



Ports of Sweden on Port Infrastructure

Ports¹ are not per se a means of transportation, but intermodal junctions, where sea and land transportation systems meet. They provide assets and resources for traffic by ship, railway cars, lorries and automobiles as well as for services such as loading, offloading and storage.

Ports frequently function as catalysts in the development of new logistics concepts and in that role cooperate with the cargo owners as well as other suppliers of transportation and logistics services, in order to be able to provide maximum utility for the customer.

The majority of Swedish ports are organised as limited liability companies with integrated operations, i.e. they are responsible for the management and development of the infrastructure of the port (land, docks, terminals and water area etc.) and provide cargo handling services. Certain port companies own their infrastructure themselves, while others lease the land from the owner, which is usually the municipality. The port's infrastructure costs are a part of the price that the customers/users pay.

Against the above background, the board of directors of Ports of Sweden has resolved to render the following opinion:

1. In the pricing of infrastructure, market prices shall apply. The cost basis of the calculation shall be the replacement cost of the investment, as well as its long-term degree of utilization. In addition, extensive future renovation expenses and environmental investments that are needed in order to maintain and develop the port as an environmentally safe and efficient transportation link may be factored into the price. The municipal at-cost principle is not applicable since the ports are conducting commercial operations in a deregulated international market subject to intense competition.
2. Investments in port infrastructure may be financed by public funds if the infrastructure is open to all users². In order to establish a level playing field, however, clear guidelines for the application of the EU Treaty's rules on state subsidies within the port sector are needed.
3. Neutrality from a competition point of view between different ports furthermore require that all financing of ports with public funds be clearly accounted for. For that reason, the Commission Directive 2000/52/EC on the transparency of financial relations between Member States and public undertakings as well as on financial transparency within certain undertakings, forthwith be implemented in Swedish law in a manner that clearly sets forth how the provisions of the directive are to be applied to ports.

¹ For the purposes of this opinion, the term "ports" does not mean land or water areas, but organisations that are responsible for the operations conducted within such an area.

² Rome Treaty art. 87 on state aid.