

SHIPPING REVIEW

COMMENT

Excellent Shortsea Links

There are very well established direct shortsea connections between Ireland and the Netherlands. It is the busiest Irish-Continental shipping route with 23 direct lolo services between the two countries with a total weekly capacity of an estimated 12,331 TEU's. Freight flows between Ireland and Northern Europe that pass through the Netherlands show that 53 per cent of imports come from Scandinavia (Norway, Sweden and Finland), Denmark, Germany, Poland, Czech and Slovakia, Latvia, Lithuania and Estonia. An estimated 56 per cent of goods are exported to the region via the Netherlands. Freight from the Netherlands to Ireland also has origins throughout Europe¹.

Deep-sea Connections

Rotterdam is Ireland's main transshipment hub for deep-sea cargo. In the past five years container transshipment at the port of Rotterdam has risen to 1.3 million TEU and by the year 2020 this figure is expected to increase fourfold. There are direct shortsea and feeder services operating between Ireland and Rotterdam. One such feeder service is the new APL service from Dublin and Cork, connecting Ireland with APL's Asia and America's services at Rotterdam.

As one of the world's busiest deep-sea hubs, Rotterdam is served by the world's largest deep-sea shipping lines including Maersk Sealand, Safmarine, APL, P&O Nedlloyd, Hanjin, NYK, CMA CGM, Evergreen, K line, OOCL, Yang

Ming to name but a few. Most of these lines, in turn, operate feeder services to smaller European ports including Ireland.

The majority of shortsea and feeder traffic from Ireland calls to the European Container Terminals (ECT) at Rotterdam. The Port of Rotterdam has 2 car terminals, 16 multi-purpose terminals, 8 container terminals, 18 dry bulk terminals, 17 liquid bulk terminals, and 10 ship-to-ship transfer facilities. ECT handles over three quarters of all containers at the port of Rotterdam and is operated 24 hours 7 days a week. The port of Rotterdam has plans to extend the port with the Maasvlakte 2 Project. The project will extend the port out to sea by approximately 1,000 hectares of industrial area for deep-sea related customers in chemicals, new industry and container handling along with associated distribution services.

New Services

Four new load-on load-off direct services between Ireland and the Netherlands have been introduced over the last 9 months. AC Line and Xpress Container Line initiated new weekly services between Dublin and Rotterdam in October 2004. Teamlines inaugurated a new container service between Rotterdam and Shannon Foynes on the western seaboard of Ireland in November 2004. The latter provides a much-needed link with the west of Ireland, where major industrial and internationally traded firms are located.

Lolo Traffic between Irish Ports & Port of Rotterdam 2003

	Total	Inwards	Outwards
Total TEU's	524,035	265,482	258,553
Loaded TEU's	419,673	170,182	249,491
Empty TEU's	104,362	95,300	9,062

Source: Port of Rotterdam

Feeder Costs for Containers between Ports

Route	€ Cost
Rotterdam - Dublin	Direct 525
Rotterdam - Waterford	Direct 900
Dublin - Holy Head, Hull - Rotterdam	via UK landbridge 762

Source: Logisticon, 2003

Cost of Door-to-Door Transport from Ireland

Destination	Destination port	Sea cost	Total door-to-door cost*
Amsterdam	Rotterdam	525	642
Krakow	Rotterdam	525	1,892
Prague	Rotterdam	525	1,526
Bratislava	Rotterdam	525	1,860

Source: Logisticon, 2003

*includes road costs

¹Logisticon, 2003

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Early in 2005, APL launched a new shortsea service between Dublin, Rotterdam, Zeebrugge and Cork. The frequency of existing services has also increased with operators such as Eucon and BG Freightline now offering twice weekly services between Dublin, Cork, Belfast and Rotterdam. BG Freightline now also has a direct weekly service from Warrenpoint and Rotterdam. Overall an additional 2,620 TEU capacity has been added to the route.

Congestion

Traffic volumes at the Dutch port of Rotterdam have increased substantially, with 2004 total throughput increasing by over 7 per cent² adding to the trend of exponential volumes. The sustained growth in container volumes has led to the major problem of congestion, which has had a knock-on-effect for traffic at Irish ports. At both ends (Irish and Dutch ports) new measures have been implemented to try and ease this problem through electronic booking systems for trucks and increasing capacity at ports. The operating consequences of congestion have recently compelled barge operators (taking cargoes on along waterways such as the Rhine) at Rotterdam to levy surcharges on the carriers due to the extra containers needing to be handled. The shipping lines have subsequently passed these charges on to the terminal operator who in turn increased their levy.

Rotterdam not only serves as a gateway to the rest of Europe but also acts as a transhipment hub for goods from or to Ireland. Many of the shortsea services have connections in Rotterdam with deep-sea vessels.

The majority of the larger operators such as APL, Maersk and P&O Nedlloyd operate feeder services. These services connect cargo from other European regions with the deep-sea services at the Port of Rotterdam. Congestion over the past 2 years has been a major problem for these operators and therefore precedence is now given to the dedicated feeder services of these deep-sea operations, in order to reduce waiting times and costs.

Ro-Ro Option

Freight from Ireland to the Netherlands is also transported via the UK landbridge, the main route for driver-accompanied trailers³, but costs are approximately 30 per cent higher than the lolo option. According to recent research by Logisticon, the transport of a freight unit between Dublin and Rotterdam via ro-ro and UK landbridge is approx. €762 compared to approx. €525⁴ for direct via lolo. Over the past 2 years the cost of transport has increased substantially due to port congestion, increased taxes, charter rates and rising fuel costs⁵.

Maritime Services between Ireland and Netherlands

Route	Operator	Frequency	Capacity
Dublin - Rotterdam - Warrenpoint	AC Line Ireland	1/wk	390teu
Cork - Rotterdam	BG Freightline	1/wk	520teu
Rotterdam - Cork - Dublin	BG Freightline	1/wk	750teu
Dublin - Rotterdam	BG Freightline	1/wk	700teu
Belfast - Rotterdam - Felixstowe	BG Freightline	1/wk	707teu
Rotterdam - Belfast	BG Freightline	1/wk	290teu
Dublin - Rotterdam	Eucon/Eurofeeder	1/wk	750teu
Rotterdam - Dublin - Belfast	Eucon/Eurofeeder	1/wk	660teu
Rotterdam - Dublin - Belfast	Eucon/Eurofeeder	1/wk	510teu
Rotterdam - Dublin - Cork	Eucon/Eurofeeder	1/wk	700teu
Cork - Belfast - Rotterdam	Eucon/Eurofeeder	1/wk	624teu
Drogheda - Rotterdam	Geest/Norfolkline	2/wk	560teu
Dublin - Rotterdam	Geest/Norfolkline	1/wk	650teu
Dublin - Liverpool - Grennock - Rotterdam - Lisbon - Leixoes	Mac Andrews	1/wk	660teu
Waterford - Rotterdam	Norfolkline	2/wk	960teu
Dublin - Belfast - Rotterdam	Seawheel	1/wk	340teu
Rotterdam - Cork	Seawheel	1/wk	280teu
Dublin - Cork - Rotterdam	Seawheel	1/wk	280teu
Belfast - Dublin - Rotterdam	Seawheel	1/wk	280teu
Shannon Foynes - Rotterdam	Teamlines	1/wk	320teu
Dublin - Rotterdam	Xpress Container Line	1/wk	1,400teu
Cork - Rotterdam	Xpress Container Line	1/wk	
Cork - Dublin - Rotterdam - Zeebrugge	APL	1/wk	510teu
Total		23/wk	12,331 teu

Source: IMDO

Note: This schedule is likely to change without notice. To confirm timings and frequencies, it is advisable to contact the agent.

²Port of Rotterdam, Port Statistics ³Another route is via France with direct freight services from Rosslare to Cherbourg/Roscoff

⁴Logisticon, 2003 ⁵IMDO, 2004

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Trade Links

The Netherlands is one of Ireland's top main trading partners. In 2004, the total value of merchandise exports for Ireland was an estimated €83 billion and the value of imports was approximately €50 billion. The value of exports to the Netherlands was over €3 billion, accounting for 6 per cent of total exports. This ranks the Netherlands as Ireland's 6th largest export market.

In terms of imports, Ireland imported goods to the value of €1.9 bn in 2004, up 12 per cent on the previous year⁶. This figure represents 5 per cent of total imports ranking the Netherlands as Ireland's 7th largest import market.

Ireland's biggest export to the Netherlands in 2004 was office equipment and data processing machines but it is also the largest import from the Netherlands, indicating the strong direct links between Ireland and Netherlands in the

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Business Links

The Netherlands and Ireland traditionally have strong business and commercial links. Dutch companies form the fifth largest grouping of overseas companies in Ireland⁸. Over 70 Dutch companies operate in Ireland, employing around 4,500 people⁹. They cross all categories of goods and services and include world leaders in banking, electronics, pharmaceuticals, foods and beverages. Ireland offers a competitive business environment with a low corporate tax rate coupled with a highly skilled workforce. The Netherlands has set up a number of organisations in

ICT sector. Organic chemicals, Ireland's largest overall export are the third largest export in value terms to the Netherlands. Organic chemicals does not feature as a main commodity exported to Netherlands in volume terms indicating its high added value to low volume ratio.

The European internal market has been operating for 10 years. Economic growth in the EU is moving away from traditional industrial and manufacturing economies and is now being driven by services, which is seen by many countries as the way forward in the future. This is such a priority that the Irish and Dutch governments have joined forces offering joint support for the implementation of the European Commission's Strategy for Services. This is a framework for reducing barriers to trade and developing the internal market for commercial services⁷.

Ireland to assist companies wishing to set up business 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, the Ireland Netherlands Business Agency and Enterprise Ireland is an agency that specialises in developing Irish business abroad. (for contact details see below)

Dutch Companies in Ireland

Sector	No. of Employees
Banking & Finance	
ABN AMRO	160
ING Bank	41
Rabo Bank	46
Environmental	
AVR - Safeway (waste mngt)	22
Grondij/TES consulting Engineers	19
Manufacturing Food	
Nutricia Manufacturing Irl Ltd	230
Unilever/Van de Berg	638
Manufacturing Electronics	
Philips Electrical	605
Manufacturing Plastics	
Wavin	117
Beverages	
Heineken	450
Pharmaceutical	
Organon	600

Source: IMDO

AGENCY DETAILS

Netherlands Embassy in Ireland:

www.netherlandsembassy.ie/index.htm

The Netherlands is committed to the development of shortsea shipping and is a member of the European Short-Sea Network (ESN)

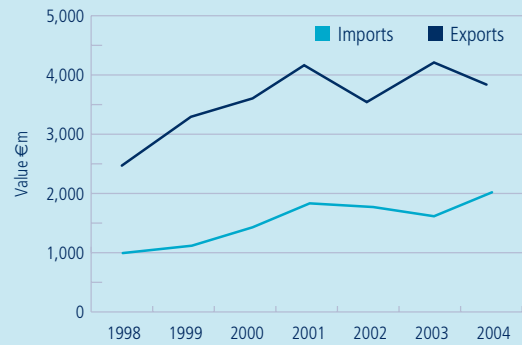
www.shortsea.nl

Value of Merchandise Trade 1998 - 2004

Period	Imports € m	% Change	Exports € m	% Change
1998	971		2,493	
1999	1,052	8%	3,273	31%
2000	1,380	31%	3,627	11%
2001	1,860	35%	4,237	17%
2002	1,822	-2%	3,410	-20%
2003	1,679	-8%	4,184	23%
2004	2,187	30%	3,814	-9%

Source: CSO, 2004

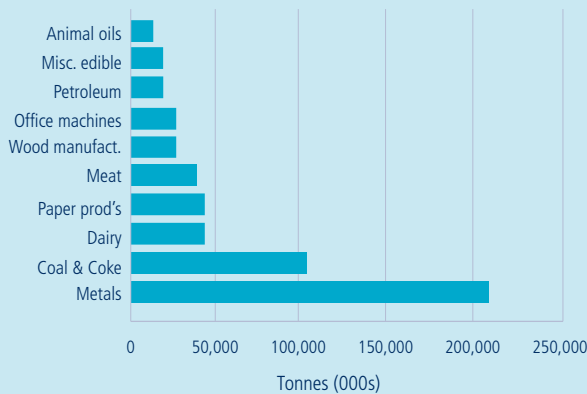
Value of Trade Between Ireland and Netherlands



Source: CSO, 2004

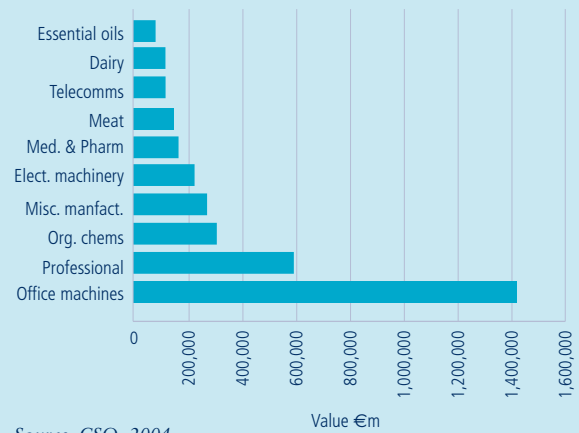
Trade to/from Netherlands by Main Commodity

Volume of Exports to Netherlands by Commodity 2004



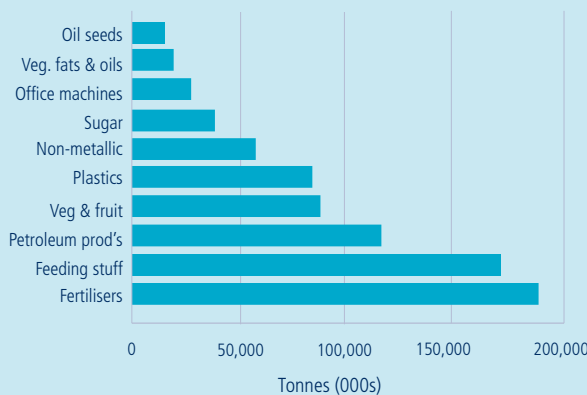
Source: CSO, 2004

Value of Exports to Netherlands by Commodity 2004



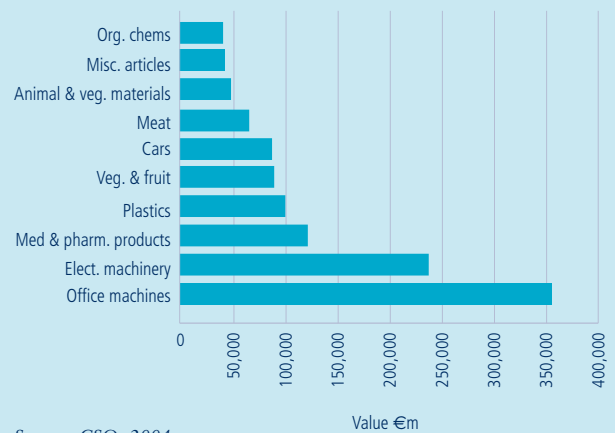
Source: CSO, 2004

Volume of Top 10 Imports from Netherlands 2004



Source: CSO, 2004

Value of Top 10 Imports from Netherlands 2004



Source: CSO, 2004