Report

Results of Top 10 Baltic Ports in the first half of 2023

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port monitor

Total Turnover in Top 10 Baltic Ports

In the first half of 2023, the total cargo turnover in the 10 largest ports in the Baltic Sea increased by **7.52%** to the level of **253.46 million tonnes** compared to the first half of 2022. Such a positive change was strongly influenced by the turnover in the **Port of Gdańsk**, where the total volume of cargo handled in the period January-June increased by nearly 11 million tons (+36.08%). The total growth is also due to increases noticed in the two largest Russian ports in this region (+6.9 million tonnes). Such growth of the cargo volumes in Gdańsk contributed to classifying this Polish port at the second position on the Baltic Sea, ahead of the **Primorsk** oil port.

The war in Ukraine, which has been ongoing since February 2022, has contributed to big changes in cargo flows in many Baltic ports. The greatest changes occurred in the such cargo groups as liquid fuels and coal. However, the containerized cargo segment was strongly affected, as well, as a result of the exclusion of Russian ports by the largest shipowners from existing shipping connections. Due to the ongoing military operations in Ukraine, Baltic ports started to handle some part of Ukrainian exports, especially exports of grain and ore.

The largest Baltic port, **Port of Ust-Luga** achieved high increases in total cargo turnover in the first half of 2023. The additional 3.2 million tonnes meant a 10.4% higher result compared to the same period in 2022. The biggest percentage increase in cargo handled in this port was noticed for fertilizers. The growth in this segment was the result of sanctions that changed the export direction of producers from Russia and Belarus. In the past both countries used terminals in Sillamae, Klaipeda, and Riga to handle these types of goods. Continuation of the upward trend in handling fertilizers means the need for the Port of Ust-Luga to increase the capacity dedicated for this type of cargo - two projects for handling of fertilizers are currently being developed at the port, i.e. the expansion of the Ultramar terminal and the construction of a new EuroChem terminal.

Port of Primorsk, the main oil port in Baltic part of Russia, also recorded an increase in cargo handling compared to the same period (+12.13%). Transneft, the owner of the seaport, plans to modernize the oil loading terminal, as well as build a tank for storing petroleum products.

In **Port of Gdańsk**, the largest change in terms of tonnage concerned fuels (+6,854.8 thousand tonnes). In percentage terms, the most visible change was in the coal and coke cargo group, which recorded an increase of 117.4% compared to the result in the period of January-June 2022. The second-largest percentage increase was recorded for grains (+51.8%). The result can be attributed to the situation in Ukraine. Limiting the port activity possibilities, or even closing Ukrainian seaports, have contributed to the change of export routes for Ukrainian grains. The producers choose different paths for their commodities than before - the new routes run to some extent through e.g. Polish ports. The ports that also benefited from the change in grain export direction were **Gdynia** and the ports **Szczecin-Świnoujście**, where an almost 50% increase in these cargo category turnover was recorded. The volumes of coal and coke, as well as liquid fuels, have also increased in those ports. A detailed description of the situation in the Polish port market is presented in the Port Monitor about Polish ports market.

The increase in cargo handling volume in Russian Baltic ports in the first half of the year was due to a rise in the dry cargo segment, mainly in the category of fertilizers and coal. Out of the three ports in Russia that are included in the Top 10 in terms of total cargo turnover, the biggest decrease since the beginning of the war has been recorded in **St. Petersburg**. However, this seaport has also noticed the highest growth rate in the fertilizer segment (+158%, a total of 3.5 million tonnes). The drops in this seaport's turnover were mainly noticed for the containerized cargo group, which previously had the largest share among all cargo groups of this port. In the first half of 2023 the total port turnover grew by 4.67%.

The **Port of Gothenburg** was one of the few to record declines in total turnover (-7.03%). Despite this, it maintained a high, fifth position in the classification of Baltic ports in the first half of 2023. The decreases in wheeled cargo (-6.5%) and energy products (-10.1%) handling were the most significant ones. However, the port recorded increases in containers turnover.

The Lithuanian **Port of Klaipeda** has not rebuilt its position on the Baltic Sea since the 2020 pandemic. In the first half of this year, the seaport noticed a 9.9% decrease compared to the corresponding period of the previous year. In terms of volumes, it meant 1.78 million tonnes less cargo. The port recorded some significant changes in the shares of cargo categories in their cargo structure, e.g. the share of fertilizers decreased from 13% to 4%, and the share of grain increased from 7% to 12%. Containerized cargo (+20.2%) also remains in the growing trend - this rise is driven by the development of ocean lines, initiated in March 2022 by the MSC, which is also the owner of one of the container terminals in Klaipeda.

Among the main ports located in the Baltic Sea region, the **Port of Rostock** should be distinguished with its 14.4% growth. The ro-ro units constitute to be the largest cargo group in the port, accounting for approx. 40% of the total volume that is handled at the port. This segment recorded a 7% decrease compared to the same period in 2022. However, the reduced number of handled ro-ro and ferry cargoes was compensated by very high growth in the liquid cargo segment. By the end of June, 3.88 million of crude oil and its products were handled at the quays of this German port, which is 2.44 million tonnes more than in the first half of 2022. More than half of this cargo was imported by the PCK Schwedt refinery.

Last position in the Top 10 ranking in 2021 was held by the port of Tallinn, however, the declines recorded since 2022 enabled the rise of the **Port of Riga**. The Latvian seaport, despite declines (-14.9%), maintains a stronger position on the Baltic Sea than the Estonian port. In the Port of Riga, the most impacted by decreases were such cargo groups as coal and coke (1.16 million tonnes, -52.1%) and petroleum products (531.2 thousand tonnes, -33.2%). One of the few cargo segments with positive changes in the turnover was grain (+20%) and ferrous metals (+37.1%).

Table 1. Cargo turnover in the 10 largest Baltic ports in the first half of 2022 and 2023 [tonnes]

	H1 2022	H1 2023	Change H1 2023/H1 2022
Ust-Luga	58 400 000	61 600 000	5,48%
Gdańsk	30 339 200	41 284 500	36,08%
Primorsk	30 500 000	34 200 000	12,13%
St. Petersburg	21 400 000	22 400 000	4,67%
Gothenburg	20 078 000	18 667 000	-7,03%
Szczecin-Świnoujście	17 490 700	18 096 100	3,46%
Rostock	14 420 000	16 500 000	14,42%
Klaipéda	18 077 068	16 290 000	-9,89%
Gdynia	13 703 100	14 783 300	7,88%
Riga	11 319 500	9 637 600	-14,86%
Total Top 10	**235 727 568**	**253 458 500**	**7,52%**

Container Turnover in Top 10 Baltic Container Ports

In the first half of 2023, container turnover in the 10 largest container ports decreased by **8.47%** and reached the level of **4 074 525 TEU.** Lower turnover of containerized cargo was observed in seven out of the ten largest container seaports, five of them noticed two-digit drops.

The downward trend in container handling in Russian Baltic ports is being continued in 2023. The crisis in the Russian containerized cargo market, which is a result of the sanctions imposed after the military aggression of the Russian Federation against Ukraine, is mostly noticeable in **Port of St. Petersburg**. Re-building the previous position of the Russian giant in the Baltic Sea region was not possible even with the introduction of the new container lines such as the service to China offered by the operator Torgmoll, service to Turkey by RusCon, or the connection to Kaliningrad offered by FESCO.

The port of Kaliningrad, which was among Top 10 container ports on the Baltic until 2021, in the first half of 2022, fell out of the Top 10 due to its 55% decrease in container cargo turnover. In January-June 2023, the port in the Kaliningrad oblast handled only 65.3 thou. TEU (-29%). In the first half of 2023, the Baltic Russian seaports handled by 245.4 thou. TEU less than in the corresponding period in 2022. The change between the first half of 2023 and the first half of 2021 amounts to -58.4%.

Despite a decrease of 7.6% **Port of Gdańsk** remains the largest container port in the Baltic Sea. Only in two out of the first six months of 2023 more containers were handled than in the corresponding months of 2022 - in April and June the container handling was higher by 1.3% and 15.8%, respectively. The declines are an effect of reduced transshipments to/from Russia, which had a significant share in the structure of containerized cargo in the seaport before the outbreak of the war in Ukraine. The second reason of declines, is the lower export volumes resulting from the limited production of Polish industry caused by high inflation. However, the ports' turnover reflects the European trend – in the biggest container hubs in Europe the lower results were also recorded, e.g. in the Port of Hamburg (-11,7%), Ports of Antwerp-Bruges (-5.2%) and Port of Rotterdam (-8.2%).

The second place on the Top 10 Baltic container seaports list belongs to the **Port of Klaipeda**. This achievement was possible due to the 20% increase in container handling in the Lithuanian seaport and big drop in the Russian Port of St. Petersburg. The growth in this cargo category was an effect of development of regular ocean services initiated in March 2022 by the MSC. In June 2023, the port of Klaipeda was included in another service – SWAN – offered by the MSC to the largest container ports in Asia, including such ports as Qingdao, Ningbo, and Singapore.

In the **Port of Gothenburg**, there was an increase in container handling (+2.9%). In the first three months of 2023, the port handled a record quarterly volume of 225,000 TEU. This big increase should be attributed to the strong Swedish export industry, while imports are declining. The seaport will have the possibility to hold the upward trend of the container turnover due to the upgrade of the frequency on the MSC service – ScanBaltic to USA – from a bi-weekly connection to a weekly connection.

Another port on the list is **Port of Gdynia**. As in the case of neighboring seaport in Gdańsk, the first half of 2023 brought decreases in container turnover – port handled a total number of 409,033 TEU (-14.4%). The most affected terminal in the Port of Gdynia was Gdynia Container Terminal (GCT), where container volumes decreased by 21.7%. However, new connection possibilities were introduced in the first half of the year such as the GBX service offered by Diamond Line (COSCO) connecting Gdynia and other Baltic ports with Bremerhaven and Hamburg, the IBESCO line offered by Ocean Network Express (ONE) to the terminals in Western Europe, the service offered by Viasea do Norway and the service by Ellerman City Line to the UK.

Losses in container turnover are also noticeable in the **Port of Aarhus**. None of the first six months of 2023 was better in this Danish seaport than corresponding months in 2022. The biggest number of TEUs were handled in May - it was also the month with the lowest change compared to last year (63,391 TEUs, -0.22%). Despite the drops in volumes, numerous investments are being implemented in the port. In 2022 an installation of 180 connections for refrigerated containers was installed in the port, and this year three autonomous straddle carriers were introduced, the so-called Blue-Bots. Moreover, the official approval for the external port project "Ydrehavn" was announced in June - a significant area of which is to be devoted to a new container terminal.

The **Port of HaminaKotka** maintained its result in the first half of the year at a similar level to last year's result (+0.81%). However, the container volumes were still lower than those recorded in the same period in 2021. Port of HaminaKotka was an important transshipment hub for cargo to/from Russia, and the sanctions imposed on the Russian Federation resulted in a 6% decrease in the number of 20-foot units handled in January-June 2022 (-19.6 thou. TEUs). The month in 2023 with the lowest number of handled containers was February - a total of 28,848 TEUs were served, which meant a decrease of one-third compared to February 2022.

The **Port of Riga** in the first half of 2023 recorded a double-digit decrease (-13.05%), which means 31.5 thou. TEU less than in the same period last year. However, in the case of this seaport, this is a return to the volumes handled before the war – in the first half of this year port handled 209.5 thou. TEU, which means an increase of 2.8% compared to the result in the first half of 2021. However, the volumes of the

Latvian port have fluctuated for several years - in the first half of 2019 a record amount of 238.2 thou. TEU was handled, while in the first half of 2017 it was 208.1 thou. TEU - a similar result to the one achieved this year.

Port of Helsinki ranked ninth in the semi-annual ranking. A significant decrease was also observed in this seaport (-11.4%). However, the bans on Russia introduced in 2022 did not affect last year's results as much as it was predicted - a decrease of only 1.7% was recorded in the period January-June 2022. This year's impact of the economic slowdown is much higher. In the first half of 2023, the volume of full containers has dropped, in particular in the import direction - which certainly reflects the negative trend in the consumer demand that is present in Europe, certainly caused by high inflation rates. The number of empty containers did not change significantly (+1.1%).

The last place on the list probably should be reserved for the Swedish Port of Helsingborg. However, due to the late publication of their results by the Port Authority, the table below shows the result of the Estonian leader - **Port of Tallinn**. The seaport on the eastern coast of the Baltic Sea recorded a very high drop in container volumes (-26%). However, this result was a port's return to the pre-war volume of this type of cargo, similarly as in the case of the port of Riga. The percentage change between the result recorded in January-June 2023 and the same period in 2021 is only -1.1%. The result from the first half of 2022 was higher than the seaport record achieved in 2014 (131.7 thousand TEU) and contributed to Tallinn's promotion to the Top 10 Baltic container ports after many years.

Port of Helsingborg in the first quarter of 2023 recorded a decrease of 18%, which may indicate that its half-year result may turn out to be similar to the result of the port of Tallinn. Port of Rauma, where 100,009 TEUs were handled in the first half of 2023, did not join the list - however, the results of this port did not recover after the big decline in 2020.

Table 1. Container handling in the 10 largest Baltic container ports in the first half of 2022 and 2023 [TEU]

	H1 2022	H1 2023	Change H1 2023/H1 2022
Gdańsk	1 073 902	992 714	-7,56%
Klaipéda	479 112	575 741	20,17%
St. Petersburg	669 130	458 892	-31,42%
Gothenburg	433 200	445 700	2,89%
Gdynia	477 687	409 033	-14,37%
Aarhus	382 987	351 465	-8,23%
HaminaKotka	305 998	308 462	0,81%
Riga	240 956	209 509	-13,05%
Helsinki	241 876	214 298	-11,40%
Tallinn	146 856	108 711	-25,97%
Total Top 10	**4 451 704**	**4 074 525**	**-8,47%**

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