



Analysis of trade and freight transport effects, to and from Ireland, 2018-2021 (Q1)

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Aim

- Analysis of the shifts in cross-border freight flows during 2020 and 2021, to and from Ireland, following the combined effects of the pandemic and Brexit.
- Focus on the maritime sector, the overall trade tonnages, and the relative shifts from Irish Sea trade (to and from Britain) to direct Ireland-Continental trade.
- In essence, 2021 has seen a faster-than-expected expansion of direct maritime links between Irish ports and Continental ports, allowing goods to be traded without encountering border controls.
- However, the situation has been complicated by the economic consequences of the ongoing Covid crisis, and short-term measures such as the stockpiling of goods by importers.
- Based on quarterly Irish CSO data and monthly Eurostat trade data.
- Attempt to quantify the shifts and monitor changes throughout the year.

Irish Port Traffic in 2020: by port and trading region.

- Total port traffic in Ireland was 51.4 million tonnes in 2020 (import and export combined)
- Three largest ports; Dublin, Shannon Foynes and Cork account for 49%, 18% and 17% of total traffic respectively.
- Other Irish ports account for 16% of tonnes.
- 20 million tonnes (39% of total) were traded by sea to or from GB and Northern Ireland
- 18.6 million tonnes (36%) were traded with Continental Europe (EU)
- 12.7 million tonnes (25%) were traded elsewhere.

Port Traffic Statistics, 2020: total goods handled in Irish ports, thousands of tonnes.

	GB + N.Ireland	Other EU	Others	Total	Share %
Cork	740	3,182	4,715	8,637	17%
Dublin	16,006	7,943	1,261	25,210	49%
Shannon Foynes	1,004	4,143	4,309	9,456	18%
Other Ports	2,290	3,375	2,396	8,061	16%
Total	20,040	18,643	12,681	51,364	
Share %	39%	36%	25%		

Source: CSO.ie

Irish Port Traffic in 2020: by year and type of goods.

- Port traffic is split equally between bulk cargo and unitised cargo.
- The largest category of non-bulk traffic is roll-on/roll-off (15.6m tonnes)
- Lift-on/lift-off traffic (containers) is 7.8 million tonnes.
- Total traffic volumes have decreased from 2018-2019, and from 2019-2020, but non-bulk traffic is consistently around 25m tonnes.

Port Traffic Statistics, 2016-2020: total goods handled in Irish ports, thousands of tonnes.

	2016	2017	2018	2019	2020
Liquid bulk	11,274	12,211	12,171	11,736	11,294
Dry bulk	15,937	16,805	17,754	15,633	15,119
Total bulk	27,211	29,016	29,925	27,369	26,413
Lift-on/lift-off traffic	7,230	7,346	7,629	8,009	7,806
Roll-on/roll-off traffic	14,884	15,497	16,037	16,183	15,570
Break bulk	1,387	1,486	1,496	1,680	1,576
Total non-bulk	23,501	24,329	25,162	25,872	24,952
Total tonnage	50,712	53,345	55,087	53,241	51,365

Source: CSO.ie

Irish Trade Statistics show a similar and consistent picture:

- Total Irish trade amounted to 56m tonnes in 2020 (including land-border trade with Northern Ireland).
- UK trade accounts for 23.9m tonnes (including land-border trade).
- Trade with Continental Europe accounts for 13.9m tonnes.
- Trade with the Rest of the World accounts for 18.1m tonnes.
- Bulk and non-bulk trade were split approximately 55:45 (estimation basis is via commodity).
- Total volumes were decreasing from 2018-2019, and from 2019-2020.
- Trade statistics and port statistics show a different geographical split because goods traded with one country (e.g. Germany or China) might be forwarded from a seaport in another country (e.g. Belgium).

Trade Statistics, 2018-2020: total Irish trade, thousands of tonnes.

Trade with the UK (incl NI) (kT)

IE<>UK	2018	2019	2020
Bulk	14,763	14,517	13,580
Non-bulk	13,058	13,048	10,342
TOTAL	27,822	27,565	23,922



Trade with Continental Europe (kT)

IE<>CE	2018	2019	2020
Bulk	6,959	6,823	5,440
Non-bulk	8,705	8,429	8,552
TOTAL	15,664	15,252	13,992



Trade with the Rest of the World (kT)

IE<>RW	2018	2019	2020
Bulk	12,876	12,020	12,148
Non-bulk	5,987	6,047	6,004
TOTAL	18,863	18,067	18,152



Total Trade (kT)

IE<>ALL	2018	2019	2020
Bulk	34,598	33,359	31,168
Non-bulk	27,750	27,524	24,898
TOTAL	62,349	60,884	56,066

Source: COMEXT, Eurostat.

Focus on:

- non-bulk, short-sea trade, and
- relative trends for the Ireland-UK and Ireland-Continent sectors.
- 2018-2020 data shows that Continental non-bulk trade (i.e. trade moved in lorries or containers) stayed relatively constant into 2020, whilst UK non-bulk trade decreased by around -20%.

Aim:

- Monitor monthly patterns of short-sea trade into 2021.
- Attempt to quantify: (1) the Covid impact (lower volumes due to economic impact), and (2) the Brexit impact (potential shift from IE-UK trade to IE-Continent trade).

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Continental share of short-sea non-bulk traffic rose from **40%** in 2018 and 2019 to **45%** in 2020.

Source: COMEXT, Eurostat.

Discussion

- Irish ports handle in excess of 50 million tonnes annually (all commodities combined), concentrated in the three core ports of Dublin, Cork and Shannon Foynes.
- The largest part of this traffic (around 38m tonnes) is generated from short-sea inter-European (EU+UK) trade.
- Approximately 18-20m tonnes of these flows are non-bulk cargo, i.e. trade carried either by lorries (RORO) or containers (LOLO). This is a key transport market in the wider context of the Irish economy, as it includes the majority of the higher-value consumer goods (manufactures and food for example).
- Historically the UK has been the largest trading region for these short-sea, non-bulk traffics, accounting for around 60-65%, with Continental Europe accounting for the remainder.
- Both IE-UK and IE-EU trades are potentially affected negatively by the imposition of new border controls post-Brexit: with UK being now outside the European Single Market, and with Continental European flows potentially having to cross two external borders if going via the heavily-used UK landbridge route, e.g. via Dover and Liverpool.
- However, to counter this, private and public sector actions to strengthen direct maritime links (RORO and LOLO) between Ireland and the Continent may serve to strengthen trade in the IE-EU sector, thus creating growth in this geographical sector and/or causing a possible shift in volume from IE-UK to IE-EU.
- Therefore we have focused on monitoring the development of the flows between Ireland and Continental Europe, and the relative volumes compared to Ireland-UK, using monthly trade data.
- We examine the period from 2018-2021 in order to compare pre- and post-Covid levels.

Monthly Trade Volume Indicators

- Irish trade tonnes
- Non-bulk, short-sea trade
- Comparing:
 - Trade with UK
 - Trade with Continent

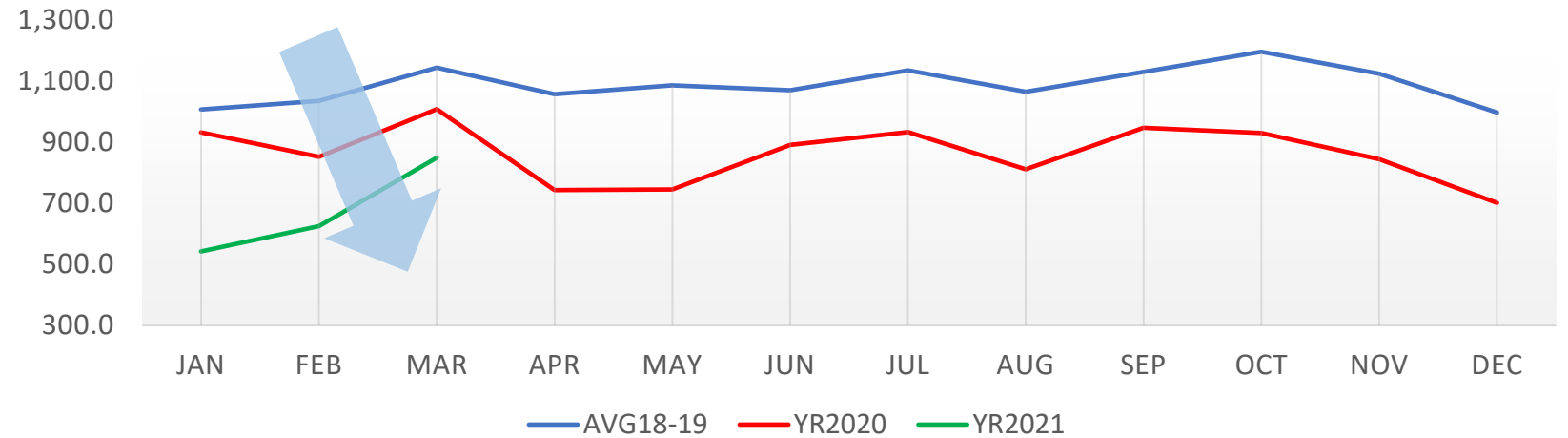
Ireland-UK Indicators:

- Clear downward shifts
- In 2020, continuing until 2021, Q1.
- Monthly volumes have fallen from 1m tonnes/month to around 0.65m tonnes/month.

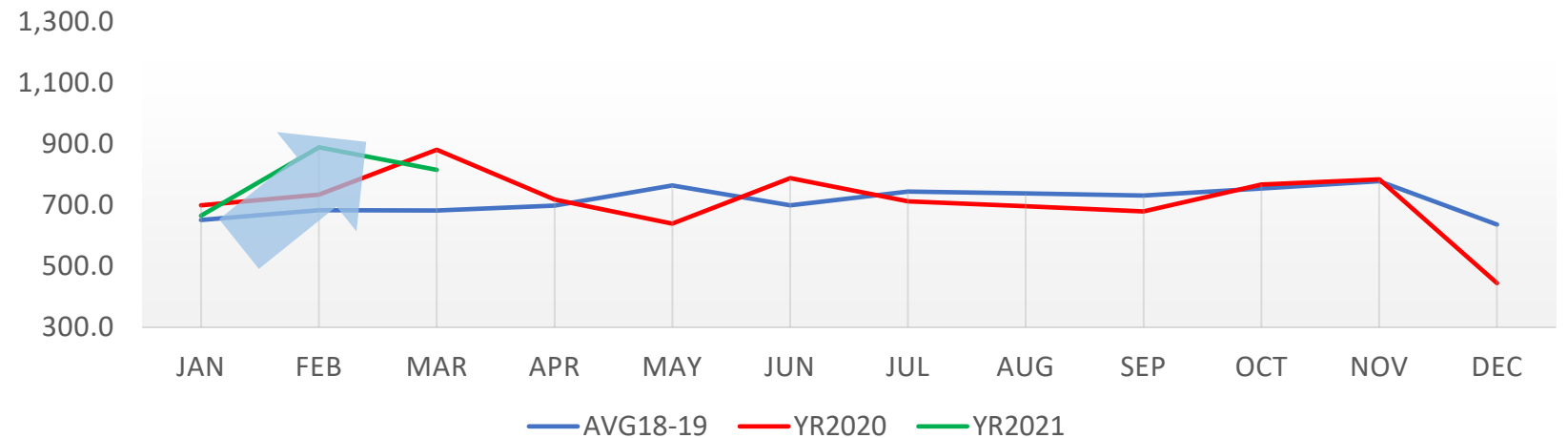
Ireland-Continent Indicators:

- Consistent volumes.
- Low 'Covid' impact in 2020 – most months were close to 2018/19 levels.
- 2021 starting ahead of previous years.
- Monthly volumes gradually rising from approx. 0.65m tonnes in 2018/19, to approx. 0.85m tonnes per month in early 2021.

Irish non-bulk trade with the UK, monthly tonnes (thousands)



Irish non-bulk trade with the Continent, monthly tonnes (thousands)

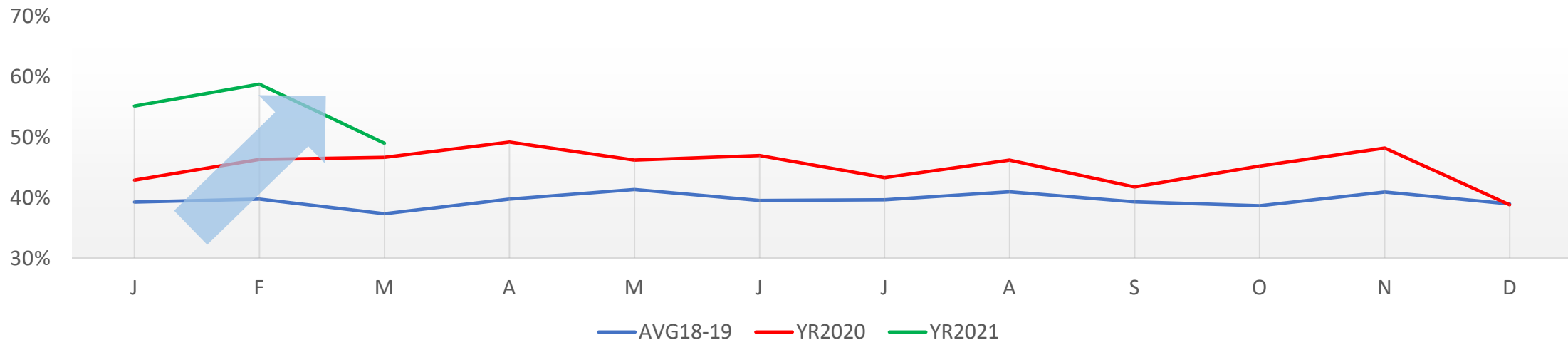


Monthly Trade Indicators: continental share (%)

- Irish trade: continental share(%)
- Trade tonnes to and from Continent, as a proportion of:
- Non-bulk, short-sea trade.
- Goods being transported between Ireland by lorry (RORO) or container (LOLO), and either UK origin/destination or European Continent origin/destination.

- Data indicates that volumes to and from the Continent have been rising relative to UK-related volumes.
- The shift started in 2020, and accelerated in the first two months of 2021.
- In 2021, Ireland-Continental trade exceeded 50% for the first time.
- March 2021 data possibly indicates that the results for the first two months were outliers due to the introduction of new Brexit-related trade barriers.
- Note that 2021 data is still subject to statistical revision.

Continental share (%) of Irish non-bulk, short sea trade



Conclusions

- Moving from 2018 to 2021, total maritime volumes have remained close to their long-term averages, despite moderate decreases due to the COVID impact - starting in Q2 2020, and continuing until the present.
- In the short-sea, non-bulk sector under investigation, IE-UK flows have been steadily falling from 2018/19 to 2020, continuing into 2021, now standing around 35% lower than their 2019 levels.
- IE-EU flows, however, have largely maintained their long-term levels during 2020, and there is absolute growth visible in 2021 (first three months).
- Consequently, the IE-EU sector now exceeds the IE-UK sector in terms of volume, for the first time in recent years.
- This trend, so far, supports the claim that a shift in trade from IE-UK to IE-EU would take place following Brexit, enabled by the rapid growth in new maritime services for unit-loads (trailers and containers) connecting Ireland to the Continent, thus expanding the supply of frictionless routes, and avoiding the new Brexit border controls.
- The market is still very much in a state of transition, affecting both transport service providers and cargo owners (importers, exporters), so we will continue to monitor these monthly patterns as the situation unfolds.