

ANNUAL MARKET OBSERVATION REPORT ON INLAND NAVIGATION IN EUROPE: 2020 EDITION

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Continuing its long and fruitful collaboration with the European Commission, the Central Commission for the Navigation of the Rhine (CCNR) is delighted to present its 2020 European Inland Navigation Market Observation annual report.

The publication of the annual Market Observation report on inland navigation in Europe is an example of successful European level collaboration, embracing all European inland navigation actors and stakeholders, including the river commissions and representatives of the sector. The forewords by Mr Wojciechowski, European Coordinator for the Rhine-Alpine Corridor, and Mr Georges, Secretary General of the CCNR, illustrate the resolutely European dimension of the publication.

The new 2020 annual Market Observation report on inland navigation in Europe provides an exhaustive overview of the market situation and developments in inland navigation in Europe during 2019. The general macro-economic conditions have made it difficult to increase transport volumes in 2019. Moreover, the Covid-19 crisis in early 2020 has had a major impact on the sector. This important subject, although not relevant to the 2019 data, is also addressed in the 2020 annual report. Furthermore, the publication focuses on future trends in the inland navigation sector, be it the anticipated impact of the energy transition on existing market segments, opportunities for new market segments or future prospects for important inland navigation sectors such as steel, agricultural products and building materials. Finally, the report provides, inter alia, information on the demand for transport by inland navigation vessel, container transport, freight rates, the fleet, employment, river cruises and river transport in inland and maritime ports.

You will find below the executive summary of this report. The full report can be downloaded in PDF format in French, German, Dutch or English or viewed directly online at: www.inland-navigation-market.org.

We wish you an enjoyable read!

SUMMARY

In 2019, the overall macroeconomic framework conditions did not make it easy for the inland navigation sector to reach a growth in transport volumes. World trade was slowing down because of protectionist measures such as tariffs on grain, steel and cars, and industrial production decreased in several branches. Nor did several national policies favour transport activity.

Sands, stones, gravel

In the Netherlands and in Belgium, environmental policies to limit emissions (NOx emissions and spread of PFAS concentrations) reduced the activity in the construction sector, resulting in strongly falling volumes of sands, stones, and gravel on Dutch inland waterways (-13%) in 2019. In Belgium, the decrease was less severe (-3%). In Germany, France, and on the Rhine, such policies did not exist, and volumes in the construction segment continued to grow, by 15% in Germany, 14% in France and by 21% on the Rhine.

Iron ore

Iron ore transport in western Europe suffered from the steel production slowdown, which resulted in a decrease of iron ore volumes by 9% in the Netherlands and by 7% in Germany and on the Rhine. On the Upper, Middle and Lower Danube, iron ore transport increased (+17.5% on the Middle Danube and +1% on the Lower Danube), due to better navigating conditions and more steel production.

Agribulk and food products

For agricultural transport, the lower Danube region and France enjoyed a rapid growth in 2019, with +21% in Romania and +11% in France. After several years of decreasing volumes, agricultural transport increased by 4% in Germany, due to better harvest results, after several years of falling results. In the Netherlands, there was a decrease of 3%, in Belgium-Flanders of 13%, and in Belgium-Wallonia of 14%. Food products and foodstuffs grew strongly on the Upper Danube.

Chemicals

Chemical transports were higher in almost all major IWT countries and regions in Europe: in the Netherlands (+16%), Germany (+5%), on the Rhine (+9%), in Belgium-Flanders (+4%), in France (+6%) and in Romania (+34%).



ABOUT THE MARKET OBSERVATION AND MARKET INSIGHT

The Market Observation and Market Insight reports are respectively annual and biannual publications by the CCNR dealing with the European inland navigation market. The CCNR also publishes a thematic report once a year, the theme of which is defined in consultation with the European Commission. These analyses of the economic situation, which are free of charge, aim to assist strategic decision making in this sector in Europe, by both the profession and firms as well as in terms of transport policy and within administrative authorities. The gathering and analysis of this data by the CCNR has been co-financed by the European Commission since 2005. This fruitful collaboration has enabled the CCNR to extend this activity, which historically it has been carrying on for almost two centuries, beyond the Rhine region to cover all Europe's navigable waterways.

ABOUT THE CCNR

The Central Commission for the Navigation of the Rhine (CCNR) 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 CCNR's activities now reach beyond the Rhine and are directly concerned with European navigable waterways more generally. The CCNR works closely with the European Commission as well as with the other river commissions and international organisations.



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Coal

Coal transport is on a structural downward path in western Europe, due to the phasing out of coal fired power plants. On the Rhine, coal transport lost 5%, on the Moselle even 25%, and on the Neckar 32.6%. Overall, on German inland waterways the decrease amounted to 9%. In the Netherlands, coal traffic was also reduced (-10%), as in Belgium-Flanders (-6%) and Belgium-Wallonia (-18%). On the Lower Danube, coal transport decreased by 9%, but it increased by 29% on the Middle Danube.

Containers

Container transport on the Rhine reached 2.04 mio. TEU, which was 4% less than in 2018, but the total weight of the goods in containers was 2.9% higher, amounting to 15.16 mio. tonnes. The 2018 low water period still had an influence on Rhine container transport, as contracts with railway operators had been concluded in late 2018 and were still running in 2019. The continuing congestion in the ports of Rotterdam and Antwerp also had a negative impact.

On other rivers and canals, container transport mostly continued its upward trend, such as on the Albert Canal in Belgium-Flanders, where a growth of 9.5%, totalling 577,000 TEU could be observed. On the Brussels-Scheldt Maritime Canal, the growth rate was 1.8%, totalling 201,000 TEU.

Mainly due to strikes of harbour workers in the ports of Le Havre and Rouen in December 2019, the TEU figures were 1% lower on the Seine, with 263,000 TEU. On the Elbe (146,000 TEU) and the Mittelland Canal (157,000 TEU) in northern Germany, container transport continued its upward trend in 2019 (+13% and +12%).

Port traffic

In the port of Antwerp, 56,585 inland vessels loaded and unloaded 101.3 mio. tonnes of cargo in 2019, compared to 99.3 mio. tonnes in 2018. In the port of Constanța, 10,395 inland vessels called in 2019, where river traffic increased by almost 20%, to reach 15.1 mio. tonnes, mainly driven by more agricultural products, iron ore and chemicals. This was a parallel to the strong growth on a national level.

The largest European inland port, Duisburg, had an overall reduction of 0.6% in inland water traffic, and a 1% reduction for iron ore, which has a share of 41% (19.6 mio. tonnes out of 47.8 mio. tonnes). Coal traffic lost 7%, iron and steel 8%, but sands, stones and gravel gained 42%.

In Paris, the second largest European inland port, total volumes of 25.3 mio. tonnes represented an increase of 14.6%. This was mainly driven by a 17% plus for sands, stones and construction materials, which climbed to a share of 78% of total waterside traffic (19.6 mio. tonnes out of 25.3 mio. tonnes) in 2019.

Cargo fleet

The dry cargo fleet in Rhine countries (number of self-propelled vessels and barges) had 7,033 units in 2019 and the liquid cargo fleet counted 1,433 units, according to national fleet register data. For the dry cargo fleet in Rhine countries, this was – for the first time since 2011 – a higher figure than in the previous year (+1%). The dry cargo loading capacity was 2.6 % above the 2018 level, with 10.6 million tonnes. There were also 1,319 push and tug boats in Rhine countries.

The dry cargo fleet in Danube countries comprised 400 push boats and 242 tugs as well as around 409 self-propelled dry cargo vessels and circa 2,100 dry cargo barges, amounting together to 3.3 million tonnes.

The newbuilding rate in 2019 continued its slight recovery, both in the dry cargo and in the liquid cargo segment. Twenty new dry cargo vessels entered the European market in 2019, 42 new tanker vessels, and three new push & tugs. The distribution per country shows that 51% of the new vessels were registered in the Netherlands, 22% in Germany, 14% in Luxembourg, 9% in Belgium, 2% in France and 2% in Switzerland.

River cruises

The growth of the European river cruise sector in 2019 was visible due to three main indicators:

- High newbuilding rate: 19 new river cruise vessels entered the European market, with 3,131 beds. These new vessels are planned to sail on the Rhine, the Danube and for a small part on the Douro.
- Nearly 10% growth in demand: the number of cruise passengers on European rivers increased by 9.9%, to reach 1.79 million passengers. Passengers from non-european countries (USA, Canada, Australia, New Zealand, etc.) had a share between 44% and 49% in 2019.
- Growth of cruise vessel traffic: on the Rhine, 2,929 transits of cabin vessels at the Upper Rhine lock of Iffezheim were registered (+ 24% compared to 2018), 3,668 on the Upper Danube (+1% above the already high level in 2018), 5,141 on the Middle Danube (+30%), and 1,017 on the Lower Danube (+ 34.9%).

Outlook

Due to the Covid-19 crisis, the activity in passenger transport (cruise and day trip excursion traffic) came to an almost complete standstill in the first half year 2020. For cargo transport, the reduction was less severe, depending on cargo segment and region. Based on a comparison with the drop of GDP during the financial crisis in 2009 and its impact on IWT transport demand in 2009, a first estimate of the impact of the Covid-19 crisis is possible.



This estimate points to a possible reduction of around 20-25% of cargo transport in IWT in 2020 if the severe lockdown measures continue throughout the whole of the year 2020. Although this estimate is surrounded by a high degree of uncertainty, the results for waterside traffic in several Rhine ports in April 2020 roughly confirmed these estimations.

The report also contains several long-term outlooks regarding major cargo segments. Energy transition will continue to have an important effect on transport volumes in inland navigation. This concerns coal in particular. Liquid mineral oil products will continue to be an important component of the energy sector and of inland navigation volumes for the next decade, but a gradual decline is underway in certain regions. For chemicals, the outlook is far more positive. Regarding agricultural products and foodstuffs, it is expected that a certain regionalisation of production and a change in consumer habits to more regional products will influence long-distance transport. A further slowdown of world trade is expected to have an influence on the growth rates in container transport. The Covid-19 crisis will follow the same path as these already existing trends.



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