

# Inland waterway transport: Community fleet capacity policy

1998/0281(SYN) - 03/11/1997 - Document attached to the procedure

**OBJECTIVE:** to evaluate the effects of application of the 'old for new' arrangements in the context of the measures to promote structural improvement in inland waterway transport. **SUBSTANCE:** This Commission report evaluates the effect on structural improvements in the inland waterway transport market of the application of the 'old for new' arrangements since the launch of the scrapping scheme in 1990 and in particular since its extension (in April 1994) until the end of 1996. The 'old for new' arrangements were introduced in 1989 for a five-year period to counteract the trend to over-investment and to preserve the effects of reduction in extra capacity. The report also tackles the problem of whether or not to maintain the status quo by adapting a system for regulating the market (of the old for new type) following the total liberalisation of the market by the year 2000. The report concludes that the 'old for new' system is the best way of regulating the market thanks to the automatic offsetting of new capacity by scrapped capacity, while in no way inhibiting essential investment, notably in the carrier sectors. The scheme is supported by the entire industry, which currently wants to extend it on the grounds that it is seen as a form of security in terms of the future of the inland navigation market. With a view to the total liberalisation of the inland waterway market by 1 January 2000 it could prove necessary, if this is the desire of the industry, to reduce the 'old for new' ratio. In future this regulatory mechanism, if it is maintained beyond 1999, should be regarded as a monitoring mechanism and should offer the enhanced flexibility needed to respond more rapidly to market developments. The Commission thus proposes to examine, on the basis of arguments set out by the industry, the socio-economic groupings and the Member States concerned: - a proposal for a Commission regulation reducing the ratio in 1998 (whereby the new ratio will be fixed in the light of the findings of the market analysis conducted after the scrapping measures of 1997), - a proposal for a Council regulation seeking to maintain a regulatory mechanism of the 'old for new' type after 28 April 1999. The Commission may also present during 1999 a report on 'the future of inland waterway transport after 1 January 2000'.