

CCNR WEEKLY NEWSLETTER – N°2

Rhine navigation in the context of COVID-19

Given the exceptional situation in relation with the COVID-19 pandemic, as well as its impacts on the Rhine and European navigation, the Central Commission for the Navigation of the Rhine (CCNR) wishes to share relevant information via a “Weekly newsletter”. This newsletter will be published every week on the [CCNR dedicated webpage](#) “Information regarding Rhine navigation in the context of COVID-19”.

Instructions from the Environment and Transport inspectorate (ILT) in the Netherlands

In a [letter](#) dating from 31 March, the Dutch inspectorate decided to follow the CCNR guidelines not only for Rhine certificate but also with regard to the Union and national certificates, measurement certificates, declarations and other documents issued by the Netherlands.

However, it remains possible to renew an existing certificate as usual or to put a new ship into service. If the vessel inspection cannot be completed as a result of the COVID-19 outbreak but safety is assured, a provisional certificate can be issued for six months instead of three months.

Freight transport: impact of COVID-19 varies depending on goods segments and region

Situation in France, Paris region: [NPI](#) reports on the impact of COVID-19 on the container, cereals and building materials transport segments based on the experience from [Scat](#), a French cooperative for inland transport active in those markets. According to Scat, the container market remains rather stable for the moment, but difficulties are expected in the near future with the reduction of trade between Asia and Europe. The activity is very high with regards to transport of cereals, which allows to compensate for losses in the building material segment. This market has experienced a brutal and total slowdown with the halt of construction sites since the lockdown mid-March 2020. Concrete plants have now stopped their supplies. For some vessels in this market, it is not possible to transport other products. Whether they can survive the crisis will therefore really depend on the duration of the restriction measures. Transport of recycled wastes continues. In addition, the COVID-19 crisis took place right after a brief episode of flooding on the Seine river. After the crisis, the revival of major construction projects will be a paramount factor for the building material IWT (Inland Waterways Transport) sector’s recovery. A positive news is that banks are quite reactive and ready to postpone loan repayment. (*NPI, Scat : les céréales tirent l’activité alors que les granulats sont à l’arrêt ,02/04/2020*)

Situation in Germany: BDB reports in a [press release](#) the resulting economic downturn of the COVID-19 will leave significant traces in inland navigation and inland ports in Germany. The quantities of goods to be transported for industry and trade, in particular in the areas of mineral oil, chemicals, steel, power plants or agriculture, continue to decline. Container transport is also declining sharply and is not expected to pick up again until after Easter at the earliest. (*BDB, Erste Auswirkungen von Corona auf die Güterbinnenschifffahrt – Eingeschränkte Schleusenzeiten um den Kollaps zu vermeiden – Gütermengen gehen zurück, 26/03/2020*)

Situation of transport of goods on the Upper Rhine:

Interview with Ms. Marie-Céline Masson, Director of the Strasbourg directory of VNF ([DNA](#), *Navigation fluviale – “dans la norme” pour les marchandises, 28/03/2020*)

- The lock of Gambsheim at the Upper Rhine: this level of transport can be considered as normal for this time of the year. It represents 60 ship passages per day.

- The volume of goods transported is made up of mineral oil products (34 %), sands, stones and building material (24 %), and grain/cereals (11 %).
- For container traffic the situation is less positive. Industrial activity at many sites along the Upper Rhine was reduced or halted in March 2020, with negative consequences on exports of containers on the river.
- The import of containers picked up in March 2020 as the ports activity in China restarted after the major part of the crisis in China was over.
- While the Rhine as a main waterway is fully operational, transport on the small waterways has been interrupted, as the companies using these small waterways for cargo transport have ceased to do so. A relaunch of the small waterways could be possible if the companies using them would have a demand for this re-opening.

Interview with Mr. Gilbert Bredel, General Director of Contargo North France ([NPI](#), « *Un important déséquilibre dans les flux* », 03/04/2020)

1. Overall operability

- The closure of major industrial and logistics sites that use Contargo's services has resulted in a significant decline in local road transport (trucking volumes).
- Contargo has therefore reduced the terminal's opening hours from a schedule 5:00 am to 9:00 pm to a schedule from 8:00 am to 12:00 pm and from 1:00 pm to 5:00 pm since March 19, 2020.
- This new organisation is satisfactory and the site is 100% operational on both the road and river transport sides.

2. Protection of staff

- Office staff: reminder of "barrier measures" and the provision of hand cleaning products, as well as "social distancing". By teleworking, the number of people simultaneously present in the offices is very limited, and interaction with personnel from outside the company is reduced.
- Navigating staff of vessels: the transmission of the information necessary for port operations is done by computer and the skippers are asked to stay on board.

3. Level of traffic

- Export traffic is most affected by the closure of industrial sites. Import traffic is holding steady.
- This situation is creating a major imbalance in the flows, which is not without causing problems for barge rotations.
- In the coming 4 to 6 weeks, import flows should also be affected by a drop in demand due to containment.

4. Outlook

- Contargo North France expects a "trough" of a few months in container traffic.
- But the outlook before the crisis was rather good and should be confirmed when this crisis is over.
- The terminal and the multimodal transport services are well known and recognised. Contargo North France will be able to demonstrate its solidity and flexibility in this period of crisis.

River cruise transport: between dramatic economic crisis and solidarity

The situation continues to be difficult in the river cruise segment. CroisiEurope, a major French river cruise operator based in Strasbourg, reports that the sector should however remain united. Most of on-board personnel are on short-time work but a minimum crew continues to be on board of each vessel to "look after" them or move them if necessary. The administrative and commercial staff are either teleworking or on short-time work. Among the boats in the CroisiEurope fleet, one of them, the Botticelli, based on the Quai de Grenelle in Paris, has been made available to hospital staff. Entreprises fluviales de France (E2F) reports that: "*The river tourism sector, which has been totally at a standstill since 14 March 2020, is suffering from the full economic consequences of the crisis and has chosen, through several solidarity initiatives, to contribute to the health effort by making its boats available to the medical services in Paris and Lyon.*" ([NPI](#), roisiEurope : « *La profession se doit d'être unie en cette période très compliquée* », 31/03/2020)

Impact of the COVID-19 crisis on the charter sector in the Netherlands

The [BBZ](#), branch organisation for the Dutch charter industry, reports a dramatic situation for the charter sector, with half of the charter fleet virtually bankrupt as the coronavirus outbreak has hit the charter sector with unprecedented severity. Until May, everything is cancelled, and all income is gone. Cancellations for later in the year can also be observed. BBZ fears that borrowing money from banks will be even more difficult for the charter sector, as, since the last financial crisis, charterers have been investing in vessels by means of lease-purchase and crowdfunding instead of banks loans. Another key issue for the sector relates to advance payments. Indeed, in the tourism sector, and therefore in the charter sector, it is customary for advance payments to be made, which in charter shipping are used for maintenance/repair before the season starts. That money, which has often already been spent by the skippers, is now claimed back, but it's gone. Vouchers are being issued, allowing customers to make their journey at a later date, in order to prevent such down payments from being claimed and alleviate financial distress. Nevertheless, a “gloomy” picture is drawn by BBZ. ([Schuttevaer](#), ‘*Helpt chartervloot virtueel failliet*’, 01/04/2020)

BLN warns against “corona clauses” included in transport contracts

The inland shipping industry association BLN-Schuttevaer points out in a [press release](#) that “corona clauses” are being added to transport contracts requiring entrepreneurs to work far below cost price in the context of declining cargo supply. In addition, other clauses start to appear in transport contract, stating, for example, that carriers are not entitled to demurrage when the vessel cannot be unloaded due to circumstances beyond their control. BLN-Schuttevaer calls on inland navigation entrepreneurs to keep their backs straight and on the business partners of inland navigation to continue complying with “the usual rules of the game”, such as those included in the [Chartering Conditions 2016](#), especially during this difficult period. Ministers Cora van Nieuwenhuizen and Wopke Hoekstra condemned such practices in the past. ([Schuttevaer](#), BLN: ‘*Coronaclausules doen cruciale bedrijfstak de das om*’, 02/04/2020)

Corona crisis scenarios in the Netherlands drawn by the Dutch Central Planbureau (CPB)

The [Dutch Bureau for Economic Policy Analysis](#) has developed four scenarios to outline the possible economic impact of the coronavirus in 2020 and 2021 on the overall Dutch economy. All scenarios result in recession, with GDP declining by between 1.2% and 7.7% in 2020. In the mildest scenario, the economy will rebound as early as in the third quarter of 2020, whereas in the gravest scenario, problems will expand to also include the financial sector and the situation abroad will continue to worsen. This last scenario also projects GDP to decrease by 2.7% in 2021. Under three of the four scenarios, the economic downturn will be more severe than in the 2008–2009 crisis. This crisis will inevitably have a profound impact on the economy. In 2021, in the mildest scenario, unemployment will increase only slightly, but in the gravest scenario, it is projected to increase to 9.4%. ([CPB Netherlands Bureau for Economic Policy Analysis](#), *Corona crisis scenarios*, 26/03/2020)

Scenarios	GDP-growth		Unemployment		EMU-balance	
	(%)		(% labour force)		(% GDP)	
	2020	2021	2020	2021	2020	2021
I: 3 months of restrictions	-1.2	3.5	4.0	4.5	-1.3	-0.5
I: 6 months of restrictions	-5.0	3.8	4.2	5.3	-4.6	-2.9
III: 6 months of restrictions, more negative impact	-7.7	2.0	6.3	8.4	-6.8	-5.7
IV: 12 months of restrictions, additional problems from abroad and in the financial sector	-7.3	-2.7	6.1	9.4	-7.3	-9.9

Impact of COVID-19 on river-sea trade

The situation in the river-sea shipping sector is getting worse every day. The large steel producers for the automobile industry are slowly reducing their production. Accordingly, demand for river-sea shipping is falling, which has a negative effect on freight rates. A few days ago, the falling bunker price had a positive effect on shipping companies' revenues but can no longer compensate for this difference. The operators are returning charter tonnage where possible to save costs. Handling in the ports, for example in Spain, takes longer and sometimes the goods cannot leave the port because there are no trucks. So far, no pilots on the Rhine has refused to go on board because of the risk of infection. The UK market is very important for river-sea trade. If the forecasts are correct and the UK follows the same trend as in

Italy, the consequences on river-sea trade will be even greater. (Source: *Werner Plenkmann, ARKON Shipping*)

CESNI conducts first working group meeting by video conference

Due to the COVID-19 pandemic, the CESNI Working Group on Information Technologies (CESNI/IT) held its meeting on 1 and 2 April by video conference. with representatives from 11 Member States, four River Commissions, the European Commission and the inland navigation associations. Thanks to the commitment of the participants and the thorough preparation of the CCNR Secretariat, the web meeting was successful with productive discussions on the future evolution of the RIS standards as well as cybersecurity and electronic documents in inland navigation.

Keep safe and healthy!

About the CCNR

The Central Commission for the Navigation of the Rhine (CCNR) is an international organisation that exercises an essential regulatory role in the navigation of the Rhine. It is active in the technical, legal, economic and environmental fields. In all its areas of action, its work is guided by the efficiency of transport on the Rhine, safety, social considerations, and respect for the environment. Many of the CCNR's activities now reach beyond the Rhine and are directly concerned with European navigable waterways more generally. The CCNR works closely with the European Commission as well as with the other river commissions and international organisations.