France: Port of Marseille hit by economic crisis

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27 May 2009

Since the beginning of 2009, activity in French ports has undergone a substantial slowdown linked to the world economic crisis. The World Trade Organization forecasts a 9 percent decline in international trade for 2009.

The Great Maritime Port of Marseille (GPMM) is the new (semi-public) business entity that replaced the Autonomous Port of Marseille (PAM) in a government decree enacted in October 2008. An autonomous port is one run by public authorities, local and regional governments. Some activities are contracted out to private companies, which generally have far less favourable working conditions than those of the autonomous port.

PAM was the leading French port in terms of volume, unloading approximately 100 megatons of goods a year. The GPMM encompasses the terminals at Fos, St. Louis port and the Marseille terminals.

The Fos and St. Louis terminals (located 50 kms from Marseille) handle container traffic, cereals, bulk solids and liquids, fruit and vegetables. The Marseille terminal handles smaller container carriers, cereals, fruit and vegetables, and also passenger traffic.

The GPMM has handled 12.7 million tons of goods since the start of the year, which represents a 21 percent drop compared to the same period last year.

Goods traffic has especially suffered, registering a 31 percent drop from the effects of the contraction of world trade and the closure of a fruit and vegetable handling facility in Marseille. Oil and gas activity decreased 7 percent, while bulk solids have undergone a 50 percent drop due to the slowdown in steel production. The Marseille ports employ 14,000 workers, whose jobs are now directly threatened by the crisis.

The terminals at Fos have recorded a 34 percent drop in activity. In the St. Louis port, traffic through the terminals has decreased by 34 percent. There is now only one ship carrying bauxite per month, and no coal ships are expected before September, due to a breakdown in the coal-fired power station at Gardanne.

The companies handling bulk solids are also experiencing a difficult period. In an April 6 article on the WK Transport Logistique web site, Philippe Louis Dreyfus, president of Louis Dreyfus Shipowners (specializing in dry bulk cargos), described the volume of dry bulk cargo arriving in European ports in the following way: “A certain number of orders are going to be cancelled or suspended. Even if 30 percent of orders are delayed, it is nonetheless a fact that 70 percent of bulk carriers’ orders will come to market in 2010/2011. The worst of the crisis is yet to come for dry bulk carriers in the maritime transport sector.”

Fruit and vegetable activity is closing down following the transfer of the fresh produce platform from Marseille to Italy by the Israeli group Agrexco, which represents a net loss of about 200,000 tons of fresh produce a year at the Marseille fruit terminal. Officially, this departure is due to a disagreement between the GPMM management and Agrexco over the new charges for the quayside rents.

According to *?co nostrum.info* [http://www.econostrum.info/], this fresh fruit and vegetable traffic was hardly “fruitful” for Marseille Manutention (the company concerned with the maintenance of the fruit and vegetable terminal), which has been suffering losses of several million euros yearly. These losses worsened in 2008, with 50,000 fewer pallets of produce compared to 2007. The dockworkers paid the price for reorganization, with new concessions to reduce the unit costs of handling resulting in “the achievement of annual savings of 250,000 euros.”

Local authorities and political bodies in Marseille want to shift industrial activities to the St. Louis port terminals and make Marseille a passenger traffic port. The investments to improve passenger facilities for travellers coming from Corsica, Sardinia and North Africa

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(1,300,000 travellers disembark each year in Marseille) are in line with this policy. The economic activity flowing from passengers disembarking at Marseille is more profitable for the city (fewer costs, tourists who consume). Investments, which will increase the area of the St. Louis port fourfold, will be devoted to goods from 2011.

The breaking off of relations between GPMM and Agrexco allows GPMM to recover the fruit and vegetable concession, and dedicate it to maritime port cruises. While the public authorities claim that the aim of the reforms is to improve the services and the competitiveness of the port, the GPMM is allowing a company with a strong activity in Marseille to leave, threatening 60 or more jobs.

The different protagonists of the ports, such as the ship owner CMA-CGM and the forwarder DHL, are taking measures to reduce their expenses, which involves the undermining of the social conditions of workers (non-renewable short term contracts, changes in working hours, redundancies). However, there is no guarantee that the concessions made by the workers to reduce the companies' costs will guarantee jobs are preserved.

At Marseille Manutention, 2,000 jobs have been lost in the Golfe de Fos in 2009. The most affected are youth and the temporary workers who work for the subcontractors of steel industry groups like Arcelor Mittal and Ascométal.

Confronted with this alarming situation in the ports in the Marseille region, the CGT union federation (General Confederation of workers, close to the French Communist Party) as well as the other unions are preventing any wider struggle by workers. There is no solidarity action with workers made redundant by subcontractors and subsidiary companies, or with the workers of other large maritime ports affected by the crisis.

Recently, the workers at Ascométal and Lyondell (chemical industry) have taken action for an increase in pay for short-time working and against the threat of redundancies at Lyondell. Despite the fact that these companies are located on the site of the port, the CGT did not call upon port workers to link up with the struggle of these workers.

In an effort to prevent a wider mobilization of workers, the CGT has revealed very little information about the situation of workers at other ports and encourages the illusion that the economic situation will improve by 2011. In reality, the economic crisis is intersecting with a government privatization initiative that will threaten even greater attacks on jobs and working conditions in the ports.

The reorganization of the ports signals the aim of big business to reduce the workforce and attack the social conditions of workers. The state intends to use the economic crisis to accelerate this process. The 2008 reform of the ports allows the privatization of facilities (dockside cranes, vehicles) and manual workers, which spells instability for port workers' jobs and conditions. Port workers have declared strikes several times in an attempt to prevent the implementation of the reform.

The unions and the employers are together elaborating the strategic plans for the revival of the ports. The government is responsible for the validation of these plans. In order for the strategic plans to be validated, the ruling elite must have the guarantee of intensified exploitation of manual workers to ensure the competitiveness of French ports. The CGT union for the ports and docks is refusing to give any details of the Marseille strategic plan recently validated, apart from the plan to transfer the autonomous port workers.

At the same time, there are suspicions as to whether the state could be illegally increasing the profits of the private port companies. The European Union department for competition has decided to look into the French ports' reform as "it suspects the payment of state aid is incompatible with the rules of competition in the EU." According to the EU Commission, the mode of ceding public facilities of ports foreseen in the reform is "at this stage susceptible to favouring certain operators while not guaranteeing that these public assets are sold at the market price." The European Commission also suspects tax breaks incompatible with the common market.

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