

SHIPPING REVIEW



Traffic

Poland is strategically positioned in the Baltic region. Backed by a long maritime tradition, the Polish ports of Gdynia, Gdansk and Szczecin serve as the primary gateways to the Baltic countries. The accession of Poland to the EU has opened new opportunities to expand existing shortsea links between Ireland and Poland. The main shipping services are tramp services although increased throughput of containers at the ports of Szczecin, Gdynia and the new deep water development planned for Gdansk are all expected to increase the choice and frequency of liner services.

Fast Shipping based in Drogheda provides a regular direct scheduled service between Ireland and Poland. The line offers a conventional cargo service twice a month between Drogheda Port and Szczecin. EuroAfrica of Poland has two vessels serving Ireland via UK ports. Forwarders in Ireland who specialise in Poland include DFDS Transport, DHL Freight, ILCS and Irish Shipping and Transport. In terms of additional forwarding services, the Jenkinson group and Kuehne & Nagel include Poland in their scheduled itinerary with weekly departures to Poland.

Traffic Growth

Gdynia, Gdansk and Szczecin all benefited from an increase in container handling volumes in 2004. The increase in traffic can be linked to Poland's accession to the EU, where foreign trade has increased. Poland is currently

undergoing developments to create feeder links to Western Europe and now has successful links with hub ports such as Rotterdam. With the proposed development at the port of Gdansk, new deep-sea routes will also be put in place.

The character of Poland's trade is illustrated by the breakdown of traffic handled at Polish ports. In 2004, bulk traffic accounted for the lion's share of tonnage handled at Polish ports, accounting for 73 per cent of all tonnes handled. By contrast, the proportion of unitised traffic accounted for 27 per cent of tonnage handled¹. Similar to Ireland, it is expected that the trend toward more unitised trade will continue in the medium to long term as trade is opened up as a result of accession.

Port Facilities

The port of Gdansk is divided into two areas. The inner port caters for general cargo including container and bulk cargoes, capable of accepting vessels of 225m max length and 10.2m length draught. The northern port specialises in the handling of coal, crude oil, LPG and liquefied fuels. It can accommodate tankers and bulk carriers of up to 330m length and max draught of 15.0m.

Gdynia offers handling facilities for all types of cargo. The Baltic grain terminal has two berths equipped with Swiss and Italian handling facilities for the transfer of grain. The terminal at Gdynia can also facilitate all bulk and break bulk cargoes with warehouses and a dedicated Ro-Ro terminal. For container traffic, the Baltic terminal has 4 container berths with ship to shore gantry cranes and rail links. Gdynia's maritime bulk terminal is equipped to handle, store and distribute all types of dry and liquid bulk cargoes.

Szczecin, meanwhile, has 5 general cargo terminals capable of handling and storing bulk and break-bulk cargoes including containers. The port also has 4 grain terminals capable of handling and discharging cargo with specialised conveyor and pneumatic handling facilities. Szczecin also handles coal and cement at specialist bulk terminals.²

Total Traffic Handled at Polish Ports, 2003

	Total	% Share
Total Traffic (000 tonnes)	53,196	
Coal & Coke	13,423	
Ore	2,190	
Grain	2,344	
Timber	205	
Oil & Oil Products	10,064	
Other Bulk Cargo	8,658	
Other Liquid Bulk	2,176	
Bulk Total	39,060	73%
General Cargo	14,136	27%
of which = containers	2,679	

Source: Central Statistics Office, Poland

¹Central Statistics Office ²www.maritime.com.pl

Regional Investment

Baltic Maritime trade is increasing primarily due to the accession of Baltic States into the EU, and the maturity of older Ro-Ro and Ro-Pax markets such as Ireland and the UK. Recognising the growth potential, Stena line has invested \$61 million in the form of the Ro-Pax vessel, 'Stena Nordica', which will serve Karlskron/Sweden/Gdynia³. Stena see the potential of increased earnings from the Ro-Ro and Ro-Pax sector and predict that the shortsea shipping links will be extended. While the main ports in Poland have the ability to deal with increased volume of cargoes, it is feared that the supporting infrastructure may be inadequate. Consequently, new logistics centres are being created and the national infrastructure is being developed with €40.6 million of EU aid. By 2007, there is expected to be a fast express road that will link the ports to the A1 motorway, a new development that will connect the ports with its hinterland. The A1 development will provide the shortest and quickest route to Scandinavia and South East Europe. In parallel to Poland's investment in infrastructure and the increase in trade volume, is the planned new deep-water container terminal at Gdansk that will serve vessels of up to a maximum draught of 15m.

Trade

Poland is the largest of the accession states to join the EU by geographical coverage and population (312,685 sq km & population 38.6 million). In 2004, the total value of exports from Ireland to Poland was €263 million and the value of imports reached €130 million, placing Poland as 27th amongst Ireland's trading partners⁴.

The industrial structure of Ireland's economy has changed over the past few years and trade by value with Poland reflects this trend. As a result of the changing economic structure of both countries, the trade in volume of exports to Poland has seen a decline of 38 per cent for the period of 1998-2004⁵ with a positive increase of 8 per cent in the value of trade for the same period. The pattern of trade shows a movement away from the traditional industries such as agriculture and raw materials towards the supply and demand of IT and associated equipment that has a high value, low volume ratio.

Poland, as a newly acceded state to the EU and as a member of the European Commission, is regulated by EC trade regulations. Such regulations as the EC directive on the free flow of goods and services reduce the barriers to foreign trade. The restructuring of Poland's economy has also seen a change to more modern industries such as IT, office equipment and telecommunications. Poland's currency remains the Zloty and since its accession to the EU the currency has appreciated. This has caused some concerns to industry such as shipbuilding whereby the increase in the cost of steel has affected companies' profit margins. The European Commission predicts a projected growth in Polish

trade of 10 per cent per annum for the next few years, and with such high unemployment the national wage still remains low.

Irish Trade value with Poland 1998-2004 shows that trading links between the two countries are quite strong. The value of exports to Poland show a steady increase between 1998 and 2004, with an average annual growth of 8 per cent for the period. A key driver in the growth was demand in the Information Communications Technology sector⁶.

In 2004, the largest export commodity from Ireland to Poland was office machines and data processing equipment, accounting for 34 per cent of total exports by value to Poland. The second largest export commodity by value from Ireland to Poland is telecommunications equipment. Two other sectors which have experienced a marked increase in export trade is the pharmaceuticals and electrical goods sector which in 2004 accounted for market share of 10 per cent and 9 per cent respectively.

A different picture emerges when examining exports from Ireland to Poland by volume. The largest export trade by volume is fish and molluscs, which in 2004 accounted for 27 per cent of exports to Poland. Other notable voluminous exports include oil seeds and office machines.

In 2004, the largest import commodities to Ireland from Poland were coal, coke and briquettes, accounting for 15 per cent of all imports by value to Poland. The second largest import commodity by value from Poland is electrical machinery. Two other sectors, which are important markets for Polish exports to Ireland, are telecommunications & sound equipment and manufactures of metals, which in 2004, were worth €11 million each.

In terms of imports by volume from Poland, the most imported commodity to Ireland is coal, coke & briquettes, accounting for 71 per cent of total imports by volume.

Business Links

The relationship between Ireland and Poland has continued to strengthen politically, economically and culturally since Poland's economic transformation from a centrally planned economy into a market economy in 1990. Irish-Polish trade by value has continued to increase year on year since 1998 and Poland's accession to the EU in 2004 has enabled foreign investors to benefit from Poland's growing economic markets.

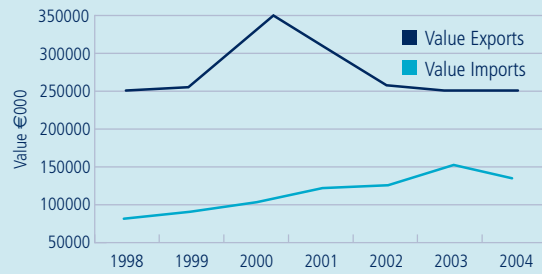
The Polish community in Ireland now contribute to the economic and social life of the country, since the Irish government's decision to open up its labour market to Poland and EU member states. Based in Dublin is the Polish Embassy that offers support and advice to the Polish community who wish to develop business and trade links with Ireland.

Value of Trade Between Ireland and Poland

Period	Exports (€000)	% Change	Imports (€000)	% Change
1998	€243,438		€72,078	
1999	€254,026	4%	€87,604	22%
2000	€361,023	42%	€102,607	17%
2001	€319,093	-12%	€120,952	18%
2002	€282,908	-11%	€126,612	5%
2003	€259,607	-8%	€158,139	25%
2004	€263,207	1%	€129,467	-18%

Source: CSO

Value of Trade Between Ireland and Poland



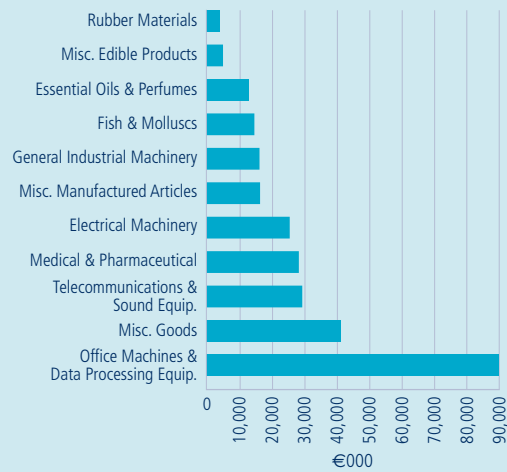
Source: CSO

Value of Exports to Poland by Commodity 2004

Commodity	Value (€000)
Office Machines & Data Processing Equip.	89,809
Telecommunications & Sound Equip.	28,563
Medical & Pharmaceutical	27,519
Electrical Machinery	22,517
Misc. Manufactured Articles	12,847
General Industrial Machinery	12,792
Fish & Molluscs	10,783
Essential Oils & Perfumes	8,941
Misc. Edible Products	4,777
Rubber Materials	3,143
Other Goods	41,516
Total	263,207

Source: CSO

Volume of Exports to Poland by Commodity 2004



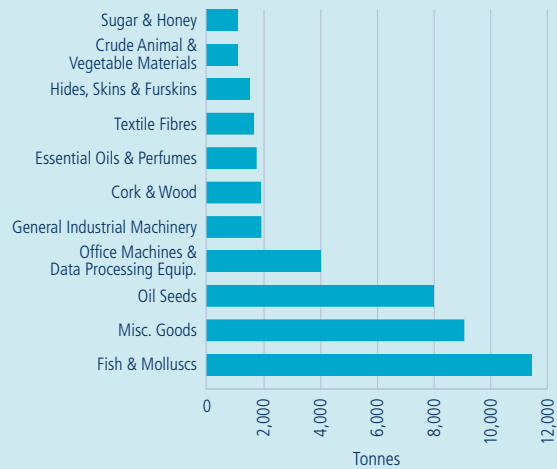
Source: CSO

Volume of Exports to Poland by Commodity 2004

Commodity	Tonnes
Fish & Molluscs	11,121
Oil Seeds	7,979
Office Machines & Data Processing Equip.	3,728
General Industrial Machinery	1,582
Cork & Wood	1,564
Essential Oils & Perfumes	1,470
Textile Fibres	1,379
Hides, Skins & Furskins	1,221
Crude Animal & Vegetable Materials	1,048
Sugar & Honey	1,042
Other Goods	8,940
Total	41,074

Source: CSO

Value of Exports to Poland by Commodity 2004



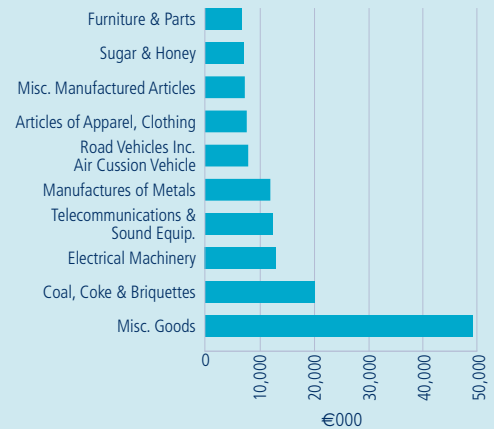
Source: CSO

Value of Imports from Poland by Commodity 2004

Commodity	Value (€000)
Coal, Coke & Briquettes	20,067
Electrical Machinery	11,449
Telecommunications & Sound Equip.	10,837
Manufactures of Metals	10,487
Road Vehicles Inc. Air Cussion Vehicles.	6,228
Articles of Apparel, Clothing.	5,985
Misc. Manufactured Articles.	5,673
Sugar & Honey	4,965
Furniture & Parts	4,690
Other Goods	49,086
Total	129,467

Source: CSO

Value of Imports from Poland by Commodity 2004



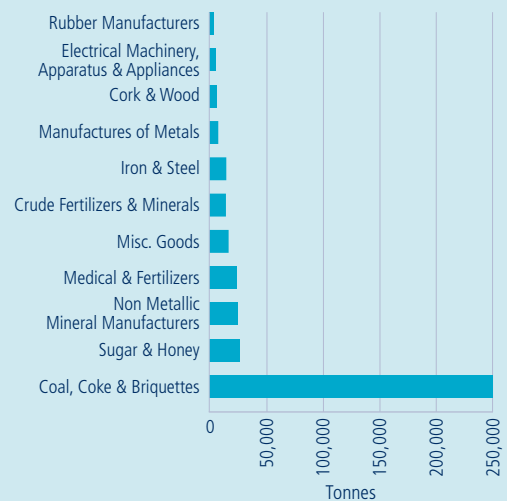
Source: CSO

Volume of Imports from Poland by Commodity 2004

Commodity	Tonnes
Coal, Coke & Briquettes	251,227
Sugar & Honey	24,450
Non Metallic Mineral Manufacturers	21,901
Fertilisers	18,580
Crude Fertilisers & Minerals	8,251
Iron & Steel	7,800
Manufactures of Metals	3,929
Cork & Wood	2,504
Electrical Machinery, Apparatus & Appliances	2,310
Rubber Manufacturers	2,102
Other Goods	11,948
Total	355,002

Source: CSO

Volume of Imports from Poland by Commodity 2004



Source: CSO

AGENCY DETAILS

Polish Embassy in Ireland:
www.polishembassy.ie

Poland is committed to the development of shortsea shipping and is a member of the European shortsea Network (ESN)
www.shortsea.pl