Briefing

European Parliament

– RESEARCH FOR TRAN COMMITTEE –
THE PORT OF MARSEILLE

1. OVERVIEW

In 2015, the port of Marseille-Fos (known in French as Grand Port Maritime de Marseille, GPM) was France's leading port by cargo volume (and the second largest port in the Mediterranean after Algeciras), number of cruise passengers (fifth largest in the Mediterranean) [1] and hydrocarbons[2]. It was the second largest port in the country for container traffic, after Le Havre[3].

At the same time, Marseille-Fos was ranked 47th in the world by cargo traffic[4] and 15th in the world by number of cruise passengers[5] - but was only 107th by container traffic[6].

The GPM is composed of two complementary harbours nearly 50 km apart: the eastern harbour, which covers 400 ha of the metropolitan area of Marseille and receives cargo and passengers; and the western harbour, which covers 10 000 ha within the Fos maritime industrial area, where industry and logistics are based.

The port of Marseille is connected to its hinterland by road[7], rail and a 550 km long large-gauge waterway: the Rhône and the Saône. The metropolitan areas of Marseille and Lyon (300 km to the north) alone contain more than 3 million inhabitants. The GPM is, however, a relative outlier in relation to the London-Ruhr-Milan axis. Moreover, as of Lyon, its zone of influence comes up against those of the ports of Le Havre and Antwerp[8]: just over half of the containers arriving in or leaving Lyon pass through the port of Marseille[9].

Marseille-Fos is included in two of the nine priority corridors of the trans-European transport network (TEN-T): The '*Mediterranean corridor*', which links the Iberian ports with Hungary and the Ukrainian border via Marseille and Lyon, and the '*North Sea-Mediterranean corridor*', which runs from the Irish ports of Cork and Dublin to the GPM, via Strasbourg and Lyon. This situation could help improve the rail and river connections between Marseille and its hinterland.

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1 Marseille Fos - Key information (2016)

2 French Union of Oil Companies (UFIP). In terms of volume, Marseille Fos is now the world's third largest oil port. On its own, it accounts for 40 % of domestic petroleum product traffic and supplies three of the eight French refineries still in operation (the LyondellBasell refinery, which was based in the Fos industrial port area, closed in 2015).

3 L'antenne, classement des ports français (2016)

4 The American Association of Port Authorities (AAPA), World port rankings 2014

5 Marseille Provence Cruise Club (2016)

6 Le Marin, 01.03.2016

7 However, it should be noted that the road network around the western harbour, which caters for more than 1.6 million lorries per year, is congested, unsafe, and causes significant noise pollution. Furthermore, the container terminals are 30 km from the motorway, which represents a real barrier.

8 See in particular: École nationale supérieure des mines, Le port de Marseille-Fos dans le transport maritime de conteneurs (2014)

9 Rapport parlementaire (Assemblée nationale et Sénat), Attractivité et compétitivité du Range France Med et de l'axe Rhône-Saône (2016)

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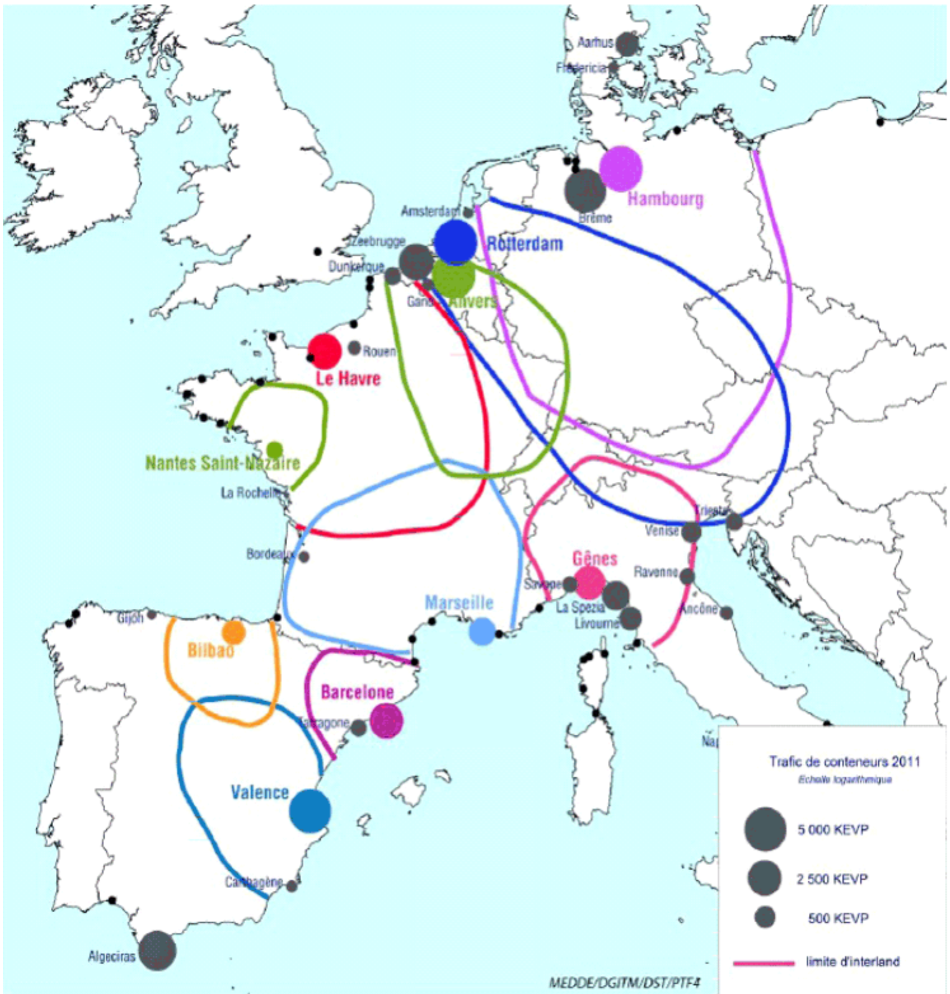
PE 585.908
February 2017

In 2015, Marseille-Fos was connected to 400 ports worldwide via 55 regular shipping lines. 35 industrial enterprises, 462 000 m^2 of warehouses and nine dry docks (including the largest in the Mediterranean, at 465 m long) generated 43 500 direct and indirect jobs in the area[1]. (In 2012, the OECD estimated that the port generated an added value of about EUR 4 billion, or nearly 3 % of the GDP of the Provence-Alpes-Côte d'Azur region[10]).

Hinterlands of the main French and European ports in 2011



Source: Ministry of the Environment, Energy and Marine Affairs

2. TRAFFIC

In general, French ports have benefited less from the development of global maritime transport in recent decades than the major northern European ports. In particular, they have only captured a modest share of the surge in container traffic[11]. On average, the volume of cargo handled by Benelux ports has grown seven times faster than that of French ports over the past 25 years. In the Mediterranean, it has been the same for the ports of Genoa and Barcelona, while traffic through Marseille decreased.

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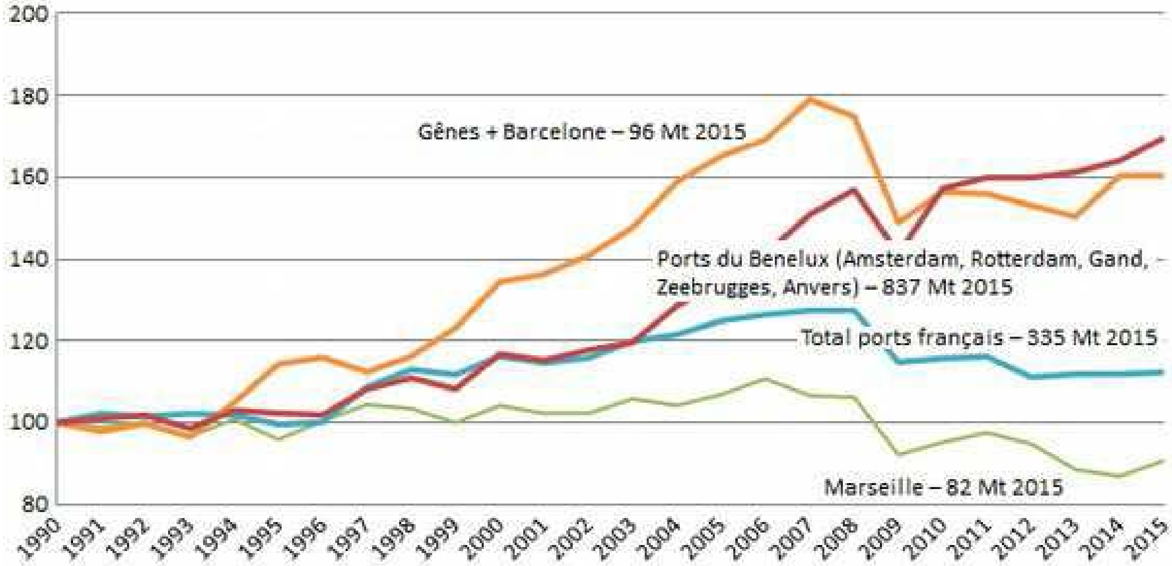
[10] OECD, Competitiveness of Port-Cities: The Case of Marseille Fos, France (2012). However, these figures should be viewed with caution, as it is difficult to put a precise figure on the port's economic contribution.

[11] The volume of goods transported via international shipping routes has increased by almost 170 % since 1980. Over the same period, the volume of containerised goods transported via the same routes has grown by 1 500 %. (Source: UNCTAD).

In fact, the French port environment appears to be rather disadvantageous: the hinterland is largely (and increasingly) restricted to the national territory (largely due to the continued decline of rail freight transport[12]), while the French economy is sluggish and the country's industrial activity has slumped since 2000[13].

Changes in traffic through the main European ports since 1990



Source: Rapport parlementaire sur l'attractivité du Range France Med (2016)

Marseille-Fos, which 'slipped from 2nd to 6th place in Europe between the 1970s and 2015'[9] is evolving in this difficult context. The volume of goods handled by the port decreased by more than 13 % between 2000 and 2015. This drop is mainly due to hydrocarbons, traffic of which is declining steadily[14]. However, it can also be explained by deindustrialisation in France. In particular, the industries which once had a strong presence in Provence (chemicals, soap industry, agri-food, etc.) and which exported via the port of Marseille have disappeared.

Scheduled passenger traffic (to Corsica and North Africa) is also on a downward trend (passenger volume fell 15 % between 2000 and 2015), and this trend seems to be accelerating (-27 % since 2008). The repeated strikes affecting the port and the SNCM shipping company (which was wound up in 2016), and the resulting uncertainty for passengers, undoubtedly explain most of this decline (over the same period, passenger traffic increased substantially in Sète and Toulon).

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[12] In 2006, the French Court of Auditors expressed regret that 'foreign ports handle the majority of international trade in our country' and noted that this was a consequence 'in particular of the poor quality and low density of rail and river transport services, which put French ports at a significant disadvantage compared to their competitors in Northern Europe...' (Source: French Court of Auditors).

[13] The French industrial production index (excluding construction) fell from a peak of 114.40 in 2000 to 100.37 in 2015 (Source: INSEE [National Institute of Statistics and Economic Studies]).

[14] There were 12 refineries in France in 2007 and 8 in 2015. Over the same period, domestic consumption of petroleum products fell by more than 11 % (Source: UFIP).

Conversely, the cruise port is growing rapidly (+ 600 % between 2000 and 2015), and is now the fifth largest in the Mediterranean. Similarly, container traffic is growing fast (+ 70 % between 2000 and 2015). The significant public and private investments[15] made to this end are increasingly paying off as Marseille-Fos benefits from the development of trade between France and Asia[16]. Container traffic is now growing faster in Marseille than in Genoa or Barcelona, reversing the situation which prevailed for decades[17]. The port of Marseille may now be catching up.

Port of Marseille-Fos, traffic between 2000 and 2015				
	Gross tonnage, in millions of tonnes	Number of containers, in TEU[18]	Passengers (*of which cruise passengers*), in millions	Number of commercial vessels
2000	94.10	722 445	1.5 (*0.2*)	**19 066**
2006	**100.01**	946 445	2.0 (*0.4*)	19 049
2007	96.29	1 002 879	2.0 (*0.4*)	18 364
2008	96.94	851 425	2.0 (*0.5*)	17 379
2009	83.19	876 757	2.1 (*0.6*)	16 909
2010	86.00	953 435	2.0 (*0.7*)	16 308
2011	88.07	944 047	2.3 (*0.8*)	15 957
2012	85.79	1 061 193	2.4 (*0.9*)	15 669
2013	80.04	1 097 740	**2.6** (*1.2*)	15 649
2014	78.52	1 179 910	2.5 (*1.3*)	15 487
2015	81.70	**1 220 000**	2.5 (***1.4***)	15 254
2000/2008	+ 3 %	+ 17.9 %	+ 33.3 % (*+ 150 %*)	- 9 %
2008/2015	- 15.7 %	+ 43.3 %	+ 25 % (*+ 180 %*)	- 12 %
2000/2015	- 13.2 %	+ 68.9 %	+ 66.7 % (*+ 600 %*)	- 20 %

Sources: Ministry of the Environment, Energy and Marine Affairs[19] and Port of Marseille Fos

3. OUTLOOK

With the implementation of its 'strategic plan' for the years 2014-2018, the port of Marseille-Fos intends to (1) diversify its traffic in order to offset the steady decline in petroleum products, and (2) (re)gain customers. More broadly, Marseille hopes to capture part of the Asia-Europe maritime flow which crosses the Mediterranean via Suez and Gibraltar, to become 'the southern alternative to the ports of northern Europe for access to the French and European markets'[9].

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15 Close to EUR 400 million has been invested in the new *Fos 2XL* container terminals, half by the public sector, half by private operators. For example, *Eurofos* has installed the two largest gantry cranes in the world there, measuring 54 m high with an outreach of 72 m, allowing them to handle the largest container ships. In addition, *Seayard* will soon commission a 'Super Post Panamax' gantry crane to handle container ships with a capacity of over 19 000 TEU.

16 See in particular: IFSTTAR, Évolutions récentes des hinterlands des ports français (2016)

17 In 25 years, the volume of container traffic at Marseille-Fos has increased by around 120 %. The increase was respectively 330 % in the Benelux ports and 430 % in Genoa and Barcelona (Source: Rapport parlementaire 2016).

18 Twenty-Foot Equivalent Unit (TEU): unit of measurement corresponding to one 20-foot container, i.e. approximately 6.20 m x 2.50 m x 2.50 m.

19 These data are unfortunately presented in an illegible and incomplete way from 2014 onwards.

Significant efforts have already been made in these directions, which have resulted in the above mentioned increases in traffic and reduced dependence on hydrocarbons[20]: investments are high[21], productivity is improving[22] and the number of strike days, which was damaging the image of the port, has fallen sharply since the entry into force of the 2008 port reform. Several major projects are being discussed (if not yet under way) which demonstrate this renewal (including the restoration of a rail link to Geneva; a GPM-Tangier line to capture the lorry traffic which currently passes through Spain; etc.).

However, Marseille-Fos will not be able to divert a significant proportion of Asia-Northern Europe traffic unless it considerably strengthens its river and, above all, rail connections with the economic heart of the continent. Failing this, vessels will continue to call directly at the Northern Range ports, without stopping in the Mediterranean.

Here too, great efforts have already been made: since 2008 the *Medlink Ports* agency has been developing the Marseille Fos-Port of Sète link via the Rhône-Saône large-gauge waterway; an inter-harbour rail shuttle was created in 2015; the number of rail operators serving the port has increased[23]. Consequently, the hinterland of the port of Marseille has expanded towards the Auvergne and the Midi-Pyrénées region, to the detriment of the ports of Le Havre and Antwerp. But these developments are insufficient: the share of rail and waterway in the transport network serving Marseille-Fos remains relatively stable, and the zone of influence of the port of Marseille is still far from being competitive with that of the Northern Range ports.

Modal shares: Pre- and post-haulage of containers from the port of Marseille

	2007	2014	2015
Rail	8.8 %	8.7 %	9.6 %
River	7.1 %	8.4 %	8.4 %
Road	84.1 %	83 %	82 %

Sources: Rapport sur la desserte ferroviaire et fluviale des grands ports maritimes (2010); Marseille Fos-annual reports 2014 and 2015 and Marseille Fos-performance indicators 2013 to 2015

Indeed, in spite of its efforts and like all French ports, the development of Marseille-Fos is hampered by the structural weakness of the French rail freight network. Despite a fruitless succession of 'stimulus packages', the volume of goods transported by rail in France has collapsed: it has declined by more than 50 % over the past 50 years and by almost 35 % in the past 25 years (from 52.2 billion tkm in 1990 to 34.2 billion tkm in 2015)[24]. It seems that nothing will halt this decline in the near future[25].

The efforts made by Marseille-Fos[26] will never be able to overcome the shortcomings of the French railway network. The future of the Marseille therefore depends largely on factors that are not within its control. Thus, in spite of recent fairly encouraging developments, is it unclear whether the port will succeed in transforming itself into the 'southern gateway' to the European continent.

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20 As a result of container traffic, the share of petroleum products in the cargo traffic passing through Marseille Fos fell from 66 % in 2000 to 57 % in 2015 (Source: Port of Marseille Fos-Annual reports 2014 and 2015 and Ministry of the Environment, Energy and Marine Affairs).

21 The strategic plan 2009-2013 provided for EUR 600 million of investments. The 2014-2018 plan provides for EUR 360 million of investment.

22 See Port of Marseille Fos, Key performance indicators

23 Marseille-Fos is currently served by six rail operators, one waterway operator, and one operator handling both modes. The port is now connected by rail to 17 national destinations.

24 Sources: European Commission and Ministry of the Environment, Energy and Marine Affairs

25 It is significant that *Euro Cargo Rail*, the freight subsidiary of DB and the country's second largest rail freight operator, has begun its withdrawal from the French market (citing the inadequacy of the domestic rail network) just as the government announced yet another 'revitalisation plan' for rail freight.

26 Which are to be further developed, in particular with regard to costs and tariffs (See Rapport parlementaire 2016)

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ISBN: 978-92-846-0591-0 (paper) 978-92-846-0590-3 (pdf)
Catalogue number: QA-02-17-133-EN-C (paper) QA-02-17-133-EN-N
doi: 10.2861/763217 (paper) 10.2861/735763