

Congestion hampers Europe's coal vessel arrivals

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(Montel) Congestion at Europe's main coal import hub of Rotterdam remains substantial amid favourable generation margins, driving unexpectedly high demand for the fuel, and inland logistics constraints.

There were currently around 13 panamax vessels – of 60,000-80,000 deadweight tonnes – and 10 capesize vessels – of 110,000-220,000dwt – waiting to berth at Rotterdam, compared seven and four, respectively, a month ago – according to VesselsValue data, although not all cargoes were necessarily coal.

“The queue is 10-15 days and expected to increase,” said a coal trader with a Swiss trading house. “The ports can't handle all the purchases.”

Rotterdam's EMO terminal – one of Europe's largest coal import hubs – has handled 2.2m tonnes so far this month, up 15% from the first 22 days of last month, VesselsValue data show.

And a terminal schedule showed another seven vessels earmarked for arrival this week.

“It continues to be busy and for now this seems to persist into Q1,” said a source at one Rotterdam import terminal, adding the issue was not limited to Rotterdam.

He said other terminals were seeing increased activity as well, with many hubs receiving “above normal flows” for the time of year.

“It looks like the whole of Hamburg-to-Le Havre is dealing with some level of congestion.”

According to preliminary estimates by dry bulk data provider DBX, the Netherlands could import 2.54m tonnes of thermal coal this month, up from 1.84m tonnes in October, helping to bring total northwest European deliveries to 6.2m tonnes – up 0.65m tonnes on the month.

Low river levels

Meanwhile, exacerbating the situation was a lack of barge capacity, coupled with low river levels, which were hampering inland transportation operations, market sources said.

As such, there was some concern that German utilities may struggle to replenish stocks as temperatures slip ahead of the peak winter demand period.

“The low Rhine level should reduce deliveries to German power plants, drawing down plant stocks,” said a coal analyst with a European energy firm.

At the main Rhine indication point at Kaub, Germany – which is the widest and narrowest section of the rivers – levels were seen last at just below 80 centimetres and were forecast to remain at similar levels for the coming days, according to Germany's Electronic Waterways Information Service.

“This is definitely an issue,” said the Rotterdam terminal source, noting river levels have been low for several weeks, with “no breather in between”.

“Demand remains exceptionally high and barge availability is very tight, so freight rates are sky high.”

Montel reported earlier European coal prices were likely to remain relatively stable over the coming