Netherlands
December 2009

SHIPPING REVIEW

IMDO-Ireland
Marine Institute

INTRODUCTION

The Netherlands is among Ireland's top 10 trading partners and serves as the gateway to Europe and the rest of the world for Irish manufactured goods. Netherlands has a very open economy which relies heavily on foreign trade. The economy is noted for stable industrial relations, moderate unemployment and inflation, a sizable current account surplus and an important role as the European transportation hub. Industrial activity is predominantly in food processing, chemicals, petroleum refining, and electrical machinery. The pace of job growth reached a 10-year high in 2007, but economic growth fell sharply in 2008 as fallout from the world financial crisis constricted demand and raised the specter of a recession in 2009. As a gateway to Europe and the rest of the world for Irish goods, there are many Shortsea shipping services between Ireland and the Netherlands.

TRAFFIC

Shortsea Links

The Ireland - Netherlands shortsea shipping routes are the busiest of all routes out of Ireland accounting for 36% of all lo/lo sailings. Rotterdam is one of Ireland's most important shipping hubs. There are currently 5 operators providing 19 weekly sailings between the two countries, with a potential total weekly capacity of approximately 11,406 TEUs[1]; a further significant drop on 2008 volumes of 12,569 TEUs[2]. All shortsea services between Ireland - Dublin, Cork, Waterford, Belfast,- and the Netherlands are via the Port of Rotterdam.

The Shortsea shipping market is segmented between door-to-door and feeder services which connect directly with the deep sea services from the Far East and USA. Samskip and DFDS operate pure door-to-door shortsea services and call at Rotterdam Shortsea Container Terminal. Both operators have grown in recent years, with DFDS acquiring Norfolkline Containerlines and Samskip taking over Seawheel and Geest, both well established operators in the Irish market. DFDS operates container freight rail link connecting the Northwest of Ireland with Waterford port in the Southeast.

Eucon and BG Freightline offer a combined door-to-door shortea and feeder service, combined with Xpress Containerline they control the majority of the high volume intercontinental feeder traffic. Eucon who we estimate has about 23% of the market share, utilises Rotterdam as a hub port for transhipment to deepsea vessels and door-to-door traffic. For BG Freightline Rotterdam is considered to be at the centre of their liner activities, with their combined door-to-door and feeder services they are the largest liner operator in terms of market share with 32%.

Route changes

Capacity on the routes between Ireland and the Netherlands increased by 13% in 2008, although the number of vessels reduced by 5. This was due to operators ending some services and placing fewer but larger vessels on routes in order to cope with rising fuel costs and a reduced demand due in deteriorating global markets. In 2007 Xpress Containerline ceased a service from Shannon Foynes to Rotterdam due to the long distance between both ports compounded by the adverse affects of weather and delays. Europe Lines also ceased its service between Drogheda and Rotterdam.

At the end of 2008 capacity on routes to the Netherlands were reduced significantly as a result of the decline in demand brought on by the economic downturn. BG freightline restructured most of their shipping routes between Ireland and The Netherlands. Southampton was removed from the 400 TEU Belfast- Greenock - Rotterdam route, and capacity was reduced on the Dublin - Rotterdam -Felixstowe route from 750 TEU to 300 TEU. An additional vessel was added to the Dublin - Rotterdam route, providing 300 TEU more capacity and Cork was also added to this route.
DFDS Container Lines services reduced at the beginning of 2009. Operated capacity has effectively been halved however the company still offer the same frequency and available capacity through vessel sharing arrangements and they have maintained their frequency on routes from Dublin and Waterford.
Since the beginning of the year Eucon has reduced capacity and sailings from 5 to 3 per week.
Samskip reduced their service from 4 per week to 2 while X-press Container Lines reduced their service from 7 to 3.

Lolo Traffic between Irish Ports and Port of Rotterdam 2007

	Total	Inwards	Outwards
Total TEU's	648	324	324

Source: Port of Rotterdam: Port Statistics 2008

RoRo

Operator	Capacity/wk lane meters	Route	Freqper wk
Cobelfret	2,300 LM	Dublin - Rotterdam	1
Total RoRo	**2,300**	**-**	**1**

Cobelfret, began a ro/ro service in October 2008 linking the port of Rosslare with Rotterdam catering for unaccompanied freight traffic. The service is designed to compete directly with lo/lo services from Ireland to Rotterdam. The vessel has a capacity of 2,300 lane meters. The service has since switched to Dublin and offers a 3 times per week ro/lo service to Rotterdam. It offers a direct sailing to continental Europe cutting out the UK landbridge, the main route for ro/ro trailers. The cost to transport a trailer via landbridge has been estimated as 30 - 40[3]% higher compared to a direct lo/lo service. The new direct ro/ro service will offer frequency and reduced transport costs. The service caters for both ro/ro trailers and lo/lo containers which are placed on cassettes and shunted onto the vessel. The turnaround time for this service is shorter then a conventional lo/lo service.

[1] IMDO information based on services available December 2009
[2] IMDO information based on services available August 2008
[3] Logisticon Report

LoLo

Operator	2009 TEU	Route	Freq/per wk
BG FreightLine	400	Belfast - Greenock - Rotterdam	1
BG FreightLine	300	Dublin - Rotterdam - Felixstowe	1
BG Freightline	750	Dublin - Cork - Rotterdam	1
BG Freightline	974	Dublin - Belfast - Rotterdam	1
BG Freightline	707	Belfast - Rotterdam - Felixstowe - Antwerp	1
BG Freightline	750	Dublin - Cork - Antwerp - Rotterdam	1
BG Freightline	480	Cork - Antwerp - Rotterdam	1
DFDS Container Line	707	Dublin - Cork - Rotterdam	1
DFDS Container Line	750	Dublin - Cork - Rotterdam	1
DFDS Container Line	300	Waterford - Rotterdam	1
DFDS Container Line	707	Waterford - Rotterdam	1
Eucon	962	Dublin - Rotterdam	1
Eucon	974	Dublin - Rotterdam	1
Eucon	549	Belfast -Rotterdam	1
Samskip	804	Belfast - Dublin - Cork - Rotterdam	1
Samskip	804	Dublin - Cork - Zeebrugge - Rotterdam	1
Xpress Container Line (OOCL & Evergreen agencies)	750	Rotterdam - Cork - Dublin - Southampton	1
Xpress Container Line (APL)	700	Dublin - Belfast - Rotterdam	1
Xpress Container Line (VSA with DFDS)		Cork - Dublin - Rotterdam	1
TOTAL LoLo	**11,406**		**19**

Deep-sea Connections

The Port of Rotterdam is Ireland's main transhipment and intercontinental hub for deep-sea cargo. The port connects with over 1,000 ports worldwide and is served by the world's largest deep-sea shipping lines including CMA CGM, Evergreen, Hapag-Lloyd, APL, COSCO and NYK line. Most of these lines in turn have feeder services to Irish ports. These deep sea operators utilise feeder operators such as Xpress Containerlines, Eucon, and BG Freightline, which call at the deep sea terminals in Rotterdam.

In the first half of 2009, 185 million tonnes of goods were handled in the port of Rotterdam, down 13.4% on the same period in 2008. Meanwhile exports fell by 4.6% to 54 million tonnes, imports declined by 16.6% to 131 million tonnes. Bulk cargo throughput was down by 12.4% to 128 million tonnes. General cargo was 15.5% lower at 57 million tonnes. Only mineral oil products handling showed an increase, up by 17% or 5 million tonnes to over 35 million tonnes. All other categories of goods were considerably down: agribulk (-19%), ores and scrap (-61%), coal (-14%), other dry bulk (-28%), crude oil (-4%), other liquid bulk (-20%), roll on/roll off (-14%), other general cargo (-27%) and containers (-15%). Container throughput fell by 15% to 4.6 million TEU[4].

Port Developments

Prior to the economic downturn, the volume of trade passing through Rotterdam increased steadily reaching an all time high of 10.8 million TEU in 2007. Rotterdam had struggled to cope with strong trade growth levels[5] which were attributed to globalisation, high levels of economic growth, and increases in economies of scale in shipping and the resulting drop in transport costs. Congestion levels at the port led to most Irish operators adding 2 to 3 days to their schedules to account for delays at the port,[6] resulting in additional costs and time, and reducing flexibility of the services that operators offer. However, trade levels have returned to more modest levels and congestion is no longer a major issue for the port.

In 2008, ECT opened the Euromax terminal which has a total quay length of 1,500 metres and a capacity of 2.3 million TEU. ECT also opened a dedicated feeder terminal; the 840 metre Delta Barge Feeder to reduce delays caused by deep sea lines impacting feeder services.
The Port of Rotterdam is preparing the reclamation of almost 2,000 extra hectares (4,500 acres) of new industrial land off the coast. The 'Maasvlakte 2' will create space necessary for future port activities, primarily for deep sea related container transhipment.[7] A new project aimed at optimizing Rotterdam's accessibility is the Betuwe Route; a dedicated freight railway line that will provide a direct link between the port of Rotterdam and the German hinterland.

[4] http://www.portofrotterdam.com/en/news/pressreleases/2009/20090715_77.jsp
[5] Lloyd's List, March 2008
[6] IMDO
[7] www.portofrotterdam.com/en/home

TRADE

In line with the financial crisis and the global economic slowdown, economic growth in the Netherlands fell from 3.5% in 2007 to 1.8% in 2008, and is estimated to drop to -2.5% in 2009.[8] The Netherlands has been particularly vulnerable to the financial crisis due to the economy's heavy dependence upon external trade and foreign direct investment. However, Holland's flexible labour laws have resulted in a relatively low unemployment rate which is only starting to rise. Longer term problems for Dutch exporters may include the strong value of the Euro relative to the Pound and the Dollar given the US and UK are amongst the Netherlands' top five trading partners.

The total value of trade between Ireland and the Netherlands was an estimated €5.9 billion in 2008, falling slightly compared to figures for the previous year. Merchandise exports from Ireland to the Netherlands were valued at approximately €3 billion in 2008 making the Netherlands one of Ireland's largest export markets, however, exports from Ireland to the Netherlands have been gradually declining since 2003. In contrast, since 2004 goods being imported from the Netherlands are steadily increasing reaching a total value of €2.86 billion in 2008, achieving 8% growth compared to the previous year.

Intra-industry trade plays a significant role in trade relations between Ireland and the Netherlands. The highest value export and import between Ireland and the Netherlands is office and data processing equipment. It makes up nearly 20% of Ireland's exports to Holland when measuring by value (€595 million) and 37% value share of imports from the Netherlands (€1.06 billion). Miscellaneous manufactured articles, professional scientific apparatus and pharmaceuticals were also three key exports from Ireland to Holland by value, worth €397 million, €387 million and €257 million respectively. Medical and pharmaceutical products provide a second example of the high level of intra-industry trade between Holland and Ireland it is the second largest import from Holland in terms of value (€184 million), followed by petroleum and related products. The main commodity exported from Ireland to Holland by volume is metalliferous ores and scrap, accounting for 42% of exports by volume and 4% by value.

Business Links

The Netherlands and Ireland have strong business and commercial links. Dutch companies operating in Ireland cross all categories of manufacturing and service industries, including financial services, electronics, beverages and pharmaceuticals. Ireland's considerable investment in infrastructure in recent years, along with a highly educated workforce and low corporation tax, has made it a desirable choice for foreign direct investment.

The Netherlands has established a number of organisations in Ireland to assist companies wishing to set up businesses or develop trade relations with Irish companies. Development organisations such as the Netherlands Foreign Investment Agency and the Dutch Embassy provide guidance and advice for business development in Ireland. Ireland has an agency in the Netherlands dedicated to assisting Irish companies develop business, namely, Enterprise Ireland, an Irish state agency specialising in developing Irish business abroad (for contact details see below).

Business Links

Enterprise Ireland (Dutch Office)
www.enterprise-ireland.com/
Contact/Overseas+Offices/Amsterdam+office

Holland International Distribution Council (international logistics)
www.hidc.nl/

Netherlands Foreign Trade Agency
www.hollandtrade.com

Netherlands Foreign Investment Agency
www.nfia.nl

The Netherlands Chamber of Commerce
www.kvk.nl/english

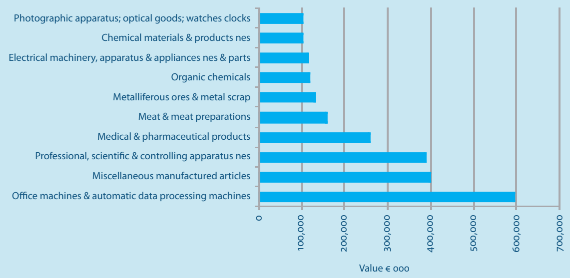
Doing Business in the Netherlands (World Bank Group)
www.doingbusiness.org/ExploreEconomies/?economyid=137

Dutch Companies in Ireland (IDA)
Sector
Pharmaceuticals
Omega Technika Ltd
Organon (ireland) Ltd
ICT
Better Health (Ireland) Ltd
FCI Ireland
Getronics
Philips Electronics Ireland Ltd.
Rehan Electronics Limited
Silicon & Software Systems Limited
Silicon & Software Systems Ltd
Financial Services
Accent Europe Insurance Company Limited
Aegon Scottish Equitable International
AMB Capital (Ireland) Ltd
Citco Fund Services (Dublin) Ltd
Citco Global Securities Services Limited
De Lage Landen Ireland Company
Euro Insurances Ltd
Friends First International
ING
Interpolis Captive Management Services
Interpolis Reinsurance Company
LeasePlan Infrastructure Services Limite
Rabobank Ireland plc
Reckitt Benckiser Management Services
Engineering
DIS enbi seals Ireland Ltd
IMOFA Ltd
Reynaer's Manufacturing Limited
Thermo-Air Environmental Technology Ltd
Wavin Ireland Ltd
Consumer Products
MacFarlane Plastics Ltd
Waterford Carpets Ltd
Chemicals
AKZO Nobel Decorative Coatings Limited

Source: IDA

[8] OECD, Netherlands, available at: http://www.oecd.org/country/0,3377,en_33873108_33873626_1_1_1_1_1,00.html (accessed 27/07/09)

Value of Commodities Exported to Netherlands 2008



Source: CSO

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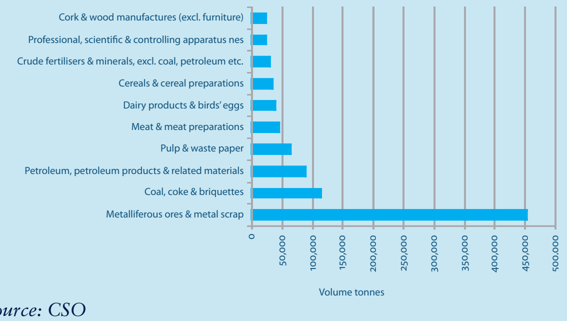

Source: CSO

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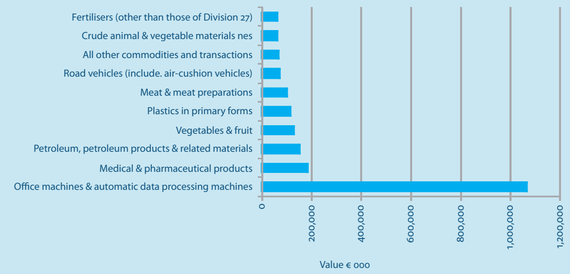

Source: CSO

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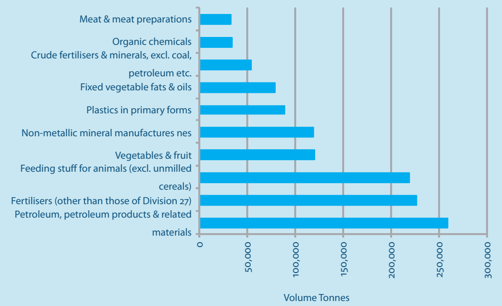
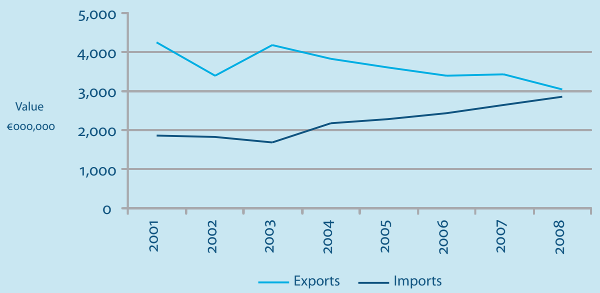


Source: CSO

Value of trade between Ireland and The Netherlands



Source: CSO

Value of Merchandise Trade 2001 - 2008

Period	Exports €bn	% Change	Imports €bn	% Change
2001	4,237		1,860	
2002	3,410	-19.52%	1,822	-2%
2003	4,184	22.70%	1,679	-8%
2004	3,814	-8.84%	2,187	30%
2005	3,610	-5.35%	2,287	5%
2006	3,402	-5.76%	2,445	7%
2007	3,424	0.65%	2,638	8%
2008	3,027	-11.59%	2,862	8%