Report

Results of the TOP 10 European container ports in the first half of 2022

August 2022

port monitor

TOP 10 European container ports in the first half of 2022

In five out of ten largest container ports in Europe, a decline in cargo handling in the first half of 2022 can be observed. In the first six months of the year, the 10 largest European container ports handled in total over 33.3 million TEU, which is 3.28% lower than in the first half of last year and 0.72% lower than in the corresponding period of 2020. The drop in container throughput is related to the limitation of trade relations with Russia due to the aggression of the Russian Federation against Ukraine in February 2022, as well as the disruptions in global supply chains due to Covid- 19 pandemic.

The **Port of Rotterdam** remains the largest European container port with container turnover at the level of 7.3 million TEU. The volume of container handling decreased by 4.4% in TEU and by 8.9% in terms of tonnage. The difference between the two is attributable to an increase in the number of empty containers. The decline in container handling at the Port of Rotterdam is due to two aspects: the first is the suspension of bookings by the largest shipowners and discontinuation of scheduled services to Russia, and the second are the repercussions caused by the Covid-19 pandemic. Due to the high uncertainty regarding the punctuality of container ships' calls, the peaks in activity at terminals may be observed. To improve on-time delivery, shipping companies often cancel calls to container hubs while trying to load and unload more containers per call. As a result of this situation, shipping companies are currently using smaller ports.

The **Port of Antwerp-Bruges** recorded drop in container turnover. In April 2022, the Port Authority of Antwerp and the Port Authority of Zebrugge joined forces and currently operate under one management. Container handling volumes of both ports decreased by 6.2% compared to the first half of 2021. The declines in the port were due to containership delays that disrupted global supply chains.

In the first half of 2022, the **Port of Hamburg** recorded slight increase in container handling (4.4 million TEU, + 0.92%). The use of Hamburg to serve the Baltic region as a hub for transhipment traffic has increased again. Total first-half container transhipment throughput in Hamburg was up by 2.7% to 1.6 million TEU. In particular, the volumes increased on routes with Poland, Sweden, Finland and Denmark due to concentration of feeder services. However, other factors also influenced the picture of port’s throughput. These include, first of all, geopolitical factors, as well as changes caused by the Covid-19 pandemic. After Russian Federation aggression on Ukraine, foreign trade with Russia was subject to sanctions. Container handling on the Hamburg - Russian ports routes fell by 50.9% in the first 6 months of 2022, to the level of 79 thousand TEU. It is worth noting that Russia has so far been the port's fourth largest trade partner. The factors that influenced the volume of port transshipments also included the repercussions caused by the Covid-19 pandemic, in particular the lockdown in the Port of Shanghai.

An almost 10% decrease was recorded in **Port of Bremerhaven** (2.3 million TEU, -9.74% compared to the first half of 2021). When analysing in detail the container turnover, in all months - except May 2022 - a decrease in monthly container traffic can be noticed. In May, container handling was 5.4% higher than in May 2021. The most severe decline in container volumes was recorded in February and June 2022 in comparison to 2021.

On the 14th of July 2022, a port workers' strike began in key container terminals in German ports (including Hamburg, Bremerhaven and Wilhelmshaven). The strike lasted for 48 hours. Trade union representatives are claim for wage increases to offset the effects of inflation. The strike came after the breakdown of the sixth round of negotiations between the trade union and the association of German ports. According to a German court, strikes are forbidden as a form of protest until the end of the 10th round of negotiations. It is expected that the negotiations will be completed by the end of August 2022. These events may have an impact on the volume of container turnover in ports in the second half of 2022.

A decline in container turnover was also recorded by the Spanish **Port of Valencia**, which in the first half of the year handled 2.6 million TEU (-6.46% compared to the period January-June 2021). The decline in transshipments (by over 12%) and drop in handling of empty containers (-2.7%) had the impact on the ports' performance.

The remaining Spanish ports in the ranking recorded increases. A slight growth in container turnover can be noticed at the **Port of Algeciras** (+0.19%, 2.3 million TEU). It is worth noting that there was a significant increase in handling of empty containers (+65% compared to the corresponding period of 2021). The **Port of Barcelona** also recorded growth (+0.72%, 1.8 million TEU). The obtained result was due to increase in container handling in transit (881,493 TEU, + 2.9%). The volume of container handling in terms of tonnage also increased by 2.0% compared to the first half of 2021.

In the largest Greek port, **Port Piraeus**, there was a decrease in container turnover (-9.53%, 2.1 million TEU). In April 2022, there was a 24-hour strike in the Greek port. The employees demanded, inter alia, subsidies for work at night and on Saturdays, Sundays and national holidays.

Table 1. Container turnover in Top 10 European container ports in the first half of 2021 and 2022 [TEU].

	H1 2021	H1 2022	Change H1 2022/ H1 2021
Rotterdam	7 612 000	7 277 072	-4.40%
Antwerp-Bruges	7 217 484	6 770 000	-6.20%
Hamburg	4 360 000	4 400 000	0.92%
Valencia	2 819 645	2 637 604	-6.46%
Algeciras	2 335 330	2 339 705	0.19%
Bremerhaven	2 588 841	2 336 743	-9.74%
Piraeus	2 370 900	2 144 000	-9.57%
Felixstowe*	1 889 002	1 889 002	0.00%
Barcelona	1 791 826	1 804 689	0.72%
Gioia Tauro**	1 448 678	1 705 541	17.73%
Total	**34 433 706**	**33 304 357**	**-3.28%**

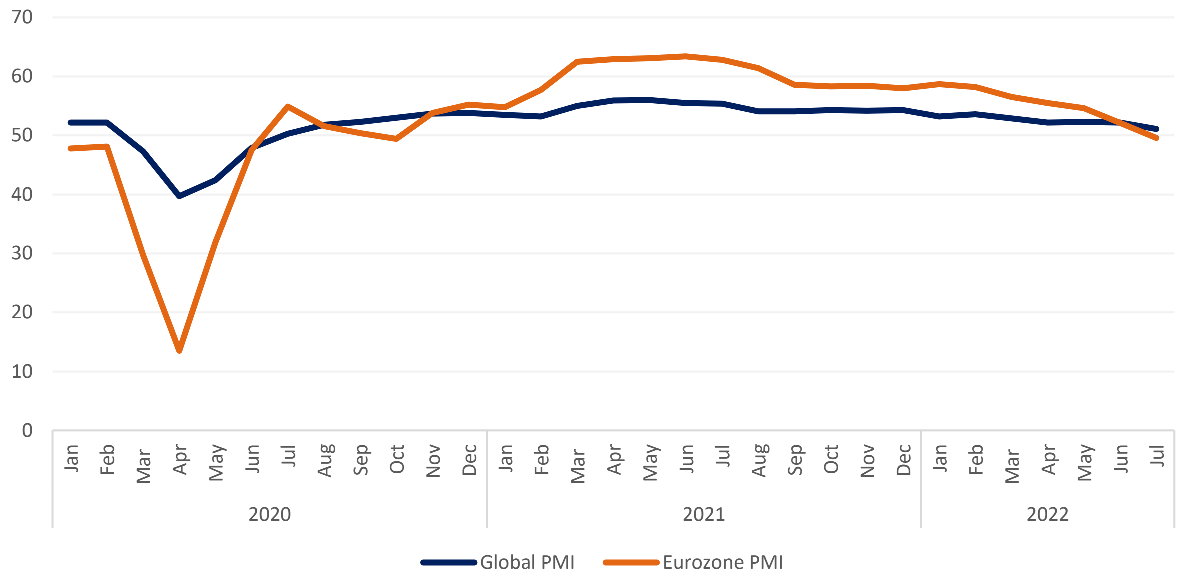
*Data for 2020, lack of data for 2021 and 2022. The port does not reveal the data.

**Data for H1 2022 estimated according to container throughput in the first seven months of 2022

The ranking is closed by **Port of Gioia Tauro** with a container handling result of 1.7 million TEU (+17.73%). In the first quarter of 2022, there was a significant, double-digit increase in container turnover in the port (+28.1% compared to the first quarter of 2021). Growth also continued in the second quarter.

Due to the lack of data on the **Port of Felixstowe**, the authors estimated the result of container turnover as per first half of 2020. It is worth noting that from 21st to 29th of August, for the first time in 30 years, dockers announced a strike after an unsuccessful attempt to get a pay rise (employees are demanding a 7% increase in wages). The strike in the Port of Felixstowe will redirect traffic to other ports that remain very congested.

Graph 1. The Global Manufacturing PMI and Euro-zone Manufacturing PMI index in 2020-2022



The Eurozone PMI[1] index fell below the level of 50 and amounted to 49.8 in July 2022. This is the first sigh of deterioration in the manufacturing sector and the lowest value in 25 months. For the first time since May 2020, there are clear investors' concerns regarding the prevailing economic situation, the ongoing war in Ukraine and disruptions in supply chains. Excluding the time of the pandemic from the analysis, it can be observed that the dynamics of the decrease in the level of new orders is higher than the rate recorded during the financial crisis in 2012. Respondents mainly emphasize the negative impact of inflation on business decisions. The reduction in orders and production activities will have an impact on the volumes handled in ports, especially on container throughput in the second half of the year.

[1] The Purchasing Managers' Index™ (PMI™) is a survey-based indicator of business conditions, which includes individual measures ('sub-indices') of business output, new orders, employment, costs, selling prices, exports, purchasing activity, supplier performance, backlogs of orders and inventories of both inputs and finished goods, where applicable. The surveys ask respondents to report the change in each variable compared to the prior month, noting whether each has risen/improved, fallen/deteriorated or remained unchanged. These objective questions are accompanied by one subjective 'sentiment' question asking companies whether they forecast their output to be higher, the same or lower in a year's time. The PMI is widely used to anticipate changing economic trends in official data such as GDP, or sometimes as an alternative gauge of economic performance and business conditions to official data, as the latter sometimes suffer from delays in publication, poor availability or data quality issues. The PMI is produced globally by IHS Markit although a small number of trade associations also produce local PMIs in certain markets, such as the ISM in the United States. PMI was originally compiled for manufacturing, IHS Markit pioneered the extension of coverage to other sectors in the 1990s, including services, construction and retail.

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Port Monitor is a series of periodic reports regarding the seaports markets in the Baltic Sea, as well as on European and global scale. This reports has been prepared by the Consulting Department at Actia Forum, specializing in market surveys in transport, tourism and environment as well as European projects and business counselling.

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