Press Release

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HGK calls for a fleet renewal programme: up to 1,000 modern inland waterway vessels capable of operating in shallow waters by 2035 as a European target

Cologne. The current low water levels in rivers are emphasising the need to take action – the German government should support a long-term funding framework and a European drive for modernisation.

In the light of the low water levels in the river Rhine, HKG Shipping, one of Europe's leading inland waterway shipping companies, is calling for a long-term fleet renewal programme for commercial inland waterway shipping. The goal should be to mobilise investments in up to 1,000 modern, energy-efficient and future-oriented commercial inland waterway vessels, which are optimised to operate in shallow waters in Europe by 2035 – and, at the same time, strengthen European shipbuilding capacities. The German government should play a leading role in this process and trigger private investments in the fleet renewal programme with a reliable long-term funding framework.

Low water levels unmistakeably demonstrate the need to take action

The Middle Rhine is currently illustrating the enormity of the challenge. Only 16 centimetres were measured at the Kaub water measurement point on 11 August. The forecasts suggest that the situation will only deteriorate even further and water levels will reach single-digit figures. Falling water levels are massively reducing the possible loads and therefore transport capacities on one of the most important European transport routes. Vessels that are optimised to operate in shallow waters make the crucial difference here. The nine vessels, which are optimised to operate in shallow waters and have been developed with customers at HGK's in-house Shipping Design Centre since 2018, serve as the significant reference points for further projects.

"We're seeing right now what a modern fleet can achieve: our "Synthese 18" is still transporting a load weighing 485 tonnes, even at the current extreme conditions at Kaub water measurement point. Let's just imagine that we didn't have this kind of capability, not just on individual vessels, but in relevant parts of our European fleet. That's exactly what's at stake with our demand for as many as 1,000 modern vessels: keeping industrial supply chains moving for longer, even if water levels are extremely low," says Steffen Bauer, the CEO of the HGK Group.

The current shallow water levels in the river Rhine in 2026 are certainly inhibiting German economic growth to a tangible degree. The present scale of the estimates is roughly a fall in GDP growth of 0.3 and 0.4 percentage points if the extreme low-water levels persist. The Kiel Institute for the World Economy estimates that the possible economic damage from the low water levels in the 3rd quarter will be as high as EUR 2 billion.

An outdated fleet encounters a low construction rate

There is also a need to act in terms of structure. According to numbers published by the Central Commission for the Navigation of the Rhine (ZKR), the fleet conveying dry and liquid goods for the countries bordering the river Rhine involves approximately 7,800 vessels. About 80 percent of the dry goods fleet was constructed in the 20th century. In addition, only 13 new dry goods vessels and 38 new tankers came on to the market in 2024.

The small and medium-sized structure of the sector is an additional factor. A significant proportion of the fleet is operated by small and medium-sized companies as well as self-employed vessel owners and operators alongside larger shipping companies. The high investment sums and long amortisation periods for new modern vessels represent a significant hurdle, particularly for these companies.

“We cannot prevent low water levels. But we can build vessels that are still capable of operating for longer in difficult conditions. If we want to modernise the fleet, we must also enable small and medium-sized companies and self-employed vessel owners and operators to invest in the next generation of vessels,” Steffen Bauer continues.

The managers at HGK Shipping are fully convinced that a modern fleet must be resilient, efficient and “future-fuel-ready” – i.e. able to cope with future, climate-friendly drive systems and energy sources. At the same time, innovative vessel concepts must enable vessel owners to tap into new markets: e.g. for recycling and circular economy goods, alternative energy sources, project and heavy-duty goods as well as high-grade industrial goods. This will create additional potential to transfer shipments to the inland waterways.

As many as 1,000 modern commercial inland waterway vessels by 2035

HGK is therefore suggesting a long-term “Fleet Renewal Programme for Commercial Inland Waterway Shipping 2035”. The goal should be to mobilise investments in as many as 1,000 modern, commercial inland waterway vessels in Europe by 2035.

This kind of programme would also create demand for modern vessels and make a contribution towards safeguarding and further developing European shipbuilding capabilities and technical expertise.

If an average investment volume of EUR 12.5 million for each new vessel is taken as the basis for classification purposes, the target figure corresponds to investment potential of as much as EUR 12.5 billion.

The German government must create a long-term investment framework

HGK believes that there is a need for a reliable and adequately dimensioned funding framework in the long term, which particularly also enables small and medium-sized companies and self-employed vessel owners and operators to invest in new modern ships. Funding rates of as much as 40 percent should be examined here and fully exploited as part of the opportunities provided by state aid rules.

“The modernisation of the fleet is a European task – but Germany must take a lead in this process. We need a reliable investment framework from the German government up to 2035, which mobilises private capital and provides companies with planning certainty for building new vessels. This will enable us to strengthen the resilience of our supply chains and, at the same time, reinforce industrial wealth creation and shipbuilding expertise in Europe,” Steffen Bauer says.

HGK is therefore calling on the German government to continue developing the existing funding tools to form a reliable, long-term investment framework up to 2035. The current government programme for green inland waterway shipping, which initially provides EUR 125 million, forms an important basis for this, but neglects the necessary adjustments for long-term shallow water phases. It is now crucial to create a future opportunity that goes beyond individual funding and legislative periods.

Modernising waterways and the fleet together

A fleet renewal programme does not replace the investments that are necessary for Germany’s inland waterways. Optimising loads on the Middle Rhine, improving loads and stabilising the river bed of the Lower Rhine as well as eliminating further infrastructural bottlenecks are still just as important.

“This kind of programme would be a strong geographical signal for German industry. The companies along the river Rhine in particular must be able to rely on the fact that their supply chains function properly, even in difficult conditions. Those who invest in a resilient waterway and a modern fleet are therefore investing directly in the future viability of Germany as an industrial centre,” Steffen Bauer adds. “We emphatically welcome the German government’s approach to include the environmental associations in planning the necessary measures.”

Notes on the attached photos:

1. Modern vessels, which are optimised to operate in shallow waters, such as HGK Shipping’s ‘Synthese 18’ continue to transport goods even under the current extreme conditions.
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2. Steffen Bauer, CEO of the HGK Group, is calling on the German government to establish a long-term investment framework to enable the construction of up to 1,000 modern inland cargo vessels, which are optimised to operate in shallow waters in Europe.
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About the HGK Group:
Häfen und Güterverkehr Köln AG (HGK) is the logistics company within the City of Cologne’s public utilities group. Formerly just a port operator, HGK has developed into a group that provides integrated transport and logistics services with operations across Europe. Structured in five divisions, Logistics &

Intermodal, Shipping, Rail Operations, Infrastructure & Maintenance and Real Estate, the HGK Group operates the largest inland waterway port network in Germany, one of the largest private rail-way companies for transporting cargo, specialist logistics firms and terminals as well as its own rail-way network and workshops for railway goods traffic through its subsidiaries and holding companies. HGK Shipping GmbH is the largest inland waterway shipping company in Europe.

About the HGK Shipping division:
HGK Shipping is part of Häfen und Güterverkehr Köln AG. Its fleet comprises about 300 vessels, including owner-operated ships. The spectrum of goods transported ranges from liquid chemical products and liquefied gases to dry goods and even break-bulk cargo.