

THE CCNR PUBLISHES ITS MARKET INSIGHT/APRIL 2020

Ref: CC/CP (20)4

The new report on European inland navigation, drafted by the Central Commission for the Navigation of the Rhine (CCNR) in partnership with the European Commission, has just been published. The executive summary of the report may be found below. The full report can be downloaded in PDF format in English, French, German or Dutch or viewed directly online at www.inland-navigation-market.org.

EXECUTIVE SUMMARY

Transport performance on inland waterways in the European Union amounted to 111.2 billion tonne-kilometres (TKM) in the first three quarters of 2019. Rhine countries (Belgium, France, Germany, Luxembourg, the Netherlands and Switzerland) reaching 91.3 billion TKM, accounted for a share of 82%, compared to 84% over the same period in 2018. Although Rhine countries' transport performance increased by 2.5% compared to 2018, their share in EU transport performance fell slightly, in light of the stronger growth of transport performance in Danube countries.

Transport performance in Danube countries (Austria, Bulgaria, Croatia, Hungary, Romania, Serbia and Slovakia) went up by 18.4% to reach a value of 19.8 billion TKM. Their share in EU transport performance increased from 16% to 18%. The recovery from low water periods was one major reason for the increase, but a country-by-country analysis also reveals other influencing factors.

On a multi-annual basis, a positive trend can be observed for Bulgaria and Romania. The positive multi-annual trend is in particular apparent for iron ores, and is confirmed by data from the World Steel Association, which shows that steel production in Romania was 20% higher in 2018 than in 2013.

In Rhine countries, the dry cargo segment lost cargo volumes, due to the phasing out of coal in the energy sector, the weakening of automobile and steel production in western Europe, and a decrease in the transport of sands, stones, and building materials in the Netherlands. All of these evolutions are linked with energy transition and the political aim to reduce emissions. That is why inland navigation in western Europe is faced with a challenge of transforming its goods portfolio.

A positive evolution in 2019 in the Rhine basin was the recovery of water levels from their low points in late 2018. Nevertheless, container transport on the Rhine and in Germany did not reach the levels they had seen in the first half of 2018. A macroeconomic weakening of German exports and imports and a loss of market shares can be regarded as the main reasons.

The "focus-on" chapter presents key figures for Hungary, a middle Danube country, where iron ores, agricultural products, and metal products are the three largest goods segments. Data on cross-border traffic for Hungary show that exports to Germany and imports from Romania are the two most important export/import flows in Hungarian IWT.

The exports to Germany mainly contain oil seeds, forage plants, and related materials.

Although this Market Insight covers the first three quarters of 2019 and was completed in March 2020, some remarks regarding the spread of the Coronavirus in Europe must be made. On the one hand, inland waterway transport is necessary to maintain the provision of the economy and society with important raw materials and products, such as agricultural and food products, mineral oil products, chemicals and pharmaceuticals and consumer goods.

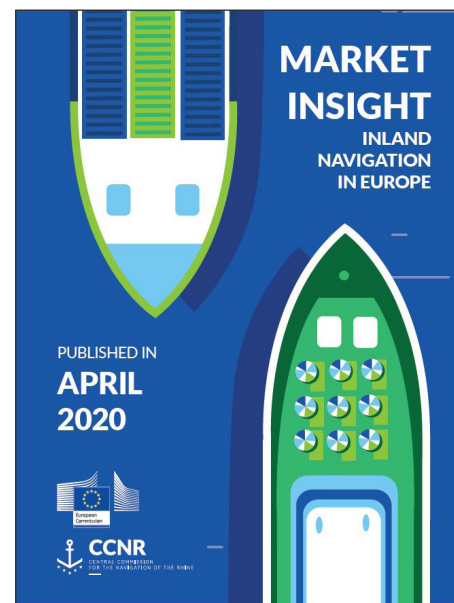
On the other hand, the transport of goods is hit from the demand side. Many industries are strongly reducing their activity, with negative effects on IWT. For passenger transport, the effects will be much stronger. In mid-March, most of the river cruises were cancelled or postponed until at least May 2020.

The Kiel Institute for the World Economy has developed two main scenarios for the impact of the crisis on the economy. A scenario with a recovery from mid-2020 onwards, and another scenario with a recovery only from the beginning of 2021 onwards. If we apply the underlying quantitative assumptions of the scenarios on the whole European inland navigation sector (goods and passenger transport together), the total financial loss due to this crisis could amount to 2.2 billion Euro in 2020 (first scenario), or to 4.4 billion Euro in 2020 (second scenario). It must be emphasized that the possible outcomes described above are scenarios, not predictions. The exact losses for the inland navigation sector are strongly dependent upon the duration of the crisis, which currently cannot be predicted.

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.

We wish you an enjoyable read!



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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