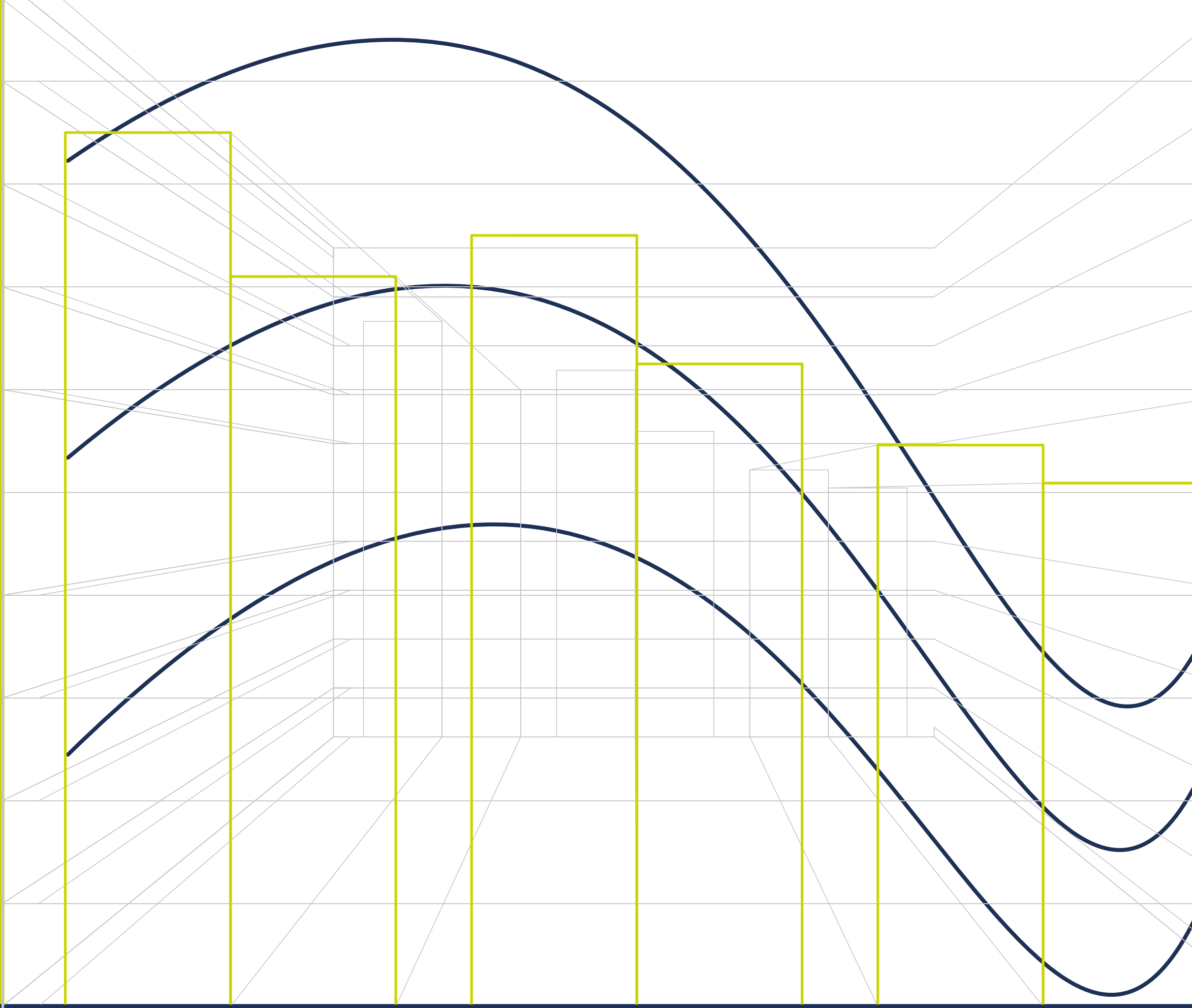

The Irish Maritime Transport Economist

VOLUME 12
April, 2015

ISSN 1649-5225

Irish Maritime
Development Office

The Irish Maritime Development Office

The Irish Maritime Development Office (IMDO) was established by statute in December 1999 and is a body under the aegis of the Department of Transport, Tourism and Sport. The office is the national agency responsible for supporting the development of the Irish shipping, ports and shipping services sectors.

The IMDO has a legislative mandate that includes in its statutory mandate the following functions:

- Advise the Minister on the development and co-ordination of policy in the shipping and shipping services sector so as to protect and create employment.
- Advise the Minister on development and co-ordination of policy and to carry out policy as may be specified by that Minister relating to the ports and ports services sector;
- Carry out policy as may be specified by the Minister relating to shipping and shipping services.

Editorial Team: Liam Lacey, Rebecca Wardell, Michael Egan, Eamonn O'Connor

IMDOIreland

irishmaritimedevelopment

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Tel: 00 353 (0) 1 476 6500
www.imdo.ie
imdo@imdo.ie

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Global Market Review

Paschal Donohoe, T.D.
MINISTER FOR TRANSPORT, TOURISM & SPORT

I am keenly aware of the importance of the maritime sector to our national economy. The Irish Maritime Transport Economist (IMTE) has become a reference document for industry stakeholders, by providing timely and accurate information on the performance of the maritime sector and I am pleased to provide the foreword for this publication, the 12th edition.

I am fully aware of the important role that our ports and shipping services play in our economic recovery and in facilitating trade and tourism. Irish Ports are both facilitators and drivers of economic activity and as a result, their performance is of significant interest from an economic perspective.

In 2014, the growth that has been recorded in trade and tourism through Irish ports is very encouraging. Ports are vitally important to our tourism industry and offer visitors to Ireland convenient, reliable and affordable access to our market. Unitised trade increased by 7%, while tourism grew by 1.2% to over 4.5 million passengers. These figures are closely correlated with economic activity and add confidence to the general view that Ireland is steadily returning to economic growth, jobs and prosperity. I wish to acknowledge the work of all those engaged in the provision of port and shipping services and the valuable contribution that they make to the Government's Plans for economic growth and recovery.

I am pleased to say that work is progressing well on the preparation of a new Harbours Bill to support the implementation of the National Ports Policy published in 2013. Private sector investment in ports is growing and the government is fully committed to continuing to boost competitiveness in the Irish economy, and in particular, to support sustained growth in the maritime sector by ensuring we have a maritime industry that is flexible and innovative in its ability to respond to the growing demands of our economy.

Ireland as a trading nation relies heavily on ports and shipping services to connect importers and exporters with international markets. Our ports also have a role in facilitating ocean energy generation, coastal tourism, cruise tourism and oil and gas exploration. By monitoring port throughput, shipping activity, and the overarching international conditions that influence how our ports and shipping services perform, the IMTE makes a valuable contribution to our important industry sector. I commend the publication to all those who are involved in, or interested in, maritime affairs.

Paschal Donohoe

Paschal Donohoe, T.D.
MINISTER FOR TRANSPORT, TOURISM & SPORT

Liam Lacey
DIRECTOR

Key 2014 Indicators
GDP: +4.8%
GNP: +5.2%
Inflation: +0.2%
Merchandise Imports: +7.1%
Merchandise Exports: +2.4%

In this edition of the Irish Maritime Transport Economist, we review the performance of the maritime sector to the end of 2014. Although the year under review was challenging in many respects, Ireland's ports and shipping services, which play a vitally important role as enablers of economic growth, recorded volume increases in most traffic types. As Ireland's economic recovery continues, port traffic, which is closely correlated with economic activity, grew by more than 2%, as measured by the iShip Index (a weighted indicator comprising five different traffic types). Irish ports coped comfortably with this growth, as total volumes have not yet reached the levels recorded prior to the economic downturn in 2007. As a result of the volume gains made in recent years and in anticipation of future growth, it is encouraging to note that some of our major ports are now preparing to add capacity and in some cases, development plans are at an advanced stage.

Looking in more detail at the growth in port volumes, unitised traffic grew strongly, reflecting both improved export performance and increased consumption in the domestic economy. LoLo traffic grew by 9% to over 793,000 teu, while RoRo traffic was up by 7%, with total volumes exceeding 943,000 vehicles. Total bulk traffic, which includes dry bulk, liquid bulk and break bulk cargoes fell by 2%. This volume decline is largely attributable to the reduced demand for fuels and animal feed, resulting from unusually mild weather conditions in 2014.

The growth in port traffic was not evenly distributed across the network. Unitised trade grew strongly through Dublin Port, with LoLo and RoRo volumes up by 9% and 8% respectively. Dublin remains the preeminent port for unitised trade, with 54% of the LoLo market and 49% of the RoRo market. LoLo traffic also grew strongly through the Port of Cork and was up 12% on the previous year, while Rosslare Europort recorded a 1% increase in its RoRo volumes. Bulk cargoes, which declined through the bigger ports, increased through Greenore, Drogheda, Galway and Waterford, but remain concentrated in three ports, Shannon Foynes, Cork and Dublin, with market shares of 37%, 25% and 20% respectively. With the abolition of milk quotas early in 2015, agricultural output is expected to grow and spin-off opportunities will emerge for regional ports to capitalise on increased trade in the agricultural sector, as evidenced by the decision of Glanbia plc to invest €157mn in a major new dairy facility near Waterford Port.

Key 2014 Indicators
Lo/Lo Traffic: +9%
Ro/Ro: +4%
Passenger: +1.2%
iShip Index: +2%
Bulk Traffic: -2%

Ireland's trading performance, and as a result the volume of traffic that moves through our ports, is susceptible to international economic influences. Growth in the global economy remained sluggish at 2.6% in 2014 and was lower than initially expected, continuing a pattern of disappointing outturns over the past several years. Within the EU, growth has been constrained by low domestic spending, most notably in France and Italy. More recently, in response to deflationary pressures within the Eurozone, the ECB launched its quantitative easing program, which generated some positive effects on business confidence. In addition, the competitive realignment brought about by the lower-valued euro, the positive effects of lower oil prices and the strengthening in overall German economic activity, have served to assuage concerns about recession in Europe. Set within this global economic context and buoyed by growth in the economies of its two most important trading partners, the United Kingdom and the United States, Ireland's GDP grew by 4.8% in 2014, a significant improvement on the 0.2% growth recorded in 2013. From a trading perspective, exports increased by 2.4% to €89bn, while imports grew strongly by 7.1% to €53.6bn. Although the Irish economy has not yet returned to the levels of output previously recorded, there is evidence that steady progress is being made and that our ports and shipping services are making a valuable contribution to this national effort by facilitating the growth in trade and the export led recovery.

In conclusion, I would like to thank those who contribute so generously to this publication. The IMTE is a collaborative effort that relies on the participation and support of ports and shipping companies to create a database that allows us to analyse and report on an industry sector that drives economic growth, and through its efficiency, improves national competitiveness. The support that we receive from industry is invaluable and greatly appreciated. I would also like to recognise the work done by our editorial team and in particular our economic analysts Eamonn O'Connor and Michael Egan, in bringing this edition of the IMTE to fruition. Finally, I would like to thank our readers for their continued support and interest in this publication.

Liam Lacey.

Liam Lacey
DIRECTOR

iShip Index

INCREASED BY 2%

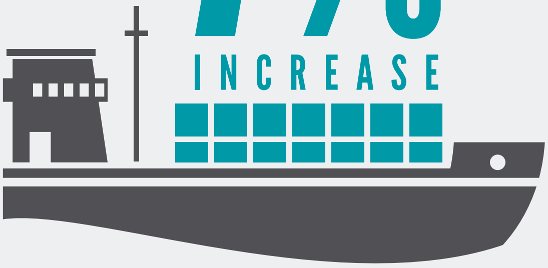
INDEX OF THE IRISH PORTS
& SHIPPING INDUSTRY

TOTAL LADEN CONTAINER TRAFFIC

TO THE ISLAND OF IRELAND

810,509 TEU

7%



INCREASE

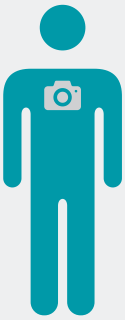
TOURIST PASSENGER NUMBERS

TO THE ISLAND OF IRELAND

INCREASED

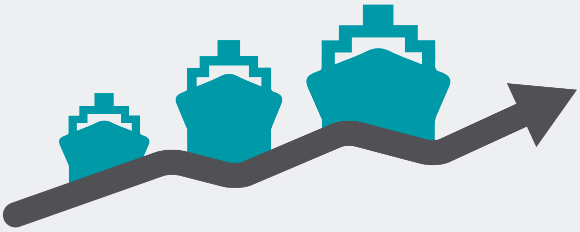
1.2%

TO 4.5MILLION



CRUISE VESSELS 170 IN 2014

THE AVERAGE SIZE OF CONTAINER VESSELS ENTERING IRISH PORTS IS



880 TEU

GLOBAL CONTAINER TRADE GREW BY

↑ 6% DURING 2014

Economic Review

NATIONAL ACCOUNTS

Irish Gross Domestic Product (GDP) rose 4.8% in 2014 to €181.3bn, a significant improvement on 0.2% growth in 2013. Net exports were the main driver of growth increasing by €3.785bn with export growth at 12.6%. The Central Bank of Ireland however has advised that net export figures are likely to have been inflated by "contract manufacturing" which involves large foreign-owned firms based in Ireland outsourcing manufacturing activity to affiliate companies in other jurisdictions but booking the profits in Ireland. Encouragingly, domestic demand rose 3.5%, the first positive contribution by domestic demand to growth since the onset of the financial crisis in 2007 and is a sign of a more balanced recovery. Gross National Product (GNP), a measure which factors in repatriated income, increased for the third successive year, up 5.2%.

Looking at national output, all sectors recorded positive growth. Industry increased 1.5%, with Building and Construction increasing 6.9%. Software, Transport and the Distribution sectors increased by 8%, while Agriculture increased by 10%. Public Administration and Defence recorded an annual increase of 1.1%. Ireland's performance is particularly encouraging when compared to that of its neighbours, with initial Eurostat figures indicating that Ireland has the fastest growing economy in the EU.

Quarterly GDP growth was strongest at the start of the year with the seasonally adjusted figures showing quarter on quarter growth of 2.3% for Q1 before slowing to 0.2% in Q4. There was a decline in net exports of -€1,667m (-15.7 %) during Q4, largely driven by higher imports (5.4 %). Consumer spending however increased 1.3% in Q4, its largest growth rate of the year. GNP similarly recorded its largest growth rate at 2.3% in Q4, underpinning confidence in the recovery of the domestic economy.

The Central Bank of Ireland predicts that GDP will grow by 3.7% in 2015, with GNP expected to grow by 3.3%. This reflects a favourable outlook for consumer and investment spending. However, due to the special circumstances outlined above, 2014 was an exceptional year for export growth and as such a slowdown is likely in 2015. Despite this, the Central Bank predicts growth in exports to remain strong in 2015. Growth in exports is likely to be more in line with external demand which is helped by Ireland's trade links with the better performing US and UK markets.

TABLE 1A

National Accounts, 2004-2014

Constant Prices €Millions (Chain Linked to 2011)				
Year	**GDP**	**% change**	**GNP**	**% change**
2004	158,553	4.6%	134,388	4.2%
2005	167,551	5.7%	141,827	5.5%
2006	176,716	5.5%	150,869	6.4%
2007	185,431	4.9%	155,700	3.2%
2008	180,593	-2.6%	152,149	-2.3%
2009	169,087	-6.4%	138,783	-8.8%
2010	168,622	-0.3%	140,781	1.4%
2011	173,298	2.8%	139,716	-0.8%
2012	172,755	-0.3%	141,229	1.1%
2013	173,055	0.2%	145,928	3.3%
2014	181,330	4.8%	153,486	5.2%

Source: CSO

TABLE 1B

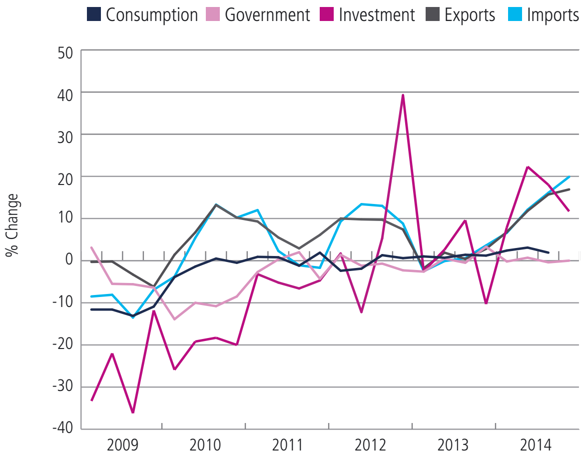
Real GDP Growth in Selected Economies, 2011-2016

Real GDP % Change (national currency)						
Country	**2011**	**2012**	**2013**	**2014**	**2015 (f)**	**2016 (f)**
Denmark	1.1	-0.4	-0.5	**0.8**	1.7	2.1
Germany	3	0.7	0.1	**1.5**	1.5	2.0
Ireland	2.2	0.2	0.2	**4.8***	3.7**	3.8**
Spain	0.1	-1.6	-1.2	**1.4**	2.3	2.5
France	1.7	0.0	0.3	**0.4**	1.0	1.8
Italy	0.4	-2.4	-1.9	**-0.5**	0.6	1.3
UK	1.1	0.3	1.7	**2.6**	2.6	2.4
EU	1.7	-0.4	0	**1.3**	1.7	2.1
USA	1.8	2.8	2.2	**2.4**	3.5	3.2
Japan	-0.5	1.4	1.6	**0.4**	1.3	1.3

Source: European Commission
*Note: *CSO, **Central Bank of Ireland*

GRAPH 1A

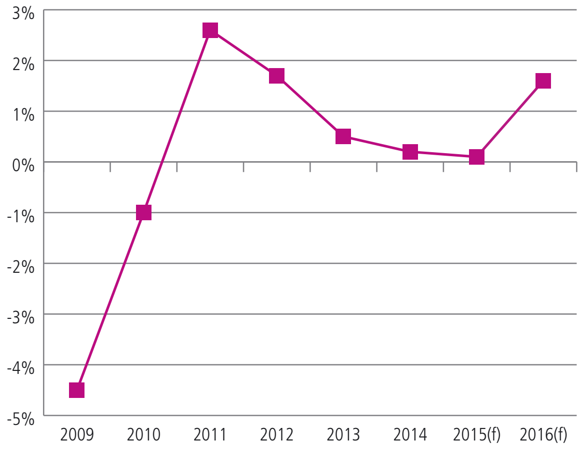
Growth in Components of Irish GDP, 2009-2014



Source: CSO

GRAPH 2A

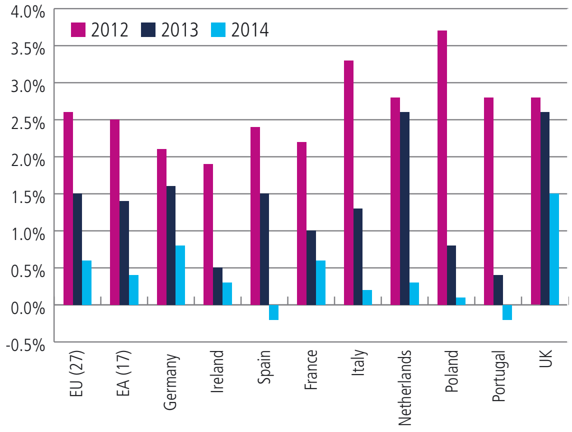
Consumer Price Index, 2009-2016(f)



Source: CSO, Central Bank of Ireland (f)

GRAPH 2B

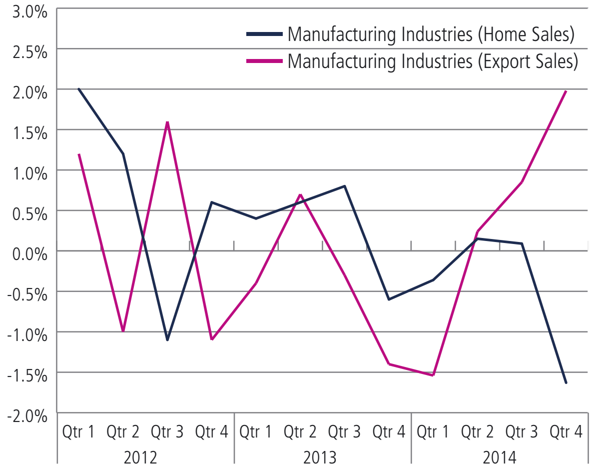
EU Harmonised Index of Consumer Prices, 2012-2014



Source: CSO, Eurostat

GRAPH 2C

Wholesale Price Index, 2012-2014



Source: CSO

INFLATION

The annual average rate of inflation for 2014 was 0.2%, falling from 0.5% in 2013 and 1.7% in 2012, as measured by the Consumer Price Index (CPI). The Harmonised Index of Consumer Prices (HICP) which excludes mortgage interest was at 0.4% for the year, down from 0.5% in 2013.

For the second year running a fall in energy prices was a major contributory factor to deflationary pressure. Energy prices decreased by 1.5% in total for 2014 compared with a 0.1% decrease in 2013 and a 9.4% increase in 2012. Due to the decline in the price of oil, this effect was stronger toward the end of the year, where in December a significant annual decrease of 5.5% contributed to overall deflation of 0.3% for the month, only the second time the CPI has been negative since 2010. This is reflective of a wider Eurozone trend with deflation of 0.2% as measured by the HICP for December, the first negative return for five years.

Falling mortgage interest repayments also had a significant effect on the CPI, with prices falling on average by 10.4% for the year compared with a drop of 7.1% in 2013. The ESRI attribute this to the prevalence of tracker mortgages in Ireland, with reductions in the ECB policy rate having resulted in lower mortgage payments for Irish households. Goods also decreased by 2% for the year, with IBEC attributing this to increased competition in the retail sector. Services (which do not include mortgage interest) increased by 2% compared with a rise of 1.7% in 2013.

The largest increase in prices in terms of Classification of Individual Consumption by Purpose Divisions (COICPs) were in Education (+4.6%), Alcoholic Beverages and Tobacco (+3.8%), Miscellaneous Goods & Services (+3.5%) and Restaurants & Hotels (+2.1%). The largest decreases in price were recorded for Clothing & Footwear (-3.3%), Furnishings, Household Equipment & Routine Household Maintenance (-2.9%), Communications (-2.9%) and Food & Non-Alcoholic Beverages (-2.3%). Over the period 2010 to 2014, Education has been the largest mover, rising 19.5% in this period, reflecting a rise in the price of tertiary education.

Overall, prices received by Irish producers decreased by 1.3% in 2014 following on from a decrease of 0.4% in 2013, as measured by the Wholesale Price Index (WPI). The price index for goods sold on the home market decreased by 0.5% in 2014, having increased by 1.4% in 2013, while the price index for exported goods decreased by 1.4% in 2014, following a decrease of 0.7% in the previous year. Producer prices were affected by a number of factors during 2014, including fluctuations in the euro exchange rate and market demand.

The Central Bank of Ireland forecasts a further slowing of inflation to 0.1% for 2015 as measured by the CPI (with the HICP set to fall to 0.2% growth). The Central Bank notes that the reduction in energy prices will be the main contributor to downward pressure in the coming year. This is based on current available information, including prevailing future prices for energy, with the price of oil being cited as the single most important factor. However, the weakening of the euro against the dollar and sterling is likely to offset upward pressure on prices in the energy sector.

INTEREST RATES

In 2014, the ECB dropped the main refinancing rate by 20 basis points to 0.05% in two series of cuts in June and September. This follows on from cuts in 2013 which saw the ECB's refinancing rate drop to then record low of 0.25%. The deposit rate was also dropped into negative territory for the first time as the ECB sought to combat slumping inflation and stimulate growth rates. A series of quantitative measures were introduced to boost market liquidity and increase bank lending, including a series of eight Targeted Longer-Term Refinancing Operations (TLTROs) and a securities purchase programme. Following the failure of these measures to meet targets and amidst fears of the long term implications of low inflation the ECB announced plans to introduce an expanded asset purchasing programme on January 22nd 2015. The programme is intended to be carried out until at least September 2016 or until the ECB Governing Council sees a sustained adjustment in the path of inflation that is consistent with its aim of achieving inflation rates close to, but below, 2% over the medium term.

Irish sovereign bonds continued their sustained rally in 2014, with the yield on the 10-year benchmark bond falling to 1.2%, its lowest recorded level representing a decrease of 2.25%. The conclusion of the EU-IMF programme in December 2013 and subsequent upgrading of Ireland's rating from substandard to standard investment increased downward pressure at the start of the year with new investors able to purchase Irish Bonds. This position was strengthened in December when Ireland's sovereign credit rating was upgraded by S&P to 'A' with a stable outlook, Ireland's highest credit rating in four years. Policy from Europe has further helped, with the ECB cutting its borrowing rate from 0.15% to 0.05% in September, while the prospect of a bond purchase in early 2015 acted to increase downward pressure in the final months of the year. The ESRI however notes that while the improvement in borrowing costs is a positive development in the short term, any deterioration of international sentiment will have significant implications for the borrowing costs of both the state and domestic financial institutions.

Through a series of bond auctions during the year the NTMA was able to repay €9bn or almost 40% of the overall IMF loan facility in 2014. Furthermore, in Q1 2015 the NTMA was able to make two further repayments, bringing the total amount of repayments to just over €18bn or 81% of the original €22.5bn IMF loan facility. These repayments discharge IMF principal repayment obligations that were originally to fall due from July 2015 to January 2021, meaning Ireland has fully repaid the more expensive portion of the IMF facility. The residual now stands at €4.5bn.

Interest rates are set to remain low for 2015, with Bank of Ireland forecasting rates to remain at 0.05% throughout the year. Rates are not expected to increase until late 2017.

TABLE 3A

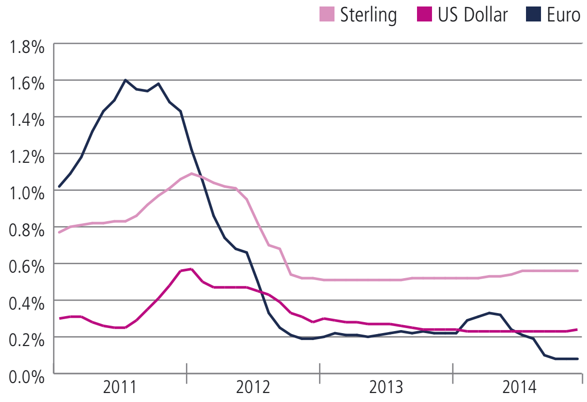
Interest Rates, 2010-2015(f)

	2010	2011	2012	2013	2014	2015(f)
US (Fed Funds)	0.25	0.25	0.125	0.125	0.25	0.50
Euro (Refi Rate)	1.00	1.00	0.75	0.25	0.16	0.05
UK (Bank Rate)	0.50	0.50	0.50	0.50	0.50	0.50

Source: AIB Global Treasury

GRAPH 3A

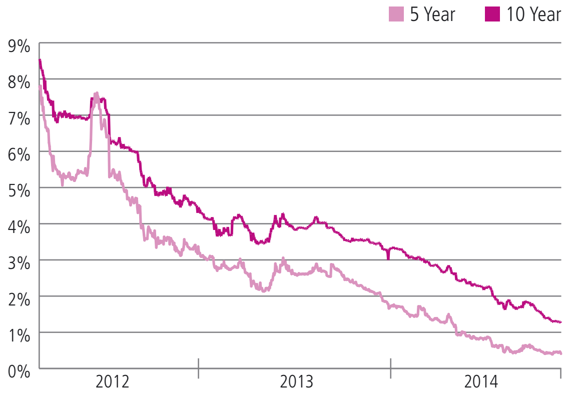
International 3-Month Interest Rates, 2011-2014



Source: Eurostat

GRAPH 3B

Irish Bond Yields, 2012-2014



Source: Financial Times

TABLE 4A

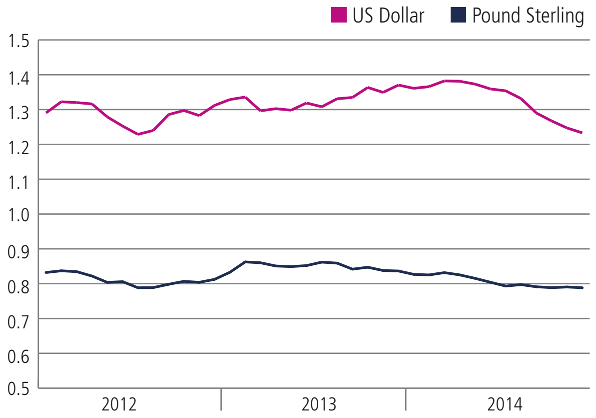
Selected Exchange Rates: Annual Averages
(Units per Euro)

	Annual Averages				
Year	USD	GBP	CNY	CHF	JPY
2005	1.244	0.684	9.986	1.548	136.85
2006	1.256	0.682	10.009	1.573	146.02
2007	1.370	0.684	10.418	1.643	161.25
2008	1.471	0.796	10.224	1.587	152.46
2009	1.395	0.891	9.528	1.510	130.34
2010	1.326	0.858	8.971	1.380	116.24
2011	1.392	0.868	8.996	1.233	110.96
2012	1.285	0.811	8.105	1.205	102.49
2013	1.328	0.849	8.165	1.231	129.66
2014	1.329	0.806	8.186	1.215	140.31

Source: Central Bank of Ireland

GRAPH 4A

Euro Exchange Rates, 2012-2014



Source: ECB

GRAPH 4B

Nominal HICP (2002-2014)

Source: Central Bank of Ireland

EXCHANGE RATES

In 2014, average annual exchange rates for the euro remained stable against the dollar and depreciated 5% against the pound sterling, dropping to £0.81. Underlying this was a strong fall off toward the end of the year against both currencies, which has continued through early 2015 with the euro reaching sustained lows of under $1.18 for the first time since 2003 and 7 year lows against the pound of £0.73 in February 2015. Weak growth in the Eurozone coupled with low inflation rates resulted in the ECB introducing a quantitative easing programme in January. In contrast, the US and UK economies have steadily improved and there is speculation that the Federal Reserve will raise interest rates in the coming months if inflation in the US continues to rise.

The Central Bank of Ireland notes that changes in the exchange rates as outlined above are the main contributor to gains in Ireland's competitiveness toward the end of 2014 as measured by the Harmonised Competitiveness Indicators (HCIs). The HCIs are trade weighted exchange figures with the purpose of providing meaningful and comparable measures of euro area countries' price and cost competitiveness. The nominal figure fell by 3% in Q4 2014 but rose by 0.2% for the year as a whole. The Central Bank of Ireland predicts an increase in Ireland's competitiveness relative to its main trading partners for 2015. This is attributed to an above average projected rise of labour productivity as reported by the European Commission combined with favourable exchange rate developments and subdued price pressures.

The Central Bank of Ireland forecasts the annual average exchange rate to fall to £0.73 and $1.11 against the pound and the dollar respectively. The Central Bank bases these forecasts on assumptions that exchange rates will remain unchanged at their average levels in early-January and oil prices and interest rates will move in line with the futures market.

OIL AND BUNKER PRICES

Oil prices fell significantly in the second half of 2014, with low prices continuing to prevail into 2015. The rise in US production in recent years, a reduction in global demand and the decision by OPEC to maintain production levels has resulted in a glut in the supply of oil, resulting in a fall in prices. This has had knock on effects on the bunker markets, with large reductions in the price of fuel. The IFO benchmark 380 cst at Rotterdam fell to $278/tonne for the week ending January 2nd 2015, down 52% for the same week of the previous year.

For the full year, the Brent spot price averaged $98/bbl in 2014, down 10% from 2013. Brent crude prices generally rose up to the middle of the year, reaching the monthly average high of $114.3/bbl in June. The market became volatile after this point due to world crude oil supply growth and weak global demand, with prices falling on a monthly basis to as low as $49.5/bbl in December.

The benchmark IFO 380cst declined by 10% on average to $553/tonne in 2014, when compared to 2013. This reduction in price has been consistent with reductions in the price of oil with prices lowest in December, averaging $328/tonne for the month. Marine Gas Oil (MGO) which complies with the Sulphur Emission Control Area (SECA) 0.01% emissions criteria is set to become more significant for the Irish short sea market in the coming years. The benchmark MGO Rotterdam also declined 10% on average to $817/tonne for 2014, with prices lowest in December averaging $558/tonne for the month.

Liquefied Natural Gas (LNG) is the other major low sulphur fuel alternative currently being explored by operators in the SECA. Lower long run projected prices compared with other low sulphur fuel alternatives make LNG an attractive option for operators in the SECA, despite the requirement of a large initial capital investment and the limited availability of bunkering facilities at present. As reported by Clarksons there are currently 178 LNG capable vessels in service with a further 200 on order. While both the LNG capable fleet and order book are mainly comprised of LNG carriers at approximately 70%, Clarksons note that interest in other ship types has been growing.

The International Energy Agency forecasts non-OPEC liquids growth of 1.3m bpd and for demand to rise by 904,000 bpd in 2015. The US Energy Information Administration forecasts Brent crude oil price average to fall from $98/bbl in 2014 to $58/bbl in 2015, as non-OPEC supply growth continues to exceed world demand growth. Therefore, the 2015 call on OPEC production has been reduced by 338,000 bpd and is now forecast to be 28.9m bpd. However, it should be noted that recent declines in oil prices and increased price volatility make it particularly difficult to forecast future prices. Bunker prices generally track those of crude oil, but factors such as refining priorities, capacity constraints and price hedging can create pricing distortions.

TABLE 5A

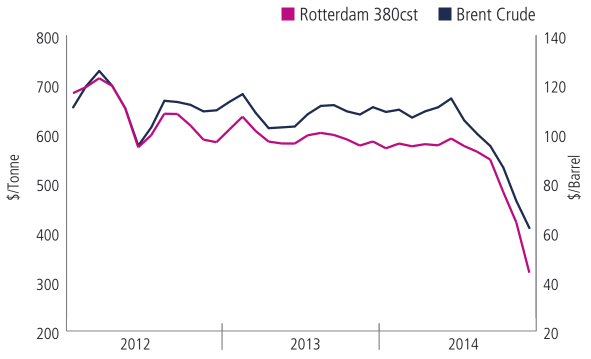
Bunker Prices, 2005-2014

	IFO 380cst $/Tonne		
Year	**Rotterdam**	**L.A.**	**Singapore**
2005	234	263	262
2006	293	321	313
2007	345	382	373
2008	472	525	506
2009	354	375	372
2010	450	469	464
2011	618	656	647
2012	640	681	664
2013	595	631	616
2014	531	568	559

Source: Clarksons

GRAPH 5A

Bunker & Oil Prices, 2012-2014



Source: Clarksons, EIA

TABLE 5B

Oil Prices, 2005-2014

	Average $US per barrel		
Annual	**Brent**	**OPEC**	**WTI**
2005	54.57	50.64	56.70
2006	65.16	61.08	66.25
2007	72.44	69.08	72.41
2008	96.94	94.45	99.75
2009	61.74	61.06	62.09
2010	79.61	77.45	79.61
2011	111.26	107.46	95.11
2012	111.57	109.45	94.15
2013	108.56	105.87	98.05
2014	98.34	96.29	92.99
Jan-15	49.69	44.38	47.33
Feb-15	60.57	54.06	50.73

Source: Clarksons, OPEC, EIA

Trade Review (All Modes)

EXTERNAL TRADE

Ireland's external trade performance declined in 2014 due to a sharp increase of imports and although exports also grew, it was not to the same level. The year's trade surplus fell 4% to €35.5bn, down from €37bn in 2013. On a monthly basis, June saw the largest trade surplus for 2014, reaching a total of €3.4bn, while January saw the smallest, at €2.4bn.

Exports for 2014 saw an increase of 2.4% to €89bn, from €87bn in 2013. Exports to the EU fell by 1.7% to €48.8bn in 2014. This is the second consecutive year that exports to the EU have fallen, having dropped by 8% in 2013. December saw the highest monthly value of exports at €8.8bn, up 14% from December 2013, and July saw the lowest monthly value of exports at €6.6bn, down 20% from July 2013.

Imports increased by 7.1% to €53.6bn, which is 7% below the pre-crisis level of €57.4bn in 2008. November saw the highest monthly value of imports at €4.8bn, up 4.7% from November 2013, and April saw the lowest monthly value of imports at €4bn, down 0.6% from April 2013. Import values have now increased consecutively for five years, indicating the consistent improvement in the Irish economy as consumer sentiment and business confidence gain traction.

The Central Bank of Ireland forecasts the volume of merchandise exports to increase 5.2% (price to increase 1.2%) in 2015 and 5.4% (price to increase 1.3%) in 2016. The Central Bank also estimates the volume of merchandise import growth to be 5.1% (price to increase 0.7%) in 2015 and 5.3% (price to increase 1.1%) in 2016. The IMF forecasts slightly lower global growth in 2015-2016 at around 3.5-3.7%, while the Central Bank forecast similar global growth figures in 2015 at 3.25-3.75% and just under 4% in 2016; these forecasts are based on the prediction that personal consumer expenditure will continue to rise after returning to positive growth of 1% in 2014 (personal consumer expenditure forecast 2015: 1.9%, 2016: 2.1%).

TABLE 6A

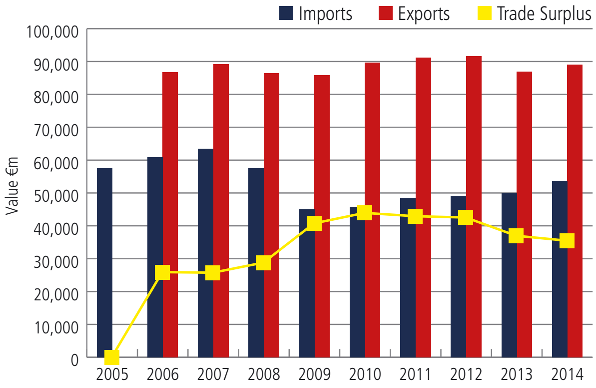
External Trade Growth: 2005-2014

Year	Imports €m	Exports €m	Trade Surplus €m	Import Change %	Export Change %	Trade Surplus Change %
2005	57,465	86,732	29,267	12.4%	2.8%	-12%
2006	60,857	86,772	25,915	5.9%	0.0%	-11%
2007	63,486	89,226	25,740	4.3%	2.8%	-1%
2008	57,585	86,394	28,810	-9.3%	-3.2%	12%
2009	45,061	85,804	40,743	-21.7%	-0.7%	41%
2010	45,764	89,703	43,939	2%	5%	8%
2011	48,302	91,228	42,926	6%	2%	-2%
2012	49,151	91,688	42,537	1.8%	0.5%	-1%
2013	50,025	86,999	36,974	1.8%	-5.1%	-13%
2014	53,590	89,074	35,484	7.1%	2.4%	-4%

Source: CSO

GRAPH 6A

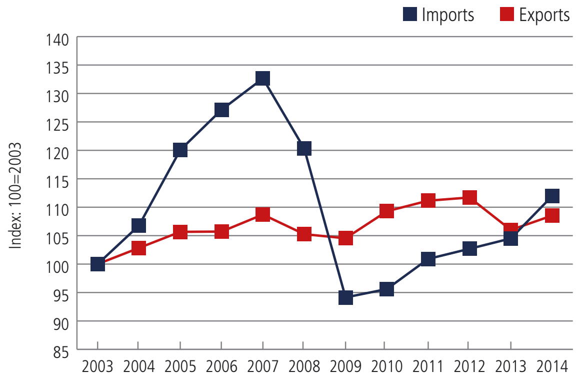
External Trade Value: 2005-2014



Source: CSO

GRAPH 6B

Imports v Exports Indices by Value



Source: CSO

TABLE 7A

Value of Merchandise Exports by Commodity Group, 2013-2014

Exports	2013 €m	2014 €m	Change %	Share %
Med & pharma products	21,295	22,268	5%	25%
Organic chemicals	18,589	18,166	-2%	20%
Essential oils	6,250	6,946	11%	8%
Misc manufactured articles	10,712	11,275	5%	6%
Scientific apparatus	3,585	4,213	18%	5%
Office machines	4,019	3,809	-5%	4%
Chemical materials	3,207	3,168	-1%	4%
Meat and meat preparations	3,005	3,324	11%	4%
Electrical machinery	2,264	1,986	-12%	2%
Dairy products & birds' eggs	1,882	1,835	-2%	2%
Misc edible products	1,657	1,935	17%	2%
General Industrial machinery	1,428	1,555	9%	2%

Source: CSO

TABLE 7B

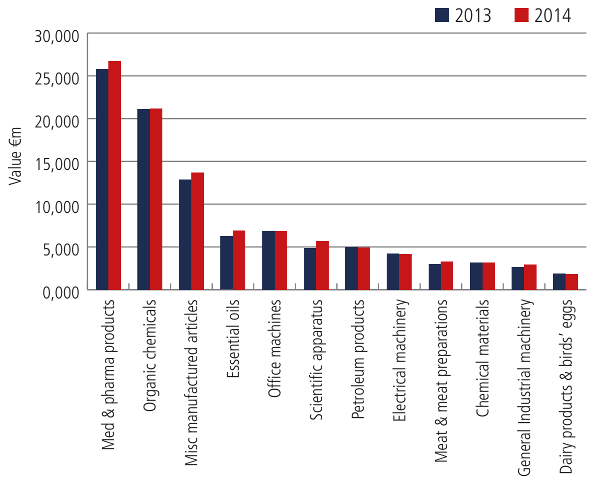
Value of Merchandise Imports by Commodity Group, 2013-2014

Imports	2013 €m	2014 €m	Change %	Share %
Petroleum products	5,022	4,950	-1%	9%
Med & pharma products	4,499	4,476	-1%	8%
Office machines	2,848	3,077	8%	6%
Organic chemicals	2,548	3,018	18%	6%
Misc manufactured articles	2,184	2,445	12%	5%
Road vehicles	1,878	2,575	37%	5%
Specialised industry machinery	1,275	2,164	70%	4%
Electrical machinery	1,959	2,178	11%	4%
Apparel	1,512	1,633	8%	3%
Scientific apparatus	1,309	1,508	15%	3%
General industrial machinery	1,218	1,395	15%	3%
Gas	1,576	1,282	-19%	2%

Source: CSO

GRAPH 7A

Total Value of Merchandise Trade by Commodity Group, 2013-2014



Source: CSO

EXTERNAL TRADE BY COMMODITY

Total exports grew 2.4% in value terms during 2014, when compared with 2013, due to the growth in the volume of trade, competitiveness gains and a weaker euro. Chemical and Pharmaceutical Products, which accounted for 45.4% of all exports increased in value by €550m (1.4%). This included a decline for Organic Chemicals (-2.3%) and an increase for Medical and Pharmaceutical Products (4.6%). Overall, merchandise exports remained steady in 2014, showing growth of 2.4%. For example, Food and Live Animals increased by €588m (6.7%) year-on-year, led by strong growth in Meat and Meat Preparations (+€319m; 11%), and Miscellaneous Edible Products and Preparations (+€278m; 17%). Overall, exports increased by 2.4% to €89bn.

Imports in 2014 rose by 7.1% year-on-year, due in part to improved inflows of Organic Chemicals (+€470m; 18%) and Road Vehicles (+€697m; 37%). Petroleum imports, which accounted for 9.2%, recorded a 1.4% drop; meanwhile Mineral Fuels, Lubricants and Related Materials saw the largest decline of 6%, with Coal, Coke and Briquette imports falling by 25%. Overall, imports increased by 7% to €53.6bn.

Bord Bia predicts that 2015 will be a more challenging year in which to maintain recent growth in the Agricultural sector. Moody's also state that strong export growth will be hard to repeat, but do expect a solid performance from the market. In the Irish Budget 2015, it is forecast that exports will grow by 4.8% in 2015, followed by 4.3% in 2016, and imports will grow 5.3% in 2015, followed by 3.6% in 2016. The removal of the Common Agricultural Policy quotas will see increased production for the export market, especially in the milk market. Ireland hopes to increase milk production by 63% over the next five years. The construction and expansion of processing plants by Glanbia, the Irish Dairy Board and Dairygold is being carried out in order to deal with increased production. Glanbia's new processing plant, for example, will increase their production by over 50% and will have the capacity to produce over 100,000 tonnes (from 700m litres) of milk powder.

EXTERNAL TRADE BY COUNTRY

Ireland's largest trading partners are the Great Britain and the US, with a 19.7% and 18% market share respectively. In terms of the export market, Ireland's largest trading partner is the US with a 22.2% share of the export market. In the imports market, Ireland's largest trading partner is the Great Britain with a 30.2% share of the import market.

Ireland's trade deficit with the Great Britain grew by 33.9% in 2014 to €4.35bn after growing 83% in 2013 to €3.25bn. The increasing deficit was due to a 6.2% (€778m) decline in exports to the Great Britain accompanied with Irish imports rising by 2% (€322m). Export sectors most affected were Chemicals and Related Products, falling €845m (19.6%), and Mineral Fuels, Lubricants and Related Materials, falling €141m (26.2%).

Ireland's trade surplus with the US grew 6.4% to a total of €14bn, on the back of steady export growth, up 7.7% to €19.81bn. The commodities that grew the most, in terms of value, were Chemicals and Related Products (up 7.6% to €969m), followed by Miscellaneous Manufactured Articles (up 4.3% to €161m) and Machinery and Transport Equipment (up 15.1% to €157m).

With regard to the EU and the Eurozone, total EU imports increased 3.8% to €33.7bn but its share of total global imports fell slightly from 65% in 2013 to 63% in 2014. Eurozone imports rose 6% to €13bn, yet this amounts only to 24.4% of total EU imports due to the scale of trade with the Great Britain. Exports to the rest of the EU fell by just 0.16% with Machinery and Transport Equipment having the largest fall of €308m (7%) and Food and Live Animals having the largest increase of €156m (4.7%), while overall global exports grew by €2.08bn (2.4%). The most significant percentage increase in imports was from Japan, rising by 68.7% to €1.76bn, and the most significant percentage increase in exports was to China, up 8.8% to €2.1bn.

TABLE 8A

Export Value by Country, 2013-2014

Exports	2013 €m	2014 €m	Change %	Share %
USA	18,388	19,808	8%	22%
Great Britain	12,620	11,842	-6%	13%
Belgium	11,227	11,790	5%	13%
Germany	6,621	5,856	-12%	7%
Switzerland	5,116	5,255	3%	6%
France	4,042	4,676	16%	5%
Netherlands	3,678	3,386	-8%	4%
Spain	2,695	2,455	-9%	3%
Italy	2,299	2,103	-9%	2%
China	1,941	2,111	9%	2%
Japan	1,692	1,761	4%	2%
Northern Ireland	1,478	1,586	7%	2%
Poland	817	954	17%	1%
Sweden	741	742	0%	1%
All Other	13,644	14,749	8%	17%
Total EU	49,649	48,812	-2%	55%
Euro Zone	32,188	31,855	-1%	36%
Total	86,999	89,074	2%	100%

Source: CSO

TABLE 8B

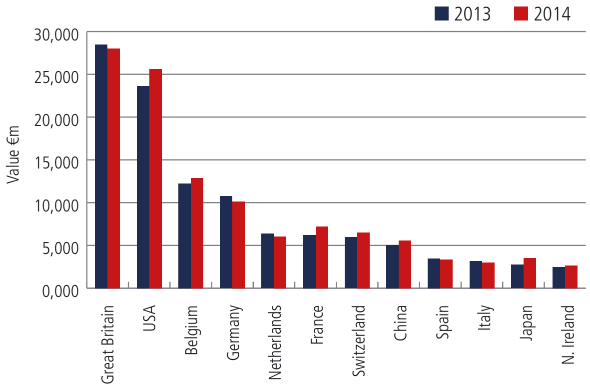
Import Value by Country, 2013-2014

Imports	2013 €m	2014 €m	Change %	Share %
Great Britain	15,870	16,192	2%	30%
USA	5,233	5,812	11%	11%
Germany	4,124	4,255	3%	8%
China	3,091	3,481	13%	6%
Netherlands	2,691	2,642	-2%	5%
France	2,198	2,527	15%	5%
Norway	1,103	938	-15%	2%
Japan	1,043	1,760	69%	3%
Northern Ireland	1,016	1,078	6%	2%
Belgium	999	1,112	11%	2%
Italy	875	919	5%	2%
Switzerland	838	1,251	49%	2%
Spain	776	869	12%	2%
All Other	10,168	10,754	6%	20%
Total EU	32,463	33,689	4%	63%
Euro Zone	12,318	13,073	6%	24%
Total	50,025	53,590	7%	100%

Source: CSO

GRAPH 8A

Total Trade Value by Country, 2013-2014

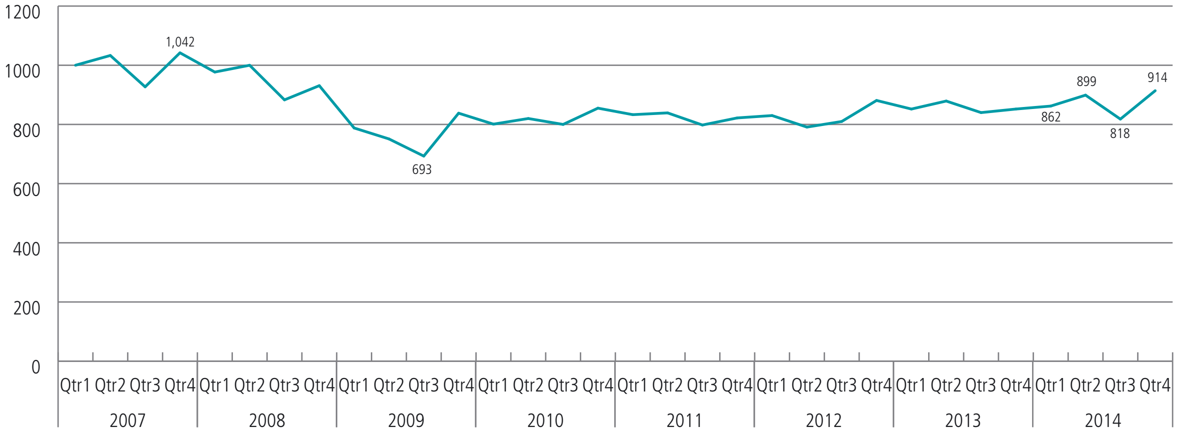


Source: CSO

iShip Index

SHIPPING INDEX

iShip Index: 2007-2014



Source: IMDO

iSHIP INDEX

The *iShip Index* is a quarterly weighted indicator that gauges the health of the Irish shipping industry and the wider economy. The index is comprised of five separate indices, representing the main maritime traffic categories moving through ports in the Republic of Ireland: LoLo, RoRo, Dry Bulk, Liquid Bulk and Break Bulk. As all three bulk segments are traditionally measured in tonnes, LoLo and RoRo traffic are converted into tonnage terms, whereby 1 teu =10 tonnes and 1 Freight Unit = 14 tonnes, thus establishing a common denominator. The base period is Q1 2007 at which point, all indices were set at 1000.

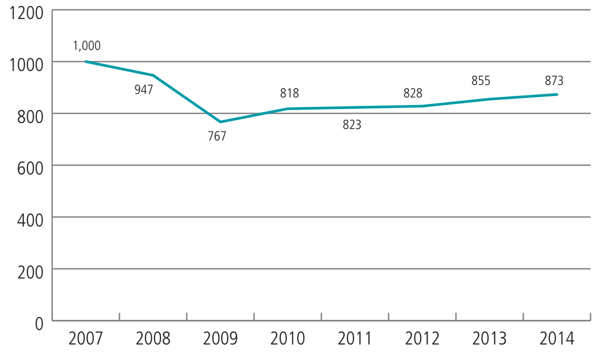
The *iShip Index* indicates a 2% increase in overall shipping activity in 2014, with positive growth in Q1, Q2 and Q4. Four of the five traffic categories registered increased index figures.

Growth was driven by the strong performance of the LoLo and RoRo categories with activity increasing in both categories by 7%. RoRo traffic is a reliable indicator of the trade between Ireland and the UK, as such improved economic conditions in UK are reflected in the growth in traffic as recorded by the *RoRo Index* over the past two years. The LoLo sector was aided by the continued growth of Irish exports while both categories are strongly influenced by domestic demand, which increased by 3.6% as reported by the CSO. Growth in the *iShip Index* however was suppressed by a reduction in activity of 4% in the Dry Bulk Sector, the largest component of the index. Dry Bulk activity in 2014 was influenced by improved weather conditions compared with 2013, resulting in a reduction in the demand for animal feed, as well as a reduced demand for coal. This effect was strongest in Q1 and Q3. The *Break Bulk Index*, while only a small component of the *iShip Index*, grew by 29% over the year as volumes of construction related materials and project cargo increased.

Focusing on the last quarter of 2014, the *iShip Index* reveals a figure of 914 with increases in all five categories. Although still 12% below the peak recorded in Q4 2007 (1042), this represents a substantial turnaround from the trough experienced in the third quarter of 2009 (698) and is the highest level recorded on the index since Q4 2008.

GRAPH A

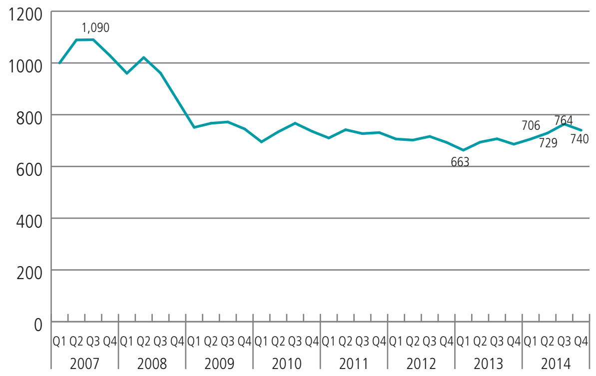
Annual iShip Index



Source: IMDO

GRAPH B

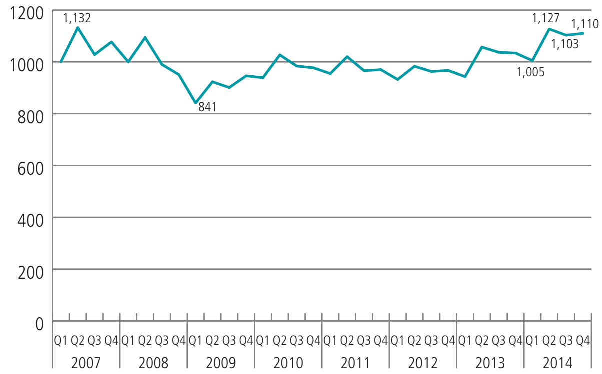
LoLo Index



Source: IMDO

GRAPH C

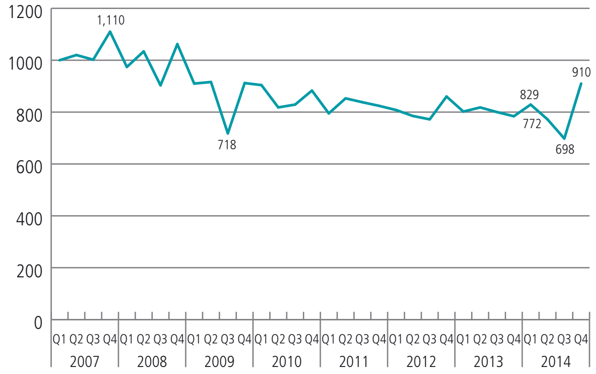
RoRo Index



Source: IMDO

GRAPH D

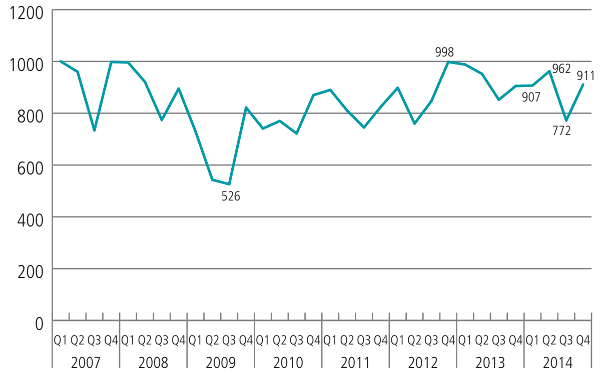
Liquid Bulk Index



Source: IMDO

GRAPH E

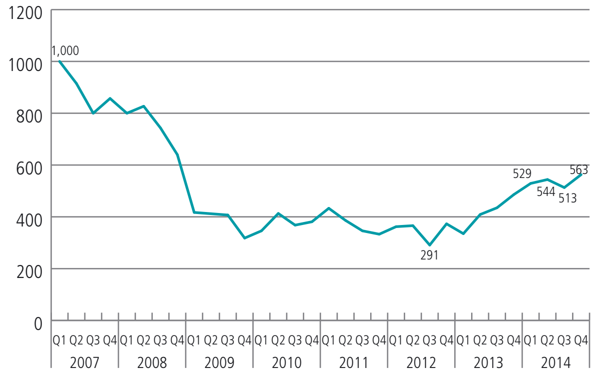
Dry Bulk Index



Source: IMDO

GRAPH F

Break Bulk Index



Source: IMDO

Irish Market Review

IRISH PORT TRAFFIC: TOTAL BULK VOLUMES

Overall, total bulk volumes through ports in the Republic of Ireland decreased by 2% to 27.8m tonnes during 2014. The dry and liquid bulk markets recorded reduced volumes of 4% and 1% respectively, while break bulk increased by 29%.

The dry bulk market continues to be the largest bulk segment at 54%, compared to 41% for liquid bulk and 4% for break bulk. Bulk volumes in the Republic of Ireland are primarily accounted for by three ports which make up nearly 82% of the total bulk volume - Shannon Foynes 37%, Cork 25%, and Dublin 20%.

Decreases in the import of coal and animal feed products had the biggest impact on the decline in total bulk volume in 2014. Elsewhere, growth in petroleum products which accounts for the largest share of total bulk volume remained relatively flat for 2014. The performance of the individual categories, each of which has different demand drivers, is assessed in more detail in the following sections.

TABLE 9A

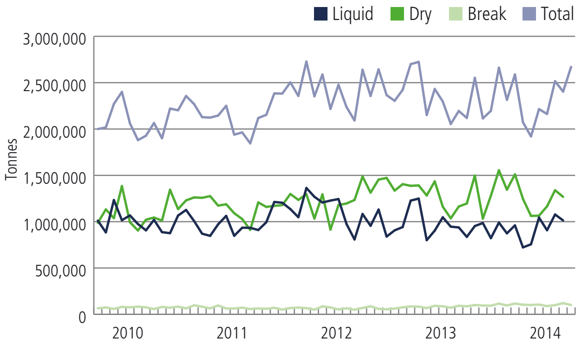
Irish Port Traffic: Total Bulk (Tonnes)

Port	Total 2013	2014	% Change
Bantry Bay	1,468,763	1,310,973	-11%
Cork	7,188,824	6,832,886	-5%
Drogheda	1,044,033	1,220,380	17%
Dublin	5,554,059	5,552,492	-0.03%
Dundalk	97,400	76,744	-21%
Galway	521,646	562,804	8%
Greenore	383,075	504,880	32%
New Ross	340,990	332,017	-3%
Shannon Foynes	10,510,720	10,226,790	-3%
Waterford	1,063,721	1,115,973	5%
Wicklow	141,828	97,974	-31%
Total ROI	**28,315,059**	**27,833,913**	**-2%**

Source: IMDO

GRAPH 9A

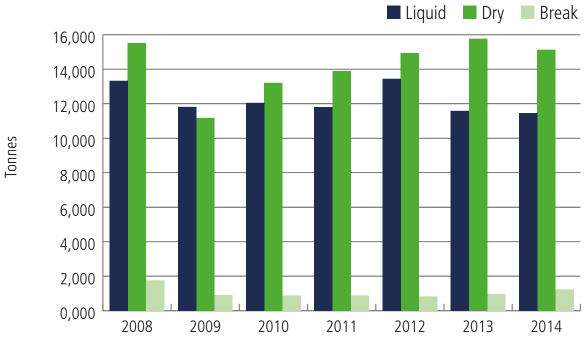
Total Bulk Tonnage through ROI Ports (Monthly)



Source: IMDO

GRAPH 9B

Bulk Traffic by Category 2008-2014



Source: IMDO

TABLE 10A

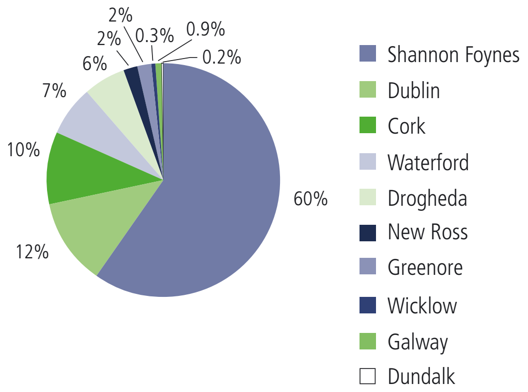
Irish Port Traffic: Dry Bulk (Tonnes)

	Dry		
Port	**2013**	**2014**	**% Change**
Cork	1,835,251	1,499,511	-18%
Drogheda	787,639	883,599	12%
Dublin	1,984,744	1,885,105	-5%
Dundalk	83,723	24,845	-70%
Galway	93,012	141,808	52%
Greenore	286,573	334,125	17%
New Ross	340,990	320,318	-6%
Shannon Foynes	9,227,005	9,013,419	-2%
Waterford	1,004,844	998,940	-1%
Wicklow	120,899	44,199	-63%
Total ROI	**15,764,680**	**15,145,869**	**-4%**

Source: IMDO

GRAPH 10A

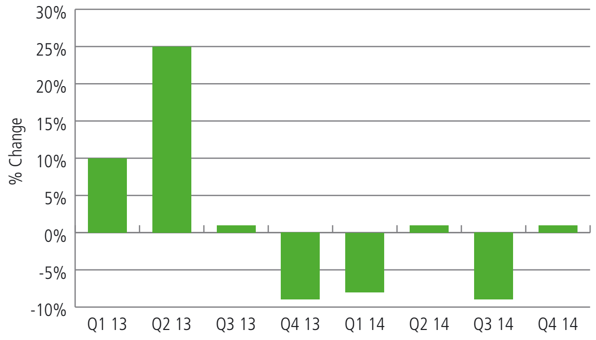
Market Share of Dry Bulk Traffic 2014



Source: IMDO

GRAPH 10B

% Change in Dry Bulk Through ROI Ports



Source: IMDO

DRY BULK:

Dry bulk volumes through ports in the Republic of Ireland decreased by 4% to 15.1m tonnes during 2014. The main commodities in this segment are animal feed, iron ore, coal, fertilizer, cement, bauxite and alumina. This market segment was particularly affected by decreases in bulk volumes of coal (-15%) and animal feed (-9%).

A milder spring and good summer compared to 2013 reduced the demand for imported animal feed. A mild fourth quarter also contributed to reduced demand for both animal feed and coal imports.

In the non-food segments, the volume of bulk cement through Irish ports increased by 11% year-on-year. Bauxite and alumina make up the largest market share of dry bulk commodities in the Irish market, representing 42%. Demand for these commodities remained relatively steady, while the volume of other major bulk products, such as coal and ore, slowed during 2014.

Only three of the ten ports in this segment recorded increased tonnage during 2014 with Galway reporting the highest percentage increase, up 52%, while Greenore and Drogheda also reported double-digit growth. Shannon Foynes remains the largest dry bulk port in Ireland with 60% share of the market, yet volumes here decreased 2% during the year.

LIQUID BULK:

In 2014, liquid bulk volumes through Irish ports declined by 1% to 11.4m tonnes. When transhipment activity and crude oil storage are excluded from the overall figure, which correlates volumes closer to domestic demand, it is estimated that the liquid bulk market remained unchanged. The main commodities in this category include fuel oils, bitumen, heavy fuel oils and molasses.

Dublin Port and Port of Cork are the primary fuel transport depots in the Republic of Ireland. The Port of Cork, as per previous years, recorded the largest share of liquid bulk handled at any port, with volumes remaining steady, while Dublin Port reported a volume increase of 3% during 2014.

Galway and Shannon Foynes both recorded declines in volumes for the year, a combined 5% drop. Bantry Bay's volumes declined by 11% in 2014. These declines are linked to mild weather conditions, in addition to reduced demand for oil globally.

The market share in the Republic of Ireland for this segment remained relatively unchanged during 2014 with the Port of Cork (43%), Dublin Port (32%), and Bantry Bay (12%) handling 87% of liquid bulk through Irish ports.

TABLE 11A

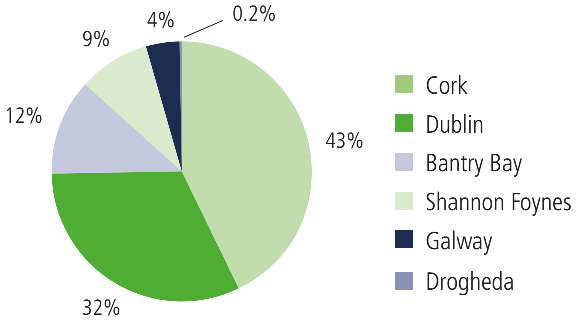
Irish Port Traffic: Liquid Bulk (Tonnes)

	Liquid		
Port	**2013**	**2014**	**% Change**
Bantry Bay	1,468,763	1,310,973	-11%
Cork	5,059,368	5,036,929	0%
Drogheda	24,965	27,898	12%
Dublin	3,530,862	3,624,318	3%
Galway	412,804	405,206	-2%
Shannon Foynes	1,091,847	1,017,925	-7%
Total ROI	**11,588,609**	**11,423,249**	**-1%**

Source: IMDO

GRAPH 11A

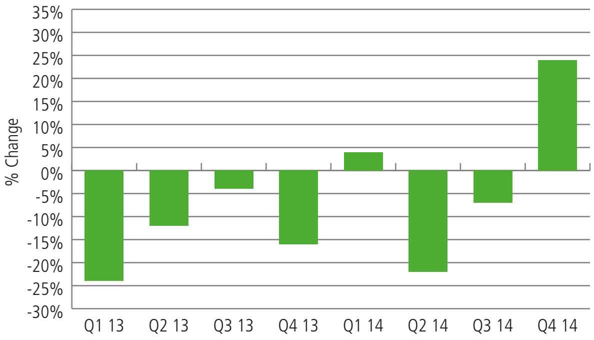
Market Share of Liquid Bulk Traffic 2014



Source: IMDO

GRAPH 11B

% Change in Liquid Bulk Through ROI Ports



Source: IMDO

TABLE 12A

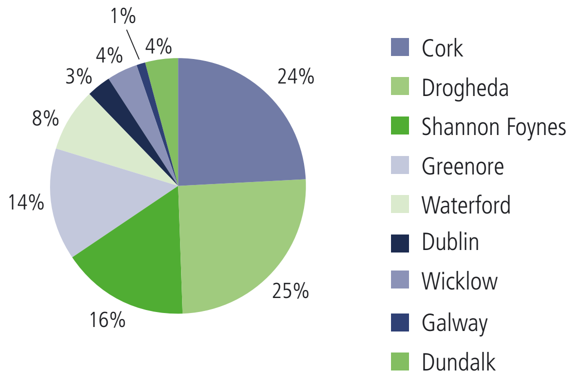
Irish Port Traffic: Break Bulk (Tonnes)

Port	Break 2013	2014	% Change
Cork	294,206	296,446	1%
Drogheda	231,429	308,883	33%
Dublin	38,456	43,069	12%
Dundalk	13,677	51,898	279%
Galway	15,830	15,790	0%
Greenore	96,501	170,756	77%
Shannon Foynes	191,897	195,447	2%
Waterford	58,877	105,140	79%
Wicklow	20,929	53,775	157%
Total ROI	**961,802**	**1,241,204**	**29%**

Source: IMDO

GRAPH 12A

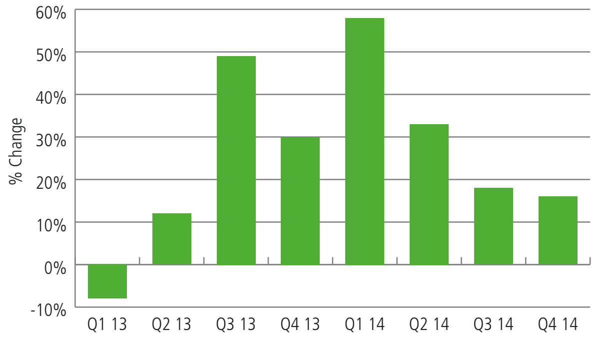
Market Share of Break Bulk Traffic 2014



Source: IMDO

GRAPH 12B

% Change in Break Bulk Through ROI Ports



Source: IMDO

BREAK BULK*:

Break bulk remains the smallest bulk component at 5% of total bulk volumes. Break bulk volumes increased by 29% through ports in the Republic of Ireland, to 1.2m tonnes in 2014. This market increase represents the second consecutive annual rise in break bulk, while an examination of quarterly data shows that the break bulk sector recorded seven consecutive increases during 2013 and 2014. This is the first time since the start of the recession in 2008 that break bulk volumes have shown this level of sustained growth.

Both Port of Cork and Shannon Foynes Port retained significant market share during 2014, with 24% and 16% respectively. However, Drogheda Port overtook Cork as the largest break bulk port in the Republic of Ireland with 25% of the market, as a result of an increase in the throughput of construction materials. The ports of Drogheda, Dublin and Waterford all recorded double-digit growth in this sector in 2014. None of the ports in the Republic of Ireland experienced negative growth.

Commodities such as timber, steel products, machinery and general project cargo make up the majority of break bulk cargo moving through Irish ports. The main drivers in this segment's recovery, albeit at a low base level, are construction activities and the delivery of project cargo, such as wind turbines, into Ireland.

Break bulk data, while not a direct link to construction industry activity, has mirrored improvements in the sector. The CSO "Building and Construction" output indicator for 2014, reports that volumes of output in building and construction increased by double digits in 2014 (11.2%), which was in line with break bulk volumes recorded by the IMDO.

As we progress through 2015, a degree of optimism is returning to the construction industry. The delivery of wind turbine components is set to become more frequent at Irish ports, with Bord na Mona's announcement of their intention to build one new wind farm every year for the next seven years, in conjunction with other private parties' interests, set to add to these figures. These factors should contribute to the continued growth of the break bulk market in the coming year.

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* *Break Bulk - goods that must be loaded individually, i.e. not in intermodal containers or in bulk form (e.g. as with oil or grain)*

LIFT-ON/LIFT-OFF MARKET: PORTS*

In 2014 total laden container traffic for the island of Ireland increased by 7%. This is the first significant increase in growth in container traffic since 2007. Total laden container traffic reached 810,509 teu which is the largest volume since 2009 (812,393 teu). However, this figure is still down significantly from 2008 where traffic rose to 1,102,171 teu.

In 2014 laden exports from the Republic of Ireland increased by 4% to total 271,334 teu, marking a return to positive growth for the first time since 2011. Growth throughout the year has been steady with volumes averaging 67,833 teu per quarter, spread relatively evenly across the four quarters. A return to steady growth is encouraging as it is in line with reports of an export led recovery in the economy, while correlating closely with improved sentiment within the manufacturing sector as measured by the Purchasing Management Index. Northern Ireland similarly recorded positive growth in 2014, with laden imports rising to 88,567 teu, up 6% from 2013.

Laden imports increased by 9% to 352,384 teu in the Republic of Ireland, marking the first yearly increase in import traffic since 2007. Laden imports are linked with consumer demand, with deep-sea trades in particular related to the demand for non-essential consumer goods. Consumer spending as measured by the Central Bank grew by 1% in 2014, while sentiment indicators were also positive with the KBC Ireland/ESRI Consumer Sentiment Index ending 2014 up 15% year-on-year for Q4 2014. With consumer spending forecast to further increase in 2015, a return to positive growth in laden imports is an encouraging sign for the container market in Ireland. In Northern Ireland numbers were also encouraging with laden imports rising 7% to 98,065 teu.

Dublin increased its market share to 55%, maintaining its position as Ireland's largest port. Elsewhere traffic was up in Belfast, while Cork and Warrenpoint have now enjoyed four consecutive years of annual growth. Market share remains the same between the Republic of Ireland and Northern Ireland, split at 77% and 23% respectively.

TABLE 13A

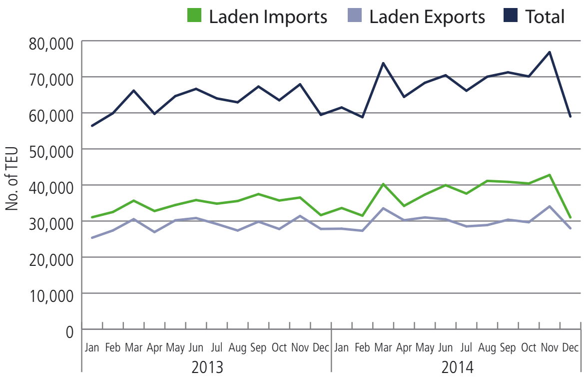
Laden Container Port Traffic (TEU)

Port No. of TEU	Total 2013	2014	% Change	% Share
Dublin	412,742	441,367	7%	54%
Cork	141,986	155,067	9%	19%
Waterford	29,116	27,444	-6%	3%
Belfast	158,000	159,008	1%	20%
Warrenpoint	16,689	27,624	66%	3%
Total ROI	**583,844**	**623,877**	**7%**	**77%**
Total NI	**174,689**	**186,632**	**7%**	**23%**
Total IRL	**758,533**	**810,509**	**7%**	**100%**

Source: IMDO

GRAPH 13A

Total Monthly Container Traffic through All Irish Ports 2013-2014



Source: IMDO

TABLE 13B

Total Container Port Traffic (TEU) (Laden and Unladen)

Port No. of TEU	Total 2013	2014	% Change	% Share
Dublin	517,086	565,698	9%	54%
Cork	170,410	191,229	12%	18%
Waterford	39,835	36,175	-9%	3%
Belfast	207,555	209,721	1%	20%
Warrenpoint	31,363	45,642	46%	4%
Total ROI	**727,331**	**793,101**	**9%**	**76%**
Total NI	**238,918**	**255,363**	**7%**	**24%**
Total IRL	**966,249**	**1,048,464**	**9%**	**100%**

Source: IMDO

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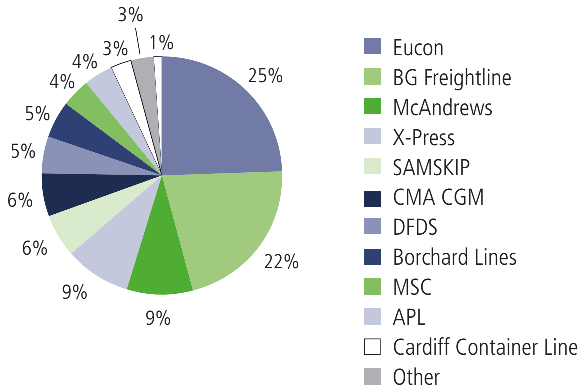
* *For unitised traffic, both RoRo and LoLo, freight moves in an all-island context. While figures for bulk in its various forms are given for the Republic of Ireland, it is our normal practice to include traffic through Northern Ireland ports for analysis of unitised traffic.*

GRAPH 14A

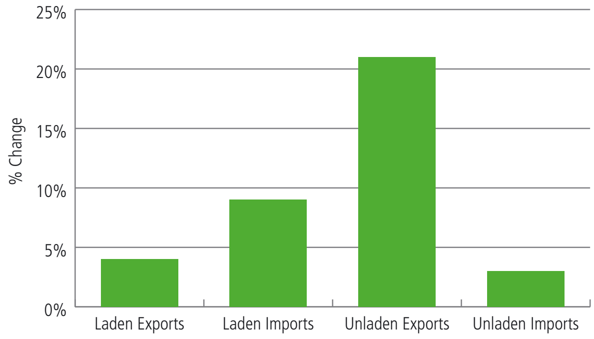
Estimated available capacity by carrier, 2014



Source: IMDO

GRAPH 14B

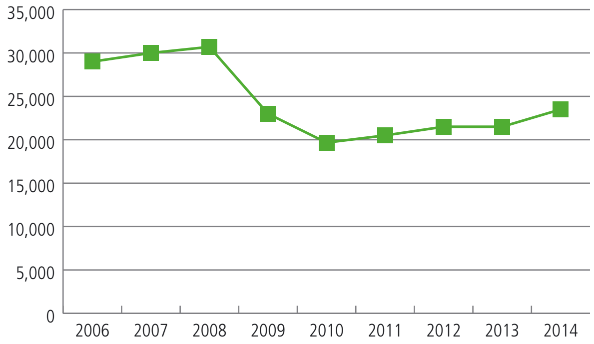
Container Imports and Exports 2014



Source: IMDO

GRAPH 14C

Estimated Weekly TEU Capacity in the Irish Market



Source: IMDO

LIFT-ON/LIFT-OFF MARKET: OPERATORS

It is estimated that capacity on the Irish market increased to approximately 23,500 teu in 2014. This is in line with the increase in total volume of shipped containers as operators increased capacity to meet demand. The average size of container vessels entering Irish ports is now approximately 880 teu, a slight increase over 2013. Vessel Sharing Agreements (VSA) are now firmly part of the short sea and feeder market, with Eucon and BG Freight continuing to operate the largest VSA.

There was a 3% increase in empty containers shipped to Ireland in 2014, totalling 74,723 teu up from 72,704 in 2013. A total of 45,815 teu empty containers were imported to the Republic of Ireland, with 28,909 teu empty containers being imported into Northern Ireland. The total number of unladen exports was up 21%, totalling 163,233 teu.

The EU Sulphur Directive has come into effect for all operators in the Sulphur Emission Control Area (SECA) from the 1st of January 2015. The SECA includes the English Channel, North Sea, Baltic Sea and a large part of the North American coastline. Ships sailing in this area are required to use fuel with a sulphur content of 0.01%, down from the previous level of 0.1%. Operators have been forced to adapt, with switching to the use of low emission MGO the most popular option employed to date, other options include the retrofitting of scrubbers and the use of LNG. Adaption is costly, and has resulted in the general application by operators of sulphur surcharges. Despite this, the large reduction in the cost of fuel has somewhat dampened the effects of SECA regulations on overall costs, particularly on deep sea routes. MDS Transmodal estimate that costs on North Europe-Asia and Europe-North America routes have decreased to start the year, despite SECA related costs. However, with fuel costs likely to rise in the future, the anticipated challenges for operators will arrive. A potential threat to demand on the short sea market is the likely increased competitiveness of other modes of transport, particularly road.

Clarksons Research Services estimates that for 2014, global container trade grew by 6% and it is forecast for the forthcoming 12 months to increase by 6.7%, with regional trades seeing the greatest increase.

ROLL-ON / ROLL-OFF MARKET: PORTS

Roll-on/roll-off (RoRo) traffic in 2014 increased by 4% to 1,692,718 freight units. Traffic through ports in the Republic of Ireland and Northern Ireland increased by 7% and 0.3% respectively. This was the second year in a row that total traffic volumes increased annually in this market.

Dublin Port again had the largest RoRo market share at 49%, up 2% on the previous year. While a majority of ports recorded declines in RoRo traffic in 2014, the overall market reported growth. The distribution of volumes between the Republic of Ireland and Northern Ireland remained relatively unchanged at 56% and 44% respectively. Driver unaccompanied traffic from the island of Ireland accounted for 61% of all freight volumes.

Services with Great Britain, from the island of Ireland, accounted for 92% of total volume in this market segment. Direct continental services to France, Belgium and the Netherlands increased in total by 2% to 134,764 freight units.

RoRo traffic is a relatively simple but effective gauge of how trade between Ireland and the UK is performing. The growth of RoRo traffic during 2014 again reflected the strength of trade ties between both economies. In the UK, GDP increased by 2.7% in 2014, making it the strongest annual rate of growth since 2007, when the economy grew by 3.4%. A continuation of the recovery in the UK economy is predicted for 2015 and this is expected to continue to benefit trade volumes in this market segment.

TABLE 15A

Roll-on/Roll-off Freight Traffic (Freight Units)

Port	Total			
Freight Units	**2013**	**2014**	**% Change**	**% Share**
Dublin	761,651	821,876	8%	49%
Rosslare	118,939	119,641	1%	7%
Cork	954	793	-17%	0.05%
Dun Laoghaire	2,329	725	-69%	0.04%
Belfast	465,956	476,331	2%	28%
Larne	188,237	184,779	-2%	11%
Warrenpoint	93,303	88,573	-5%	5%
Total ROI	**883,873**	**943,035**	**7%**	**56%**
Total NI	**747,496**	**749,683**	**0%**	**44%**
Total IRL	**1,631,369**	**1,692,718**	**4%**	**100%**

Source: IMDO

TABLE 15B

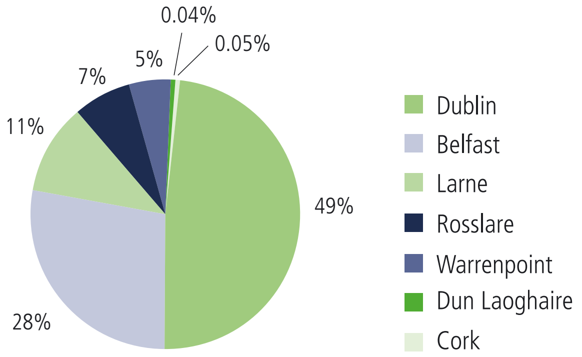
Roll-on/Roll-off Freight Traffic (Freight Units)

Port	Accompanied		%	Unaccompanied		%
Freight Units	**2013**	**2014**	**Ch.**	**2013**	**2014**	**Ch.**
Dublin	286,429	310,349	8%	475,222	511,527	8%
Rosslare	64,521	63,619	-1%	54,418	56,022	3%
Cork	805	645	-20%	149	148	-1%
Dun Laoghaire	2,025	725	-64%	304	-	-
Belfast	157,050	165,826	6%	308,906	310,505	1%
Larne	118,208	115,537	-2%	70,029	69,242	-1%
Warrenpoint	6,832	6,826	0%	86,471	81,747	-5%
Total ROI	**353,780**	**375,338**	**6%**	**530,093**	**567,697**	**7%**
Total NI	**282,090**	**288,189**	**2%**	**465,406**	**461,494**	**-1%**
Total IRL	**635,870**	**663,527**	**4%**	**995,499**	**1,029,191**	**3%**

Source: IMDO

GRAPH 15A

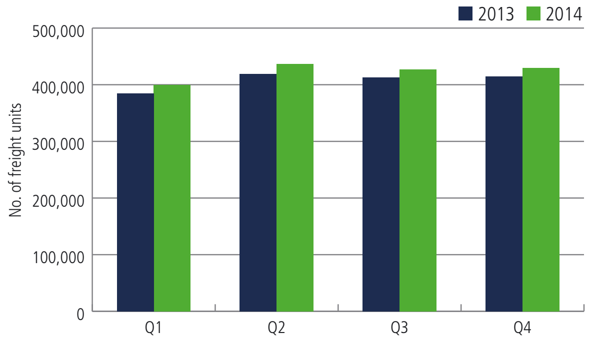
Market Share of Roll-on/Roll-off Traffic by Port 2014



Source: IMDO

GRAPH 16A

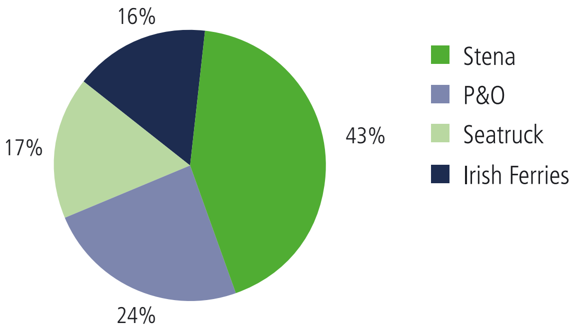
Quarterly Roll-on/Roll-off Freight Traffic



Source: IMDO

GRAPH 16B

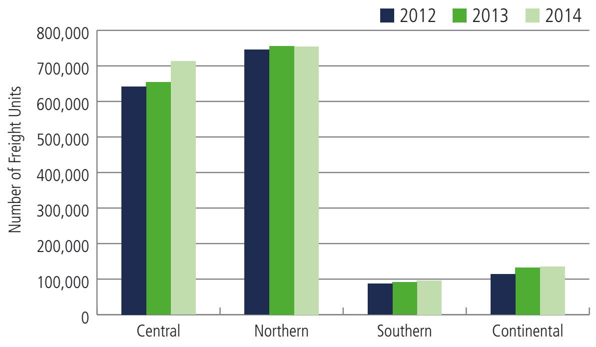
Market Share of Ireland-UK: Roll-on/Roll-off traffic 2014



Source: IMDO

GRAPH 16C

Ro/Ro Freight Traffic per Corridor



Source: IMDO

ROLL-ON / ROLL-OFF MARKET: OPERATORS

In 2014 there were six RoRo freight operators providing regular scheduled services between Ireland, Great Britain and continental Europe – Stena Line, P&O, Sea Truck, Irish Ferries, Cobelfret and Brittany Ferries. This is down from seven in 2013 as Celtic Link was acquired by Stena Line. The market is segmented into four corridors: Northern, Central, Southern and Direct Continental. In total, freight volumes were up by 4% in 2014, with growth strongest on the Central Corridor which links Dublin and the UK; this is positive and reflective of improved economic conditions in both countries.

The market share in terms of volume between these four corridors changed marginally with the Central Corridor increasing its market share by 2% whereas the Northern Corridor decreased by 2% . Despite this, the Northern Corridor is still the busiest corridor in terms of volume with Stena, P&O and Seatruck providing services to Liverpool (Birkenhead), Heysham, and Cairnryan. Volume increased by 9% on the Central Corridor, as Irish Ferries increased capacity with the introduction of the “Epsilon” to the Dublin-Holyhead route. Altogether P&O, Irish Ferries, Stena and Seatruck serve this corridor providing services to Liverpool, Holyhead, and Heysham. On the Southern Corridor, volumes increased by 5% on services provided by Stena and Irish Ferries to Fishguard and Pembroke respectively.

The Continental Corridor provides direct continental services from Dublin, Rosslare and Cork. Traffic volumes remained buoyant in this market, increasing by 2%, on services provided by Cobelfret, Brittany Ferries, Irish Ferries and Stena.

PASSENGER TRAFFIC

Tourist Passenger numbers between the island of Ireland, Great Britain and continental Europe increased by 1.2% to 4.5m in 2014. Growth was strongest between Ireland and continental Europe with total traffic reaching 350,000 passengers, a growth rate of 4%. Traffic also increased between the Republic of Ireland and Great Britain, growing 2% to 2.4m passengers, while passenger numbers moving between Northern Ireland and Great Britain grew slightly to reach just under 1.8m passengers.

Traffic in Q3, traditionally the busiest quarter of the year grew 4%, reaching 1.9m passengers. For the second year running there was a high degree of fluctuation between Q1 and Q2, this was caused by Easter falling in Q1 in 2013.

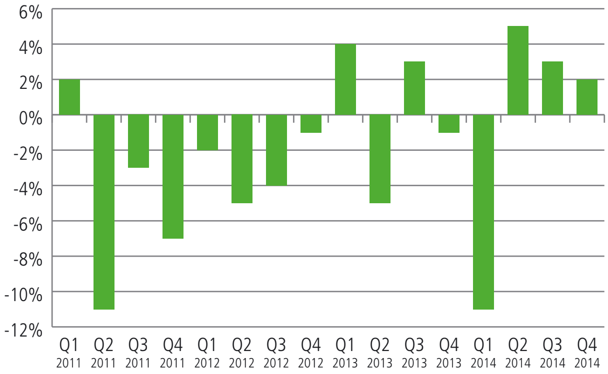
Examining the passenger corridors in more detail shows positive growth in three of the four major corridors. There was strong growth in the Continental Corridor while the Central Corridor, which encompasses Dublin and Dun Laoghaire also recorded a 2% increase in passenger numbers. Growth was flat on the Northern Corridor which encompasses passenger traffic from Belfast and Larne, at 0.1%. The Southern Corridor, encompassing services from Rosslare to Great Britain, reported a 0.04% decline in numbers in 2014.

Tourist car volumes increased to 1.25m for the island of Ireland during 2014. Volumes moving from the Republic of Ireland, including continental tourist cars, were at 775,000. Tourist car numbers moving from Northern Ireland remained unchanged at 490,000.

There were a number of developments in the Irish market in 2014. Irish Ferries opened a new route from Dublin to Cherbourg and increased capacity on its existing Dublin-Holyhead route. Stena Line ended sailings from Dun Laoghaire to Holyhead and introduced a new superfast service from Dublin Port to the Port of Holyhead. Stena Line also acquired Celtic Link, an Irish company operating between Rosslare-Cherbourg.

GRAPH 17A

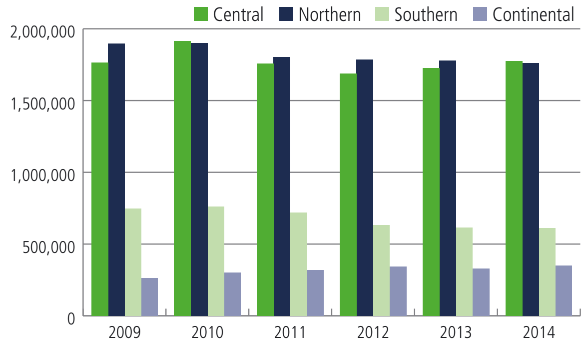
Quarterly Change in Passenger Traffic from the Island of Ireland



Source: IMDO

GRAPH 17B

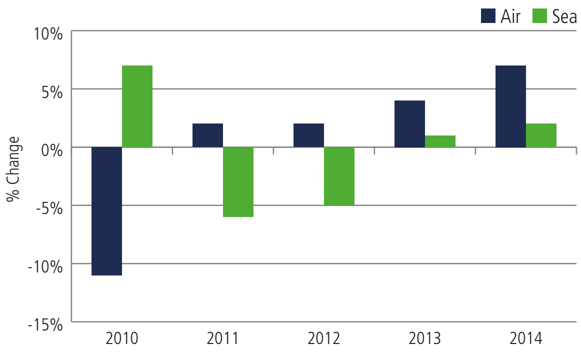
Passenger Traffic per Corridor 2009-2014



Source: IMDO

GRAPH 17C

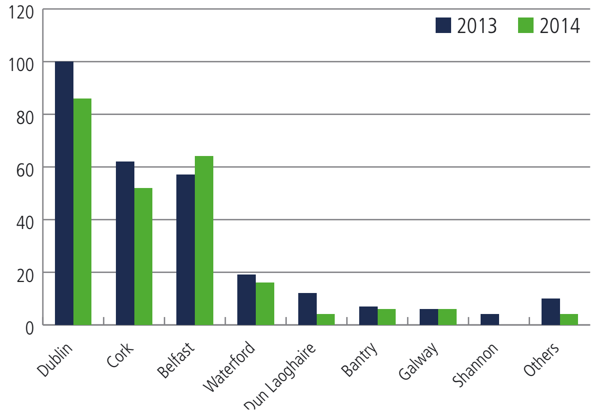
Annual Change in Air & Sea Passenger Traffic 2010-2014



Source: Failte Ireland

GRAPH 18A

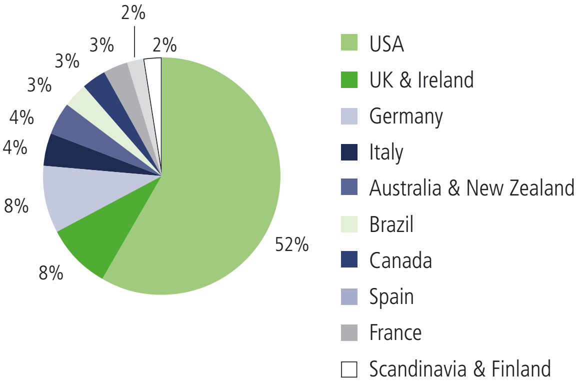
Annual Numbers in Cruise Ship Calls



Source: Individual ports

GRAPH 18B

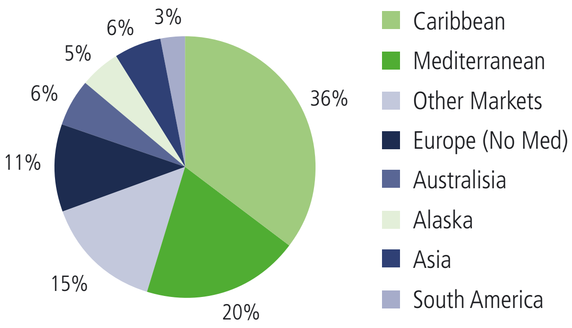
Top 10 Passenger Source Countries 2014



Source: Cruise Lines International Association

GRAPH 18C

Global Cruise Itineraries and Ship Deployment 2015(f)



Source: Cruise Lines International Association

CRUISE SECTOR

The IMDO estimates that there were 238 cruise vessel calls to Ireland in 2014, carrying 396,391 passengers and crew. Although these figures are down on 2013, Ireland has still capitalised on the global rise in cruise tourism over the last decade. Ireland is viewed as a port of call for Northern European and Baltic Sea cruises, with North American, British and German passengers making up the largest proportion of visitors.

Only one of the three largest cruise ports on the island of Ireland recorded an increase in cruise traffic figures during 2014. Vessel calls to Belfast Harbour increased by 12%, while vessel calls were down in both Dublin Port and the Port of Cork by 14% and 16% respectively. Dublin Port remained the busiest cruise terminal with 86 cruise vessel calls, carrying 140,579 passengers and crew. The Port of Cork meanwhile received 52 vessel calls, down from 62 in 2013, while welcoming 118,637 passengers and crew. Belfast Harbour had a total of 64 cruise ship arrivals, which brought 111,676 passengers and crew. Dun Laoghaire, Waterford, Shannon Foynes and Bantry all recorded a fall in the number of vessels calling to their port, with Galway's number of cruise vessel calls remaining unchanged, representing a combined total for these ports of 32 calls, down by 21% on the previous year.

Cruise Lines International Association (CLIA) has projected its cruise line members (representing 95% of global capacity) will see total passenger numbers rise to 23 million in 2015, representing 6% growth on 2014. The Caribbean remains the leading cruise destination, measured by ship deployments, set to account for 35.5% of the global market in 2015, while Europe (excluding the Mediterranean) is projected to account for 10.6% of the global market.

Global Market Review

TANKER MARKET

Tanker market conditions improved towards the end of 2014, as capacity utilization and freight rates increased. This is attributable to improved balance in the market as tanker demand increased with buyers and refineries looking to take advantage of the low price of oil and lower supply growth due to a slowdown in fleet growth. In addition, lower bunker prices have enabled operators to reduce costs, boosting earnings as a result.

Freight rates increased across all vessel classes in the crude sector which covers tankers moving unrefined crude oil from its point of extraction to refineries, this effect was strongest in December. In the VLCC market, which covers vessels between 150,000 - 320,000 deadweight tonnage (dwt), average spot earnings increased 68% for the year to $27,315/day, while the average one year time charter rates for the sector increased by 41% for the year to $28,115/day. In addition, this market is particularly affected by the current "contango" in oil prices (which occurs when spot prices for oil are lower than futures), with Clarksons reporting that up to 30 ships are being used as storage vessels as of January 2015. Average time charter rates in 2014 rose by 41% for Suezmax vessels and 42% for Aframax vessels, the other major vessel classes in the crude sector. Freight rates were also up in the clean market which consists of vessels carrying refined oil products although at a lower rate with average time charter rates for Product Tankers increasing 2%.

In total for 2014, Clarksons Oil and Tanker Trades estimated that global tanker supply grew by 2% while total tanker demand grew 1%. As noted however, demand began to pick up in December, resulting in upward pressure on freight rates towards the end of the year as supply growth remained slow. Clarksons predict this will continue into 2015 with latest predictions forecasting total demand growth of 3% for the year, outpacing estimated supply growth of 2%. This is comprised of modest growth in the crude sector, driven by increased demand for VLCC and Suezmax tonnage, and a significant increase in demand in the clean markets as refineries raise production. Increased average trading distances is another factor which has influenced total tonnage demand in 2014 with RS Platou estimating increased tonne mile demand of 2% for 2014, an improvement on flat growth rates in 2013. The growth of Chinese imports of crude oil has had a major impact on this, as voyage distances to this market tend to be longer than the global average. In addition, slower supply growth in recent years has contributed to increased vessel utilisation with RS Platou estimating vessel utilization of above 85% toward the end of 2014, which if maintained, will result in upward pressure on freight rates in 2015.

Newbuild prices increased as a result of the recovery in freight rates. However, capacity availability, falling commodity prices and a higher dollar in the second half of the year prevented further price increases. Newbuild prices increased by approximately 5% in 2014 as compared to 2013 levels. The second-hand market also performed well with prices for modern crude carriers increasing by 30% on average.

TABLE 19A

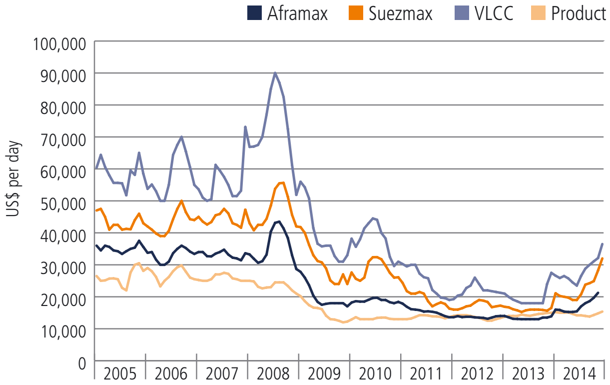
One Year Time Charter Rates ($/day), 2014

	Product	Aframax	Suezmax	VLCC
Jan – 14	15,200	16,000	21,100	26,600
Feb – 14	15,000	15,875	20,250	25,875
Mar – 14	15,000	15,375	20,000	26,500
Apr – 14	15,125	15,250	19,750	25,750
May – 14	14,650	15,250	19,000	24,500
Jun – 14	14,188	15,438	19,000	23,500
Jul – 14	14,188	17,000	20,750	26,500
Aug – 14	14,000	18,000	23,800	28,800
Sep – 14	13,813	18,625	24,250	30,000
Oct – 14	14,300	19,700	24,900	31,100
Nov – 14	14,813	21,250	28,250	32,125
Dec – 14	15,375	23,000	32,000	36,500
Jan – 15	15,250	23,000	32,000	46,600
Feb – 15	14,750	23,000	33,000	42,250

Source: Clarksons

GRAPH 19A

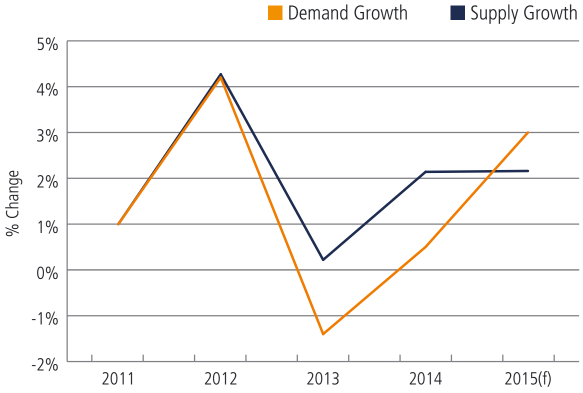
Tanker One Year Time Charter Rates, 2005-2014



Source: Clarksons

GRAPH 19B

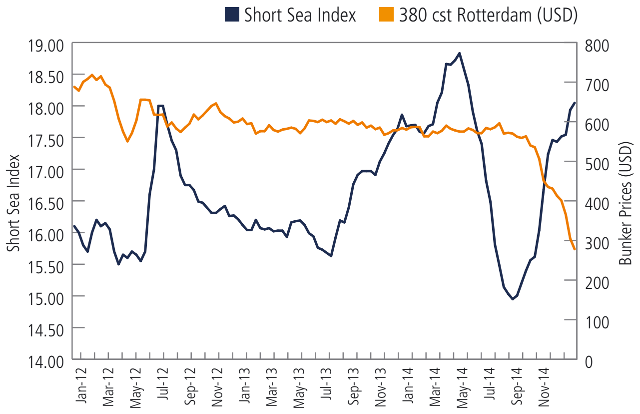
Demand Supply Dynamics: Crude Tankers, 2011-2015(f)



Source: Clarksons

GRAPH 20A

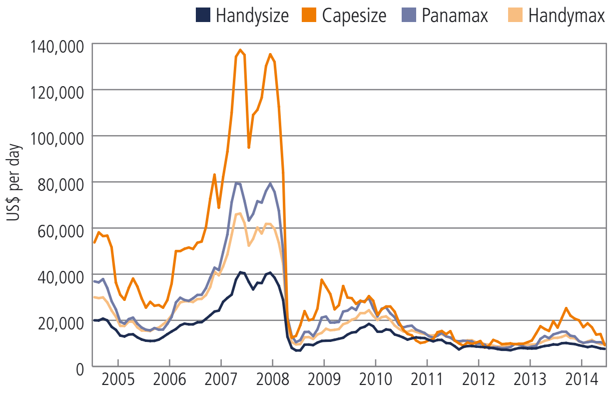
European Dry Bulk Short Sea Market, 2012-2014



Source: HC Shipping and Chartering

GRAPH 20B

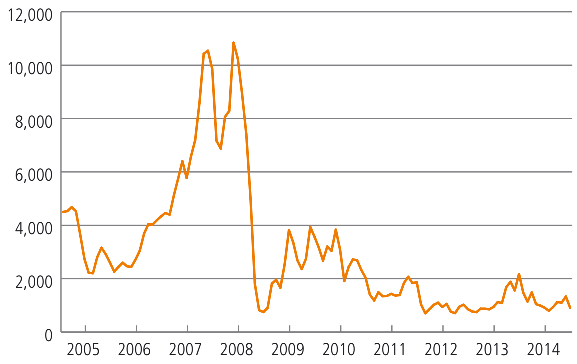
Dry Bulk One Year Time Charter Rates, 2005-2014



Source: Clarksons

GRAPH 20C

Baltic Dry Index, 2005-2014



Source: Clarksons

DRY BULK MARKET

The Dry Bulk market had a disappointing year in 2014 as the market once again suffered from over supply issues following a recovery in 2013. This effect was exacerbated by a sharp reduction in demand toward the end of the year with the Baltic Dry Index closing at 709 points, before subsequently falling to a 26 year low of 608 points by the end of January 2015. Over the year, the index averaged 1105 down from 1206 in 2013, but up from a record low of 906 in 2012.

Global seaborne dry bulk trade grew by 4% in 2014, largely boosted by growth in the trade of iron ore which increased by 12% in 2014. This increase was spurred by a strong growth in the importation of iron ore in China of 15%, significant given Chinese imports accounted for 70% of the market in 2014. Growth in Chinese imports was fuelled in part by a ramping up of production in Australia. However, the growth of coal imports slowed to a 1.4% increase, due to a reduction in demand in China. The introduction of a ban on raw mineral exports in Indonesia in 2014 had a negative impact on the volume of trade in nickel ore and bauxite, with trade in nickel dropping 21% and bauxite dropping 34%. In the wheat market, Clarksons are predicting a decline of 3% in trade for the 2014/15 crop year.

Global capacity expanded for 2014 with fleet growth at 4.5% for the year. The gap between fleet growth and trade growth contributed to oversupply on the market, negatively impacting rates across various bulk carriers. This follows from a reduction in supply and strong increase in tonnage demand in 2013 that resulted in upward pressure on freight rates toward the end of 2013, which initially carried through into 2014 before falling off. This effect can be seen in the one year charter rates, with rates falling off significantly after Q1. Capesize rates fell the most, dropping 41% from Q1 to Q4, while rates were also down in the Panamax (-31%), Handymax (-23%) and Handysize (-20%) sectors over the same period.

Looking ahead to 2015 Clarksons predict the gap between fleet growth and dry bulk trade to continue, with fleet growth set to accelerate slightly to 4.8% and trade growth to ease to 3.8%. This is likely to result in continued downward pressure on freight rates.

The European Short Sea bulk market followed a seasonal pattern for 2014 as illustrated by the Short Sea Index in Graph 20A. Market sentiment was high coming into the year, with freight rates spiking in February, continuing in March, before falling off toward the end of April and bottoming out around the traditional quiet season in July and August. With the harvest and the end of summer holidays, demand once again picked up around late September. This upward pressure continued toward the end of the year, with demand consistent enough to ensure that that tonnage was for the most part fixed over the holiday season. As reported by HC Shipping and Chartering Ltd, demand for Q1 2015 has been up relative to previous years. Furthermore the collapse in oil prices is helping offset the impact of SECA regulations, with low sulphur content MGO at a six year low in January 2015 (basis MGO at Rotterdam).

CONTAINERSHIP CHARTER MARKET

Average one year time charter rates increased by 2.5% in 2014, as measured by Clarksons Containership Timecharter Rate Index. Despite the modest rise, rates remained at historically low levels, approximately 69% lower than the yearly high reached in 2005 and 42% lower than the historical average of the index which dates back to 1993. Focusing on rates in the sub 1,700 teu handy and feeder classes, which mainly serve Irish ports, rates continued to be subdued in 2014 with growth of 2.1%. However, lower bunker prices are providing relief for market participants, allowing operators to reduce their costs.

2014 saw larger vessels, over 1,700 teu achieve better growth in rates than smaller geared vessels. Growth in annual average timecharter rates for larger vessels averaged 4.2%. Vessels in the Panamax class saw the largest rate increases at around 10%, as operators generated demand for chartering these vessels by re-deploying them to non-mainlanes particularly intra-Asia routes.

Global containership capacity totalled 18.24m teu at the beginning of 2014. There were 1.2m teu in deliveries, while demolitions reached 171 vessels, equating to 381,380 teu. 2014 saw the next highest total of demolitions following a record year in 2013 of 198 vessels or 444,040 teu. The level of container capacity is expected to grow by 5.8% during 2015. The idle fleet at the end of 2014 was between 1% and 2% of the global container fleet, significantly down from approximately 4.5% at the end of 2013. The drop in the idle fleet is partially due to extra ships being required as a result of port congestion in areas such as the Philippines and the US West Coast.

The Containership Timecharter Rate Index stayed at 47 points at the beginning of 2015, remaining unchanged since November 2013. Despite this consistency, predictions of future timecharter rates in 2015 are difficult to calculate as a result of lower bunker prices, SECA charges and VSAs.

TABLE 21A

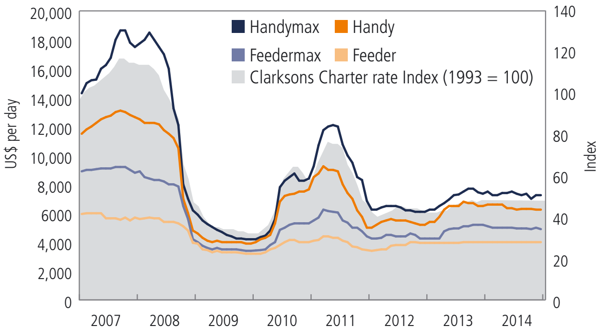
Containership One Year Time Charter Rates ($/day), 2014

	Feeder 350 TEU	Feedmax 725 TEU	Handysize 1000 TEU	Handymax 1700 TEU
Jan – 14	4,000	5,100	6,600	7,500
Feb – 14	4,000	5,000	6,600	7,250
Mar – 14	4,000	5,000	6,600	7,250
Apr – 14	4,000	5,000	6,600	7,400
May – 14	4,000	5,000	6,350	7,400
Jun – 14	4,000	5,000	6,350	7,500
Jul – 14	4,000	4,950	6,250	7,350
Aug – 14	4,000	4,950	6,300	7,250
Sep – 14	4,000	4,950	6,300	7,350
Oct – 14	4,000	4,900	6,300	7,000
Nov – 14	4,000	5,000	6,250	7,250
Dec – 14	4,000	4,900	6,250	7,250
Jan – 15	4,000	4,900	6,350	7,350
Feb – 15	4,000	4,900	6,350	7,350

Source: Clarksons

GRAPH 21A

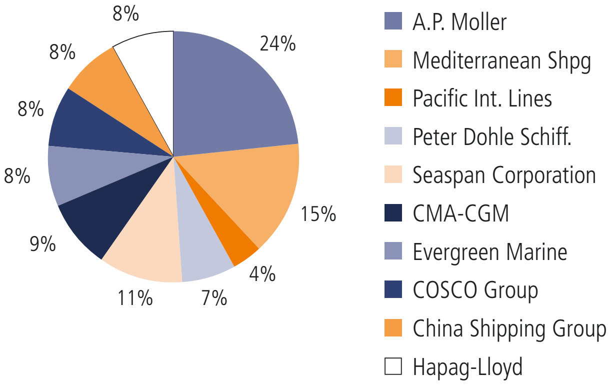
Container One Year Time Charter Rates, 2007-2014



Source: Clarksons

GRAPH 21B

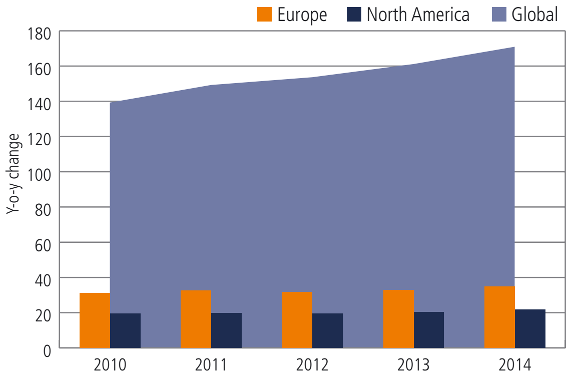
Top 10 Containership Operators by DWT, 2014



Source: Clarksons

GRAPH 22A

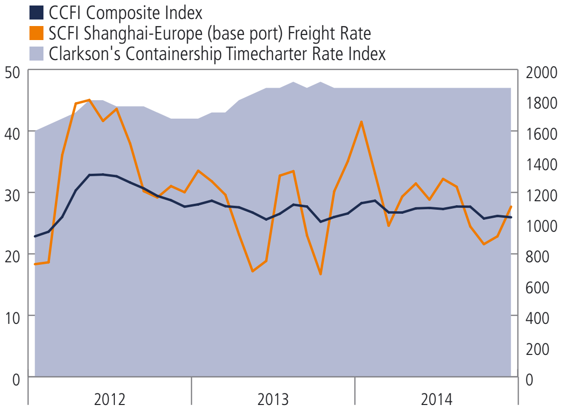
Container Import Growth, Year-On-Year (Excluding Intra-Regional): 2014



Source: Container Trade Statistics

GRAPH 22B

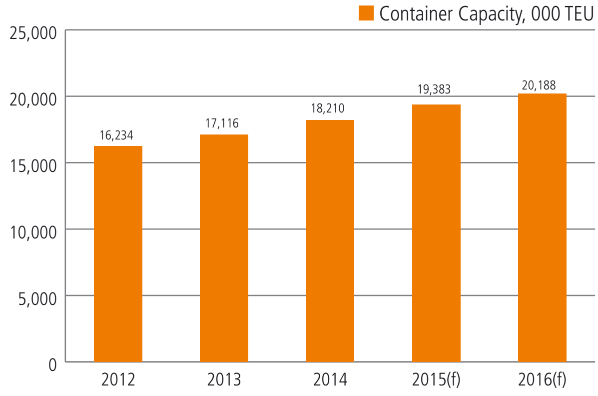
Containership Charter Rates vs Container Freight Rates: 2012-2014



Source: Clarksons

GRAPH 22C

Annual Container Capacity 2012-2016(f)



Source: Clarksons

DEEP SEA CONTAINER TRADES & FREIGHT RATES

In 2014, global container trade grew by 6% to 171m teu, marking an improvement on last year's growth of 5.3%. This level of growth fits original projections of 6-7% for the year. Forecasts place growth for 2015 at a slightly higher rate of 6.7% and 2016 at 6.8%. This growth rate is supported by continued strength on the peak-leg trades of the Far East-Europe and the Transpacific, on which volumes are expected to grow by 6.4% and 7% in 2015 respectively. Global container trade is also expected to benefit from predicted growth of 6.1% on North-South routes with additional growth coming from the North-South trade routes with Africa.

Mainlane trade grew 4.2% in 2014, after making a recovery in 2013. Traffic on the North-South routes led the way, seeing 5.5% growth, with the support of healthy expansion on the North-South trades with Africa. Total traffic on the Far East-Europe trade route grew 5.2% for the year, while transatlantic lanes also grew strongly, expanding 4.8%.

Freight rates in the container market increased by about 2% from the previous year, calculated on a yearly average basis. However, strong volatility was present on the Asia to Europe routes, with poor freight rates during the first half of the year, followed by stronger rates in Q3 before falling again toward the end of the year. Other trades were less volatile due to term freight contracts.

The most important trade lane in the container market, measured in teu-miles, is Asia to Europe. As GDP growth in Europe, which is directly related to container import growth, is expected to be moderate, container import growth is also expected to be moderate for 2015. The majority of other trade destinations are also expected to see reasonable container import growth in 2015, e.g. US and India, though markets such as China are expected to remain subdued.

NEWBUILDING AND DEMOLITION MARKET

CONTAINERSHIP FLEET

The containership fleet fell slightly by 0.04% in 2014, yet total capacity grew by 5.4% to 17.12m teu. This suggests that smaller vessels were scrapped during the year for larger vessels. Demolitions decreased in 2014, with the volume of teu capacity being demolished falling by 13.3% to 0.39m teu. Meanwhile, the order-book for 2015 also shows a decrease, down 17% on 2013 or 0.69m teu. However, with deliveries due in 2014 being delayed until 2015, capacity is expected to grow 6.5%, which will place further pressure on operators and a market that is already suffering from overcapacity.

RORO FLEET

The RoRo fleet declined in 2014 by 4.5% to 8.06m dwt as a result of a reduced order book and steady demolitions. This marked a continuation of the fleet's decline since 2009. The larger vessel classes, greater than 10,000 dwt, again recorded the sharpest decline, accounting for 59% of the fleet's contraction across the year, down 5.5%. RoRo newbuilds coming online are set to decline, with lane meters down 29.6%.

DRY BULK FLEET

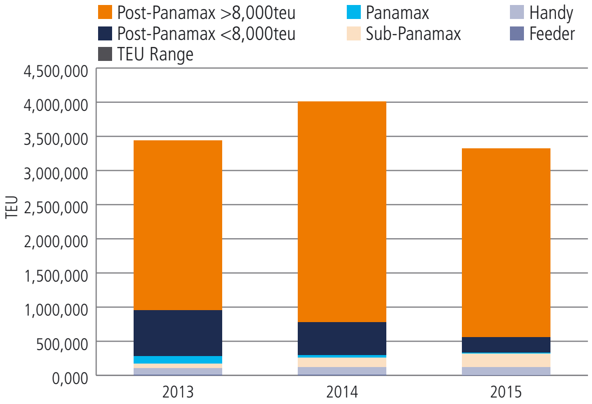
In 2014, bulk deliveries totalled 48.2m dwt, against demolitions of 16.1m dwt, resulting in fleet growth of 5.7% to 724m dwt, considerably below the 10.6% growth experienced in 2013. In 2014, robust levels of demolition have continued. Weak market conditions have ensured that owners have continued to scrap older tonnage, while high oil prices at the start of the year also encouraged scrappage in favour of more fuel efficient vessels. The average age of vessels sold for scrap during the year was 27.5 years. Many of the units demolished came from the larger classes meaning their average age was significantly lower. The orderbook at the beginning of 2015 stood at 171m dwt, with 7.57m dwt forecast for delivery in 2015.

TANKER FLEET

The fleet grew by 1.9% in 2014 to reach 502m dwt, less than the 3.9% increase in 2013. The orderbook for 2014 grew 15.2% to 70.5m dwt. Despite this, the orderbook for 2014 was the second lowest in 11 years. The orderbook for 2015 is set to increase by 6% to 75m dwt, with 1.98m dwt expected to be delivered in 2015. Some 95 tankers were scrapped, amounting to 8.1m dwt, down 24.3% on 2013. While, the average age of vessels sold for scrap in the year was 27.5 years, VLCCs average age was just 21 years.

GRAPH 23A

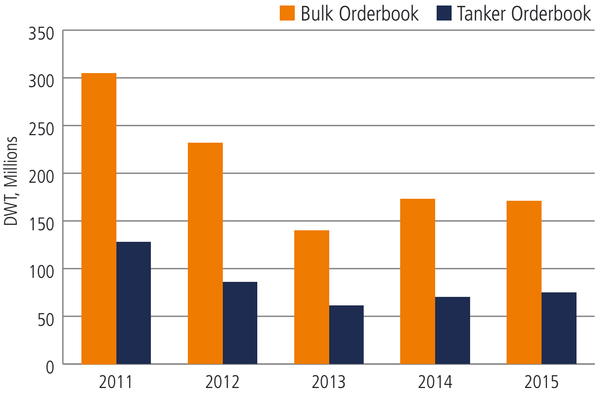
World Cellular Fleet Orders by Size Range, 2013-2015



Source: Clarksons

GRAPH 23B

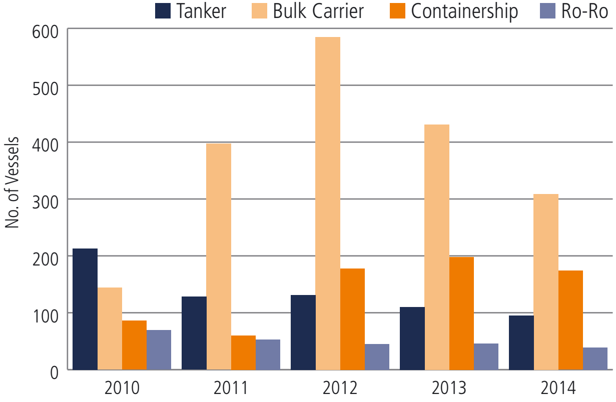
Bulk Carrier Orderbook, 2011-2015



Source: Clarksons

GRAPH 23C

Demolition by Fleet Category, 2010-2014



Source: Clarksons

GLOSSARY OF TERMS

bbl: Oil Barrel

bpd: Barrels Per Day

COICP – Classification of Individual Consumption by Purpose Divisions: used to classify and analyse individual consumption expenditures incurred by households, non-profit institutions serving households and general government according to their purpose. It includes categories such as clothing and footwear, housing, water, electricity, and gas and other fuels

CPI – Consumer Price Index: designed to measure the change in the average level of prices (inclusive of all indirect taxes) paid for consumer goods and services by all private households in the country and by foreign tourists holidaying in Ireland

cst: Centistoke (measurement of fuel viscosity)

dwt – deadweight tonnage: a measure of how much weight a ship is carrying or can safely carry

GDP – Gross Domestic Product: represents the total value added (output) in the production of goods and services in the country. The rate of growth in GDP measures the increase in the value of output produced in the state.

GNP – Gross National Product: the sum of GDP and net factor income from the rest of the world. The rate of increase of GNP attempts to capture the increase in the incomes of the state's citizens irrespective of where the activity that generated the income took place

HCI – Harmonised Competitiveness Indicators: a measure of a euro area countries' price competitiveness

HICP – Harmonised Index of Consumer Prices: an indicator of inflation and price stability

IFO: Intermediate Fuel Oil

LNG: Liquefied natural gas is natural gas (predominantly methane, CH4) that has been converted to liquid form

LoLo: Lift On – Lift Off

MGO: Marine Gas Oil is roughly equivalent to No. 2 fuel oil, and is made from distillate only

OPEC: Organisation of the Petroleum Exporting Countries

RoRo: Roll On – Roll Off

RoRo Freight Unit: as defined by the CSO include HGVs and trailers; unaccompanied trailers; unaccompanied caravans; and agricultural and industrial vehicles

teu: Twenty-foot Equivalent Unit

TLTRO – Targeted Longer-Term Refinancing Operations: a process by which the ECB provides financing to Eurozone banks

SOURCES OF DATA

The bulletin contains the results of quarterly and annual analysis of activity at Irish Ports, and the activity of shipping lines operating from Irish Ports. The data is compiled from returns made by the Harbour Authorities, State Companies, Northern Ireland Ports and RoRo shipping lines on routes to and from Ireland and the UK as outlined below:

STATE COMPANIES:

Drogheda Port Company

Dublin Port Company
(Including Dundalk Port Company)

Dun Laoghaire Harbour Port Company

Galway Port Company

Greenore Port Company

New Ross Port Company

Port of Cork Company
(Including Bantry Bay Port Company)

Port of Waterford Company

Rosslare Europort

Shannon Foynes Port Company

Wicklow Port Company

NORTHERN IRELAND PORTS:

Belfast Harbour Commissioners

Port of Larne

Foyle Port

Warrenpoint Harbour Authority

RORO SHIPPING LINES:

Irish Ferries

P&O Irish Sea Ferries

Seatruck Ferries

Stena Line

TECHNICAL NOTE

- The iShip Index is a weighted indicator comprised of five separate indices, representing the main maritime freight categories moving through Ports in the Republic of Ireland: LoLo, RoRo, Dry Bulk, Liquid Bulk and Break Bulk.
- The LoLo index comprises soley of laden traffic.
- The following ports have been included in the index: Port of Cork, Drogheda Port, Dublin Port, Dundalk Port, Dún Laoghaire Harbour, Galway Harbour, Greenore Port, New Ross Port, Rosslare-Europort, Shannon Foynes Port, Port of Waterford and Wicklow Port. Bantry Bay has been excluded as its throughput is predominantly of a transhipment nature.
- All data is derived from the individual port companies and subject to a one-year revision period.
- The base period is Quarter 1 2007 at which all indices equal 1000.

TRAFFIC BREAKDOWN

LIQUID BULK:
Consists mainly of petroleum, heavy fuel oil, liquefied gas and bio-ethanol.

DRY BULK:
Consists mainly of animal feed, fertilizer, cereals, ore, bauxite, alumina, and coal.

BREAK BULK:
Consists mainly of construction related materials and project cargo.

LOLO (LIFT ON-LIFT OFF):
There are direct daily container services from the Republic of Ireland to Great Britain, mainland Europe and the Mediterranean. There are also worldwide transhipment services available from the Republic of Ireland.

RORO (ROLL ON-ROLL OFF):
This traffic is wheeled accompanied and unaccompanied goods vehicles. The majority of this trade is between Ireland and the United Kingdom, but there is also a ConRo (combined container, RoRo service) service between Ireland and Continental Europe included in this traffic classification.

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**IRISH MARITIME
DEVELOPMENT OFFICE**
telephone: 00 353 (0) 1 476 6500
email: imdo@imdo.ie
www.imdo.ie