



Market News

## **European Recession hits North Sea Port Freight Transshipment in First Half of 2023**

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*Terneuzen, Netherlands –*

North Sea Port companies recorded 33.4 million tons sea freight transshipment in the first half of 2023. This is 11% (-4.2 million tons) less than in the same period in 2022. Dry bulk (18.4 million tons) decreased by 9%.

In 2022 North Sea Port recorded the best first half of the year ever, but this will not be the case in 2023. The 11% drop in transshipment is mostly seen in recession-sensitive products such as building materials, (automotive) steel and petroleum products including gas and diesel oil.

### **Cargotype**

Shown by cargo type, liquid bulk transshipment (7.1 million tons) fell 18%, including gas and diesel oil, naphtha and chemical products. Dry bulk (18.4 million tons) decreased by 9%. There was a reduced transshipment of coal, after all extra stockpiling last autumn. Transshipment of cement clinker also declined, in line with the declining trend in building materials.

Containers (1.1 million tons) saw a 7% decline. In TEU, there was a small decrease (110,000 TEU, -1.5%). Ro/ro (1.9 million tons) decreased by 4%. Transshipment of general cargo (breakbulk, 5.0 million tons) fell 11%.

## **Decline in Trade with Russia**

Russia was the main trading partner in the first half of 2022. In the second half this was completely different: trade with Russia more than halved (-56%), dropping to seventh place, largely due to EU sanctions.

Trade with Ukraine has declined further (-10%). This transshipment is partially taken up by transshipment from Poland (+0.5 million, +138%, mainly cereals), Australia (+28%), Belgium (+20%) and Canada (+6%). The United States is currently the most important trading partner.

## **Inland Shipping**

Like sea freight transshipment, inland navigation transshipment also fell, but to a less extent. For the first six months, the decline amounted to 31.3 million tons of transshipment (-6.0%).

## **The Future**

The European recession that set in at the end of last year and beginning of this year, is keenly felt in the cargo handling of international player North Sea Port. Despite the fact that the Netherlands and Belgium were not officially in recession during this period. 11% less sea freight transshipment, takes North Sea Port back to 2017 levels (not taking into account corona year 2020). Stocks at the port are well-restocked but rotate less because of lower demand. Periods of maintenance at some major companies will also affect transshipment. Expectations are that the economy in Europe will rebound which could produce a stronger fourth quarter by the year end.