

P R E S S R E L E A S E

**EUROPEAN & MEDITERRANEAN
CONTAINERPORT MARKETS TO 2015**

The pace of growth in the European and Mediterranean containerport markets has been truly dynamic in recent years. This has been driven by the globalisation of the world economy, the introduction of much larger vessels into the deep-sea trades – with associated rapid feeder demand growth – and also strong expansion in the intra-regional trades.

The outlook is for continued sustained demand growth, with the strongest rates of growth focused in the eastern parts of the region – in the Baltic and Black Sea markets and in Turkey. However, the pace of expansion will be steady and positive in the more established markets also.

This study* provides an up-to-date appraisal of the market situation and anticipated conditions in the coming decade. It contains in-depth regional and port volume analyses, and new forecasts to 2015. Transshipment demand is analysed separately, and forecasts are provided for each transshipment region.

A comprehensive review of containerport investment plans is presented, and capacity utilisation forecasts are presented to highlight areas of likely capacity surplus or shortfall.

Containerport productivity is analysed by country, in terms of the utilisation of container quays and quayside container gantry cranes.

The following highlights some of the main findings of the report:

- ◆ Containerport demand in Europe and the Mediterranean increased by 126 per cent over 1995-2004 and by 40 per cent over 2000-05, to 77.23m TEU. Over the decade, the share held by ports in South Europe and the Mediterranean increased steadily from 39.6 to 46.2 per cent.
- ◆ Total container transshipment throughput increased more than threefold over 1995-2004 and by 58 per cent over 2000-04 to 22.5m TEU. The share of the South Europe/Mediterranean region increased from 45.4 per cent in 1995 to 58.0 per cent in 2004.
- ◆ Over 1995-2004, containerport throughput in North Europe doubled to 41.6m TEU. It increased by 36 per cent over 2000-04. North-continent ports increased their dominance in the range, with a share increase from 63.7-67.2 per cent over 1995-2004. This was due

entirely to a rise in the relative importance of the German ports on the eastern north continent, which have benefited from growing transshipment and transit traffic for the emerging Baltic ports, as well as continuing strength in Germany's foreign trade.

- ◆ The share of ports in the western north-continent range has remained broadly stable, whilst ports in the UK have lost share, due to the transfer of transshipment flows to the north continent and increased feederage of smaller ports in the British Isles from the north continent, which has resulted from the near-saturation of capacity at UK deep-sea ports.

Table 1
North Europe: Container Throughput by Port Region, 1995-2004

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<i>m TEUs</i>										
North Continent	13.12	13.90	15.30	16.66	18.14	19.78	20.28	22.25	24.70	27.93
- east	4.41	4.61	5.06	5.40	6.04	7.08	7.76	8.52	9.38	10.52
- west	8.70	9.29	10.23	11.26	12.10	12.70	12.52	13.74	15.31	17.42
UK/Ireland	5.10	5.42	5.81	6.30	6.81	7.29	7.31	7.64	7.80	8.51
Scandinavia	1.95	2.18	2.42	2.45	2.54	2.75	2.73	2.87	3.12	3.40
Other Baltic	0.44	0.53	0.58	0.61	0.63	0.74	1.00	1.18	1.38	1.73
Total	20.60	22.03	24.11	26.02	28.13	30.55	31.32	33.94	37.00	41.58
<i>Per cent share</i>										
North Continent	63.7	63.1	63.5	64.0	64.5	64.7	64.7	65.6	66.7	67.2
- east	21.4	20.9	21.0	20.8	21.5	23.2	24.8	25.1	25.4	25.3
- west	42.2	42.2	42.5	43.3	43.0	41.6	40.0	40.5	41.4	41.9
UK/Ireland	24.7	24.6	24.1	24.2	24.2	23.8	23.4	22.5	21.1	20.5
Scandinavia	9.5	9.9	10.0	9.4	9.0	9.0	8.7	8.5	8.4	8.2
Other Baltic	2.1	2.4	2.4	2.3	2.3	2.4	3.2	3.5	3.7	4.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Figures may not sum exactly due to rounding.

Source: Ocean Shipping Consultants Ltd

- ◆ Containerport demand in South Europe and the Mediterranean grew by 164 per cent over 1995-2004 and by 45 per cent over 2000-04, to 35.66m TEU.
- ◆ Over the decade to 2004, the Central Mediterranean range gained in share from 27.9 to 32.1 per cent. This derived from both import/export growth and the establishment and strong expansion of transshipment handling. However, over 2000-04, the shares of the Western Mediterranean and Eastern Mediterranean/Black Sea ranges advanced relative to the other two ranges.
- ◆ Whilst growth in the Central Mediterranean was held back by capacity constraints and other problems, import/export and transshipment handling in the Western Mediterranean, where Spain is the dominant port market, both posted strong increases. At the same time, the expansion of the Turkish containerport market has been particularly instrumental in boosting demand in the eastern Mediterranean. The establishment of a new transshipment hub at Port Said east and rapid growth in the Black Sea markets will help sustain this trend.
- ◆ The relative significance of the Atlantic region has fallen back slightly, essentially due to the smaller scale and slower growth of activity on the Iberian coast and in the Atlantic islands.

Table 2
South Europe/Mediterranean: Container Throughput by Port Region, 1995-2004

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<i>m TEUs</i>										
European Atlantic	1.60	1.73	1.90	2.18	2.51	2.65	2.80	2.98	3.42	3.65
West Mediterranean	3.62	3.97	4.69	5.43	5.83	6.49	6.99	7.71	8.52	9.59
Central Mediterranean	3.77	4.63	5.93	7.28	7.47	8.43	8.86	9.87	10.70	11.45
East Med./Black Sea	4.51	5.08	5.69	5.70	6.18	7.09	7.24	8.21	9.59	10.97
Total	13.51	15.42	18.20	20.59	22.00	24.65	25.89	28.77	32.22	35.66
<i>Per cent share</i>										
European Atlantic	11.8	11.2	10.4	10.6	11.4	10.7	10.8	10.4	10.6	10.2
West Mediterranean	26.8	25.8	25.7	26.4	26.5	26.3	27.0	26.8	26.4	26.9
Central Mediterranean	27.9	30.0	32.6	35.4	34.0	34.2	34.2	34.3	33.2	32.1
East Med./Black Sea	33.4	32.9	31.2	27.7	28.1	28.8	28.0	28.5	29.8	30.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

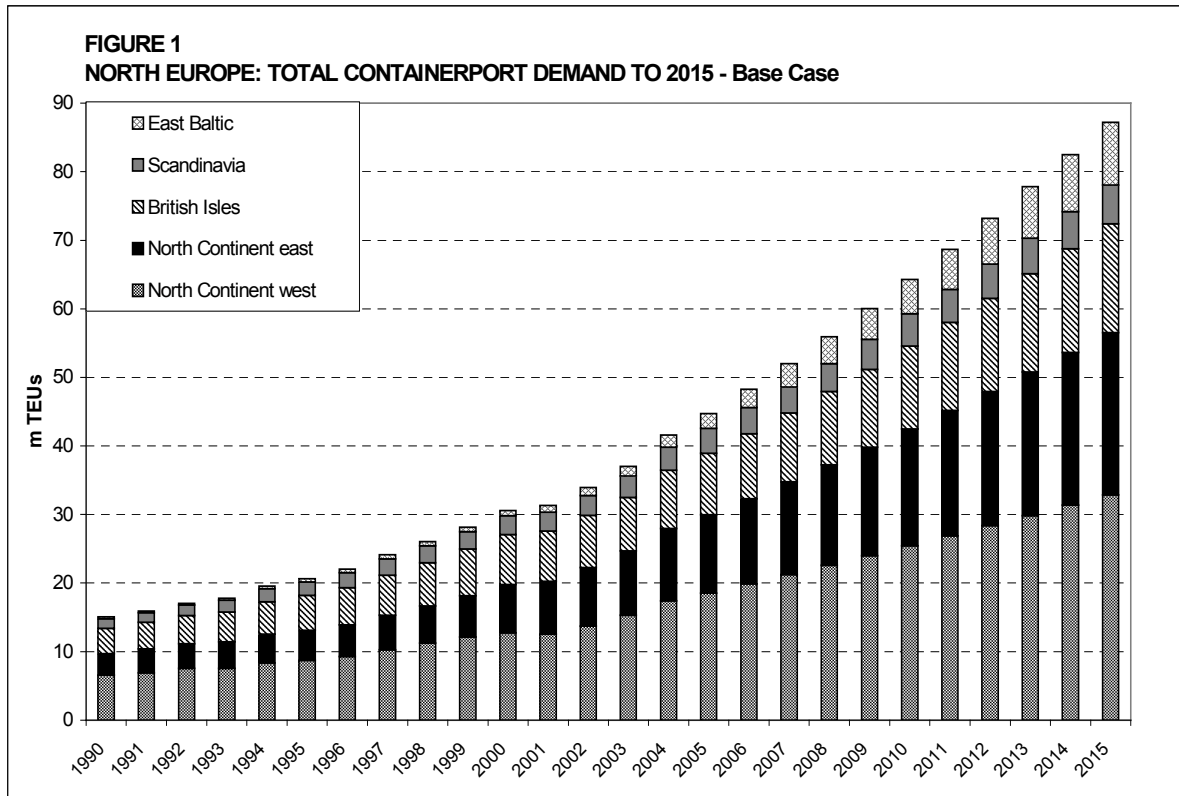
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Source: Ocean Shipping Consultants Ltd

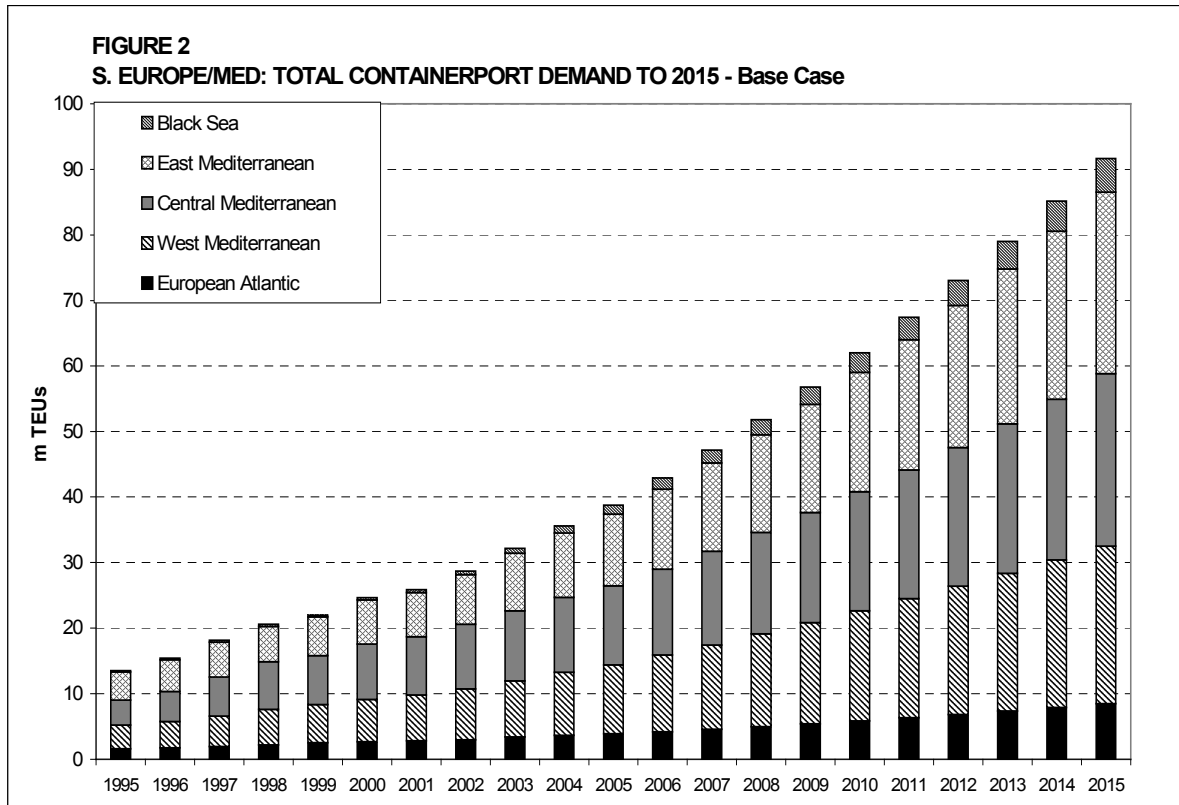
- ◆ For the purpose of forecasting non-transshipment container handling demand, two broad economic scenarios. The base case represents the more positive and most likely economic growth scenario; the low case, a lower-growth scenario.
- ◆ The development of transshipment will be a compound of underlying economic-growth-induced demand and the policies of major operators in converting direct flows into transshipped flows.
- ◆ Over 2004-10, *non-transshipment* (essentially import/export) container handling demand in *North Europe* is forecast to grow by 42-51 per cent to 45.6-48.4m TEU. Further expansion of 25-34 per cent is anticipated to 56.9-64.7m TEU in 2015.
- ◆ North European *transshipment* demand is forecast to increase by 56-68 per cent to 14.73-15.87m TEU over 2004-10, and by a further 31-42 per cent over 2010-15.
- ◆ The share of North European transshipment handled by east north-continent ports has been driven up by the sharp growth of feeder traffic serving the rapidly expanding and containerising markets of the eastern Baltic. This trend has been reinforced by the shortage of alternative transshipment capacity at western north-continent and UK ports. However, as substantial new port capacity begins to come on stream, it can be expected that the western north continent will regain share from the east, and the UK from the north continent. As a result of the combined effect of the various influences, the share of the west north continent is expected to remain broadly stable. The UK's share will continue to decline until major new capacity becomes available around 2008, from when some recovery is forecast. The share of the eastern north continent is expected to decline somewhat, especially in the second half of the forecast period.
- ◆ *Combining import/export and transshipment* forecasts, overall growth for North Europe of 45-55 per cent is forecast over 2004-10 to 60.4-64.3m TEU, and further expansion of 26-36 per cent is anticipated to 76.2-87.2m TEU in 2015, with the range delimited by the two economic cases.
- ◆ Total containerport throughput in the north continent range is forecast to increase by 43-52 per cent to 39.9-42.5m TEU in 2010, and further to 49.5-56.5m TEU in 2015. Volumes on

the east north continent range will continue to be significantly boosted by the requirement to handle both seaborne transshipment and landborne transit cargoes for the rapidly developing economies of central and eastern Europe.

- ◆ In the British Isles, growth of 36-42 per cent is forecast over 2004-10, to 11.6-12.1m TEU.
- ◆ Scandinavia is forecast growth of 28-38 per cent to 4.35-4.71m TEU, whilst the east Baltic region is expected to achieve growth of 165-191 per cent to 4.59-5.04m TEU.



- ◆ Over 2004-10, *non-transshipment* container handling demand in **South Europe and the Mediterranean** is forecast to grow by 50-61 per cent to 33.9-36.3m TEU, depending on pace of economic growth. Further expansion of 33-43 per cent is anticipated to 45.0-51.8m TEU in 2015.
- ◆ Depending on the case, *transshipment* demand in the South Europe/Mediterranean region is forecast to increase by 80-97 per cent to 23.5-25.7m TEU over 2004-10, and by a further 41-55 per cent to 33.2-39.8m TEU over 2010-15.
- ◆ This generates an *overall growth forecast* for South Europe and the Mediterranean of 61-74 per cent over 2004-10 to 57.4-62.0m TEU, with further expansion of 36-48 per cent to 78.2-91.6m TEU in 2015, with the forecast range delimited by the two economic cases.
- ◆ Total containerport throughput at European Atlantic ports is forecast to increase by 48-60 per cent to 5.47-5.83m TEU over 2004-10. Growth in the Western Mediterranean range is forecast at 63-75 per cent to 15.6-16.8m TEU over the same period, encompassing both existing hubs and the new port being developed in Morocco. In the established Central Mediterranean range, throughput growth is expected to be between 47-59 per cent to 16.8-18.2m TEU. Volumes in the rapidly expanding Eastern Mediterranean and Black Sea are forecast an increase of 79-95 per cent to 19.6-21.2m TEU.



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