


NEW REPORT FROM THE CCNR ON PRICE FORMATION AND FUTURE TRENDS

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 In the context of its market observation activities, the CCNR has published a report on price formation in inland waterway transport (IWT). The publication focuses on the main influencing factors regarding price formation and offers a number of recommendations for policy makers. It follows the workshop organised by the CCNR on 8th November 2023, in partnership with the European Commission. A wide range of participants, both in Strasbourg and online, took part in the exchanges: inland vessel operators, cargo owners, multimodal operators, policy makers, freight forwarders, brokers, cooperatives, banks, institutes publishing information about freight rates, ports, consultants.

The in-depth report presents the main influencing factors with regard to price formation in IWT, such as supply and demand, market structure, type of cargo (dry, liquid, container), water levels or operating costs (fuel/energy or staff costs). Some external factors (economic and geopolitical conditions, for example) may also impact freight rates. The report examines which and how price formation models can lead to volatile prices, or on the contrary to more stable prices. In particular, longer-term price stability could facilitate investments in innovative vessels.

 The report is completed by detailed figures and concrete examples. These illustrate how the main influencing factors have affected or currently affect price formation. This analysis is valuable for the study of price formation in IWT. It also explores trends which could have an impact on price formation in the future. A higher frequency of low water periods is one of those trends, because it increases the costs for cargo owners when using IWT. Another trend, automation, could be an answer to staff shortage and thereby reduce prices in inland navigation. Last but not least, energy transition is another influencing factor as it is expected to impact transport demand in the long run, in particular transport of oil products.

Although there can be a link between freight rates and modal shift, it seems that the way price is formed in inland navigation is not necessarily a decisive factor to foster modal shift. Thus, while price remains an important aspect for cargo owners, other factors can also come into play such as environmental benefits or reliability of service. Moreover, the choice of a transport mode depends on the transportation route and the types of goods being transported. Finally, other transport modes are also facing similar challenges such as staff shortages or increase in fuel prices.

In this context, policy makers have an important role to play. While a direct intervention on price formation should be limited to the minimum in free markets, the policies put in place could focus on the factors influencing freight rates in IWT. Reducing the impact of low water, internalising external costs (for example: polluter-pays principle), implementing fuel taxation, creating funding programmes for the energy transition, are some examples of policy intervention impacting IWT prices.



The full report in English can be downloaded in [PDF format or viewed directly online at: <https://inland-navigation-market.org/chapitre/3-conclusions/?lang=en>](https://inland-navigation-market.org/chapitre/3-conclusions/?lang=en)

We wish you an informative read!

ABOUT THE MARKET OBSERVATION AND MARKET INSIGHT

The Market Observation and Market Insight reports are respectively annual and biannual publications by the CCNR dealing with the European inland navigation market. The CCNR also publishes thematic reports, the theme of which is defined in consultation with the European Commission. These analyses of the economic situation, which are free of charge, aim to assist strategic decision making in this sector in Europe, by both the profession and firms as well as in terms of transport policy and within administrative authorities. The gathering and analysis of this data by the CCNR has been co-financed by the European Commission since 2005. This fruitful collaboration has enabled the CCNR to extend this activity, which historically it has been carrying on for almost two centuries, beyond the Rhine region to cover all Europe's navigable waterways.

ABOUT THE CCNR

The Central Commission for the Navigation of the Rhine (CCNR) is an international organisation that exercises an essential regulatory role in the navigation of the Rhine. It is active in the technical, legal, economic and environmental fields. In all its areas of action, its work is guided by the efficiency of transport on the Rhine, safety, social considerations, and respect for the environment. Many of the CCNR's activities now reach beyond the Rhine and are directly concerned with European navigable waterways more generally. The CCNR works closely with the European Commission as well as with the other river commissions and international organisations.



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