

More growth in ferry and ro-ro, new passenger record

Capital expenditure by Rostock Port increases to peak value of 40 million Euros

Rostock Overseas port handled a total of 25.6 million tonnes of cargo in 2018. This is equivalent to a market-induced decrease of just under four percent compared to the high result of the previous year (2017: 26.9 million tonnes). Especially in dry bulk the amounts handled remained below those of previous years. On the other hand ro-ro and ferry traffic was able to continue its stable growth with a plus of four percent against 2017. In order to further increase the attractiveness and efficiency of Germany's largest universal port on the Baltic Sea coast, ROSTOCK PORT GmbH will invest more than ever in a single year in the development and extension of port infrastructure in the course of 2019. At 40 million Euros the capex will reach a new record level. The other ports in Rostock such as the cargo and fishing port and the chemical port together notched up a handling result of 1.8 million tonnes in 2018.

Cargo handling business

At the traditional press briefing on annual results at the start of the New Year in Rostock the two managing directors of ROSTOCK PORT GmbH, Jens A. Scharner and Dr. Gernot Tesch, discussed the 2018 trend in the handling business at the overseas port in detail. Dr. Tesch pointed out that the various segments have been developing very dissimilarly. „The once again strong growth in ferry and ro-ro traffic is particularly gratifying since this is traditionally the segment that carries the high-value goods in the Baltic. The strong increase in ferry passengers is equally positive“. In view of the other handling areas Jens A. Scharner added: „As a result of the lower tonnage this growth was however not sufficient to fully compensate for the shortfall of amounts handled in the high-tonnage dry bulk cargoes. These losses are due to a variety of special factors such as a poor harvest and planned maintenance

work at important forwarders, which do however occur only temporarily and therefore do not constitute a general trend.”

All told, Rostock overseas port logged 7,649 port calls by ferry and ro-ro vessels, tankers, freighters and cruise liners last year, of which 6,034 port calls were made by ferry and ro-ro vessels.

Dry bulk handling in 2018 was 17 percent below the level of the previous year with a total of 5.8 million tonnes handled. Especially the handling of wheat, barley and rapeseed was very much on the decline. Compared to 2017, around 700,000 tonnes less were shipped in this division. Losses of handling amounts also occurred in the handling of fertilizer (-7%), cement (-32%) and coal (-30%). In the case of cement the high demand of the domestic building industry led to shrinking exports while the import of coal was negatively influenced by the audit of the coal-fired power station in Rostock, which went on for months. Planned maintenance work at the fertilizer plant in Rostock caused a decline in fertilizer exports. The handling of building materials showed a positive trend overall.

With an annual result of approx. 2.3 million tonnes grain handling remains the main dry bulk cargo at the overseas port despite declines in wheat and barley export. „A further step towards upgrading Rostock as a grain export site was the commissioning of a new grain silo and grain loading facility with 160,000 tonnes of silo capacity and an additional loading capacity of 1,200 tonnes of grain per hour on pier 4 towards the end of last year“, explains MD Scharner.

At 2.3 million tonnes the handling of **liquid goods** was about 400,000 tonnes below the level of last year. The declines resulted mainly from cargo shortfalls in the import of naphtha. These were caused by maintenance work at the location of the chemical company DOW in Böhlen, Saxony. In 2018 Rostock handled more ethanol but less fuel oil, gas oil/diesel fuel and petrol.

Handling of **general cargo** experienced a drop by 60,000 tonnes to 580,000 tonnes in the space of a year (-8%). While the loading of pipes increased and the bottom line for zinc, wind power plants and cellulose was also above the level of last year, fewer rotor blades, crane facilities and sheet metal were hoisted over the sides.

Wheeled cargo

Handling of wheeled cargo, i.e. ferry and ro-ro goods again increased in 2018. All told the amount went up by 600,000 tonnes to 16.9 million tonnes (+4 percent). The share of wheeled cargo in the total handling of Rostock overseas port thus amounted to 66 percent.

In particular the number of truck units carried on the ferry and ro-ro connections to and from northern Europe increased significantly: from 383,373 in 2017 to 406,223 last year. That means a plus of six percent. There was also a slight increase in the number of trailers handled: from 127,968 to 128,388 last year.

An increase of six percent to 570,600 compared to 2017 was also notched up in the number of cars, mobile homes and caravans carried. „High growth rates in accompanied truck and car traffic were again the highlights of the cargo trend at the overseas port in 2018. In particular we are very pleased with the performance of the traffic to and from Denmark and Sweden“, said Dr. Gernot Tesch. The number of ferry passengers carried on the services to northern Europe achieved a new top score of 2.55 million travellers.

The number of railway wagons carried to and from Trelleborg also increased from 14,564 to 15,605 (+6.5%).

900,500 tonnes of paper and cellulose were loaded and unloaded at the overseas port in 2018 and thus almost eight percent more than in 2017. The lion's share of the paper handling is provided by UPM. The Finnish paper group concentrated its paper business in the southern Baltic at Rostock in early 2015. „An additional shed for high value-added general cargo was commissioned by Euroports at the end of last year. This has significantly contributed to improving the storage and handling quality“, explains Jens A. Scharner.

„In order to establish further logistics and industrial companies it is mandatory to provide sufficient areas adjoining water depths suitable for sea-going vessels. Also it is high time to tackle the provision of areas for the coming decades by means of a port extension beyond its present borders in addition to the ongoing internal optimization of land use“, added Dr. Tesch.

Intermodal transport

Handling of intermodal load units in Intermodal Transport in the year 2018 was on the level of the previous year at around 80,000 units.

Currently there are 37 intermodal trains operating weekly to and from Verona (14), Cervignano (3) and Treviso (2) in Italy, to and from Hamburg (3), Karlsruhe (3), Wuppertal (3) and Halle/Schkopau (2) as well as to and from Brno (6) in the Czech Republic and Curtici (1) in Romania.

Declining numbers in the first six months of 2018 are in particular due to the discontinuation of the service between Rostock and Wels at the turn of the year 2017/18 and to the reduction of the service to the Ruhr to three departures per week.

It is all the more gratifying that new intermodal connections to northern Italy and south-eastern Europe were opened in the second half of 2018. These two intermodal train concepts with three weekly round trips between Rostock and Cervignano (Italy) and one departure per week to Curtici (Romania) were initiated by the Austrian Intermodal specialist LKW WALTER. It has also been possible to steadily extend the block train connection of Stena Line, DEUCON and Pressnitzalbahn between Rostock and various destinations in central Germany.

„With the new intermodal connections we have managed to initiate a reversal of the trend from the middle of the year onwards and get back to the level of the previous year. In the new year individual train services are to be given a greater frequency and further destinations are to be added“, announced Dr. Tesch.

Cruise shipping

During the 2018 cruise season a total of 923,000 cruise travellers embarked or disembarked in the course of 206 port calls by holiday vessels. 110 port calls involved a full or partial turnaround of passengers. „ROSTOCK PORT is proud of the demand and the trust shown by cruise operators and guests. Warnemünde is and remains the most popular German port for international guests and also an important starting point as well as destination for German-speaking cruise tourists“, stated MD Scharner.

The 2019 cruise season will start in Warnemünde on 19 April with the arrival of the cruise liner *MSC Poesia* of the Italian shipping company MSC Crociere. In all, 199 port calls by 41 cruise liners are expected on 117 days of the upcoming year. 187 times the ships will berth in Warnemünde and twelve times at the overseas port. Seven vessels will be heading for the mouth of river Warnow for the first time: *Aegean Odyssey*, *Celebrity Reflection*, *Nieuw Statendam*, *Norwegian Pearl*, *Seabourn Ovation*, *Silver Spirit* and *Viking Jupiter*.

Germany's largest cruise shipping company, Rostock-based AIDA Cruises, will for the first time send three of its vessels to Warnemünde regularly, *AIDAaura*, *AIDAdiva* and *AIDamar*.

The Swiss-based shipping company Viking Ocean Cruises has included Warnemünde 20 times in the schedules of its four sister vessels *Viking Jupiter*, *Viking Sea*, *Viking Sky* and *Viking Sun*. The shipping company Pullmantur has announced to change its passengers once again in Malmö in the future. The reason for this is the increased demand for cruises to Norway and at the same time a lower demand for Baltic Sea cruises among Spanish cruise tourists. In the 2019 season Pullmantur will however continue to use the cruise terminal at Rostock/Warnemünde as a port of transit for its four Baltic Sea cruises.

Apart from the 45 port calls involving turnarounds of passengers by AIDA Cruises, 47 port calls with partial turnarounds of passengers are planned by the Italian shipping companies Costa Crociere and MSC Crociere and by the US shipping company Princess Cruises, during which mainly Italian and German passengers will embark or disembark.

The sailing list for 2019 includes 34 port calls by cruise liners with an overall length of more than 300 meters: *Celebrity Reflection* and *Celebrity Silhouette* with 319 meters length each, *Norwegian Getaway* with 326 meters in length as well as *Regal Princess* (330 meters). *Norwegian Getaway* is the largest vessel of the coming season with a gross register tonnage of 145,655.

Projects and investments

„In 2018 ROSTOCK PORT GmbH has invested around 18 million Euros in the infrastructure and the improvement of processes at the port“, MD Scharner stated, referring to projects for the further development of the port that were either completed or got off the ground. Five major projects saw the start of

construction last year: the new building of berth 23, the upgrading of berth 15 on pier 3 for heavy loads, the new building and/or optimization of berths 50 and 62/63 as well as the construction of a new terminal building in Warnemünde.

Construction for the renewal of berth 23 with a length of 270 meters started on the western side of pier 3 in mid-2018. It is part of the dry bulk terminal and together with berth 24 it is predominantly used for the import of hard coal for the nearby power station. The existing quay structure is more than 50 years old and in need of reconditioning. In the course of the building work the load bearing capacity of the quay area will be increased from two to five tonnes per square meter. In order to be able to serve larger bulk carriers and thus increase the efficiency of handling operations the water depth at berth 23 must be increased from currently 11.50 to 14.50 meters. In the area adjoining berth 24 to the north the quay structure is already being prepared for the future deepening to 16.50 meters water depth. Including the necessary dredging the project is to be completed in the first three months of 2020. A total of 17 million Euros will be invested”, states MD Dr. Tesch.

MD Scharner adds: „The entire project with this high volume of investment was at the same time the starting signal for the hydraulics construction at Rostock overseas port geared towards the planned deepening of the navigational channel. The aim is to enable large bulk carriers to call at adequate berths in the port immediately after the deepening of the navigational channel planned by the German government”.

On the eastern side of pier 3, civil engineering works have been under way since the summer of 2018 to upgrade the surfaces in the area of berth 15 for heavy loads. A special quay with heavy-duty tracks for a mega crane of the company Liebherr is being built here. „This improves our chances for establishing further companies and for canvassing very heavy project cargoes”, informs Dr. Tesch. The renewal of the quay is to be completed in the second quarter of 2019. ROSTOCK PORT GmbH invests approx. 7.5 million Euros here.

In order to be able to handle ships with a length up to 220 or 250 meters, respectively, in the ferry and ro-ro division, building work began last year to extend and rearrange berths 62 and 63. By renewing the transverse quay at port basin A in the area of berth 50 it will be possible for ro-ro vessels with a length up to 250 meters to berth here in the future. In addition, two handling ramps are being built there. The activities are to be completed still in 2019.

In order to improve the quality and safety in the cruise shipping division in Warnemünde the federal state, the Hanseatic and University City of Rostock and ROSTOCK PORT are together going to invest more than ten million Euros in the construction of an additional terminal building at berth P8. The building is to have a total length of 186 meters and a width of 30 meters. The completion of the building construction work is slated for the 2019/2020 winter half-year.

„By adjusting our facilities to the latest generations of ships, the capital expenditure of 18 million Euros currently under way in the ferry and ro-ro division is creating the preconditions for a further surge of activity at the overseas port“, Dr. Tesch says, explaining the latest capex program by ROSTOCK PORT. For the year 2019 he announced a total investment volume of 40 million Euros, which constitutes a new peak value in the recent history of the company. According to long-term plans a total of 250 million Euros is to be invested in maintaining and extending the maritime infrastructure at the overseas port and in Warnemünde in the course of the next five years.

Environmental protection and sustainability

Currently the planning department of the Hanseatic and University City of Rostock as the responsible authority is conducting the planning for the construction of a shore power installation in Warnemünde. A declaration of intent to this effect on the joint promotion of environmentally friendly and sustainable cruise shipping had been signed with AIDA Cruises in the summer of 2018. The installation is to be commissioned until the year 2020.

Increasing requirements with regard to air quality control in shipping and land transport have also set in motion plans for investing in the construction of a handling terminal for liquid natural gas (LNG) at Rostock overseas port. Last autumn ROSTOCK PORT signed a lease with the Russian gas supplier Novatek who wants to build and operate an LNG terminal on a 2.5 hectare area on pier 4 together with the Belgian company Fluxys. The terminal is to have a gas tank capacity of 25,000 m³, handling equipment and a truck filling station. The targeted annual handling volume is 250,000 m³ of liquid natural gas. According to the investor the LNG terminal is to be completed at the end of 2022.

For further information please visit www.rostock-port.de

Statistics of Rostock overseas port

Main cargo types	2017 (t)	2018 (t)	trend in %	share in %
Liquid goods	2,700,000	2,300,000	-15 %	9 %
Dry bulk goods	7,000,000	5,800,000	-17 %	23 %
General cargo	640,000	580,000	-8 %	2 %
Ferry + ro-ro goods	16,600,000	16,900,000	+4 %	66 %
total	26,940,000	25,580,000	-4 %	100 %