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Rotterdam posts sharp drop in H1 volume, provides muted full-year outlook

Rotterdam's Princess Amalia harbor expansion will add 1.8 million TEUs to the RWG terminal's capacity. Photo credit: Port of Rotterdam Authority.

Greg Knowler, Senior Editor Europe | Jul 20, 2023, 10:14 AM EDT

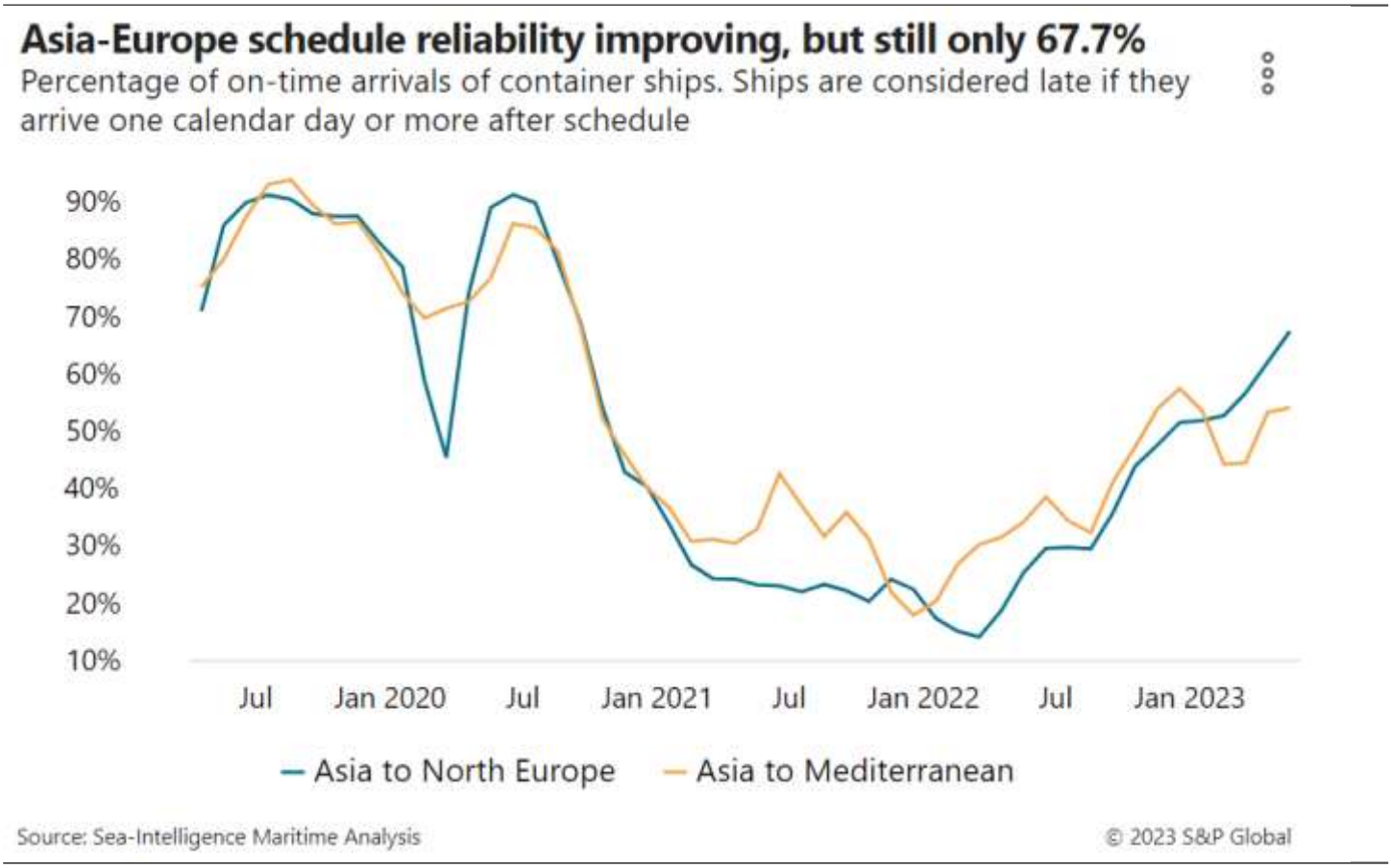
Container volume continues to fall at Europe's main ocean gateways, with Rotterdam following neighbor Antwerp-Bruges in posting a sharp drop in first-half throughput amid the loss of Russian cargo and weak demand for Asian imports.

And Europe's largest port is not expecting any significant rebound for the rest of the year after reporting Thursday an 8.2% decline in H1 volumes.

"Over the year as a whole, we expect a minor fall in throughput volumes in response to the uncertainties caused by the current geopolitical situation and high inflation," Rotterdam's port authority noted in a statement.

"Limited growth in the Dutch economy and recessions abroad are depressing global trade volumes and industrial production," it added.

Rotterdam reported first-half throughput of 6.7 million TEUs, down from 7.2 million TEUs in the year-ago period. The steepest decline was in imports, with the 3.4 million TEUs that crossed the port's busy wharves representing a drop of almost 10% year over year.



One positive was that the reliability of carrier sailing schedules continued to improve in the first half, which Rotterdam said led to an improvement in volume handling at the port and into the hinterland.

The latest schedule reliability data from Sea-Intelligence Maritime Analysis shows on-time performance on the Asia to North Europe trade improving from 52.1% in January to 67.7% in May. The average delay for late vessels improved from 5.42 days in January to 3.09 days in May.

Lackluster container demand also weighed on the nearby Belgian Port of Antwerp-Bruges in the first half of 2023, with throughput falling 5.2% to 6.4 million TEUs compared with the year-ago period.

Container capacity investment

While volumes remain subdued, Rotterdam is investing heavily in new container terminal space, digitalization and infrastructure related to its green energy transition.

"Despite economic uncertainties and geopolitical tensions, major advances were made in the first half ... in the construction and issuance of new land and quay walls to make room for, among other things, the production and imports of green hydrogen and additional capacity in the container segment," Boudewijn Siemons, interim CEO and COO of the Port of Rotterdam Authority, said in the statement.

"An important step was made with the issuance of the land in the Princess Amalia harbor to APM Terminals and Rotterdam World Gateway (RWG). We want to provide our customers with the necessary space and facilities in good time so that they can continue to operate and grow in a sustainable way."

RWG is a joint venture between shareholders DP World, CMA CGM Terminal Link, and carriers HMM and MOL. The €500 million expansion will add 1.8 million TEUs to RWG's capacity that will be fully automated and carbon-neutral, with the first phase expected to be operational by the end of 2025.

Barge planning tool operational

Rotterdam also made significant advances in digitalization in the first half aimed at addressing barge and inland vessel congestion that has plagued the port for many years. In January, an integrated planning tool offered by Nextlogic was launched after an intensive pilot phase that will enable inland vessels in the port to be handled faster so terminals can improve the use of their quays.

Nextlogic expects that with the connection of more barge operators during 2023, more than 90% of the inland shipping volume at the deep-sea terminals will be routed using the integrated planning tool.

In the port's energy transition, 70 projects are under way in various phases, with green hydrogen playing a central role. However, Rotterdam expressed concern that regulatory delays raised the risk of "stagnation" in areas involving climate targets and nitrogen infrastructure development.

"The Port of Rotterdam Authority is willing and able to make a significant contribution to achieving the Dutch climate goals ... that will involve making major investments in infrastructure possible over a period of many years," the port's statement noted.

"The [port] needs more latitude under the regulations applicable to nitrogen emissions and sufficient grid capacity in order to implement a range of projects in the field of the energy transition," it added. "If there are delays, the ambitions cannot be

achieved in time and the process of making industry, and therefore the Netherlands, sustainable will stagnate."

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