

An expanded ecobonus **Summary**
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Summary

In spite of years of political ambitions to reduce all-road transportation, the development of intermodal freight transport that uses rail and ship has been weak, and it still accounts for only a small percentage of total transport production. High transshipment costs have been suggested as one explanation for why the market has been slow to develop. Against this backdrop, the Swedish government has given Transport Analysis the task of analysing the need to promote intermodal freight transport and how that can be accomplished. If there is a need for stimulus measures, the various economic mechanisms and other measures should be analysed to determine which are cost-effective. Transshipment subsidies might be one alternative, but the assignment does not extend to tax-related proposals.

In this report, our arguments are centred around market terms and measures that could contribute to stimulating a shift of freight transport from all-road. We present how economic mechanisms are used in other EU countries to stimulate the shift of freight transport from all-road and provide an estimate of the costs of loading and reloading between modes of transport. Our calculations show that transshipment costs are substantial and that they also make up a much larger share of the total cost of carriage by rail and ship than carriage by road. As a result, compared to heavy goods vehicle transport, much larger freight volumes are required over longer distances to generate economies of scale for rail and maritime transport.

Several other factors are standing in the way of development towards more intermodal freight transport, however. That the intermodal market consists of several different modes of transport with discrete market terms and various business models is significant to both the opportunities of the modes of transport to compete with each other and to market development overall. In addition, the lack of access and connections to loading terminals, as well as capacity limitations in the rail network, could reduce opportunities and incentives to reload. The freight forwarder market is also relatively poorly developed, and there is a significant lack of firms able to coordinate and market transport and new transport solutions that are attractive to customers in the intermodal transport market.

The report mentions opportunities to eliminate such barriers, but it was not possible to discuss these in greater detail within the framework of our remit. In several cases, the issue has already been addressed and work to manage this is ongoing. In other cases, the issues also affect other areas and may need further study.

Various market initiatives show, however, that there is potential for increasing the share of intermodal transport through new transport arrangements and streamlined cargo management. Studies show, for example, that investments in new technology are the optimal way for ports to increase their productivity, which could in turn make maritime transport more competitive vis-à-vis road transport solutions. Likewise, traditional investments in infrastructure and equipment have impact on efficiency and productivity in ports and reloading terminals. But although there are efficiency improvement plans and innovative transport arrangements in place, firms active in the market say that they could do more if opportunities opened up.

With a view to stimulating this development, we present a proposal for economic aid for intermodal freight transport in this report. The proposal is based on the current Swedish

ecobonus system directed at maritime transport but is more specifically designed to stimulate intermodal transport solutions. We have called our aid proposal an “expanded ecobonus”. The changes we suggest are mainly inspired by and taken from aid systems adopted for reloading purposes in Europe, currently or in the past, and which the Commission has approved after special consideration. The state aid has thus been given a broader scope than the current ecobonus; for example, the group of potential recipients is larger, and aid can also be granted for more types of costs. According to our proposal, the aid is aimed broadly at several modes of transport and applications for aid for a particular transport solution may cover multiple modes of transport.

In addition to providing scope for new and innovative solutions, the aid could contribute to increasing demand and building up volumes that make it possible to generate greater economies of scale in transport solutions that encompass rail and maritime transport. While support for investments in reloading equipment could speed up the development towards increased automation in cargo handling, operating grants could in the initial phase contribute to reducing risks associated with the start-up of new transport solutions.

Because the enterprises that apply for aid, either individually or collaboratively in groups, will have to formulate their transport arrangements, the proposal for an expanded ecobonus can to a certain extent be likened to a public procurement process wherein the state/contracting authority has the opportunity to decide to allocate funds for a particular project based on an assessment of the proposals received. In contrast to a procurement procedure, however, greater scope is given to the market to propose transport arrangements that could be interesting to launch and that have the potential to eventually achieve commercial profitability.



Transport Analysis is a Swedish agency for transport policy analysis. We analyse and evaluate proposed and implemented measures within the sphere of transport policy. We are also responsible for official statistics in the transport and communication sectors. Transport Analysis was established in April 2010 with its head office in Stockholm and a branch office in Östersund.