



**IMDO-Ireland**  
*Marine Institute Foras na Mara*

## *Irish Maritime Development Office*

**EMBARGO – TUESDAY 20<sup>TH</sup> APRIL, 2010 AT 7:00 AM**

### **Irish Ports and Shipping Sector Begins Recovery from Record Fall in Volumes During 2009**

The Irish ports and shipping sectors began to show positive signs of recovery towards the last quarter of 2009 following a record fall in volumes earlier in the year as the downturn in the economy bit hardest, according to the latest edition of the *Irish Maritime Transport Economist*, unveiled today (April 20<sup>th</sup>) at an industry briefing in Dublin by the Irish Maritime Development Office (IMDO).

“While the trend for 2009 was negative, we observed that the pace of decline in economic activity moderated significantly from last spring onwards with some volume recovery in several of our domestic shipping segments recorded to the year end,” said IMDO Director, Mr. Glenn Murphy. “The market segments most heavily hit were those related to the construction industry, which suffered severe difficulties in 2009. This resulted in breakbulk volumes in commodities such as timber, aggregates, steel and plaster falling by as much as 49% to pre-boom levels.”

The report highlighted the continued contraction of the Irish economy last year and underlying weaker consumer confidence as the cause of a realignment of demand for shipping volumes across all the key market segments. This resulted in bulk volumes falling to levels last seen in 1995. Unitized segments also saw almost 5 years of volume growth dissipate over the course of 18 months, with lift on/lift off (lo/lo) falling back to 2003 levels and roll on/roll off (ro/ro) back to 2005 levels. The report also suggests that the oversupply of residential property, especially in parts of the country where demand is likely to remain weak for many years, will result in continued low shipping volumes for construction materials.

The lo/lo sector has similarly been a market segment enjoying long periods of double digit volume growth during the consumer driven boom time. This is mainly due to the segment being heavily weighted towards import laden volumes. Lo/lo volumes fell by **21 per cent** on an all-island basis last year as consumer spending corrected sharply. The other main market segment, ro/ro, is traditionally heavily weighted towards volume movements to the United Kingdom. Ro/ro volumes fell by **9 per cent** as underlying economic and currency issues in both markets continued to dampen demand. Both the lo/lo and ro/ro markets last year continued to undergo significant structural, route and capacity changes as the operators were challenged with having to adapt to rapidly evolving volume patterns and trade adjustments. Ferry passenger volumes remained static with **no loss** in passenger volumes reported for the year.

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"It is largely recognized now that the return to positive economic growth will be export led and as such, the initial stages of our recovery will be mainly influenced by a recovery in the global economy and in particular, by our major trading partners," said Mr. Jim Power, Chief Economist from Friends First at the event. "

The latest data in the report indicates that we may have passed the trough of the economic downturn that has impacted on shipping volumes, ongoing caveats of currency volatility and steadily increasing oil and bunker prices remain further risks to the recovery process. The Report concludes that while, market conditions remain challenging for many shipping operators, IMDO expect a modest return to volume growth towards the end of 2010.

**ENDS**

Notes to Editor

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

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

- advise the Minister for Transport on the development and the co-ordination of policy in the shipping and shipping services sectors, 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 the shipping and shipping services sectors.

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