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Bridging infrastructural gaps in Central America: prospects and potential for maritime transport

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Abstract

Central America needs a regular, flexible, safe and affordable infrastructure and transport services in order to prevail over the existing bottlenecks and constrained intra-regional trade patterns. This need is widely recognized to achieve a sustained economic development, both national and regionally.

Today, Central American countries face the following problems in their transport systems: lack of sufficient transport infrastructure and high transport costs. These problems have led to a decline in the competitiveness of the regional economies and sluggish economic growth rates. Additionally, it is a highly vulnerable region due to geological, geomorphologic and climatic regional conditions.

This paper argues that short sea shipping (SSS) can play an important role in creating the pathway towards a more environmentally friendly, financially rational and sustainable transport system, and it is eminently suitable as a solution to bridge the Central America (CA) infrastructural gaps.

Nevertheless, strong political support for inter-regional cooperation and the set-up of public-private partnerships have to be launched in order to unlock the development potential of transport by water. A combination of measures by all stakeholders is the way forward for more sustainability. The focus to develop these potentials includes the integration of maritime links and inland hinterland links with ports and their logistic centres and terminals as operating intermodal nodes. In this paper, authors bring high importance to a strategic association between SSS and truck and rail transportation modes, considering an intermodal transportation system that takes advantages of each one.

Introduction

In recent decades, Central America (CA) has seen a divergence between the myth and the reality of the benefits of transport infrastructure development. Despite the official agenda in the transport sector, which emphasized the many advantages of waterborne transport (low emissions, no congestion etc.), the road transport sector has continued to expand, resulting in a substantial loss of market share for waterborne transport.

This development is due to a number of factors, not least being the severe problems in economic performance in Central American countries, which delayed sufficient and necessary investment flows in transport infrastructure. Missing infrastructure links are perceived as a major obstacle to the development of Central American economies in trade and economic growth.

Central America needs to facilitate regular, flexible, safe and affordable transport infrastructure and services in order to prevail over the existing bottlenecks and constrained intra-regional trade patterns. This need is widely recognized and the search for solutions is one of the main topics in political discussions on regional development. The construction of transport infrastructure and transport facilitation, however, is coupled with a substantial need for financial resources, concise development strategies and external effects, such as energy consumption, emissions and destruction of natural habitats.

- Currently, Central American countries face the following problems in their transport systems: lack of sufficient transport infrastructure and high transport costs. These problems have led to a decline in the competitiveness of the regional economies[1] and sluggish economic growth rates;
- Altough there are great efforts for creating the necessary common vision and criteria, the region lacks both an integrated transport policy and a common political vision for a regional diversified transport market, including sustainability issues, long-term planning, intermodal and multimodal concepts, and criteria on resources allocation;
- It is a highly vulnerable region owing to geological, geomorphologic and climatic regional conditions.

Due to the extensive coastline, the distances between the coast and the economic centres are normally short. Central America's geography features a high degree of vulnerability to natural disasters, because of its geomorphology and geographic location has to be considered. The natural geographic impetus for coastwise shipping in combination with the inadequacy of the road and railway transport system should be a good starting point for an integrated regional policy framework making use of the advantages of waterborne transport. Conversely, political discussions on regional development focus on the creation of regional development axes through the road transport infrastructure.[2] Short sea and inland shipping are left behind in these discussions. We argue that short sea shipping (SSS) is eminently suitable as a solution to bridge the infrastructural gap and at the same time reduce the pressure for extensive road infrastructure construction at a time when public financial resources are tight.

The paper consists of two parts. First part describes and analyses trade and transport flows, the situation of the transport services and physical infrastructure and regional transport infrastructure policies. Second part evaluates the substantial SSS potentials in CA to bridge land infrastructure gaps and available policy instruments, based on European and other regional policy experience.