direct co-action of experts from both sides, especially of the representatives of SŚP and the separate German ports.

The range of possible co-operation is very wide; selection of subjects and partners on the German side should be preceded by an international seminar in which the managements of the Szczecin-Świnoujście port and of the more important German ports (Hamburg, Bremen-Bremerhaven, Rostock, Lübeck), and also representatives of the ministries of transport of both countries, would participate.

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