ECONOMIC OUTLOOK OF THE MARKET OF INLAND WATERWAY TRANSPORT

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Round Table | Possibilities for reducing fuel consumption and greenhouse gas emissions from inland navigation
24 April 2013
Economic situation:
Transport on the Rhine and industrial production in the EU

Economic recovery stopped at the beginning of 2011

Outlook for the near future rather pessimistic:
• No growth foreseen for 2013-2014
• High risks ahead (economic crisis not over)

Source: Eurostat; destatis; Calculation CCNR
Economic situation:
Freight rates, goods transport on the Rhine and industrial production in the EU*

*smoothed data, due to calculation of quarterly data based on monthly data

Source: Eurostat; Rabobank; Panteia; calculation CCNR.
The “market paradox” of profitability: Tanker shipping and dry cargo shipping

- The “paradox” |
  - Both dry cargo shipping and tanker shipping hit by the economic crisis
  - Tanker shipping has to shift from single hull to double hull vessels
  - **But**: Indications that financial position of companies in tanker shipping is on average better than in the dry cargo sector

- Suggested explanation |
  - Higher barriers for market entry in tanker shipping (due to high safety standards) create a quality-orientated market niche
  - Market niches help to avoid ruinous cost and price competition
  - Focus on quality-approach in transport services is stronger in tanker shipping

How can dry cargo shipping be segmented and create market niches?
THANK YOU FOR YOUR ATTENTION!

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