Central Commission for the Navigation of the Rhine (CCNR)
Press Release

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Market observation 2013 of the European inland navigation

A joint publication of the CCNR and Panteia, with the support of DG Move

General development and freight transport on the Rhine

The latest market observation report on European inland navigation concludes that from an economic perspective inland navigation in 2012 remains in very troubled waters.

Approximately 2/3 of the freight volume transported on European inland waterways, around 330 million t, is carried on the entire length of the Rhine, from Basle to Rotterdam. (The volume carried within the EU-27 is almost 500 million t).

The volume transported on the traditional Rhine (from Basle to the German-Dutch border) in 2012 increased from 187 million t (2011) to 188.7 million t) 2012, or not quite 1%. On the positive side, it will be noted that Rhine transport has grown every year since 2009. Admittedly, the increases in 2010, 2011 and 2012 were relatively subdued. In any event they were insufficient to recover to the level of 2008. Traditional Rhine transport this year was 207.5 million t.

Looked at by individual freight segments, there were areas with rising volumes and others exhibiting losses. (The following figures refer to the traditional Rhine).

- Increases were to be observed for coal and especially agricultural products. In the case of coal, this is attributable to developments in the energy policy arena.

- Falls were posted in those freight segments most closely associated with the steel industry. The western European steel industry is currently in a structural crisis.

- In 2012, container traffic reached a level just short of 2 million TEU, thereby equalling the previous year's level.

- With almost 19 million t of freight transported in 2012, the chemical tanker segment has already exceeded the pre-crisis level of 2008 (17.5 million t) by a significant margin. Mineral oil product transport movements stagnated.

Freight rates and development of the companies

Owing to the economic crisis, the inland navigation industry, in common with companies in other transport segments, finds itself in a difficult business situation. The past three years have seen only a weak positive stimulus to transport demand.

For its part, the supply side is characterised by a sharp decline in the new construction rate. For example, the rate of new construction in the dry goods sector in western European fell from 480,000 t in 2009 to around 100,000 t in 2011, reaching approximately 60,000 t in 2012, its lowest level for several years. Nevertheless, the high level of new construction activity in previous years has resulted in a situation of overcapacity, accompanied by scarcely any (price) elasticity on the supply side. This is preventing any recovery in freight rates, which is proving especially painful for the dry goods sector.

Tanker shipping enjoyed slightly better fortune with chemical segment volumes, accounting for around 40% of tanker shipping cargo, expanding significantly by +14% compared with the year before.

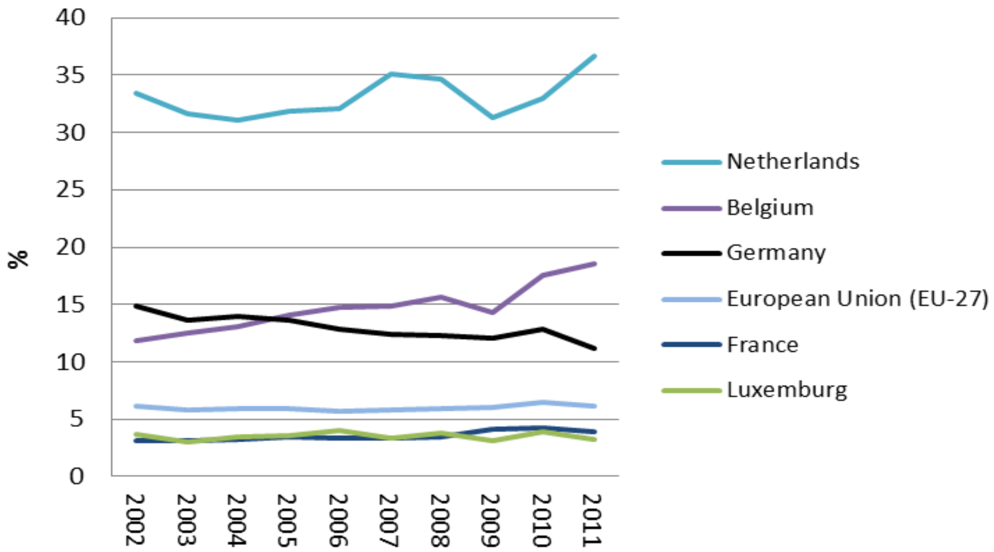
Tanker shipping freight rates have also followed a more favourable trajectory in recent years than the dry goods sector. On the one hand this is to do with the positive trend in the carriage of chemical products. But supply side factors are also important here.

The supply side has been extensively modernised with the restructuring from single hull to double hull ships, and high safety standards have been achieved. Even if we are still a long way from being able to describe the situation as satisfactory, earnings are following a more favourable medium-term path overall in the tanker shipping sector as a result of a quality offensive than they are in the dry goods sector.

Transport on other European inland waterways and modal split

With more than 300 million t per annum and a modal split share of almost 37%, the Netherlands are the European leaders both in terms of absolute freight volume and modal split share. Belgium as well boasts a very high modal split share of 18.5%. For the past four years an upward trend in the inland navigation modal split share had been discernible in both countries (see figure below).

Figure: inland navigation modal split share within land transport in the EU-27 and in western European countries



Source : Eurostat

River / sea shipping

A quantitative picture of river / sea transport in Europe was outlined in the context of a thematic report.
River / sea transport is carried on in numerous parts of Europe employing both smaller seagoing ships and specially designed river and seagoing ships. In Europe (including the European part of Russia) an estimated total of around 100 million t of freight each year is carried by this form of transport.

The inland navigation labour market

According to official statistics, inland navigation in Europe numbers around 44,000 directly employed people. Around 40% of the total labour force is accounted for by passenger shipping, 60% by freight shipping. Most inland navigation employees are engaged in the Rhine corridor. The countries with the highest number of people employed in inland navigation are the Netherlands, Germany, France, Luxembourg, Italy, Belgium, Romania and Bulgaria. Collectively, these countries account for approx. 80% of the total European inland navigation workforce.

Employment in the Netherlands has declined in recent years, while a downward trend is to be observed in Germany. A similar decline in registered employment in inland navigation is also to be discerned in most European countries.

About the CCNR (www.ccr-zkr.org)

The Central Commission is an international organisation that exercises an essential regulatory role in the navigation of the Rhine. It is active in the technical, legal, economic and environmental fields. In all its areas of action, its work is guided by the efficiency of transport on the Rhine, safety, social considerations, and respect for the environment. Many of the Central Commission's activities now reach beyond the Rhine and are directly concerned with European navigable waterways more generally. The Central Commission is working closely with the European Commission as well as with the other river commissions and international organisations.

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