

# Freight water transport: the State has already paid CZK 927 million for the failing shipping points on the Elbe. The number of goods transported by water remains negligible

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The Supreme Audit Office has examined how the Ministry of Transport (MoT) and the Directorate of Waterways (DoW) have used funds for the development of waterways and water transport in the Czech Republic since 2014. Auditors focused, in particular, on the MoT's approach to the development of waterways and the promotion of freight water transport, and examined the funds for the modernisation of vessels or selected infrastructure projects worth close to CZK 1.4 billion.

The share of water transport in the transport of goods remains low in the long term and there is no progressive transfer of part of road traffic on waterways, with only one per cent of all goods transported by water every year since 2010. The main reason for this is the lack of reliability of the Elbe-Vltava waterway. This is mainly due to the persistent problems of navigability in the section of Ústí nad Labem — State border. According to the MoT, the solution to this problem is construction of a navigation stage in Děčín. However, there remain major discrepancies between the Ministry of Transport and the Ministry of the Environment in view of its construction. The DoW has so far spent CZK 625 million on the preparation of the project.

This is also the case with the navigation stage 'Přelouč II'. It has been in preparation since 1994 and the preparations are still accompanied by repeated litigations between environmental organisations and the State. The DoW has paid CZK 302 million for the preparation of the project so far.

Should the reliability of the Elbe-Vltava waterway fail to be ensured and all problems not solved, there is a risk that investments in freight water transport will not have a positive impact. One example of such investments is the modernisation of the public port in Ústí nad Labem for more than CZK 100 million. It was intended to increase the transport of goods by 1,944 containers per year and to increase the quantity of transported bulk materials by 1,900 tonnes. In fact, however, the transport of bulk materials has fallen and the transshipment of containers has not started at all.

Auditors also focused on the project of the construction of the Danube-Oder-Elbe corridor. At the end of 2018, the MoT commissioned a first study to deal comprehensively with the technical and economic feasibility of the corridor. It emerges that the construction of a full variant connecting all three rivers is a risky project — the project would cease to be economically efficient at a time when the investment costs would rise only by about three per cent or if demand for transport fell by less than five percent. The total cost is to be CZK 641 billion, operating costs would then be around CZK 540 million per year. In the case of a limited option connecting the Danube to the Oder, the construction would come down to

approximately CZK 311 billion, and the annual operating costs would then be around CZK 350 million. It is to be significantly less risky than the full option.

The agreement of all participating states concerned by the project is an essential condition for the continuation of the preparation of the corridor. However, there is no such a consensus. Without it, there is a risk that funds will not be spent effectively.

Finally, auditors verified funds for the modernisation of cargo vessels. In the years 2008 to 2015, the Ministry distributed more than CZK 53 million to improve their situation. The beneficiaries received the aid even though the MoT did not assess in advance the future use and benefit of their vessels for the Czech Republic. This aid was given to, e. g., an applicant stating that - as a result of the modernisation - the volume of the goods transported would rise by about 0.5 per cent per year. Another modernised vessel was out of operation for 215 days in 2016 and for 326 days in 2017. Thus, the impact of the funds spent to increase the use of the vessels was, in total, negligible.

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