

20 July 2020

HAROPA traffic first half of 2020

The recovery is underway, in line with the historic performance of the cereal season

- **The sectors are beginning a slow recovery: for the first time in 6 months, HAROPA traffic gained one point of variation at the end of June. This recovery was clearly confirmed in the first half of July.**
- **Cereal traffic is at an all-time high.**
- **But in line with the slowdown in global consumption and despite the efforts made by stakeholders in the supply chains to ensure business continuity, HAROPA's maritime traffic remains down compared to 2019 (-19% to 37.5 Mt).**
- **The situation appears highly contrasting across sectors.**

A historic record for Cereal traffic which confirms its excellent performance, up 40%: despite the complicated context of the health crisis, the cereal sector's supply chain has remained operational: 9.87 Mt of cereals were exported over the whole season (figure at the end of June), an increase of almost 10% compared to the record season of 2015/2016 and more than 30% compared to last year. This historic level is driving the growth of the Solid Bulk sector (up 22%).

Note: the bulk carrier *Bregaglia* left the Port of Rouen on 11 June with a load of 60,000 tonnes of barley and an 11-metre draught bound for China, demonstrating the success of the recently completed maritime access improvement programme.

For the **construction sector**, the restart of construction sites, after two months of stoppage, means a resumption of river transport of building materials (extension of the RER E railway line, construction of the line 15 Sud station in Vitry-sur-Seine and the Pont de Sèvres station, works on Notre Dame in Paris) and rubble. Maritime aggregate traffic also rose again in June (325 kt in June 2020, up from 55 kt in June 2019), driven in particular by the ramp-up of the SPS-GPS project and the start-up of construction of the Siemens wind farm in Le Havre.

Container traffic, a barometer of the economy, was still down 27% at the end of June, to 1.1 M TEUs (10 Mt). However, the recovery has begun: destocking has started in logistics warehouses and container terminals on the Seine axis, particularly in Gennevilliers, where the occupancy rate, which had risen to 95% at the height of the crisis, fell to 78% at the end of June.

Highlights: HAROPA - Port du Havre welcomed the world's largest container ships, the *MSC Mina* (capacity of 23,656 TEUs) on 19 June and the *HMM Oslo* (23,964 TEUs) on 30 June - a new capacity record for the port of Le Havre.

Liquid Bulk traffic was down 24% to 18.3 Mt; crude oil imports fell (-47.6% / -5.4 Mt) due to the technical shutdown of Total's refinery in Gonfreville-L'Orcher and the temporary limitation of refining capacity on the Seine axis (a consequence of the health crisis on fuel consumption).

It should be noted, however, that the **traffic in refined products** is on the rise again which, in June in particular, increased by 18% thanks to the easing of lockdown and the resumption of refining activity (Gravenchon and Grandpuits).

Outlook: in the third quarter, the recovery in refined product traffic is expected to continue, driven in particular by the dynamism of summer travel, which will boost road fuel consumption, while kerosene consumption will lag behind due to global travel restrictions.

Ro-Ro traffic has been affected by the impact of the health crisis on the automotive sector since March with, first, supply disruptions and, secondly, a crisis of demand and a widespread crisis of production with the spread of Covid-19 worldwide. In France, the market for new vehicles fell by 72% in March and 89% in April. As a result, HAROPA Ro-Ro traffic fell by 74% in April-May 2020/2019 (down by 42,123 vehicles). In June 2020, traffic fell more moderately than in the previous two months (-44% compared to June 2019; -11,108 vehicles).

Outlook: the gradual restart of the sector since May with the return to work of factories, the reopening of retail outlets and state aid will support Ro-Ro traffic in the second half of the year, but at a lower level than 2019 due to the loss of purchasing power.

After three months of total stoppage for **Cruise activity** (maritime and river), the recovery is underway in July for small ships of national companies with adapted national and European routes (official authorisation from 11 July in France): *Ponant* (with an itinerary departing from Le Havre, 13 cruises in total) and *CroisiEurope* (50% resumption). Paris cruise trips resumed activity at the end of lockdown, but are suffering greatly from the absence of foreign tourists.

Cross-Channel link: Brittany ferries resumed passenger traffic on 12 July from Le Havre.

River traffic on the Seine axis decreased by 22%, equivalent to that of maritime traffic. As mentioned above, this trend is mainly due to the decline in activity of the container, construction and recyclable products sectors, impacted by the closure of construction sites due to the health crisis. It is worth noting, however, the dynamism of the cereals sector, with an increase in the volume of cereals handled at the Port of Rouen by almost 35% at the end of April 2020/2019 (up 262 kt).

Note: return to normal for the river service on the Le Havre-Rouen route in June and strong progress on the Le Havre-Gennevilliers link (53% at the beginning of June; 82% from the second week of June). More than 90% of **containerised rail goods services** have been provided since May. On the other hand, in terms of bulk and conventional transport, we are seeing the same trends as for maritime and river: the service that has managed to meet the needs of the cereals sector is registering a record level of activity, while the construction sector is gradually recovering after a decline in activity.

At the beginning of the health crisis, HAROPA announced strong commercial actions, including the postponement till 10 July 2020 of payment of state royalties between 1 March and 30 June in order to support companies based on its port sites. The three ports have also taken action to help customers through the **PUSH** (Single Support Programme by HAROPA) operation, which was launched in March: this economic recovery plan helps support companies and guide them in the search for tailored solutions to create the conditions necessary for a return to growth.

In this difficult context, HAROPA has chosen to maintain its investment programmes necessary to further develop each of the ports. These include the construction of Port 2000 stations 11 and 12, the installation of the wind industry in Le Havre, land acquisitions for the Port Seine-Métropole Ouest (PSMO) project, the continued electrification of its wharves (to develop environmentally friendly modes of transport) and modernisation of the Canteleu terminal, for example.

About HAROPA

HAROPA, the fifth-largest northern European port complex, combines the ports of Le Havre, Rouen and Paris. It is connected to all continents thanks to a leading international maritime offer with nearly 700 ports connected. It serves a vast hinterland whose heart lies on the Seine Valley and Paris region, which form the largest consumer basin in France. As a partner of nearly 10 ports in Normandy and Ile-de-France, HAROPA is now a French transport and logistics system capable of offering a comprehensive end-to-end service. HAROPA generates more than 120 million tonnes of annual maritime and river traffic and employs approximately 160,000 people.

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