

# SHIPPING REVIEW



## INTRODUCTION

Germany has the largest economy in Europe and is considered a key member of the European community, and political organisations. Germany is among the world's largest and most technologically advanced producers of iron, steel, coal, cement, chemicals, machinery, vehicles, electronics and textiles and is a major contributor to global trade. Germany is Ireland's fourth largest trading partner behind the UK, USA and Belgium, and is an important market for Irish merchandise trade. The majority of trade between Ireland and Germany is made up of high value commodities such as office and data machinery, pharmaceutical products and road vehicles. This market is very important for Ireland and there are number of business associations dedicated to developing the business links and trade between the two countries. Although there are no direct shipping services between Ireland and Germany there are many options for shippers to get their goods to markets in Germany.

## TRAFFIC

### Shortsea Links

In spite of the strong trade and investment links, there are currently no direct shortsea shipping services between Ireland and Germany. The market has traditionally been served by many operators calling at a hub port and utilising barge, feeder or rail freight systems to transport goods to and from Germany, while roll-on/roll-off (ro/ro) traffic across the UK is also another established option.

The port of Rotterdam serves as a key hub port for cargo destined for Germany. From Rotterdam cargo can be transhipped to German inland ports such as Duisburg by barge providing access to Germany's industrial heartland on the river Rhine. This inland port is located in the industrial centre of the North Rhine-Westphalia area, and provides access to the German market and other European markets with over 30 million consumers within a 150 km area. Nearby German cities include Oberhausen, Mülheim an der Ruhr, Ratingen, Düsseldorf, Krefeld, Moers, Rheinberg and Dinslaken. The barge network also provides services to ports such as Bremerhaven, and Cuxhaven.

BG Freightline, Eucon, DFDS and Samskip all provide door-to-door shortsea services to Rotterdam with cargo destined for Germany connecting with the rail freight and barge services.

The Belgian port of Antwerp also acts as a hub port for cargo destined for Germany. The cargo goes through the same types of distribution networks described in relation to Rotterdam. Felixstowe is also another possible transshipment route for traffic to Hamburg, Germany's largest port. BG Freightline operates a lift-on/lift-off (lo/lo) service connecting Dublin and Cork on two different routes with the port of Felixstowe.

## PORT FACILITIES

### Hamburg

The Port of Hamburg is one of the most important cargo handling sites, and is Europe's second largest container terminal gateway. The port is located at the mouth of the River Elbe, and can accommodate the largest of ships. Bulk carriers of more than 300,000 DWT, carrying up to 135,000 tons of cargo can be handled. In 2007, the port accommodated the largest container vessel of its type, the 11,000 TEU capacity 'Emma Maersk'.

In the first quarter of 2009, the Port of Hamburg handled 27.32 million tonnes of goods, a decline of 21.7% in comparison with the same period last year. Imports amounted to 15.75 million tonnes or a decrease of 22.6%, while exports from Hamburg likewise showed a decline in comparison with the first quarter of 2008, reaching 11.57 million tons or -20.4%<sup>1</sup>. The Port has four container terminals and eight multi-purpose terminals that can also handle containers.

Water depth is a major problem for the port. Super post-panamax cranes at the latest container terminal in Altenwerden can serve ships up to 61m wide, but vessels can only leave the port with a draught of 12.5m unless they ride the tide. By 2009, the Elbe should be 1m deeper helping to alleviate such problems.

### Bremen

The port of Bremen is Germany's second largest port and located 60 km from the sea. Bremen is a commercial and

Port	Operators	Type of Service
Felixstowe – Hamburg	COSCO UK Ltd	Liner
	Hamburg Sud UK	Liner
	MSC UK	Liner
Felixstowe – Bremerhaven	Maersk UK	Liner
	MSC UK	Liner
Rotterdam – Hamburg	Eimskip	Liner
Antwerp – Hamburg	ACL	Liner
Antwerp – Bremerhaven	ACL	Liner

<sup>1</sup> www.hafen-hamburg.de

industrial centre trading in cotton, wool, tobacco, and copper with industries including iron, steel, oil refining, the manufacture of chemicals, aircraft, and cars, ship repairing, marine engineering, and electronics. The port has 15 docks with the most important docks; the Überseehafen, the Europahafen and the Neustadter Hafen (container terminal), all with Freeport facilities. The port is extending its container terminal, by 1,680m of quay providing four additional berths with the first new berth was opened in October 2007.

#### **Cuxhaven**

CuxPort is a deep-water terminal on the main shipping channels of the Elbe/Weser triangle, and provides access to Western Europe, Scandinavia and the Baltic States. CuxPort handles ro/ro operations, containers, general cargo, project cargo and cars. In March 2003, CuxPort was enlarged to include a Combined Transport Terminal. There are a total of 4 berths available for seagoing vessels with a draught of up to 15.8m.

CuxPort container handling facilities have 30 reefer sections, 2 reach stackers and a warehouse storage area covering 211,500 square metres. Two multi-purpose cranes with a maximum carrying capacity of 60 tonnes and a 100 tonnes harbour crane. The port has two ro/ro berths with a draught of 13.5 m catering for both shortsea and deepsea vessels.

#### **TRADE**

With GDP at \$2.863 trillion in 2008, Germany has the largest economy in Europe and is the fifth largest in the world in terms of purchasing power parity (PPP). In the second quarter of 2008 the German economy began to contract as the strong euro, high oil prices, tighter credit markets, and slowing growth abroad took their toll on Germany's export-dependent economy. While Germany experienced 1.3% growth in 2008, GDP growth is expected to be negative in 2009.<sup>2</sup> Government stimulus packages in retaliation to the financial crisis are expected to widen the fiscal deficit in 2009.

Germany follows the US, the UK and Belgium as Ireland's fourth largest export market representing 7.4% of the total value of Irish exports. In 2008, exports to Germany amounted to €6.1 billion. Ireland is ranked 16th in Germany's top export markets with imports from Germany into Ireland worth €4.6 billion in 2008. While trade between Germany and Ireland was slowly rising in 2005/6, 2008 saw a sharp decline of 9.2% in Irish exports to Germany and a drop of 17.3% in imports from Germany.

Office and data processing machines made up 20% of Irish exports to Germany in 2008, valued at over €1.2 billion. Medical and pharmaceutical products and electrical machinery were the second and third highest exports to Germany in terms of value totalling €881 million and €613 million respectively. Home to Volkswagen, Porsche, Daimler Chrysler, BMW and GM Opel, car manufacturing is the mainstay of the German economy. Accordingly road vehicles are the main import from Germany into Ireland valued at just over €1 billion in 2008. Ireland is also strongly connected to the German automotive industry through the export of car components, particularly in the electronics area. Irish companies such as Mergon, Connacht Electronics, Atlas Aluminum, and Realtime Technologies export car components from Ireland to the automotive sector in Germany. After road vehicles, the second and third highest imports from Germany into Ireland by value are petroleum

products (€530 million) and electrical machinery (€302 million). Irish companies such as Baltimore, Trintech and Flexcom have German bases and have developed the electronics machinery export market from €32 million in 1997 to €2 billion in 2007. Medical and pharmaceutical imports into Ireland are the fourth largest in terms of value. The medical and pharmaceutical sector in Germany ranks third behind USA and Japan. From worldwide sources, Ireland imported €2.4 billion worth of medical and pharmaceutical products in 2008. Almost 10% of this was from the German market (€225 million).

#### **BUSINESS LINKS**

Ireland has a strong presence in Germany with Irish professionals active in the automotive, chemical, financial, retail, telecommunications and software industries. There are also over 250 German firms based in Ireland according to the directory of German firms compiled by the German-Irish Chamber of Commerce. Enterprise Ireland, an Irish government trade development agency, has an overseas office in Dusseldorf responsible for the German, Austrian and Swiss markets (contact details below). Although Germany has become a knowledge driven economy, it has the world's largest industrial sector. This presents many opportunities for Irish companies to do business with Germany. The German-Irish Chamber of Industry and Commerce has a dedicated service to assist Irish companies wishing to export to Germany. One area of opportunity that has been identified is renewable energy and energy efficiency building.

#### **The German-Irish Chamber of Industry and Commerce**

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40476 Dusseldorf  
Germany  
Tel: + (49 211) 470590  
Fax: +(49 211) 4705932

#### **Business Links**

#### **Shortsea Promotion Centre Germany**

[www.shortseashipping.de](http://www.shortseashipping.de)

#### **Enterprise Ireland**

<http://www.enterprise-ireland.com/Exports/>

#### **German Business Portal**

<http://www.german-business-portal.info/GBP/Navigation/en/business-location.html>

#### **German Embassy in Ireland**

<http://www.dublin.diplo.de>

#### **German-Irish Chamber of Industry and Commerce**

[http://irland.ahk.de/index.php?id=ahk\\_irlund&L=15](http://irland.ahk.de/index.php?id=ahk_irlund&L=15)

#### **International Financial Services Centre Dublin Ireland**

<http://www.ifsonline.ie/>

#### **IDA Ireland**

<http://www.idaireland.com/home/index.aspx?id=625>

#### **Irish Business Network Germany**

<http://www.irishbusinessnetwork.de/>

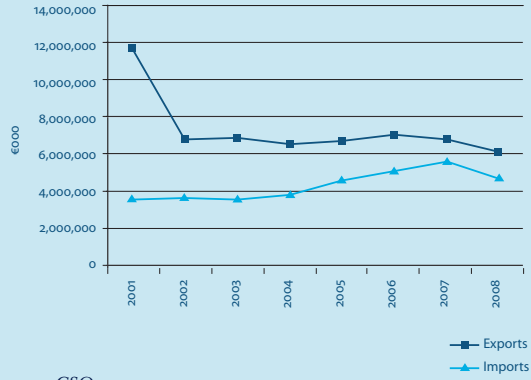
<sup>2</sup> CIA World Factbook, available at: <https://www.cia.gov/library/publications/the-world-factbook/geos/GM.html> (accessed 08/07/09)

**Total Value of Trade Between Ireland and Germany**

Year	Exports value (€000)	% Change	Imports value (€000)	% Change
2001	11,670,596		3,520,508	
2002	6,729,131	-42.34%	3,564,213	1.24%
2003	6,845,396	1.73%	3,498,127	-1.85%
2004	6,486,917	-5.24%	3,796,890	8.54%
2005	6,625,293	2.13%	4,512,057	18.84%
2006	6,970,349	5.21%	5,012,268	11.09%
2007	6,723,705	-3.54%	5,591,056	11.55%
2008	6,103,083	-9.23%	4,622,605	-17.32%

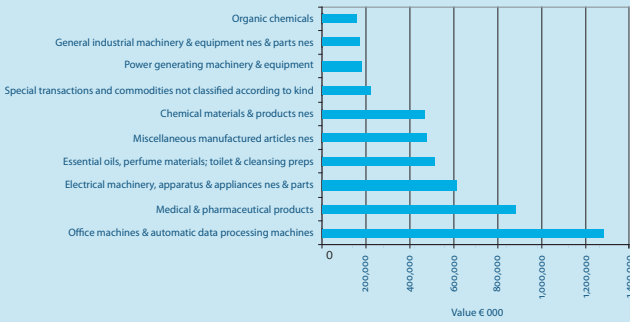
Source: CSO

**Value of Trade Between Ireland and Germany 1998-2008**



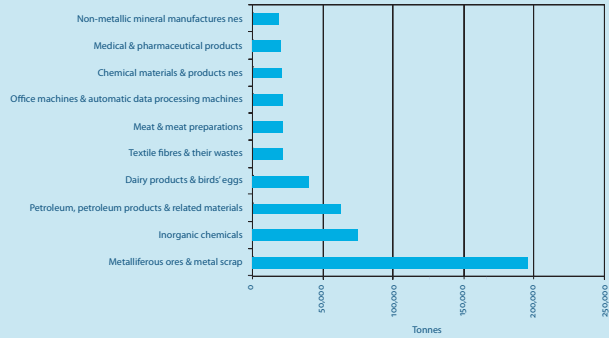
Source: CSO

**Value of Commodities Exported to Germany 2008**



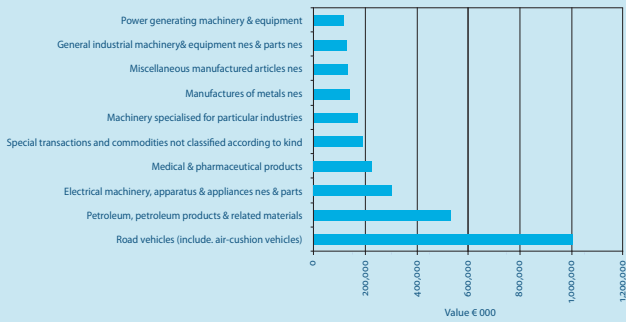
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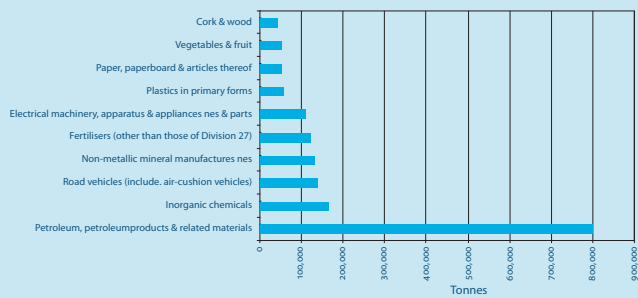
Source: IMDO

**Value of Commodities Imported from Germany 2008**



Source: IMDO

**Volume of Commodities Imported from Germany 2008**



Source: CSO