



Report
Polish ports in 2022.
Summary and future outlook.

February 2023

port 
monitor

Summary

- In 2022, Polish ports (Gdansk, Gdynia and Szczecin-Swinoujscie) handled a total of over 133 million tonnes of cargo, which is an increase of 17.8% compared to 2021. This is the record result of turnover in Polish ports.
- The aggression of the Russian Federation against Ukraine in February 2022 resulted in changes in the cargo handling structure. Bulk cargo has started to dominate over general cargo. Due to the sanctions package in force, Russian coal – previously imported mainly by rail – has been replaced by coal imported from overseas destinations, such as Australia, South Africa, Colombia, which significantly contributed to the increase in port turnover.
- The large increase in reloading took place in the liquid fuels group (+8.6 million tonnes). The growth is the result of the diversification policy, which has been maintained for several years, as well as the current situation related to Russia's attack on Ukraine and the increase in oil imports from directions other than Russia. The growths are related mainly to the reloading of crude oil in the import relation for domestic purposes and in the supplementary transit to the refinery in Germany.
- The increase in turnover was also recorded in the grain and ore groups. These growths are dictated, among others, by handling of Ukrainian exports. Recently, handling of Ukrainian ores and grains took place in Polish ports, which were later delivered by sea to recipients, a.o in the Netherlands and Algeria.
- The container turnover in Polish ports has weakened (-123.698 TEU). In the case of the Port of Gdansk - the largest container port on the Baltic Sea - the decrease in container handling was due to limited transshipment from/to the Russian market. The Port of Gdynia and the Port of Szczecin-Swinoujscie are also in the red.
- In the ro-ro cargo segment, volumes grew slightly compared to 2021 (+0.26% in freight units). In the Port of Gdynia, the frequency of calls by Finnlines on the Gdynia-Hanko route has increased. Moreover, in September 2022, the Stena Estelle ferry has begun to serve the Gdynia-Karlskrona route. Also on the route from the Szczecin-Swinoujscie Port, in May 2022, the new Nils Holgersson ferry has begun to operate.
- The past year brought an increase in passenger service in regular ferry traffic. In 2022, all Polish ports handled 1.8 million passengers, which indicates a growth of over 12% compared to 2021.
- In 2022, a significantly higher number of cruise ship calls was observed, as well as the number of tourists in ports compared to 2021. Due to the ongoing hostilities, most operators stopped calling at the Port of St. Petersburg, and also limited calls to, among others, the ports of Helsinki and Tallinn. Due to the existing situation, the operators replaced the above-mentioned ports with calls to, a.o the Port of Gdansk or a longer stay in other Baltic ports.

Operational results of the Polish seaports in 2022

In 2022, Polish ports handled a total of 133.2 million tonnes of cargo, which means an increase by 17.77% compared to 2021 (Table 1). All Polish ports recorded an increase in turnover, and in the ports of Gdansk and Szczecin-Swinoujscie it was a double-digit.

Table 1. Turnover in the biggest Polish seaports in years 2017-2022 (thousands of tonnes).

	2017	2018	2019	2020	2021	2022	Change 2022/21
Port of Gdansk	40 614	49 032	52 154	48 038	53 213	68 220	28,20%
Port of Gdynia	21 225	23 492	23 957	24 662	26 692	28 197	5,64%
Port of Szczecin-Swinoujscie	25 424	28 314	32 175	31 178	33 220	36 810	10,81%
Total	87 263	100 838	108 286	103 878	113 125	133 227	17,77%

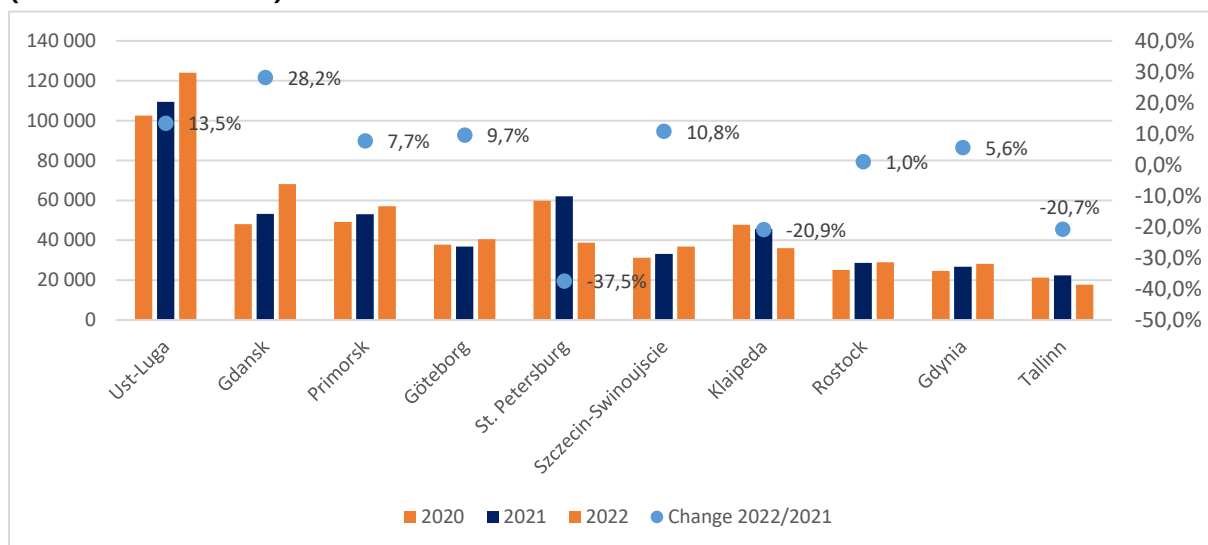
Due to the measures introduced to oppose the support of the aggression of the Russian Federation against Ukraine, from 10th August 2022, the entire European Union is prohibited from importing coal from Russia. In Poland, there was a clear diversification of supplies. Russian coal, previously imported to Poland by rail, has been replaced with coal from overseas, which has resulted in an increase in port handling. In addition to the increase in turnover of the coal and coke group, the ports also recorded growth of ores and liquid fuels reloading.

The largest increase was recorded by the Port of Gdansk, which in 2022 moved up to the second position in the Baltic Sea, ahead of the Russian Port of Primorsk. The port's record result is mainly due to increased handling of coal and coke (+175.6%, +8.4 million tonnes) and liquid fuels (+35.1%, +6.6 million tonnes). In addition, increases were recorded in other cargo groups, excluding other bulk cargo and general cargo.

In 2022, in the Port of Szczecin-Swinoujscie, turnover increased by 10.8% and reached the level of 36.8 million tonnes of cargo. The volume of turnover in Szczecin-Świnoujście was mainly influenced by increased throughput of coal and LNG.

Among Polish ports, the Port of Gdynia recorded the lowest increase in turnover. For the Port of Gdynia, 2022 brought a 5.6% increase in cargo handling, mainly due to growth of coal and coke handling (+174.1%, +2.2 million tonnes). The turnover of liquid fuels (-10.53%), general cargo (-4.05%) and grain (-0.6%) decreased compared to 2021.

Figure 1. The cargo volumes in the largest ports in the Baltic Sea in 2021 and 2022 (thousands of tonnes).



The ports recorded an impressive increase in coal and coke turnover. In 2022, the ports handled a total of 20.9 million tonnes of coal, which was 135% more than in 2021.

Increased coal turnover in Polish ports is related to growth in imports of this raw material from directions other than Russia. On 16th April 2022, the Act of 13th April 2022 on special solutions to counteract the support of aggression against Ukraine and to protect national security entered into force. The Act introduces a prohibition on importing coal and coke from Russia and Belarus to Poland and transiting it through country. From 10th August 2022, the prohibition on importing coal from Russia has been in force throughout the European Union. Coal, previously transported from the Russian market to Poland by rail, has been replaced by raw material from overseas countries, which significantly increased port turnover.

On the other hand, at the end of May 2022, during the EU summit, a decision was made to introduce a partial embargo on Russian oil. EU leaders agreed to stop purchases from Russia by sea, i.e. 66% of supplies from Russia. Poland and Germany are also resigning from oil imports via pipeline, hence Russia will lose a total of 90% of current sales to the EU. The remaining 10% of the transmission via the “Przyjazn” pipeline will continue to supply oil to Hungary, Slovakia and the Czech Republic for some time to come. The prohibition on imports of Russian oil is part of the sixth package of sanctions imposed on the Kremlin by the European Commission.

From 5th December 2022, Russian crude oil cannot be imported by sea to the European Union and the United Kingdom, while the prohibition on imports of Russian petroleum products, including fuels, entered into force on 5th February 2023.

Throughout last year, Naftoport in Gdańsk handled around 24.5 million tons of crude oil and petroleum products, which is an increase of 37% compared to 2021. According to preliminary estimates, turnover at Naftoport increased by 6.6 million tons. Reloading services in Gdańsk (apart from Polish refineries) were also used by German refineries, including the Leuna refinery.

The growth in the Port of Szczecin-Swinoujscie was mainly related to increased LNG imports to the terminal in Swinoujscie, although the reloading of other liquid fuels also increased. Currently, LNG accounts for about 60% of liquid fuel reloading in the Szczecin-Swinoujscie port complex. Throughout

2022, LNG imports increased by approximately 55% compared to 2021, and the port handled 58 LNG vessels (23 more than in 2021).

In 2022, the handling of liquid fuels in the Port of Gdynia decreased by 10.53% compared to 2021. The reduction in reloading in the Port of Gdynia is the result of comparison with the very high results achieved in 2021. At that time, the port handled 2.5 million tons of liquid fuels, 42% more than in 2020.

The ports also recorded a large percentage increase in timber turnover – all analysed ports showed an growth of 172.6% (+830.000 tonnes compared to 2021). According to the announcement of the State Forests, this increase is largely related to the turnover of timber from Lithuania, Latvia, Estonia and Scandinavia. Timber from these directions arrives at Polish ports, from where the raw material is exported to China.

In 2022, ore turnover in the three largest Polish ports increased by 24.2% (+510.3 thousand tonnes compared to 2021). The increase in Szczecin-Swinoujscie was influenced by handling of Ukrainian ore. Already at the end of May 2022, the Port of Swinoujscie reloaded nearly 30,000 tonnes of iron ore from Ukraine.

The analyzed ports recorded a slight increase in grain turnover. The volume handled at the port increased by 1.9% compared to 2021 (+155.5 thousand tonnes). However, compared to the record-breaking result achieved in 2020, grain turnover decreased by 6% (-487.4 thousand tonnes). Compared to 2021, the Port of Gdynia and the Port of Szczecin-Swinoujscie recorded decreases, respectively: -0.6% y/y and -7.6% y/y. In turn, in the Port of Gdansk turnover in this cargo group increased (+19.9% y/y).

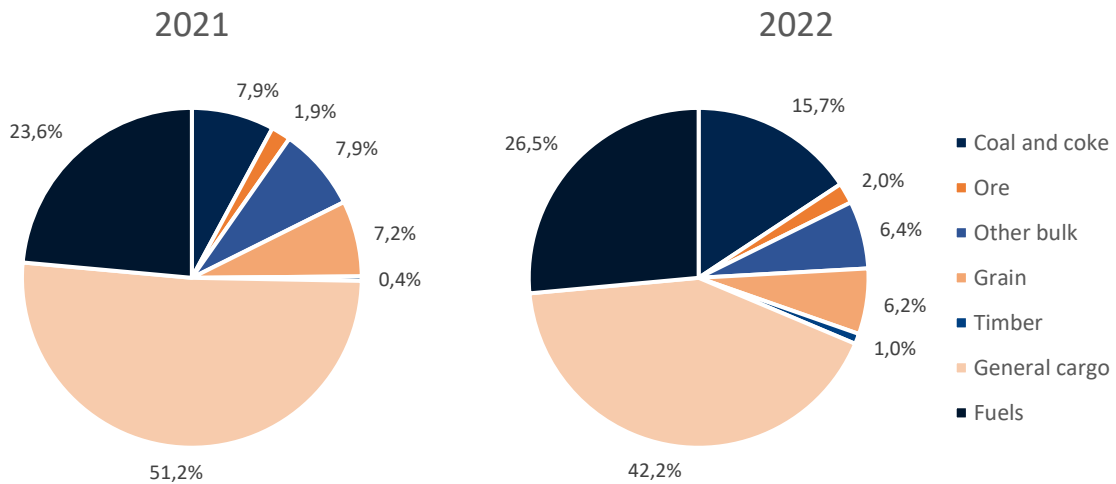
In 2022, turnover in the cargo group other bulk were weakened. In total, the main Polish ports reloaded around 8.6 million tonnes of this type of cargo, which was 4.3% less than in the previous year. The decrease was also recorded in handling of general cargo in all analyzed ports (-1.7 million tonnes), with the most severe decrease in handling in percentage terms in the Port of Gdynia (-4.05% y/y). The turnover of general cargo at the Port of Gdańsk (-1.6% y/y) and at the Port of Szczecin-Świnoujście (-3.4% y/y) was also in the red.

Table 2. Handling structure in ports of Gdansk, Gdynia and Szczecin-Swinoujscie in 2022 (thousands of tonnes).

Cargo group	Port of Gdansk		Port of Gdynia		Port of Szczecin-Swinoujscie		Total	
	2022	Change 2022/2021	2022	Change 2022/2021	2022	Change 2022/2021	2022	Change 2022/2021
Coal and coke	13 218,9	175,6%	3 403,1	174,13%	4 310,6	50,8%	20 932,6	135,3%
Ore	515,5	133,2%	-	0	2 106,0	11,4%	2 621,5	24,2%
Other bulk	3 551,2	-16,9%	1 716,2	0,42%	3 308,3	11,2%	8 575,7	-4,3%
Grain	1 932,9	19,9%	4 736,2	-0,60%	1 650,1	-7,6%	8 319,2	1,9%
Timber	548,2	413,0%	533,5	109,13%	229,0	92,6%	1 310,7	172,6%
General cargo	22 936,8	-1,6%	15 549,8	-4,05%	17 724,9	-3,4%	56 211,5	-2,9%
Fuels	25 516,4	35,1%	2 251,0	-10,53%	7 481,3	42,5%	35 248,7	32,3%
Total	68 219,8	28,2%	28 189,8	5,61%	36 810,2	10,8%	133 220	17,8%

In 2022, there was an increased turnover of bulk cargo, which translated into a change in the cargo structure - bulk cargo has begun to dominate over general cargo - Figure 2.

Figure 2. The structure of cargo handled in the main ports in Poland in 2021 and 2022.



Containers

In 2022, Polish ports handled over 130.000 TEU less (-3.89%) than in 2021. The aggression of the Russian Federation against Ukraine in February 2022 changed the distribution of forces in the Baltic Sea in terms of container turnover. In the first days of the war, the largest container operators, including MSC, Maersk, CMA CGM and Hapag-Lloyd decided to suspend container services to/from Russian ports. At the same time, the possibility of booking containers was blocked until the end of hostilities. However, empty containers remained in Russian ports, which were urgently collected to prevent a shortage of export containers in other Baltic ports.

The largest container port in the Baltic Sea is the Port of Gdansk, where handling reached the result of 2.072.122 TEU (-2.16% y/y). Negative changes in turnover started in May of 2022. The port's results were affected by changes related to handling transshipments from/to Russia, which used to have large share in port's containers turnover. It is worth mentioning that in March 2022, container handling at the port's largest container terminal, Baltic Hub (previously DCT Gdańsk), reached a record monthly turnover result of 206.645 TEU.

A decrease was also recorded in the Port of Szczecin-Swinoujście (-8.23% y/y) and in the Port of Gdynia (-7.25% y/y). In March 2022, the MSC shipowner launched a new weekly container connection from the Baltic Sea to the United States from the BCT terminal in Gdynia. As part of ScanBaltic, since the end of March last year, ships have sailed on the route: Klaipeda (Lithuania), Gdynia, Goteborg (Sweden), Bremerhaven (Germany) to the United States.

Table 3. Container handling in the biggest Polish seaports in years 2017-2022 (TEU).

	2017	2018	2019	2020	2021	2022	Change 2022/21
Port of Gdansk	1 580 508	1 948 974	2 073 215	1 923 785	2 117 829	2 072 122	-2,16%
Port of Gdynia	710 698	803 871	896 968	905 121	985 950	914 448	-7,25%
Port of Szczecin-Swinoujscie	93 579	81 451	76 143	86 816	82 140	75 381	-8,23%
Total	2 384 785	2 834 296	3 046 326	2 915 722	3 185 919	3 061 951	-3,89%

Ro-ro ferry traffic

In the case of freight units, the only port that recorded an increase in turnover is the Port of Gdynia (+7.03% y/y). This growth is due to the increase in the amount of cargo on the Gdynia-Hanko ro-ro line operated by Finnlines. From January 2022, this operator calls at Gdynia 6 times a week. Two vessels are currently employed on this route: Finnkraft and Finnhawk. Volumes of cargo on the Gdynia-Karlskrona ferry route were reduced. A decrease in the turnover of ferry cargo was recorded by the Port of Gdańsk (-0.53% y/y) and the Port of Szczecin-Świnoujście (-3.45% y/y). In turn, all ports recorded an increase in serving passenger cars.

Table 4. Ro-ro freight units and passenger cars served in biggest Polish sea ports in years 2021 and 2022 [pcs].

	Passenger cars			Freight units		
	2021	2022	Change 2022/2021	2021	2022	Change 2022/2021
Port of Gdansk	99 093	101 899	2,83%	33 213	33 036	-0,53%
Port of Gdynia	86 802	106 753	22,98%	297 146	318 050	7,03%
Port of Szczecin-Swinoujscie	253 593	270 982	6,86%	534 251	515 815	-3,45%
Total	439 488	479 634	9,13%	864 610	866 901	0,26%

Passenger traffic

The reduction of restrictions introduced due to the coronavirus pandemic contributed to positive changes in the passenger service sector. All Polish ports recorded an increase in passenger traffic service. The largest growth was recorded in the Port of Gdynia, which handles tourist traffic on the Gdynia-Karlskrona route (+32.45% y/y). In 2022, the route began to be served by a new ferry - Stena Estelle, which made the connection more attractive. The ferry can carry 1,200 passengers and has 3,600 m of load line. In turn, from January 2023, a twin unit - Stena Ebba - is also employed on the route.

There was also an increase in the Port of Gdansk (2.06% y/y) and in the Port of Szczecin-Swinoujście (4.89% y/y). In May 2022, the new ferry Nils Holgersson was also employed on the route from the Port of Swinoujście to the Port of Trelleborg. The unit is characterized by 4,600 m of load line and a passenger capacity of 800 passengers.

The number of travellers increased compared to the year before the pandemic only at the Port of Szczecin-Swinoujscie. For other ports, the results obtained are slightly lower than in 2019. At the same time, the Port of Gdynia and the Port of Gdansk are not alone in this situation - the largest passenger port in the Baltic Sea - the Port of Helsinki - still has not achieved the pre-pandemic result.

Table 5. Regular passenger traffic in major Polish ports in 2017-2022 [passengers].

	2017	2018	2019	2020	2021	2022	Change 2022/2021
Port Gdansk	105 556	117 939	166 475	147 909	162 209	165 549	2,06%
Port Gdynia	660 900	687 545	682 590	394 608	453 017	600 029	32,45%
Port Szczecin-Swinoujscie	1 085 013	1 072 679	1 069 318	930 625	1 046 333	1 097 535	4,89%
Total	1 851 469	1 878 163	1 918 383	1 473 142	1 661 559	1 863 113	12,13%

Cruise traffic

The past year brought a significant increase in the number of tourists served and cruise ship calls compared to 2021. The lifting of restrictions had a very positive impact on the tourist service sector. The largest Polish cruise port - the Port of Gdynia - handled 41 cruisers, 28 more than in 2021. The increased number of cruise ship calls resulted in growth of passenger service in the Port of Gdynia by 334%, to the level of 56.991 passengers.

Also the Port of Gdansk and the Port of Szczecin-Swinoujscie recorded an increase in cruise ship calls, as well as growth of the number of tourists visiting the port. It is difficult to compare these data to pre-pandemic data - from 2019 - because at that time the traffic of cruise ships was not disturbed by the geopolitical situation. Due to the Russian Federation's aggression against Ukraine in 2022, all cruises to Port St. Petersburg (the second largest port on the Baltic Sea in terms of the number of calls in 2019) were cancelled. At the same time, ship operators, fearing for the safety of tourists on board, significantly limited calls to ports in the immediate vicinity of Russia. Ports such as Port of Helsinki and Port of Tallinn have suffered. At the same time, instead of the above-mentioned ports, operators decided to call at other Baltic ports, including the Port of Gdansk, which recorded an increased number of calls compared to 2019. The other ports to which traffic was redirected were, among others, the ports of Rostock and Stockholm.

Table 6. Cruise traffic in Polish ports in 2021 and 2022 [passengers and calls number].

	Tourists			Calls		
	2021	2022	Change 2022/2021 [passengers]	2021	2022	Change 2022/2021 [calls]
Port of Gdansk	2 281	29 251	1182%	9	79	70
Port of Gdynia	13 144	56 991	334%	13	41	28
Port of Szczecin-Swinoujscie	298	997	235%	2	2	0
Total	15 723	87 239	455%	24	122	98

Outlook for 2023

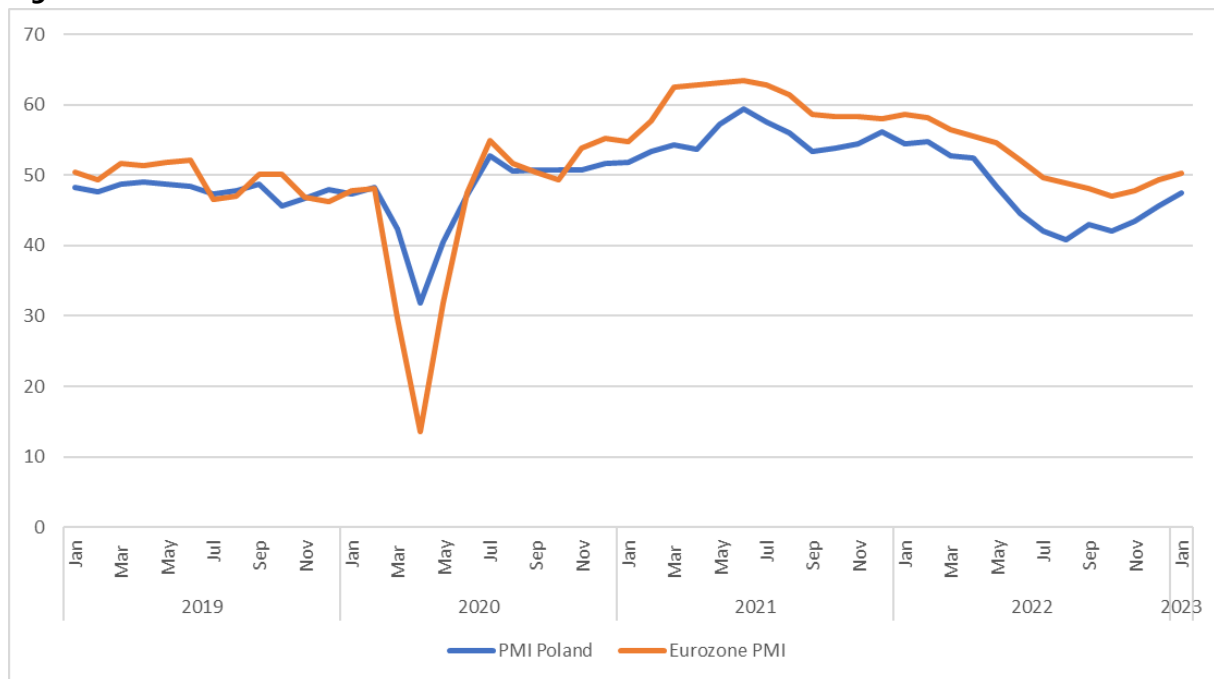
In order to determine the outlook for 2023, the PMI (Purchasing Managers' Index™)¹ indicator developed by IHS Markit can be helpful. The PMI is a survey-based indicator of economic activity, often considered as a leading indicator of economic activity. The original indicator is the manufacturing PMI, but now there is also a services indicator and a composite indicator (a weighted average of the manufacturing and services PMIs for given geographic region or economy). The PMI for industry may herald changes in trade, and changes in trade may affect the volumes of cargo handled at ports. The PMI level is made up of "sub-indices": production, new orders, employment, costs, selling prices, exports, purchasing activity, supplier efficiency, order backlog and inventory.

The weakening of economic sentiment in Poland in January 2023 is related to low market demand, which is the result of persistent inflation and high food and raw material prices, as well as economic stagnation. It is also worth to note that the number of new orders, both on the international and domestic market, fell for the eleventh month in a row. Sentiment weakening – especially in the segment of new orders – was also recorded in Western European countries.

On the other hand, in the case of economic sentiment in the Eurozone, the January 2023 reading is above the neutral level of 50 points. At the same time, it is the highest reading in the last 7 months. Looking at the German economy, the value of the indicator was 47.3 points. The performance of the German industrial sector was affected, among others, by a decline in orders. Also, noticeable were the hopes for a decrease in inflation that arose in the new year and the stabilizing supply chains, which were broken as a result of the outbreak of the Covid-19 pandemic, and then the Russian Federation's aggression against independent Ukraine. However, the economic sentiment of the leading European economies, such as France and Italy, was slightly above 50 points – 50.4 points and 50.4 points respectively.

¹ The Purchasing Managers' Index™ (PMI™) is a survey-based indicator of economic activity that includes sub-indices of: Production, New Orders, Employment, Costs, Selling Prices, Exports, Purchasing Activity, Supplier Performance, Order Backlog and Inventory. In surveys, respondents are asked to report changes in each variable compared to the previous month, noting whether each variable increased/improved, decreased/worsened, or remained unchanged. These objective questions are accompanied by one subjective "sentiment" question, which is asking companies whether they forecast higher, same or lower production during the year. PMI is widely used to predict changing economic trends. The PMI is compiled globally by IHS Markit, although a small number of trade associations also compile local PMIs in certain markets, such as the ISM in the United States. The indicator was originally developed for manufacturing, but IHS Markit pioneered the extension to other sectors in the 1990s, including services, construction and retail.

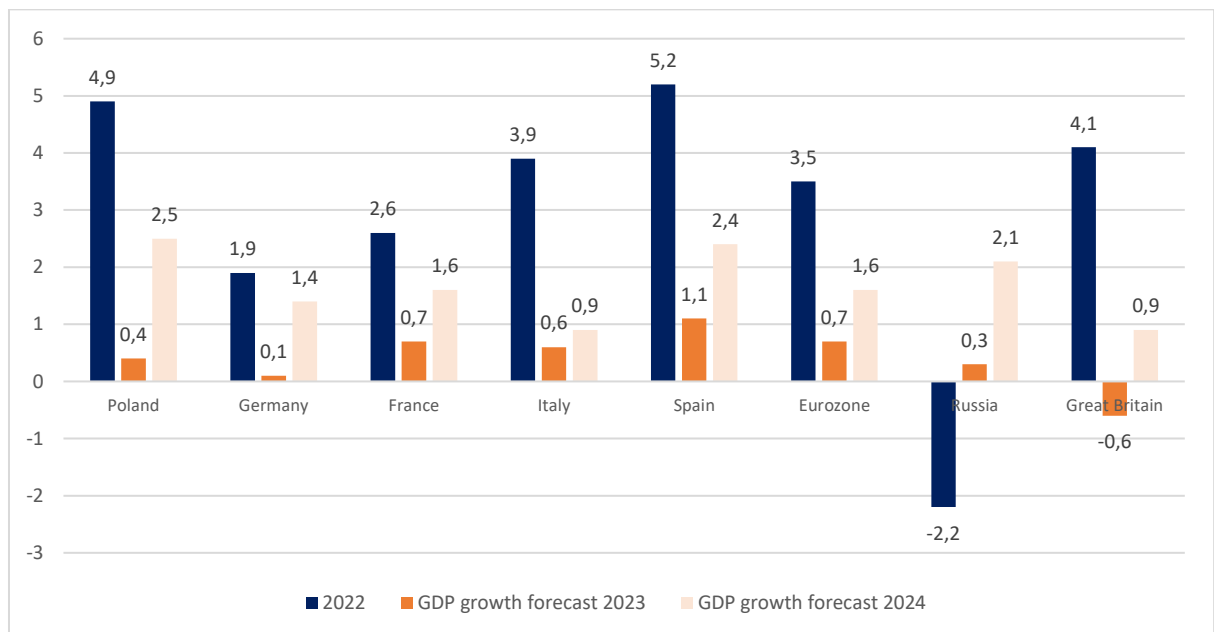
Figure 3. Industrial PMI index in Poland and in the Eurozone in 2019-2022.



Source: Actia Forum based on IHS Markit data.

Global Gross Domestic Product growth is projected to fall from an estimated 3.4% in 2022 to 2.9% in 2023, and then to increase to 3.1% in 2024. Taking a closer look at the GDP growth forecasts for 2023, it can be pointed out that the forecasts from January this year have been increased compared to what was predicted in October last year (+2.9% forecasted in January versus +2.7% forecasted in October 2022).

Figure 4. GDP growth forecasts for 2023 and 2024 in selected Eurozone countries, Poland, Russia and the UK.



Source: Actia Forum based on World Economic Outlook, January 2023.

The year 2022 was marked by inflation, the Covid-19 epidemic in China and the ongoing war in Ukraine. Undoubtedly, economic and geopolitical factors will affect the course of 2023. The economic sentiment of both consumers and producers may deteriorate due to high inflation (exceeding 10% in many countries), as well as increases in interest rates, which reduce demand, especially in the housing sector. Inflation in Poland in January 2023 was 17.2%. Apart from Poland, the countries with inflation exceeding 10% are the United Kingdom, Italy, Austria, the Czech Republic and Slovakia.

Weakening demand may result in a reduction in cargo turnover in ports, in particular of containerized and ro-ro cargo. In turn, the ongoing war in Ukraine and the related embargo on energy resources from Russia may contribute to further increases in the coal, crude oil and LNG throughput. In addition, there may be a further increase in the export of cargo from Ukraine via Polish ports.

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