

2009 MEETING OF VOORBURG GROUP

**PRODUCER PRICE INDEX FOR
WATER TRANSPORTATION
IN GERMANY**

DEFINITION OF THE SECTOR

Water transportation comprises

- Maritime transport (continental and intercontinental)
- Coastal (domestic) transport and
- Inland water transport via rivers, lakes and other inland waterways

Size of the industry

- 30.4 Bill EUR turnover in 2007, thereof
- 28,6 Bill for sea and coastal water transport
- 1.8 Bill EUR for inland water transport

Market characteristics of sea and coastal water transport

Share in terms of total turnover, approximately

- Freight transport : 97 %
- Passenger transport : 3 %

Freight transport in sea and coastal water transport

Shares in terms of turnover, approximately

- 60-65% liner shipment
- 25-30% Tramp shipping
- <10% Roll-on-roll-off transports (mainly baltic sea)

Special conditions or restrictions

Role of international sea conferences:

- international price cartels
- internationally forbidden since 18 October 2008

Present global economic crisis:

- Decreasing transport performance
- Hard price competition
- Decreasing Freight rates
- Restructuring of shipment agencies

Sample design a) liner shipment

20 units report freight rates:

- All dominant suppliers included
- Stratified sampling for all other units.
- criterion for selection: unit regularly performs representative maritime transports suitable for rate monitoring.
- Inclusion of domestic companies with transports under foreign flags.

Sample design b) roll-on, roll-off ferries

12 units in the price observation

- Main data sources:
 - Internet: price lists
 - Additional information by telephone

Sample design c) passenger transport

- Information directly taken from the CPI (minus VAT)

Sample design

d) excluded: tramp shipping

- Difficult to define representative transports comparable over time
- Statistical burden for companies (model pricing might be possible)
- Information from the trade press for transports used till 2003:
 - Number of price quotations varied strongly
 - Low significance of data

Main pricing method for water transport

liner shipment:

- Contract prices for repeated services

roll-on, roll-off-ferries and passenger transport:

- Direct use of prices for repeated services (tariffs)
- Contract prices (exception)

Collection of information principles

Quarterly survey with monthly breakdown of data:

- General sources for company's transport activities: transport statistics and commercial sources.
- Statistical services in consultation with companies choose a number of transport services.
- Products selected are representative for the business.
- Products are delivered regularly in the same way

Collection of information example liner shipment

Reported are prices for 400 transported goods:

- basic rates plus
- currency adjustment factors plus
- surcharges (e.g. bunker oil and port charges),
minus
- price reductions.

Collection of information, details example liner shipment

Collection of freight rates for each type of good and each traffic relation.

For multimodal transport only the proportional freight rate for mere maritime transport is included.

Freight rates are collected in the original currency and converted to EURO.

Specification of services example liner shipment

Services are specified as detailed as possible.

Major parameters:

- Origin and destination of transport,
- Weight or volume for non-containerised cargo,
- Size of container,
- type of container
(general, dangerous, refrigerated),
- need for services (load, unloading, storage).

Calculation procedure, liner shipment

Multiple stage calculation:

1. Statistics of maritime transport:

- quantities of goods transshipped in German sea ports, liner trades
- Data grouped by traffic relations and product groups (in tons)

2. From price statistics:

- Average freight rates (container rates) recalculated to obtain freight rates per tonne.

Information necessary on specific weight of products, dimensions of products transported, types and size of containers

Quality issues

- Precise specification of transport services necessary, must be kept constant over time
- Regular update of price quotations from “old” transports to new and similar transports
- Certain “redundance” of price quotations is desirable.
- reduction of liner shipment due to economic crisis requires extra-efforts for statistics

Results

Distinction between

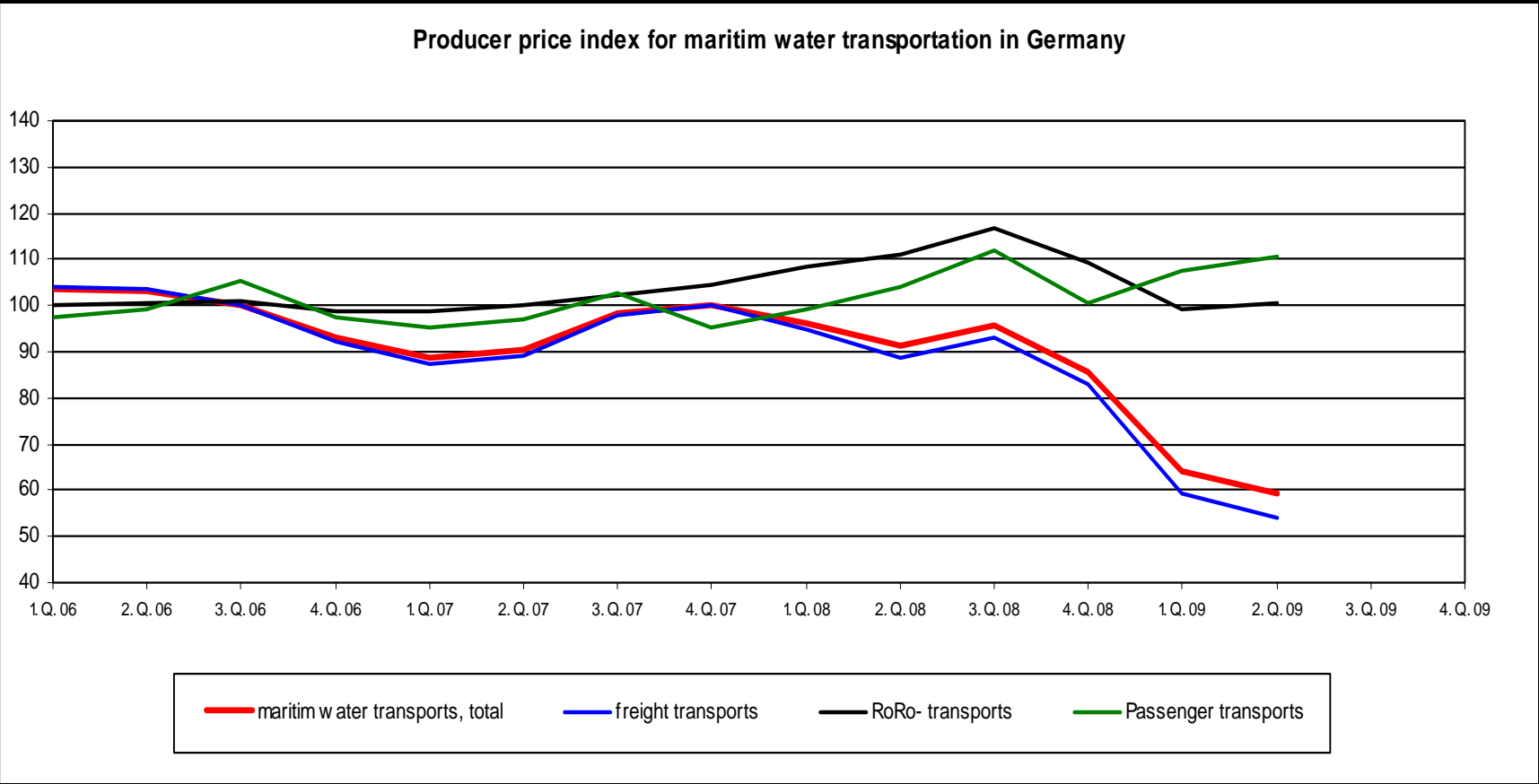
Total trades

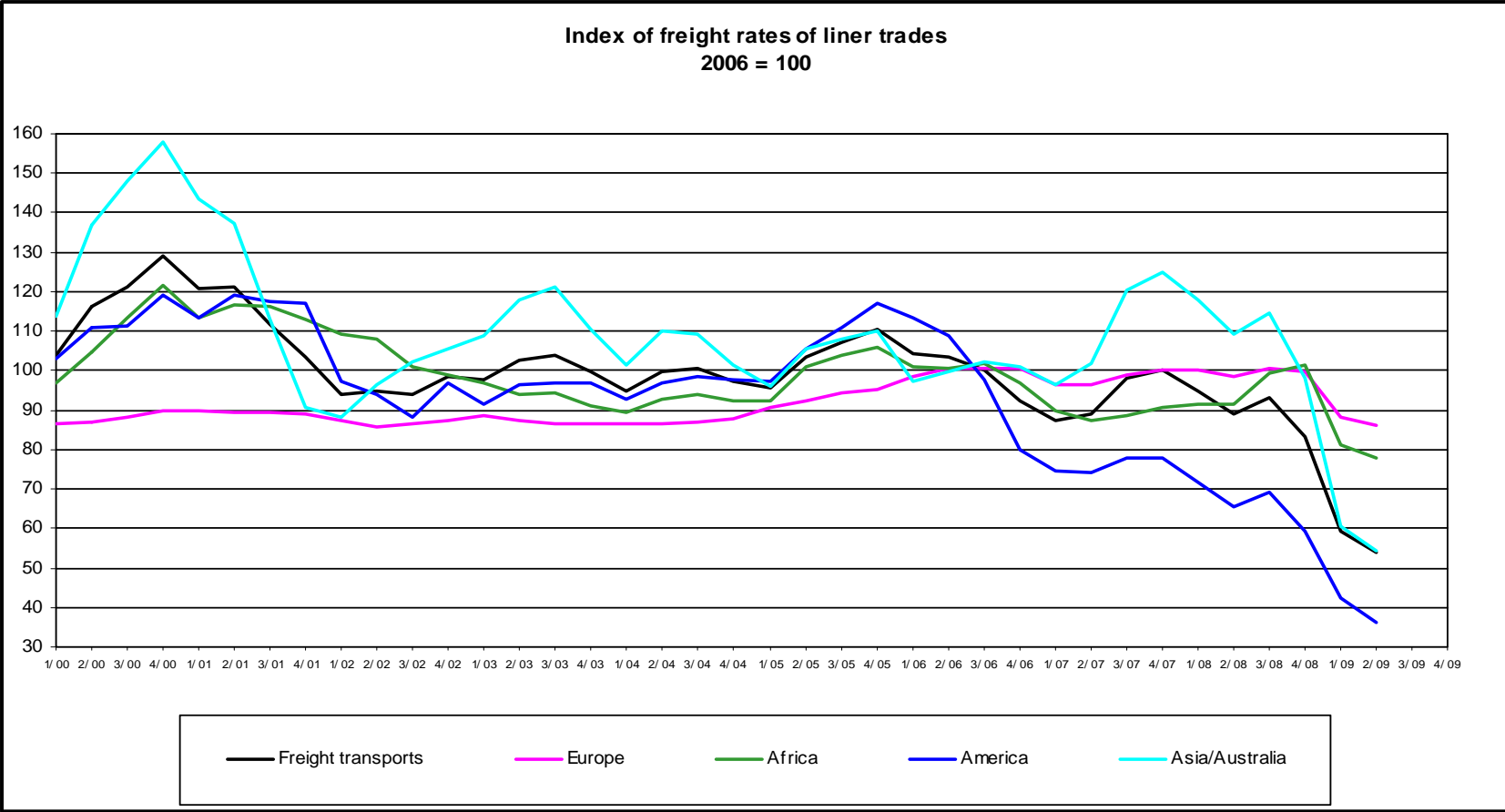
- homeward-bound trades,
- outward-bound trades

Regional breakdown of results:

All regions

- Europe,
- Africa,
- America and
- Asia/Australia





Discussion ?!

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