

## **Danube strategy aims to increase river cargo traffic**

GYÖRGY HEIMER, PÉTER SOMLYÓ AND GYÖRGY FOLK

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One of the major aims of the European strategy for the future of the Danube will be to increase cargo traffic on the river. The 'Danube strategy,' which aims to strengthen European involvement in regional development, will be one of the Hungarian EU presidency's priorities during the first half of next year.



Cargo ship on the Danube river (Photo: Andras Bankuti, HVG)

The Danube strategy covers several fields of cooperation and coordination. Its aim of increasing cargo traffic will be particularly challenging because it has a long-term return on investment.

"When someone invests into ships he has to plan for a 40 to 50 year pay-off period, while in port investments the duration is 70 to 80 years," said Botond Szalma, head of the Hungarian Nationwide Ship Association (Mahosz), during a recent discussion on the Danube plan.

"If someone thinks about river regulation, the pay-off period will be 200 years. Hungary will never have enough sources for the regulation of the Danube; we need the European Union if we want to reach our goal."

Similar conclusions about the EU's macro-regional plan are being drawn, not only in Budapest but in other countries with an interest in the Danube river.

The main focus of negotiations about the strategy is navigability, particularly in terms of river cargo. Freight volume is expected to increase by one third by 2015, taking into account that growing volume of cargo transported between continents and the development of EU to the east,

This is partly because of the growing amount of bulk goods but also, due to more sophisticated logistics, the fact that more packet goods will be transported on the Danube. A clear signal of expected growth is that in area near a larger seaport, the

'combined model technique' has, on average, more than a 40 percent share in transporting packet goods.

Figures also show evidence that inland cargo can be a competitive alternative to rail and road transport. Cargo on ships costs €10 per thousand tonne-kilometres, compared to €35 for lorry freight and €15 for rail traffic.

Inland water cargo lobbyists argue that road transport is becoming less competitive as congestion increases, the haulage industry suffers capacity problems and growing lorry traffic causes environmental damage. At the same time, inland water transport possibilities are often underused in this region; Danube cargo traffic is just 10 percent of that on the river Rhine.

Even within Hungary there is no consensus about the details of the Danube strategy. For example, controversy surrounds Mahosz's demands for water depth to be substantially increased. The National Environment Council says that achieving an average 2.5 m depth for the whole Hungarian length of the river could cause serious ecological damage.

Johannes Hahn, the EU's regional commissioner, said during a Danube strategy conference that ships should be adjusted to the river and not the other way around.

Etelka Barsine Pataky, Hungarian government commissioner for the Danube Strategy, shares Mr Hahn's views. "The Danube should become a green corridor which is not only important for shipping. Preserving nature and water quality should be crucial too," she told the weekly newspaper HVG.

The shipping lobby has long argued the importance of connecting rail cargo transport with inland water transport to make cargo shipments more environmentally friendly. Most goods are still transported by road.

Another feasible option could be to connect large sea cargo ships with lighter river barges. With the LASH (lighter aboard ship) solution, sea cargo ships can transport lighter barges on board which makes inland water cargo significantly more competitive.

The Danube strategy's more ambitious plans are, however, hampered by the fact that the EU is not yet ready to provide extra funds to support it.