Hungarian Cargo Magazine - Cargo on the Danube International Online Conference
„Status and trends in Danube traffic“

Manfred Seitz
Budapest, 19 May 2021
Course of the presentation

1. Overview of cargo transport on the Danube in 2020
   • Hydrological and economic framework conditions
   • Transport volumes overview
   • Transshipment volumes in Danube Ports
   • Freight rates and bunker fuel prices

2. Trends in Q1/2021 and overall outlook

3. References to publications of Danube Commission
Hydrological and economic framework conditions

Comparably good nautical conditions throughout the year

- Good discharge in first half of 2020 allowed vessel draughts up to 2.5 m in Q1, with maximum of 2.7 m in March; in April, May, July, September close to or at LWRL on Upper and Lower Danube; rainfall in June postponed summer low water period compared to 2019 and allowed most of the time 2.3 to 2.4 m, in November-December decrease in water levels along the entire Danube resulting into 2.0 to 2.1 m.
- No ice conditions, no major floods (3,5 days on Upper and Middle Danube in August)
- Fairway maintenance work (dredging) performed on critical sections
Economic framework conditions

Initial positive economic outlook for core markets (metallurgical, chemical, agricultural industry) effected by COVID-19 pandemic from mid-March despite some recovery in third quarter.

- Decline in raw materials for metal processing industry and for metal products in automotive industry, in construction sector and in manufacturing of industrial equipment; in addition, reduction of metal import quotas into the EU and new customs duties, no stabilization in this market segment until the end of 2020.
- Large volumes of grain and other agricultural products transported from ports on the Middle Danube to ports on Lower Danube (especially Constanța) made it possible to maintain a certain balance of freight transport on the Danube in 2020.
- Petroleum products and products of the chemical industry were (surprisingly) relatively stable during the year.
Inform - Intervene - Communicate

- Provision of daily updated information on COVID-19 measures
- Addressing barriers, contradictions, open questions in legislation; Cases: Maritime Danube ports, quarantine, crew change
- Coordination with EC/DG MOVE, Guidelines, Recommendations, Regulations

Further proposals forwarded to the Member States

- Extension of the validity of the service documents of the crew [shipmaster's certificates, certificates of competency, medical certificates, service books]
- Ensuring the replaceability of crew members
- Recognition of the extension (validity) of ship certificates
- Extension of the validity of certificates of special knowledge of ADN
- Extension of the validity of Certificates of Approval and Provisional Certificates of Approval for carriage within the territories of the ADN Contracting Parties
- Crew change in a foreign port
- Bunkering of fuel, water and food, Urgent repair of ships
- Lock operation, RIS operation
- Electricity supervision and formalities of entry into / exit from ports/ Completion of entry and exit formalities at border crossing points around the clock
- Personal protection measures for ship's crews, etc.
Transport volumes overview

<table>
<thead>
<tr>
<th>2020/in 1.000 tons</th>
<th>Q₁</th>
<th>Q₂</th>
<th>Q₃</th>
<th>Q₄</th>
<th>Total</th>
<th>Diff % 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany &lt;-&gt; Austria</td>
<td>801,8</td>
<td>822,4</td>
<td>342</td>
<td>365,5</td>
<td>2.332</td>
<td>-29,8</td>
</tr>
<tr>
<td>Hungary &lt;-&gt; Slovakia</td>
<td>1.389</td>
<td>1.342</td>
<td>1.197</td>
<td>1.083</td>
<td>5.011</td>
<td>-14,1</td>
</tr>
<tr>
<td>Hungary &lt;-&gt; Croatia/Serbia</td>
<td>1.509</td>
<td>1.575</td>
<td>1.564</td>
<td>1.465</td>
<td>6.113</td>
<td>+9,5</td>
</tr>
<tr>
<td>Sulina Canal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4.549</td>
<td>-17,1</td>
</tr>
</tbody>
</table>

- Motor cargo vessels in cross-border traffic HU(SK) corresponded to 50.8% of the goods transport and 106.8% of 2019.
- Volume transported by motor vessels on the Middle Danube exceeded by 30% the volume recorded in 2019.
- Decrease in transport demand in certain periods and decrease in vessel utilization: e.g. average loading of motor vessels of 110 m in cross-border traffic DE(AT) in period May-June was 15% lower than in same period of 2019. This situation was also observed for transport with pushed convoys on other stretches of the Danube.
• Volume of goods transported through Gabčíkovo locks came to 5,011,000 t in 2020 (85.9 % of 2019)
• 4,225,000 t of dry goods (upstream 3,096,000 t and downstream 1,129,000)
• 786,000 tons of liquid cargo (206,000 tons upstream, 580,000 tons downstream)
• 3,299,000 t upstream transit traffic (65.8 % of total)
• 2,482,000 t with pushed convoys (49.2% of total and 71.5% of 2019)
• 2,529,000 tons with motor vessels (50.5% of total and 106.8% of 2019)
• 3,564 motor cargo vessels (276 loaded with length of 110 m and 76 with length of 135 m)
Volume of goods transported through Mohács came to 6,113,000 t in 2020 (109.5% of 2019)

5,478,000 t of dry goods (upstream 2,472,000 t and downstream 3,006,000)

635,000 tons of liquid cargo (106,000 tons upstream, 529,000 tons downstream)

2,577,000 t upstream transit traffic (42.28% of total)

4,630,000 t with pushed convoys (75.7% of total, in 2019: 79.5%)

1,483,000 tons with motor vessels (24.2% of total)

The largest share of the transport volume was accounted for grain, iron ores, metal products and chemical products

2020 brought a significant increase in export of grain, animal fodder, fertilizers and oil products and a significant decrease in import of grain, coal and iron ore
Cargo flows on the Lower Danube

**Danube - Black Sea Canal**

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<tr>
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</thead>
<tbody>
<tr>
<td>Total volumes</td>
<td>13,96</td>
<td>14,43</td>
<td>14,02</td>
<td>14,55</td>
<td>13,77</td>
<td>14,12</td>
<td>16,74</td>
<td>16,51</td>
</tr>
<tr>
<td>International</td>
<td>8,63</td>
<td>7,90</td>
<td>8,62</td>
<td>8,03</td>
<td>6,91</td>
<td>6,42</td>
<td>8,89</td>
<td>10,60</td>
</tr>
<tr>
<td>Domestic</td>
<td>5,33</td>
<td>6,53</td>
<td>5,40</td>
<td>6,52</td>
<td>6,86</td>
<td>7,7</td>
<td>7,85</td>
<td>5,91</td>
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</table>

**Sulina-Canal**

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</thead>
<tbody>
<tr>
<td>Total volumes</td>
<td>3.668</td>
<td>3.848</td>
<td>3.764</td>
<td>4.307</td>
<td>4.441</td>
<td>5.487</td>
<td>4.549</td>
</tr>
<tr>
<td>Black Sea to Danube</td>
<td>423</td>
<td>585</td>
<td>514</td>
<td>701</td>
<td>770,3</td>
<td>1.156</td>
<td>1.677</td>
</tr>
</tbody>
</table>
The total cargo throughput of ports of DC Member States reached 64.9 million tons in 2020 (93.3% of the volume in 2019), changing in different ways compared to 2019, both by quarter and in the 2020 annual balance.

<table>
<thead>
<tr>
<th>Ports in 1,000 tons</th>
<th>2019</th>
<th>2020</th>
<th>2020 in % zu 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>3.274</td>
<td>3.511</td>
<td>107,2</td>
</tr>
<tr>
<td>Austria</td>
<td>6.452</td>
<td>6.645</td>
<td>103</td>
</tr>
<tr>
<td>Slovakia</td>
<td>1.664</td>
<td>1.553</td>
<td>93,3</td>
</tr>
<tr>
<td>Hungary</td>
<td>6.742</td>
<td>6.064</td>
<td>111</td>
</tr>
<tr>
<td>Croatia</td>
<td>814</td>
<td>948</td>
<td>116,4</td>
</tr>
<tr>
<td>Serbia</td>
<td>9.735</td>
<td>8.164</td>
<td>83,9</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>5.385</td>
<td>5.431</td>
<td>100,9</td>
</tr>
<tr>
<td>Romania</td>
<td>28.474</td>
<td>27.307</td>
<td>95,9</td>
</tr>
<tr>
<td>Moldova</td>
<td>1.299</td>
<td>1.185</td>
<td>91,2</td>
</tr>
<tr>
<td>Ukraine</td>
<td>5.629</td>
<td>4.055</td>
<td>72</td>
</tr>
</tbody>
</table>
Freight rates and bunker fuel prices

- Freight rates for goods transport remained stable during the year
- Price of bunker fuel in 2020 decreased by 26.5% compared to the median price in 2019 (USD 726.2/t).

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bunker fuel</td>
<td>88,8 (95,1)</td>
<td>71,3 (96,8)</td>
<td>66,5 (96,1)</td>
<td>67,9 (95,8)</td>
</tr>
<tr>
<td>Freight rates:</td>
<td>101,7 (97,3)</td>
<td>108,2 (96,1)</td>
<td>102,5 (97,4)</td>
<td>111,3 (100,2)</td>
</tr>
<tr>
<td>Upstream</td>
<td>90,1 (98,6)</td>
<td>93,1 (97,6)</td>
<td>90,8 (97,7)</td>
<td>91,9 (98,4)</td>
</tr>
<tr>
<td>Downstream</td>
<td>118,0 (95,5)</td>
<td>109,7 (93,2)</td>
<td>101,8 (94,5)</td>
<td>110,7 (99,1)</td>
</tr>
</tbody>
</table>
The Danube market in the first (Q1) quarter of 2021 was shaped by the rather unstable 2020 comparison but showed slight positive developments for the main industrial and agricultural sectors.

The lack of ice conditions during the winter period ensured uninterrupted navigation in the first quarter of 2021 and sufficient water depth allowed loading of cargo ships with a draught of 2.5m.

The traffic volume recorded in Q1/2021 through the Gabcikovo was 1,220,000 tons which is 87.8% of the volume of Q1/2020.

The traffic volume in Q1/2021 through Mohač was 1,680,000 tons which is 111.3% of the traffic volume of Q1/2020.

A feature of the Q1/2021 market is the increase in upstream transport of iron ore and a significant increase in downstream transport of grain.

The traffic volume on the Danube-Black Sea Canal in Q1/2021 was 4,377,000 tons, or 112.3% compared to Q1/2020.

A general recovery in the freight transport market in 2021 is expected due to the forecasted 4% growth in Eurozone GDP compared to 2020 (March 2021 forecast).
References to publications of Danube Commission

**Market Observation:**
Quarterly Reports and Yearly Reports in German, French and Russian

**In autumn 2021 to be published:**
Statistical Yearbook of the Danube Commission, Editions 2018, 2019 and 2020
Thank you for your attention!

Secretariat of the Danube Commission

manfred.seitz@danubecommission.org

H-1068 Budapest
Benczúr utca 25

www.danubecommission.org