

## Letter accompanying the pricelist valid from January 1, 2023

Copenhagen Malmö Port AB issues its pricelist with 3 months' notice. As we write this letter and design our pricelist for 2023, the Danish and Swedish economies are bracing for tough times:

- Inflation levels in Denmark and Sweden are at levels that haven't been seen for more than 30-40 years. In Denmark, inflation is running at 9.9%<sup>1</sup>. In Sweden, the latest annual inflation is 9.0%<sup>2</sup>.
- Diesel, gas, and electricity prices are likewise surging.
- The cost of building materials has been elevated for some time.
- Interest rates are being lifted to taper inflation.

These elements impact CMP's business in more than one way:

On the one hand, the cost of labour, materials, maintenance costs, the cost of land, and the cost price of new investments are all going up. The cost of running our machinery – whether they are electric or running on bio- or fossil fuels – is now around 60% higher than in 2021.

On the other hand, high inflation is often followed by a recession as consumers and businesses hold back spending. This is supported by consumer confidence which is now lower than at the time of the financial crisis of 2009<sup>3</sup>. This leads us to conclude that there is a fair chance that the economy is heading for a recession and that the general demand for goods will decrease. As a full-service port, we handle a wide range of goods and trades through the port. The health of each trade is tied to the logic of demand for their specific goods and cargo. Demand for some products is more resilient than it is for others, yet it is hard to imagine any of the cargo flows completely immune to the impact of a recession.

With these considerations, we take the update of the 2023 pricelist seriously. The cost increases must be recovered in our revenues and since we are bearish on volumes in general, price increases are the only option. On the other hand, we are mindful that you, our customers, and our partners, are experiencing the same in your line of business, so we fully appreciate the need to pass less than the full inflation increase through our prices and indirectly support your business through finding efficiency gains and growth.

Consequently, you will see the following changes in the tariffs.

1. Dues and services charges are increased by 4-7%, a fair amount below current inflation. Arguably in real terms a cost decrease and an effort to protect your business and act as a long-term partner.
2. An electricity (power) surcharge is introduced, which will vary with the cost of electricity in the electricity sectors DK2 and SE4. The surcharge will apply to all operational charges and enable us to recover cost increases above the electricity costs in 2021. The surcharge level is adjusted quarterly and will revert to 0% as soon as the cost of electricity is back at normal levels.
3. The layout and maneuverability of the pricelist is updated to make it easier for the reader to find the relevant prices, terms, and conditions.

If you have any feedback or questions about the price list, please do not hesitate to contact us at [CommercialTeam@cmport.com](mailto:CommercialTeam@cmport.com).

With kind regards on behalf of the CMP Commercial team, Sune Norup Christensen, CCO.

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<sup>1</sup> [NYT: Fortsat stigende inflation i Danmark og EU - Danmarks Statistik \(dst.dk\)](#)

<sup>2</sup> <https://www.scb.se/hitta-statistik/sverige-i-siffror/samhallets-ekonomi/inflation>

<sup>3</sup> [Leading indicators - Consumer confidence index \(CCI\) - OECD Data](#)