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[short report]

maritime
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Analysis of Italy's Competitors: German Ports

Ever aware of the importance of logistics and maritime transport for the European Economy, with this short paper SRM begins the process of investigating the ports of the countries in competition with Italy, the strategies their governments have in place to support growth in the sector, and the aims they seek to achieve in light of the changes affecting international traffic flows. This initiative has been taken in the hope of offering readers a panorama of information on which to build a qualified view on the characteristics and trends of the offer of ports and logistics in the European Union.

The first country analysed within this process is – by no chance – Germany, which given its geographical features and export vocation, attaches strategic value to logistics and to the maritime trading of goods, as confirmed by the World Bank, which ranks Germany second in the world for logistics competitiveness, just behind Singapore. The results achieved are the fruit of the major efforts made by Germany over the years to support the development of the sector, also through the construction of the port of Hamburg and of the Frankfurt airport, which have made the country the most important logistics hub in Europe.

Logistics is a labour intensive industry, and in Germany it is the third largest sector in terms of employment, giving jobs to 2.6 million people. Maritime transport in particular is very important for the German economy, on the one hand for the weight of the sector itself (an estimated 300 thousand people are directly or indirectly employed in the maritime sector, and around 400 thousand in river ports), and on the other for the role played by the efficient transport of goods by ship, along national and international routes, in boosting the competitiveness of the country's industrial system, as well as in guaranteeing growth and employment.

The German economy has a strong vocation for foreign trade, and considering that around 60% of its exports and imports, as well as most commodities, are transported by sea, being able to count on a competitive maritime economy at the international level is naturally one of the federal government's priorities: this explains the strong commitment to build adequate port infrastructures, ensure the smooth functioning of port services, and keep in place efficient and effective links with inland areas.

The federal government's competence in matters concerning logistics and ports in Germany is essentially limited to defining the relevant regulatory framework, and building the infrastructures which guarantee the accessibility of the ports.

The Länder – i.e. the federated states – and the local authorities, on the other hand, are responsible for port infrastructures, whereas the management of port operations is assigned to private companies (often with government shareholdings).

The *“Federal Government's Third Report on the Development and Future Prospects of the Maritime Sector in Germany”*, published in February 2013, the main programmatic instrument for the sector, examines in depth the various segments of the economy of the sea (economic scenario, ports, shipyards, technology, renewable energy sources, climate issues, and protection of the maritime environment) and rationalises the German government's maritime policy courses of action, as well as the investments allocated for the achievement of the goals laid out.

More in detail, the document shows how much emphasis is placed on the development of offshore wind farms, considered as a growth driver for ports, which in addition to being an obligatory point of passage for the wind farm's technical systems, are also used as production and assembly centres, and for the warehousing of components, as well as coordination bases for maintenance or repair activities. By 2030, the plan is to install wind turbines for a total capacity of around 25 thousand MWs, in the Black Sea and in the Baltic Sea.

Germany has 29 main sea ports.

The most important in terms of the volumes of goods handled are **Hamburg**, **Bremerhaven**, and **Wilhelmshaven** on the Black Sea, and **Lübeck** and **Rostock** on the Baltic Sea.

The global economic crisis caused a slowdown in the handling of goods in German ports: **Table 1** lists the cargo traffic handled in 2012 by the main ports, and shows a slight recovery compared to the previous year, although not yet to pre-crisis levels (over 300 million tonnes).

Table 1 – Cargo traffic in the main German ports: 2011 – 2012

PORTS	2011		2012		12/11	
	Total tonnage (k)	TEUs	Total tonnage (k)	TEUs	Tonnes	TEUs
Hamburg	132,216	9,014,165	130,938	8,863,896	-1.0%	-1.7%
Bremen	80,585	5,915,487	83,979	6,115,211	4.2%	3.4%
Wilhelmshaven	22,984	-	26,174	24	13.9%	-
Rostock	23,905	-	22,803	391	-4.6%	-
Lübeck	26,600	117,000	23,900	116,000	-10.2%	-0.9%
TOTAL	286,290	15,046,652	287,794	15,095,522	0.5%	0.3%

Source: SRM on Assoporti and Port Authorities data, 2013

Data as at 1H 2013 show that the German port system suffered a 2.6% decline compared to the same period in 2012, from 151.8 to 147.9 million tonnes handled. National traffic decreased by 15.2% to 3.4 million tonnes. Import traffic, which amounted to 85.6 million tonnes, also declined (-3.9%); volumes export via German ports, on the other hand, increased by 0.3% to 58.9 million tonnes. Container traffic handled by German ports in 1H 2013 added up to 7.6 million TEUs (-1.9%).

As regards the main markets served, container traffic with China dropped by 3.6%, and traffic with Russia was also down (-5.9%), as opposed to higher traffic volumes between Germany and the United States, by 2.6%.

Hamburg remains the most important port of the country (the second most important in Europe behind Rotterdam in terms of the number of incoming and outgoing containers): it employs around 261,000 people, creating an added value of 2.6 billion euros, and fiscal revenues of around 751 million euros. Rail links with inland areas are very efficient: 80 rail companies operate with the port, a world record.

In October 2013, Unifeeder, the leading European maritime feeder services company, signed an exclusive partnership with the Eurokombi intermodal terminal, managed by German group Eurogate, making the port of Hamburg the North European hub for its short sea services, with the highest frequency of departures (20 per week). The choice was prompted by the proximity of the Eurokombi terminal to the Hamburg Container Terminal (HCT), which requires only a short transfer of containerised shipments from ships to the railway system.

Special mention must be made of the Wilhelmshaven port, considering its important development prospects. Inaugurated in September 2012, this is Germany's only de-

ep-water port, and was conceived to handle new-generation container ships, over 400 metres long. An 18-metre deep navigable channel leading to the dock will allow container ships a draught of up to 16.7 metres, even during low tide. Today, only Rotterdam has deeper waters, of 24 metres compared to 12.8 for Hamburg, 12.5 for Bremerhaven, 13.1 for Antwerp.

The Hamburg Port Authority, on its part, in order to stand up to competition from this new infrastructure, as well as from the ports of the Mediterranean, has launched, jointly with the Senate of the City of Hamburg, “The Port Development Plan to 2025”, in which it lays out the guidelines for future actions geared to achieving important objectives, such as almost doubling the number of containers handled, from almost nine million TEUs in 2012, to 25.3 estimated in 2025. This will be made possible by strengthening existing infrastructures, increasing the productivity of terminals, and expanding the port inland.

The importance of German ports in the European handling of containers is made evident by **Table 2**, which lists the Top 10 European Union ports by TEUs.

Table 2 – Top 10 European ports by container traffic (TEUs): 2011 - 2012

Rank	Port	2011	2012	12/11
1	Rotterdam	11,876,920	11,865,916	-0.1%
2	Hamburg	9,014,165	8,863,896	-1.7%
3	Antwerp	8,664,243	8,635,169	-0.3%
4	Bremen	5,915,487	6,115,211	3.4%
5	Valencia	4,327,371	4,469,754	3.3%
6	Bahia de Algeciras	3,602,631	4,070,791	13.0%
7	Piraeus	1,680,133	2,734,014	62.7%
8	Gioia Tauro	2,304,987	2,721,104	18.1%
9	Le Havre	2,215,262	2,303,750	4.0%
10	Genoa	1,847,102	2,064,806	11.8%

Source: SRM on Assoporti and Port Authorities data, 2013

In order to improve the competitiveness of German ports, priorities for the maritime sector have been identified within the framework of the **“National Strategy for Maritime Ports and Inner Ports”** – adopted in 2009 and still in force.

The priorities are to:

1. Expand the most important transport infrastructures for ports, and eliminate bottlenecks;
2. Step up the competitiveness German ports;
3. Strengthen employment policies and training;
4. Improve protection of the climate and of the environment;
5. Optimise distribution chain security.

Based on the *“Investment Framework Plan 2011-2015”* (IFP) adopted in March 2012 – which provides for the allocation to transport infrastructures of public funds worth around 50 billion euros in total over five years – the federal government intends, in particular, to deepen the Weser and Elbe rivers, to create a fifth marine lock in the navigable canal connecting the Baltic Sea and the Black Sea (Kiel Canal), and to extend to 2013 the special supplementary investment plan aimed at removing bottlenecks in the infrastructures linking ports with the railway network. The extension and improvement of river ports is considered necessary to reduce road haulage traffic, rail freight, and to decongest maritime ports. Therefore, the aim is to turn river ports increasingly into intermodal transport centres between Western and Eastern Europe, making them hubs addressing ports not only in Germany, but also in Holland and Belgium.

This list of federal government commitments, of both a programmatic and financial nature, to strengthen the logistics sector, and maritime logistics in particular, is proof of how important Germany considers its ports to be in supporting growth, employment, and added value for the domestic economy.

Development strategies along these lines could also be followed by many other European countries endowed with similar potential.