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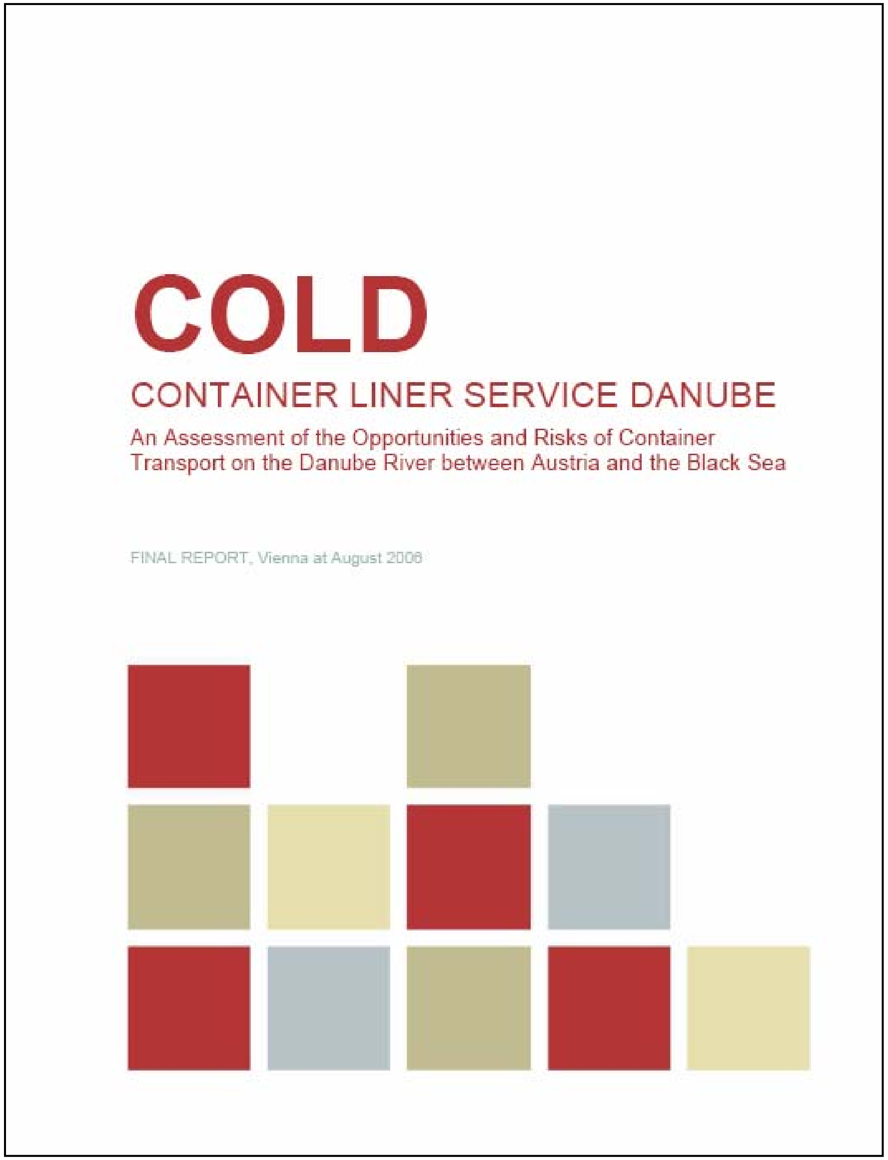
Container Services between Austria and Constanta - Developments following publication of the COLD-Study

Gerhard Gussmagg, via donau

Danube Summit - June 4, 2008 - Constanta

Final Report in German and English language published by via donau in 2006

Download at www.via-donau.org/en/cold resp. www.via-donau.org/cold



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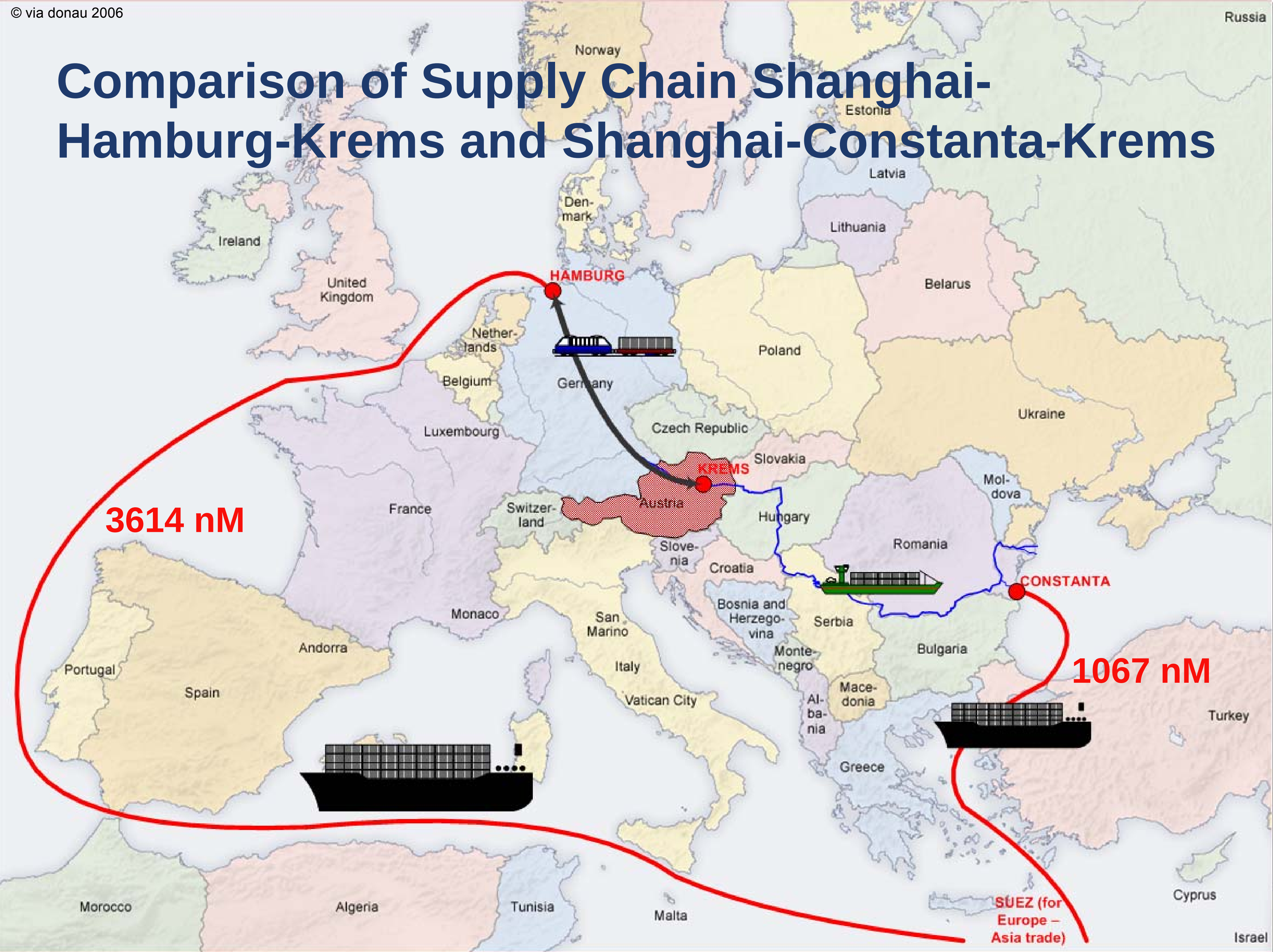
Comparison of Supply Chain Shanghai-Hamburg-Krems and Shanghai-Constanta-Krems



DEVELOPMENTS SINCE PUBLICATION

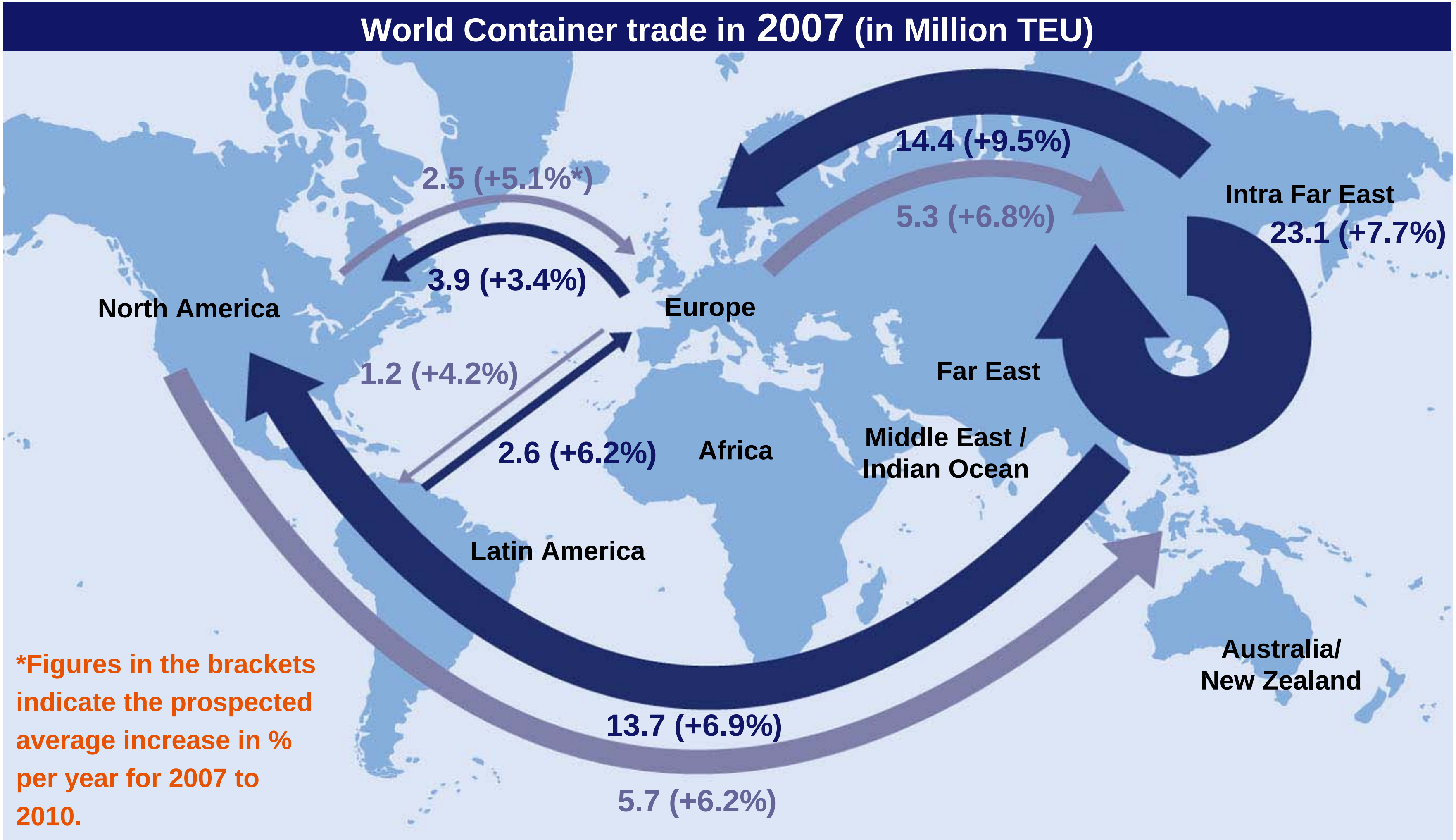
Bad News…

- No regular container liner service has been established between Constanta and Austrian inland ports (Vienna, Krems, Enns, Linz)

Good News…

- Increasing **pressure on North Range Sea Ports**
- Increasing **pressure on Hinterland connections**: Western European Rail and Road Network
- Development of **Constanta** to an **international container hub** in the Black Sea -> more carriers, increased sailing frequency
- Competitive **ocean freight rates ex Constanta**, increasing export volumes (Schweighofer)

Container trade worldwide



Source: HAPAG LLOYD according Global Insight, December 2007

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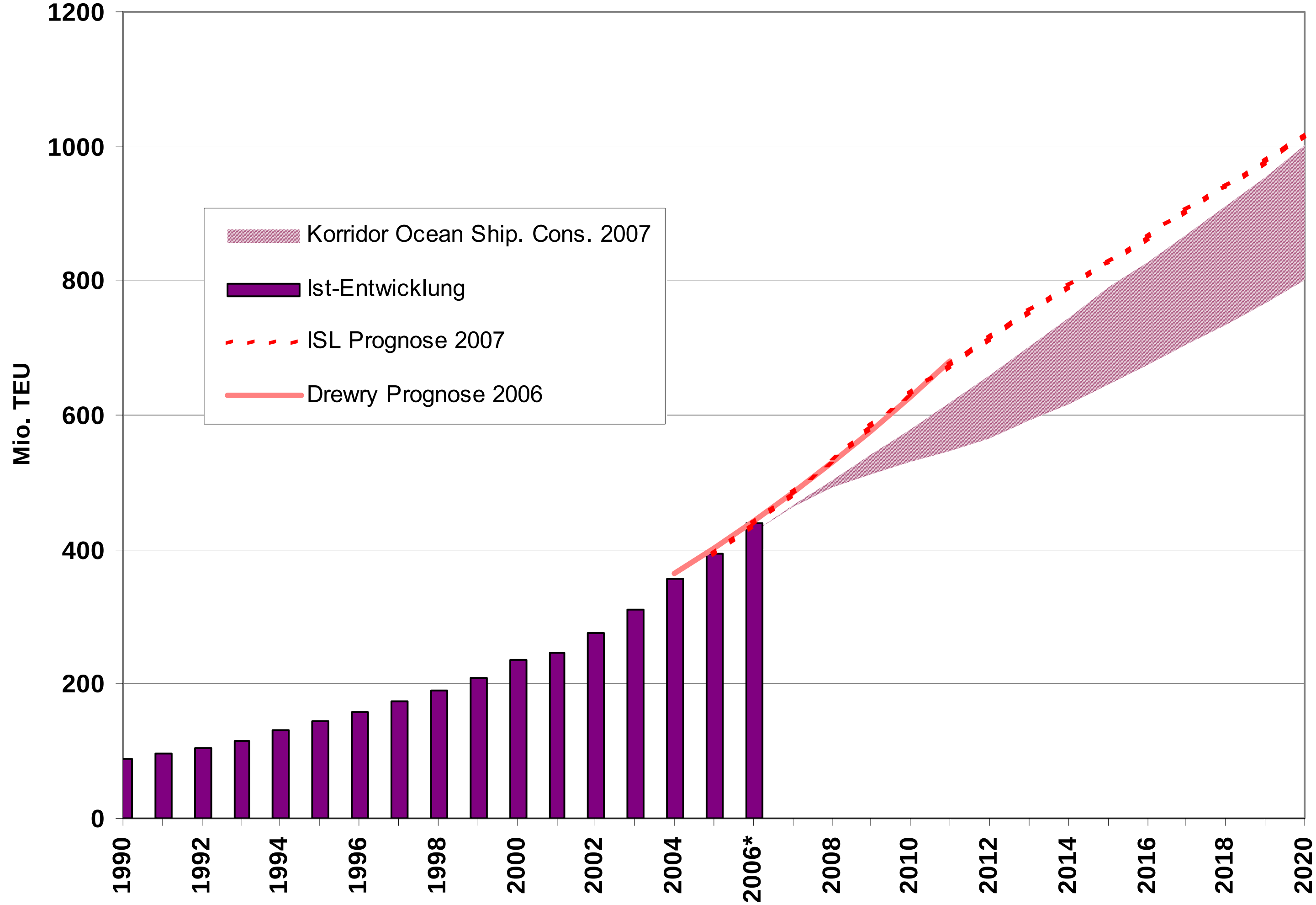
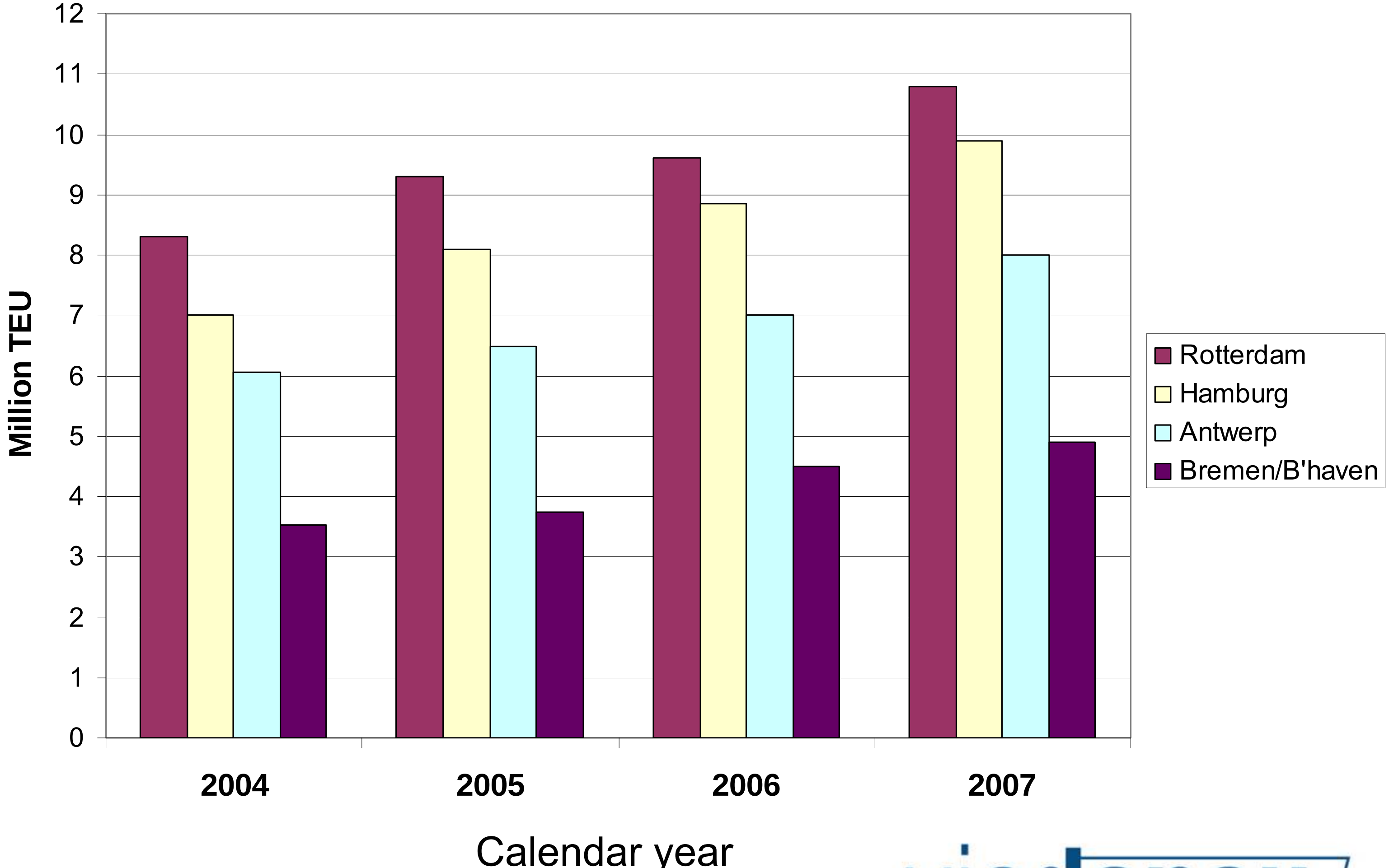
…soaring container throughput in the sea ports…

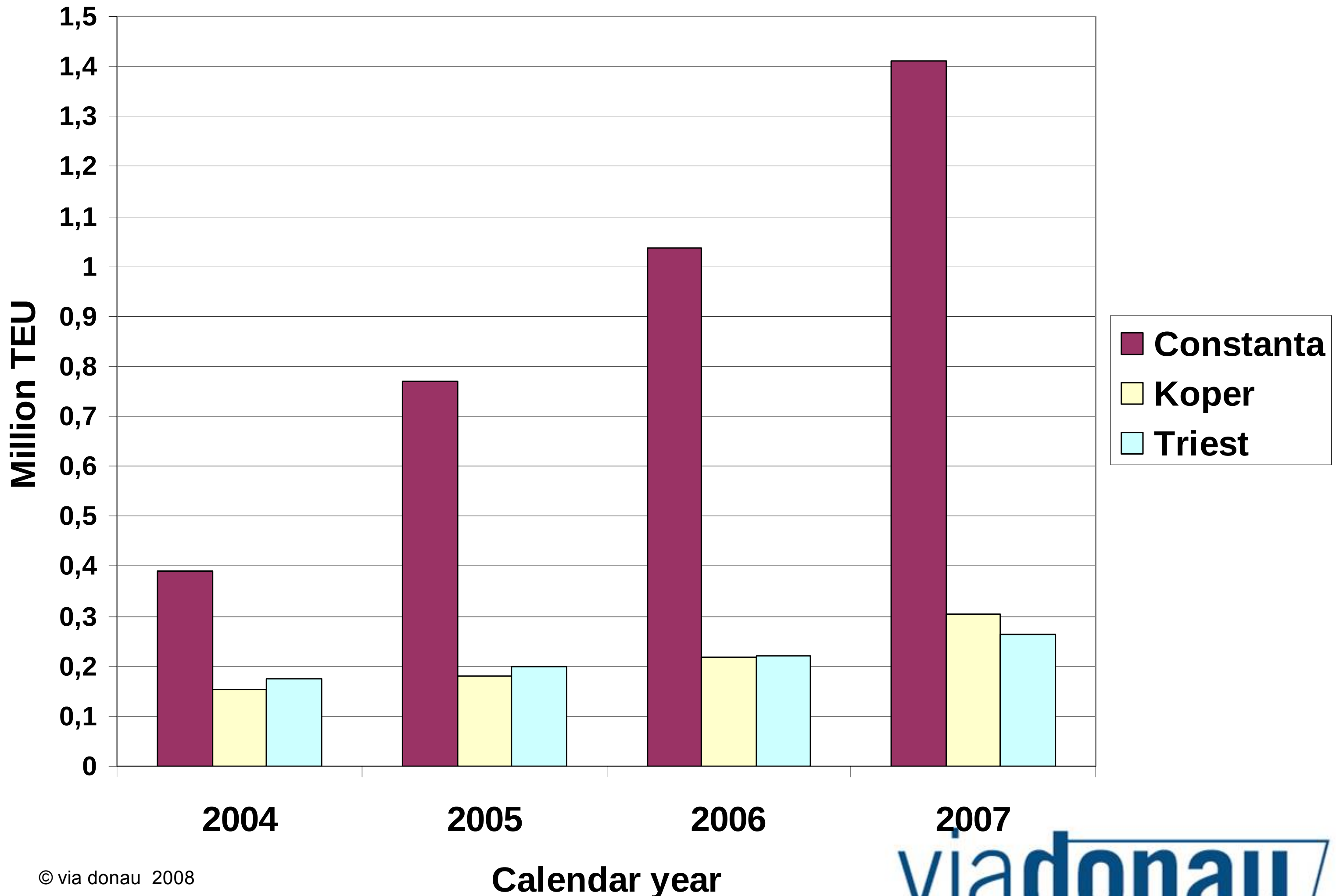


Source: ISL Bremen, Figures for 2006 are estimations

Development of Container handling in North European sea ports 2004 - 2007



Container handling development in Adriatic- and Black Sea ports 2004 - 2007



Austria looking for alternatives…

- 95 % of Austria‘s maritime container flows (approx. 500,000 TEU in 2007) run through North Sea Ports: Hamburg, Bremen, Rotterdam
- Best rail tariffs for shuttle trains at €500,-/40’-Container, but
- in 2007, those ports faced enormous problems in handling capacity and efficient hinterland connections by rail and road (e.g. strikes of train drivers)

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Austria's awareness of Constanta and the Danube connection has been significantly raised.

Good News… (continued)

- Activities of **Mainrom Line** (Constanta-Giurgiu) and **BRP/Jugoagent** (Constanta-Belgrade)
- Investment by **TOUAX** in pushed lighters optimised for container transport
- Reduction of **waterside container handling tariffs** in Austrian inland ports of Enns, Krems and Vienna. (€25,-/Container, same as land-land operation)
- Reduction of transit fees for **Black Sea Canal** (optimisation still needed)
- Improved **funding possibilities** at Austrian level and European level (Marco Polo II Call 2009)

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Funding opportunities

Austria: National funding programme for Danube container transport (€18,-/TEU, €34,-/40‘-Cont) to be authorised by EC soon

EU: Marco Polo II programme will be adapted: More chances for Danube projects expected!

- Lower thresholds, increased funding per shifted tkm, etc.
- Next Call: Spring 2009

Additional Cargo: Intra-Danube flows

- Combine maritime container flows via Constanta with intra Danube cargo potentials
  - Cooperation with **planned RoRo-services** (new cars, heavy lift / out of gauge cargo, trailers) between **Bavaria/Austria and Romania**
  - Transport of **continental containers**: Significant potentials between Austria and Romania/Bulgaria acc. to recent analysis by ÖIR

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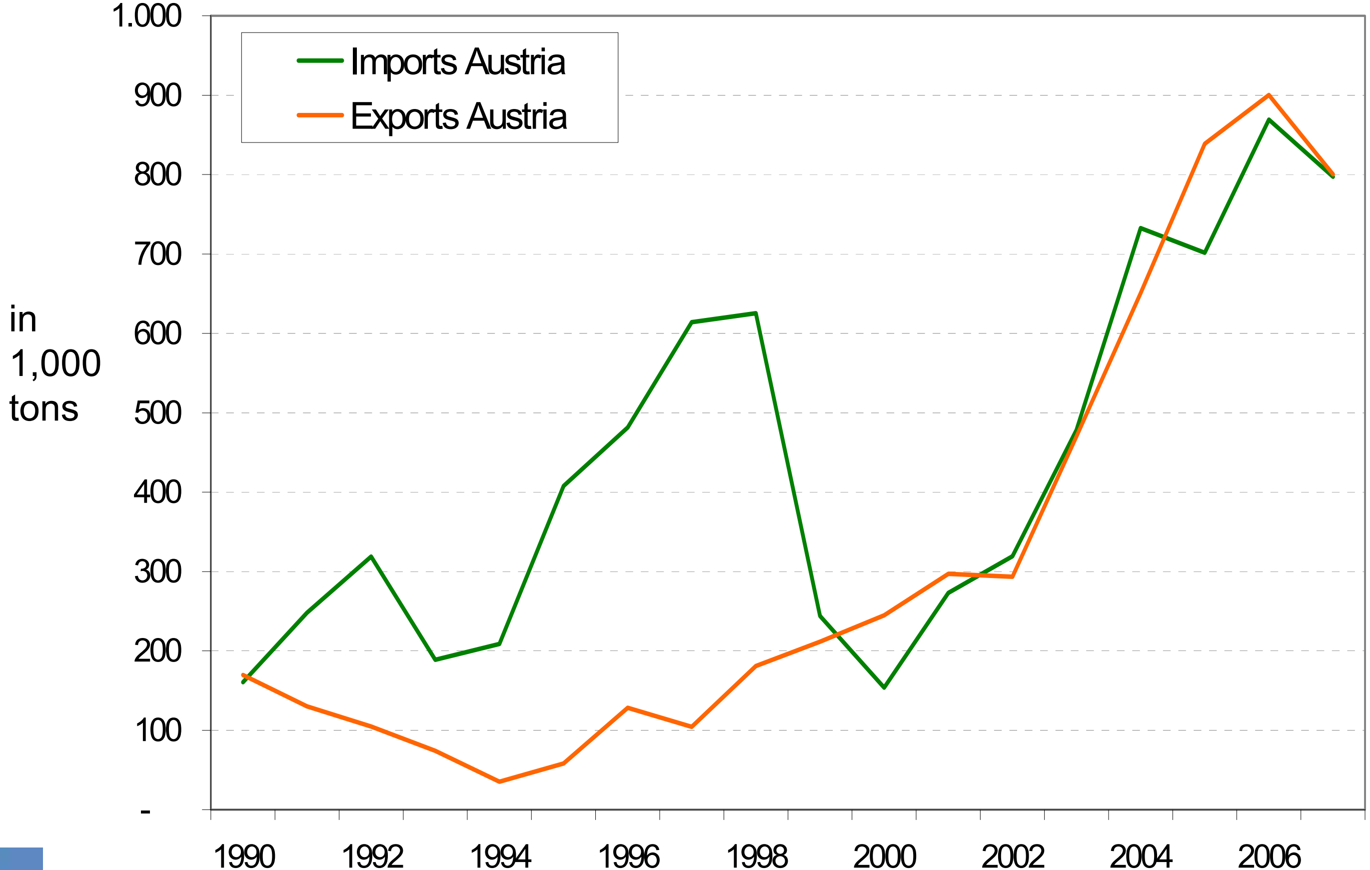
Continental Trade in Danube Area
Facts and Figures

- Danube Region: Large Trade flows
  - Total in Danube Region: **90.5 mio. tons in 2005** (of which Austria-Germany 27 mio. Tons)
  - Intensive trade between smaller countries (AT-HU 6.9, AT – SK 4.5 SK – HU 4.4 mn. Tons)
- Lower Danube Region
  - Smaller markets: ‚COLD-Relations' AT/SK/HU – SR/RO/BG with total 6,5 mn. Tons in 2005
  - but **rapidly growing markets** (bilateral trade AT – SR/RO/BG 2005-07: +36%), growth concerns all commodity groups

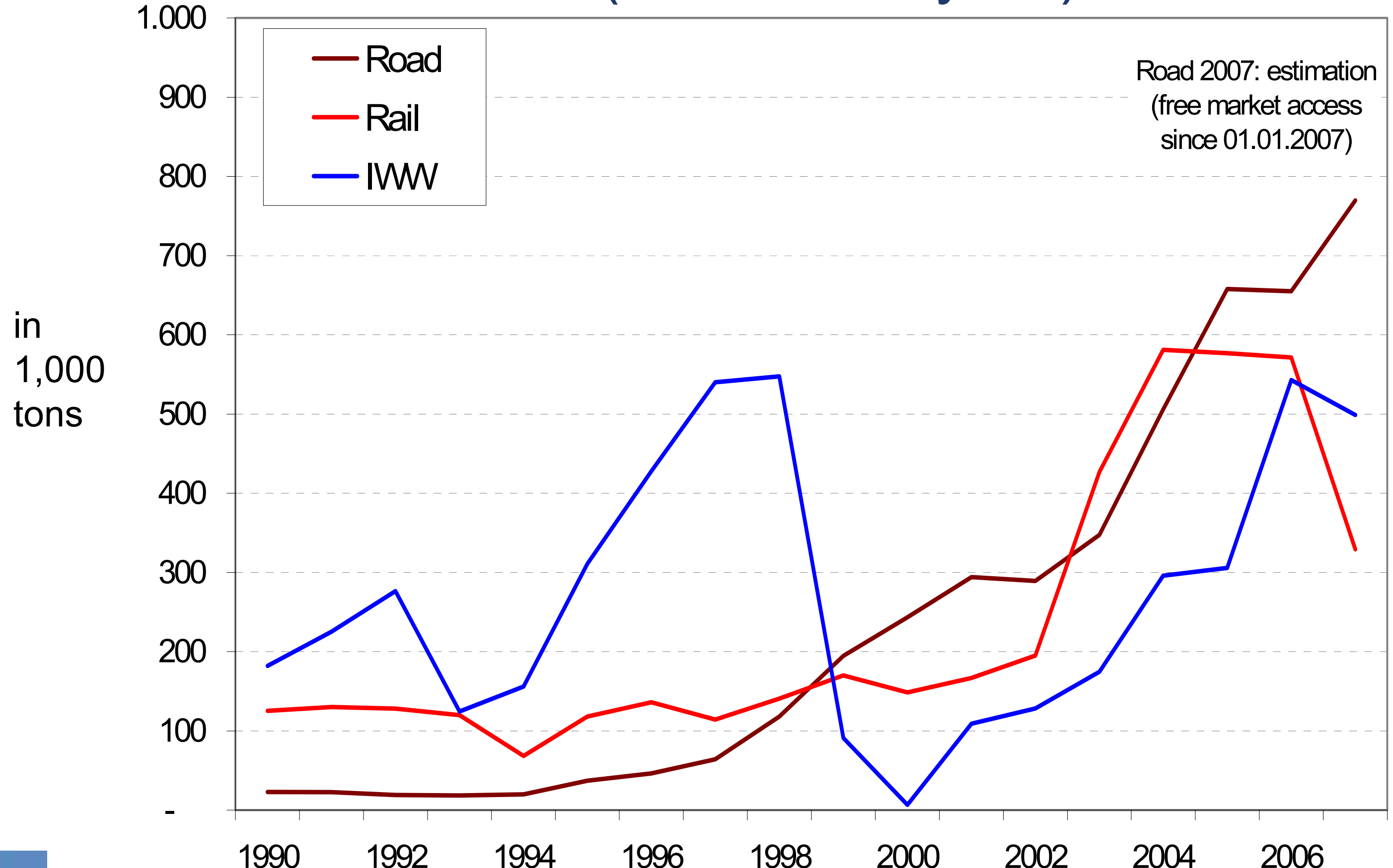
Development of Imports and Exports

Austria with Romania (1,000 tons/year) Road/Rail/IWT



Development of Modal Split

Austria with Romania (1,000 tons/year)



Year 2007: provisional data

Potential for Continental Container Traffic

- ‘COLD-Relations’
- Austria – Serbia, Romania, Bulgaria
- Slovakia – Serbia, Romania, Bulgaria
- Hungary – Romania, Bulgaria

Containerisable Potential

- Approach
  - Transports actually on road and rail
  - Reduction to containerisable cargo (NSTR-1), e.g. significant share in NSTR 0, 1, 5 – 9)
  - Reduction to long range transport relations (distance of relation and distance to River Danube)
    - Low potentials between neighbouring countries
    - e.g. Hungary – Romania max. 40%, Romania – Austria: max. 80% considered as potential
- Results
  - 2005: cargo of 2,5 Mio. tons up- and downstream
  - **2007**: cargo of **3,2 Mio. tons up- and downstream**
  - = +31% in 2 years

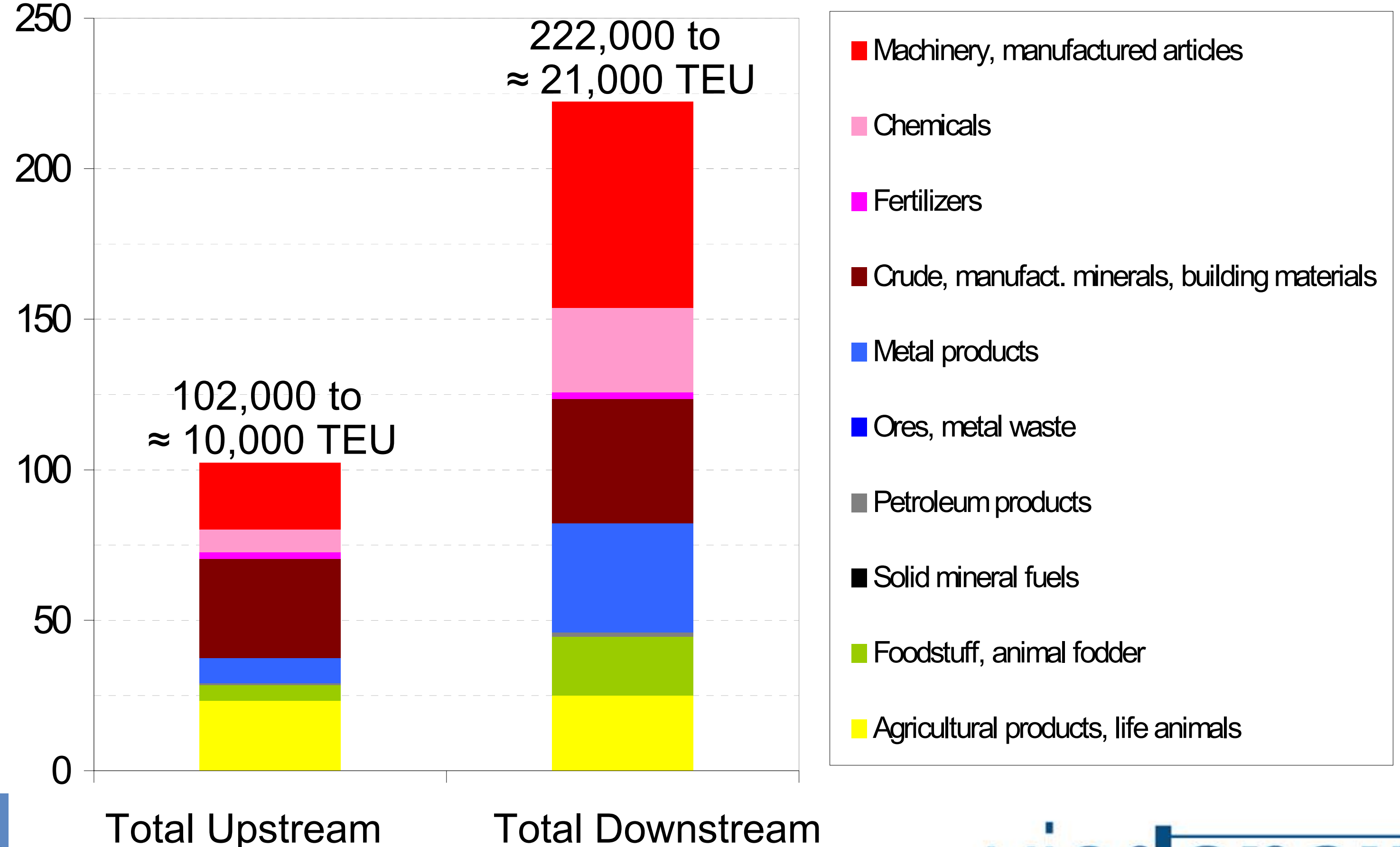
Danube Market Potential

- Approach
  - assumption on market potential: 10% of containerisable potential
  - Note: this share is clearly below the actual yearly growth rate of overall transport volume

- Continental COLD-Potential = Market Potential
  - 325.000 tons, which approximates
  - 31.000 TEU (at an average pay load of 10,5 tons/TEU)
  - upstream 10.000 TEU
  - downstream 21.000 TEU

Danube Market Potential 2007

Continental Container Cargo Traffic (1,000 t)



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