

# ENVIRONMENTAL DIFFERENTIATED PORT PRICING: THE CASE OF THE HAMBURG-LE HAVRE RANGE



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***This paper investigates how port authorities respond towards the challenge of greening the shipping industry, particularly the motives and rationale behind the setup of pricing schemes, and what kind of institutional arrangements are installed. More specifically, the paper examines how environmental charging schemes can also be used for the internalization of external costs related to hinterland transport***

## **APPROACH:**

This paper uses a multiple case analysis including primary data obtained through seven port authorities. The authors of this paper selected the Hamburg-Le Havre range as a case study deeming it the most significant range on the European continent, containing a number of both larger and smaller/medium-sized ports in competition within various traffic segments. Data was collected between June 2015-December 2015 via a series of semi-structured interviews with various port authorities and experts.

## **MAIN FINDINGS:**

- This paper indicates that although the underlying applied incentive schemes are the same between all ports investigated, the practical implementation of the scheme is not straightforward and substantial differences exist regarding many aspects linked to the decision-making and implementation of a scheme between ports.
- Environmental differentiated pricing is widely considered as an economic instrument to secure a port's market position (e.g. development of a green image), but at the same time is implemented in a way that most suits the port (e.g. through selectivity in cargo markets to minimize the financial gap). This raises future questions about what should be considered a 'successful' environmental pricing scheme. Is it only the amount of implementation or will the actual impacts need further research?
- The general characteristics of the seven ports indicates that geographically based approaches of port management and ownership based on institutional theory is valid. Almost all ports share the 'Hanseatic' governance culture, as they fall under local municipal management, but act at the same time as autonomous companies. Thus, the culture of the region in which the ports inhabit appears to have a significant effect on implemented environmental practices.