

**Speech given by Mr Korres  
to the European Economic and Social Committee (at the GSCC) on 16 May 2007**

Ladies and gentlemen, friends,

For those of you who don't know me, let me introduce myself. My name is Alkis Korres, I am president of the Hellenic Union of Maritime Economists, and I am here in my capacity as member of the Board of Directors of the Union of Short-Distance Shipowners, representing the company Naftotrade, which is involved in maritime transport of raw cement both in and beyond the Mediterranean.

I have been in the cement business now continuously for the past fifteen years, and I can assure you that it is very specialised work with many particularities. From my vantage point over the past years I have seen important changes in the way cement is delivered to the market by sea, and I would like to talk to you about these changes over the next few minutes.

Historically, in the Mediterranean region cement has been supplied by national production plants, that is small units designed to serve local needs and develop a certain amount of export trade.

During the 1980s, and especially during the 1990s, the situation began to change. Cement transport between the countries of the Mediterranean increased steadily, as larger and larger plants were set up.

Over long distances, cement is transported solely by sea. All other means of transport are vastly more expensive. But the shipping industry cannot claim a monopoly on cement transport, recognising that local distribution has to be by heavy goods vehicles.

Today's EU fleet of cement ships with pneumatic unloading systems comprises a large number of small vessels. The shoreside silo facilities for receiving the finished product, have always been adapted to the size of the ships delivering to them.

This means that any increase in the average size of ships must be followed immediately by increases in the size of the shoreside silos. However, this is not easy to achieve in practice, since granting of the relevant permits is almost always resisted by local communities, mainly - but not solely - for environmental reasons.

It is no secret that the environment is the factor which today, and for many years to come, will determine many developments in manufacturing and transport.

Some of our speakers earlier today mentioned the Kyoto Protocol. I will look more at questions relating to protection of the environment against pollution resulting from the transport of cement by sea.

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Formerly it was possible to transport raw cement using traditional cargo ships that then unloaded the goods using an evacuator, a method of unloading ships by means of a vacuum system.

Although this technique has not disappeared completely, use of the conventional type of ship for cement transport is becoming more and more difficult owing to the environmental objections of port authorities. Although the ships are carefully designed, it is not possible to completely control atmospheric pollution unless a closed system is used.

Moreover, nobody wants cement dust in their garden or in the neighbourhood school playground. This is precisely where pneumatic cement-transporting ships with closed systems have an advantage.

These ships load and unload raw cement without allowing it to come into contact with the atmosphere, using high-tech filters which trap even the finest floating particles.

A pneumatic cement freighter is a highly specialised and accurate vessel in its design. Such a ship can transport very few cargoes other than cement, which makes it less versatile than other ships in the freight business. However, the market itself has irrefutably demonstrated that the future of cement transport lies with this type of vessel.

By ensuring a clean environment in ports and terminals, we make our business as freight carriers less onerous for local residents and more acceptable to the community as a whole.

However, the environmental dimension of cement transport involves more than the loading and unloading system.

As you know, Annex VI of the international convention MARPOL introduced specifications which are now valid for emissions from both main and auxiliary ship engines.

It has been compulsory for all diesel engines installed in new merchant vessels after 2000 to comply with the relevant code on nitrogen oxide emissions.

In addition, since the same date any internal combustion engine on a boat that needs replacing must be fitted with an engine that meets the new requirements, no matter how old the vessel.

Apart from this, in certain specific regions of northern Europe there is a trend towards exclusive use of low-sulphur fuel by ships, which will have a direct impact on the daily cost of operating a vessel and necessitates changes in the size of docks and in onboard fuel distribution systems.

Anyone will understand that all these changes raise directly the question of replacing older vessels. The environmental performance of a modern ship cannot be compared to that of one that was designed when the environment issue had a fraction of the importance it does today.

The higher the requirements of shippers and consignees, as well as the international community, with regard to environment-friendly vessels, the more urgent will become the need to replace older ships.

Owing to the high cost of building new ships in relation to its size, they must be used under conditions ensuring that costs and lending commitments be covered, while still leaving some profit margin for the shipowners.

I would ask you to take note of this point.

We must not allow the Community fleet of pneumatic cement freighters to reach the average age of the remaining short-distance shipping fleet, which is now well over thirty years old.

*The EU needs a large enough fleet with good environmental performance, and this is dependent on the shipping policy pursued.*

I mention this because a few years ago I happen to have seen the opposite happening in the market for tankers in the short-distance shipping fleet .

Longstanding policies on the part of some oil companies of having minimal – and sometimes negative – profit margins for small tankers not only meant that no new ships were built, but led to many players leaving the market, so that the same companies have been forced to invest in ships despite the decisions they took after the United States Oil Pollution Act of 1990.

Since I am aware of the EESC's concern about employment issues, I would like to add some observations on the matter of employment on cement freighters.

Employment of mariners on such ships is not expected to change radically in the immediate future from the point of view of skills.

The prevailing composition of crews is not expected to change; of course if the number of ships increases, the number of mariners working on them will also increase. Many of these seamen are EU citizens. Thus maritime transport of cement is contributing to employment of officers and, to a certain extent, lower-ranking crew members.

But I would like to take this opportunity to mention that the number of seamen in the EU is still declining over the long term, despite the efforts of the Member States and, recently, the European Commission.

I know that one of the objectives of the Green Paper on a future maritime policy for the Union is to revive Europe's maritime tradition. The role of maritime transport in the European cement industry will expand steadily over the next few years, which means that the outlook for job growth in this area will be positive for many years to come.

Ladies and gentlemen,

Cement is a key raw material for every type of economic growth, and as far as I know there is no product to rival it at the present time.

Demand is expected to increase further, and meeting this demand will be a continuing challenge for the cement industry.

Maritime transport of cement will be there to help distribute the product safely and in an environmentally acceptable way.

Thank you for your attention.

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