



The challenges of the Mediterranean: economic scenario and forecasts

Alessandro PANARO

Head of Maritime & Mediterranean Dept.

SRM

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A new observatory: a permanent analysis on ports and shipping

News

Economic Relations between Italy and the Mediterranean Area | Discover the 6th SRM MED Annual Report

On Friday 25th November 2016, SRM presented its sixth annual report on the "Economic Relations between Italy and the

The new Review of Maritime Transport 2016 is out

The new edition of the Review of Maritime Transport of UNCTAD takes the view that the long-term growth prospects for seaborne trade

SRM at the Public Assembly of FEDESPEDI

We're highlighting the next public assembly of Fedespedit (the Italian shippers federation). The event will take place in Milan on Tuesday 29th

Ocean Alliance has proposed the network and port rotation for 2017

Members of the newly-formed Ocean Alliance have proposed their network and port rotation for 2017. COSCO Container Lines, CMA CGM, Evergreen Line

Italian Maritime Economy. Suez, the role of China, the new Panama Canal: from global routes a more central Mediterranean

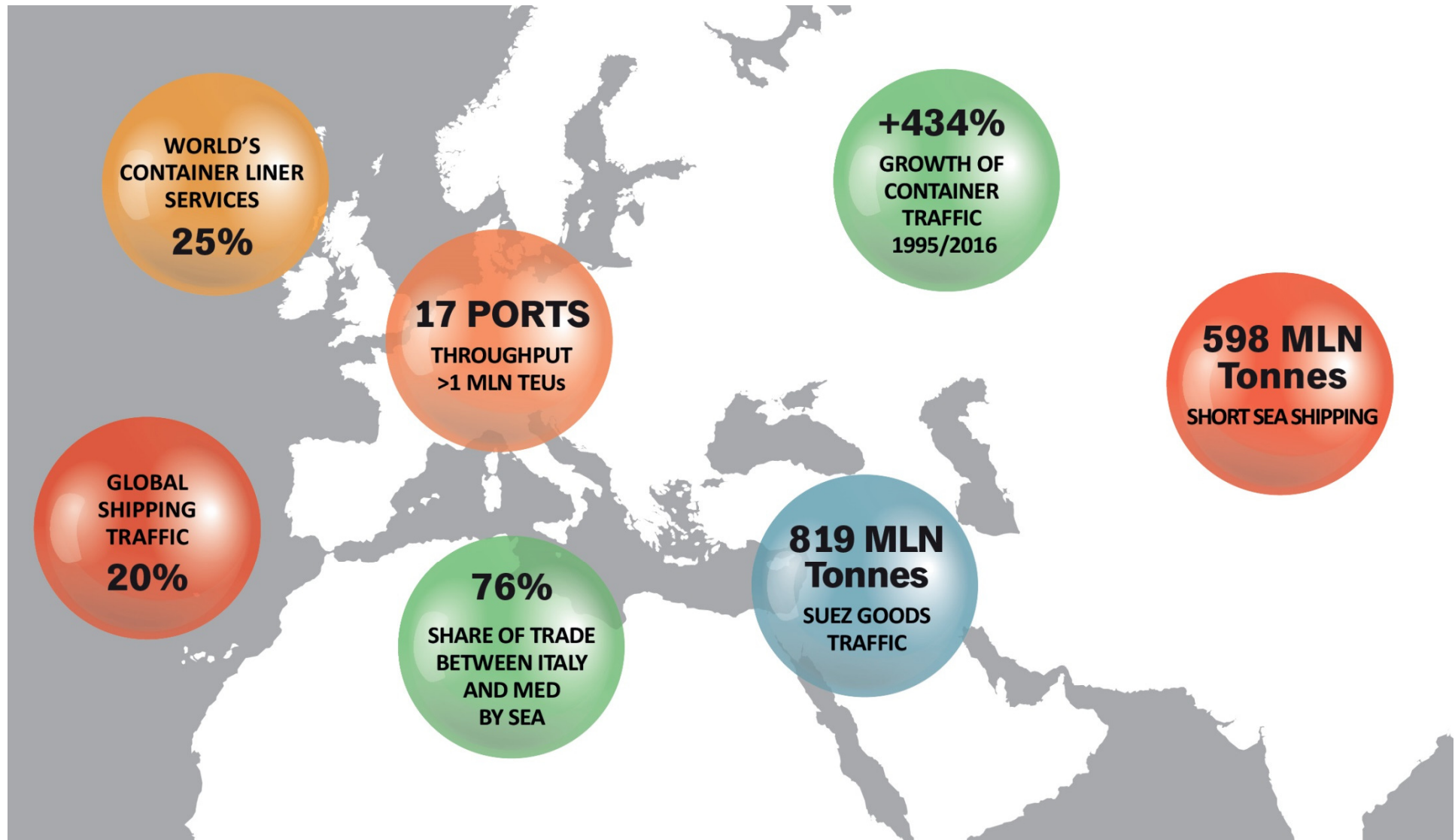
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The growing role of Mediterranean

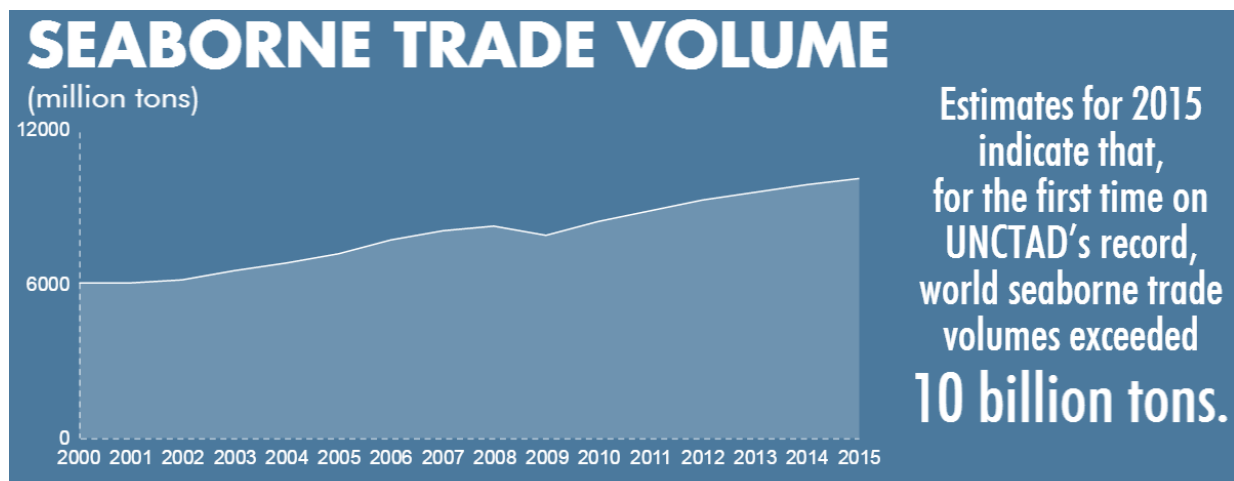
- ❑ The Mediterranean Economic Scenario and competitiveness indicators
- ❑ The main phenomena that will shape the future of the maritime sector
- ❑ Conclusions

The most important data on the shipping sector in the Med



Source: SRM on Port Authorities

A new world record



However, shipments expanded by a modest 2.1%, a rate notably slower than the historical average.

2015 KEY FIGURES



DEVELOPING COUNTRIES
60% of goods loaded



SEABORNE TRADE VOLUME
10.05 billion tons



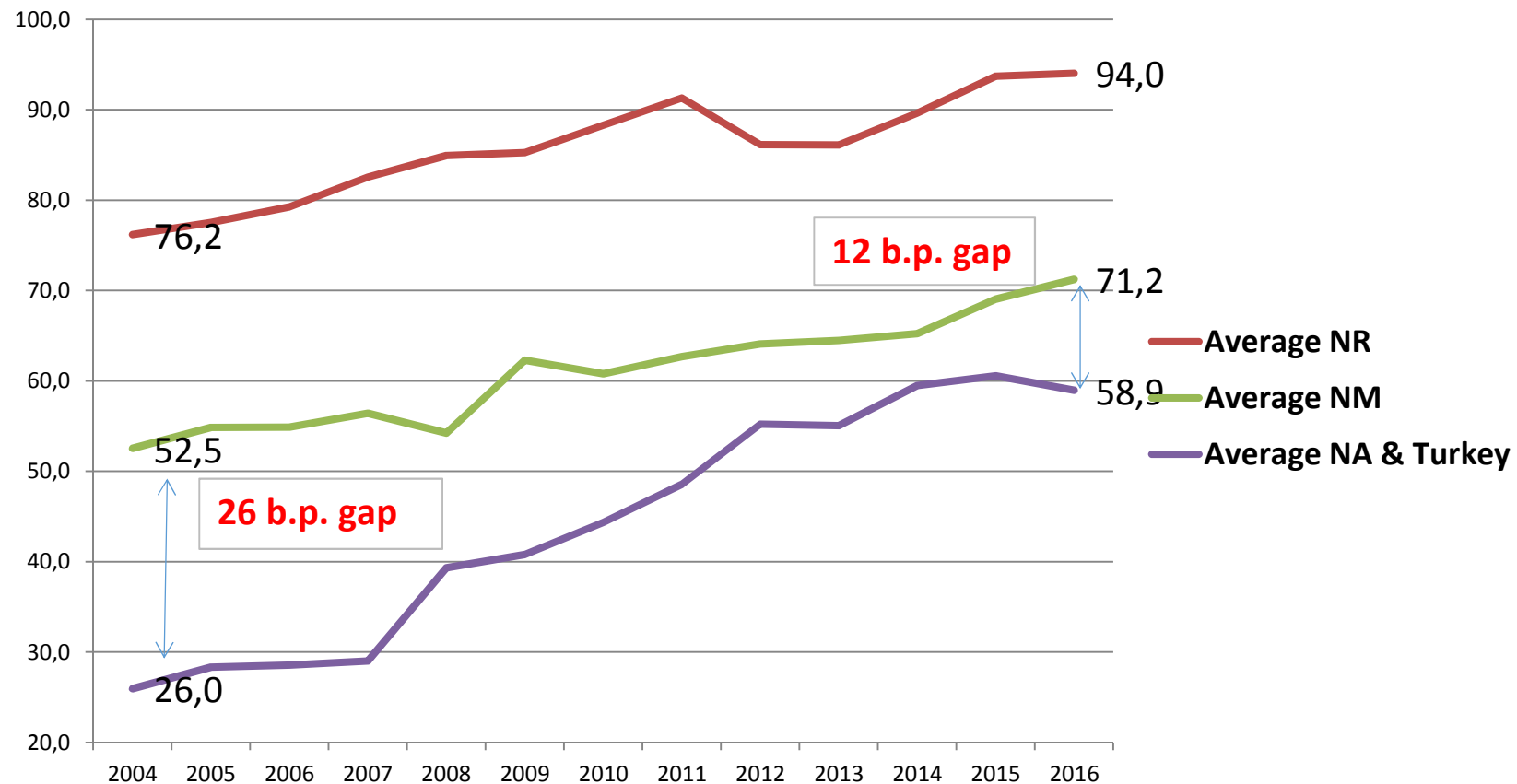
SHIPMENTS GROWTH RATE
+2.1%

Fonte: UNCTAD 2016

The Liner Shipping Connectivity Index

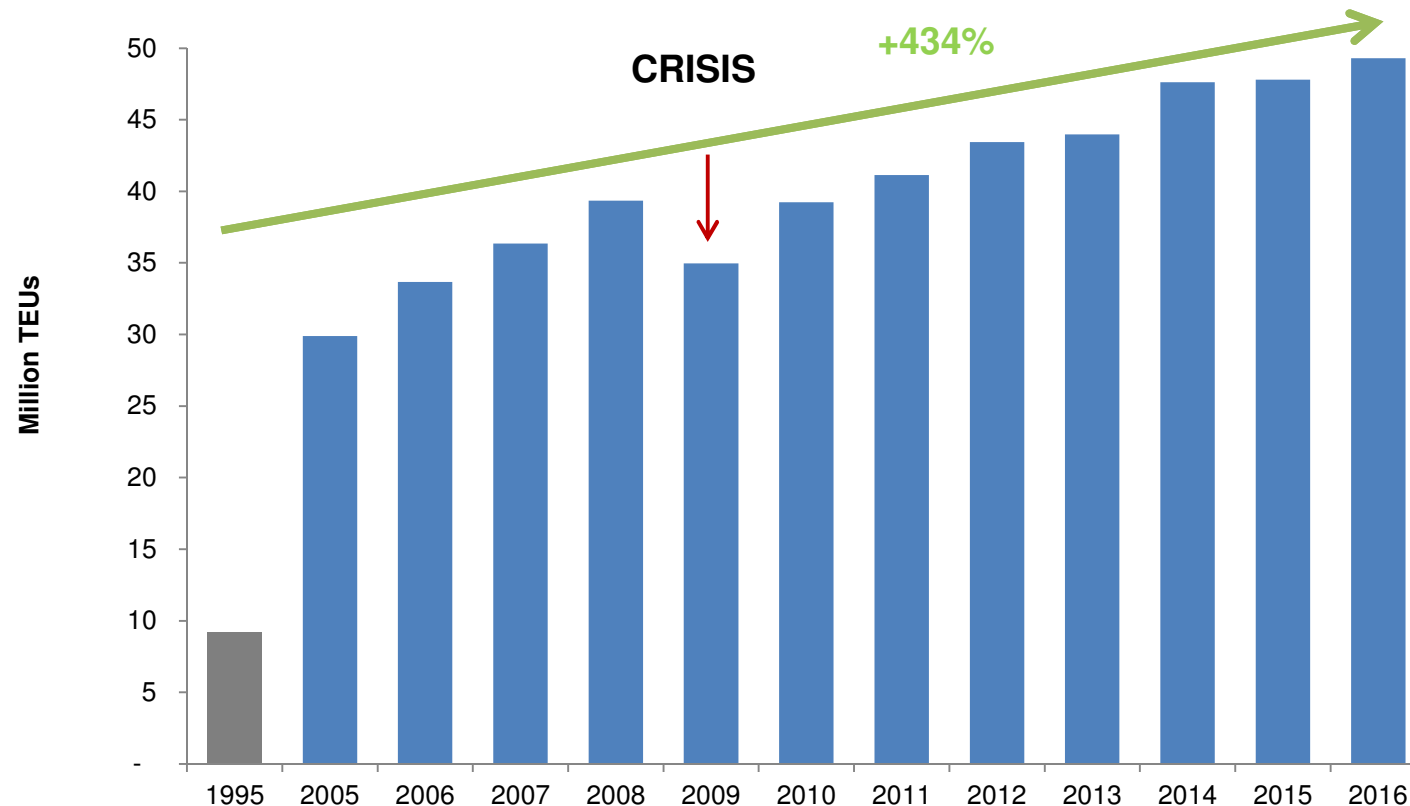
- The **Liner Shipping Connectivity Index** (LSCI), realised by UNCTAD, shows the level of competitiveness in ports and shipping system of 157 countries.
- **Italy ranks 16th**, **China** is the best in the world. **Greece ranks 31st**.

China 2004=100



Source: UNCTAD

Container traffic in Med ports



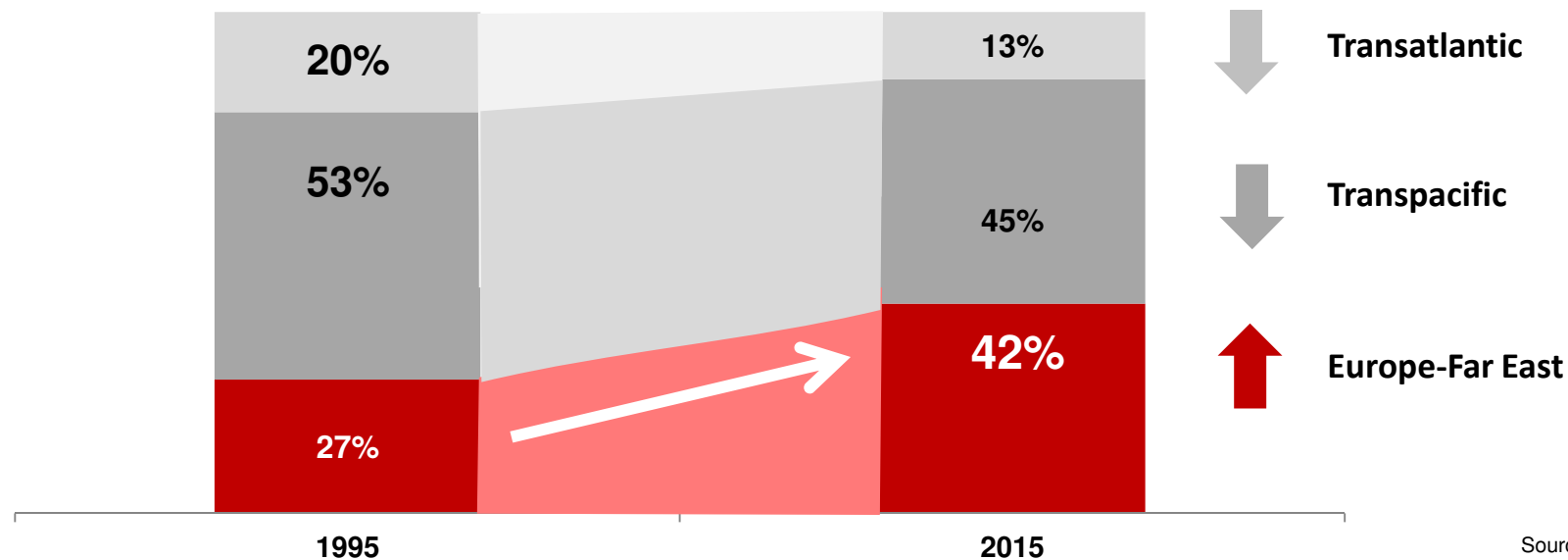
Source: SRM on Port Authorities

- Container traffic has grown steadily over the last 10 years.
- If we consider the period 1995-2015 container traffic showed a dramatic growth of over 400%; in 2016 it reached a peak of **49 millionTEUs**.

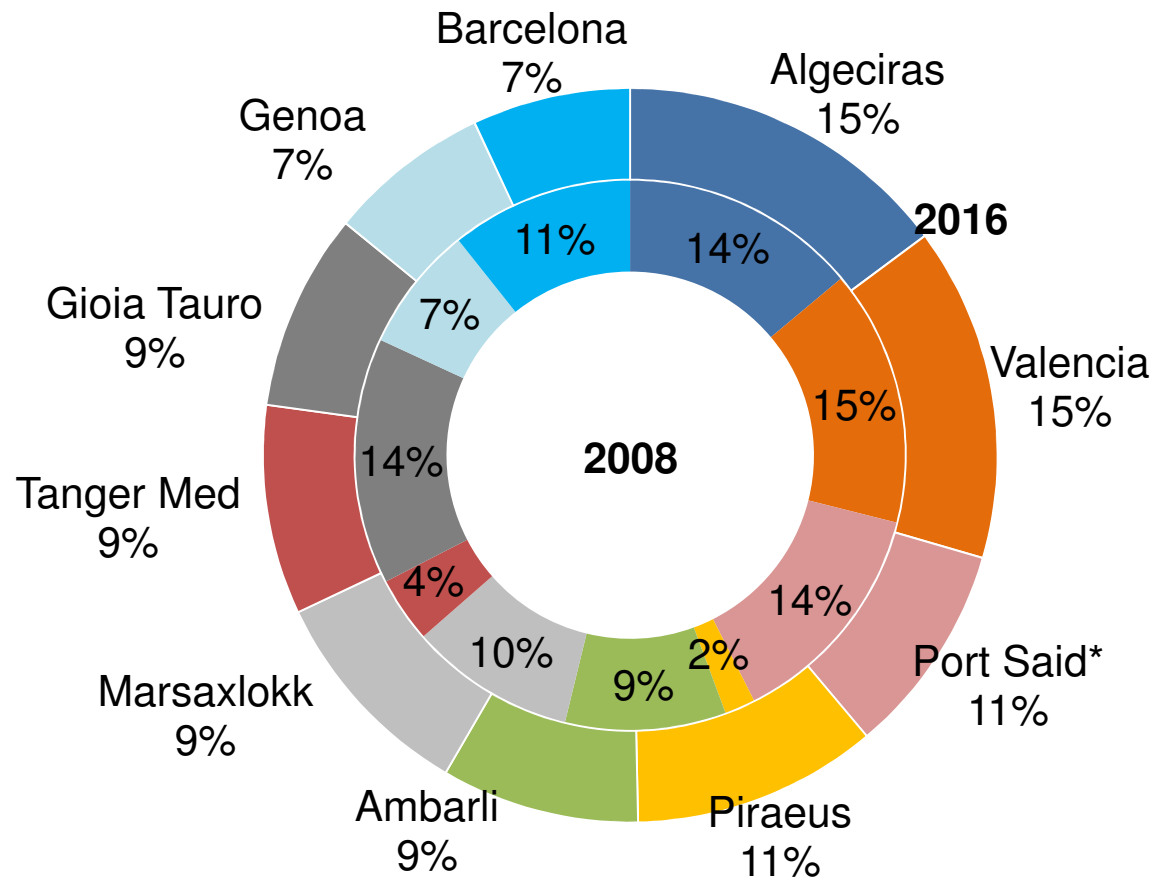
New Centrality of the Mediterranean: The Emergency of the Europe-Far East Route

- Within the three main deep sea East-West shipping services the **Europe-Far East progressively gained traffic** raising its share **from 27% in 1995 to 42% in 2015**.
- In 2015, the Europe-Far East and the Transpacific were by far the two biggest trade routes, accounting to **22 and 24 mln TEUs of traffic** respectively. As a result of this growth, the Mediterranean basin and its ports recovered their own centrality, thanks to the transit of (almost) all mother vessels via the Suez route.
- The Europe-Far East route is the way for **Chinese products** to enter Europe.

Estimated containerized cargo flows on major East–West container trade routes, 1995–2015 (% TEU)



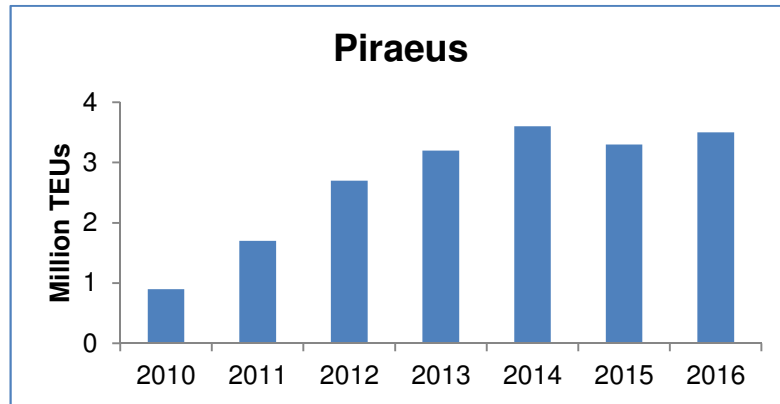
Ranking of top 10 container ports in the Mediterranean Basin: Market Shares



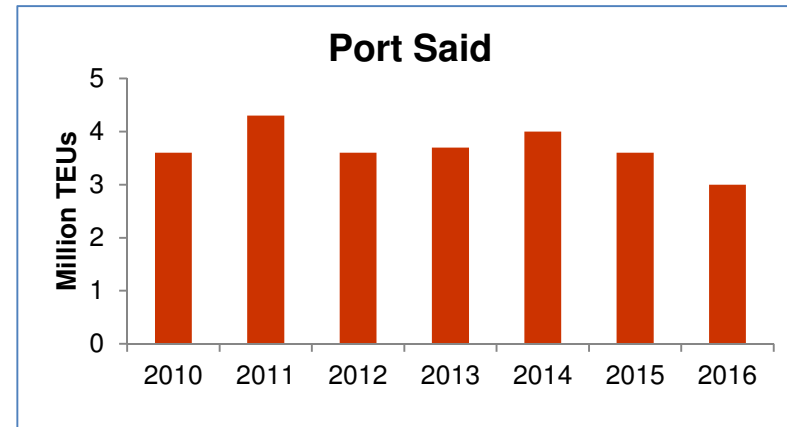
Source: SRM on Port Authorities

- Algeciras ranked **1st**
- Spanish ports confirm their leadership (37% market share) in the top 10
- **Piraeus and Tanger Med** showed a dramatic **growth**. **Piraeus** grew **8 times its starting value** reaching almost 3.5 million Teus in 2016

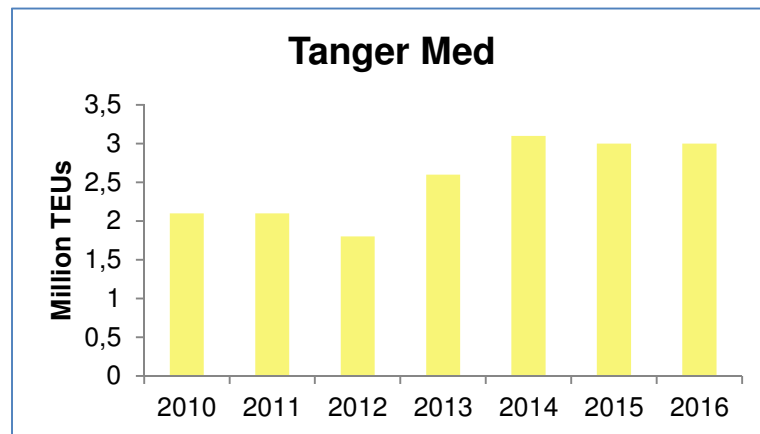
The competitors in the Mediterranean Area



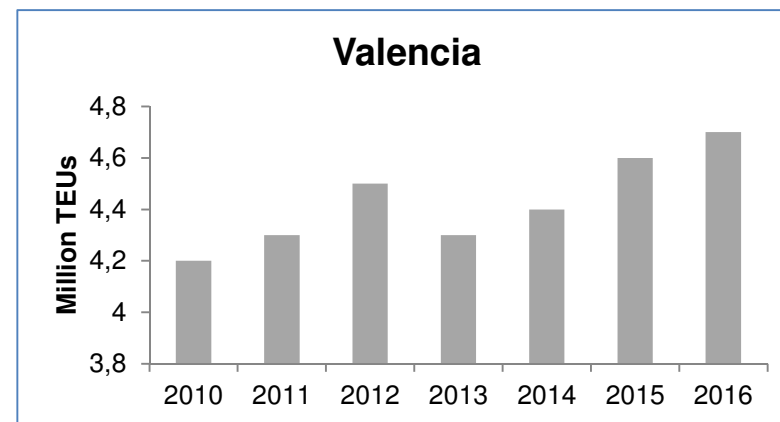
- **1st port in the East Med Area for container traffic.**
- In the period 2010-2016 the traffic rose by 289% (thanks to Cosco investments).



- **1st port in the rank of South Med Area.**
- The port is expected to increase its traffic thanks to the expansion of the Suez Canal.



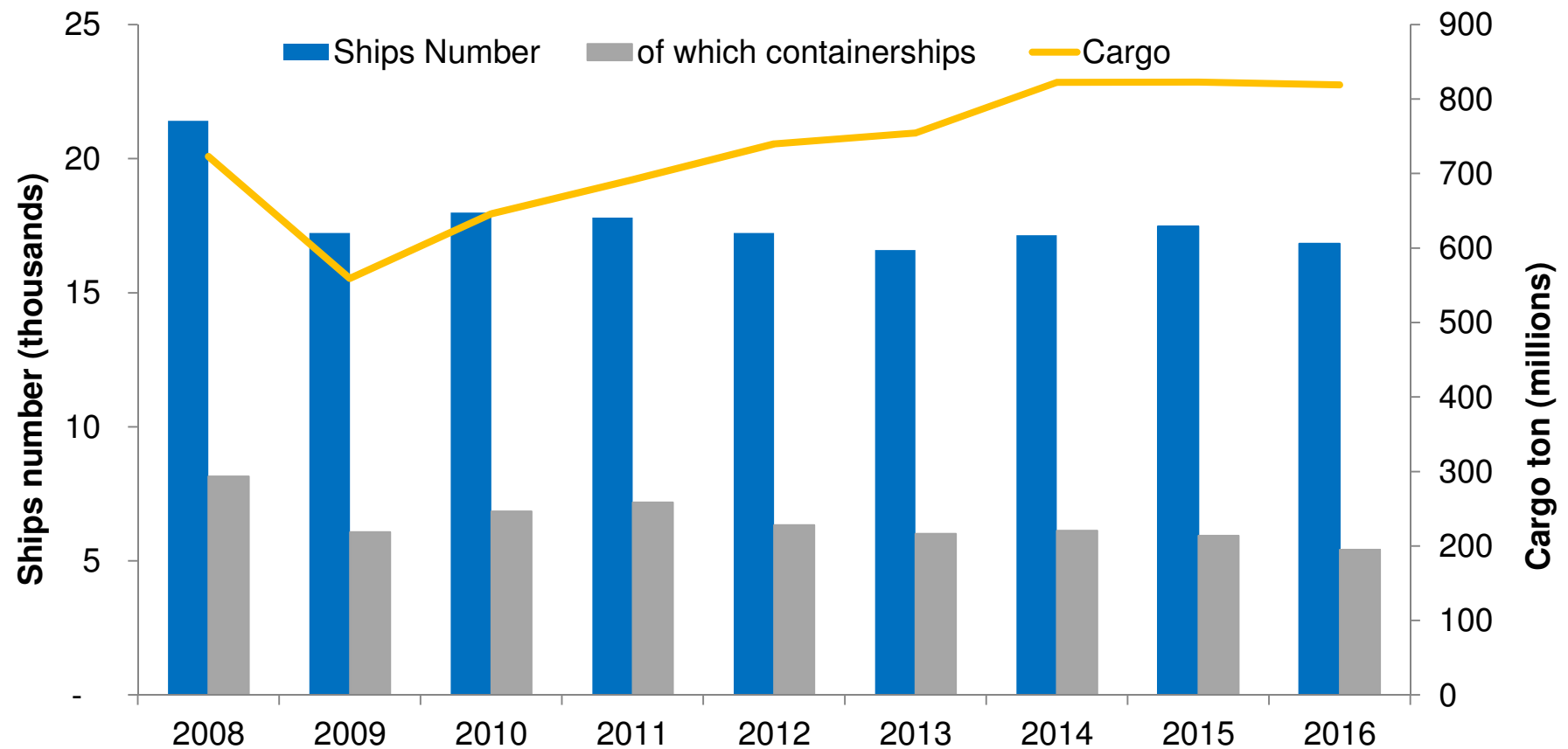
- **An example of perfect integration between port and free zone.**
- In the period 2010-2015 the container traffic increased by 43%.



- **2nd port in Mediterranean Area for container traffic.**
- Valencia is a mixed port (gateway and transshipment).

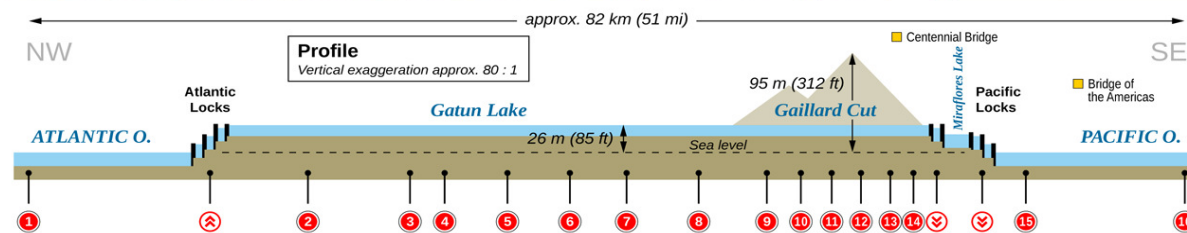
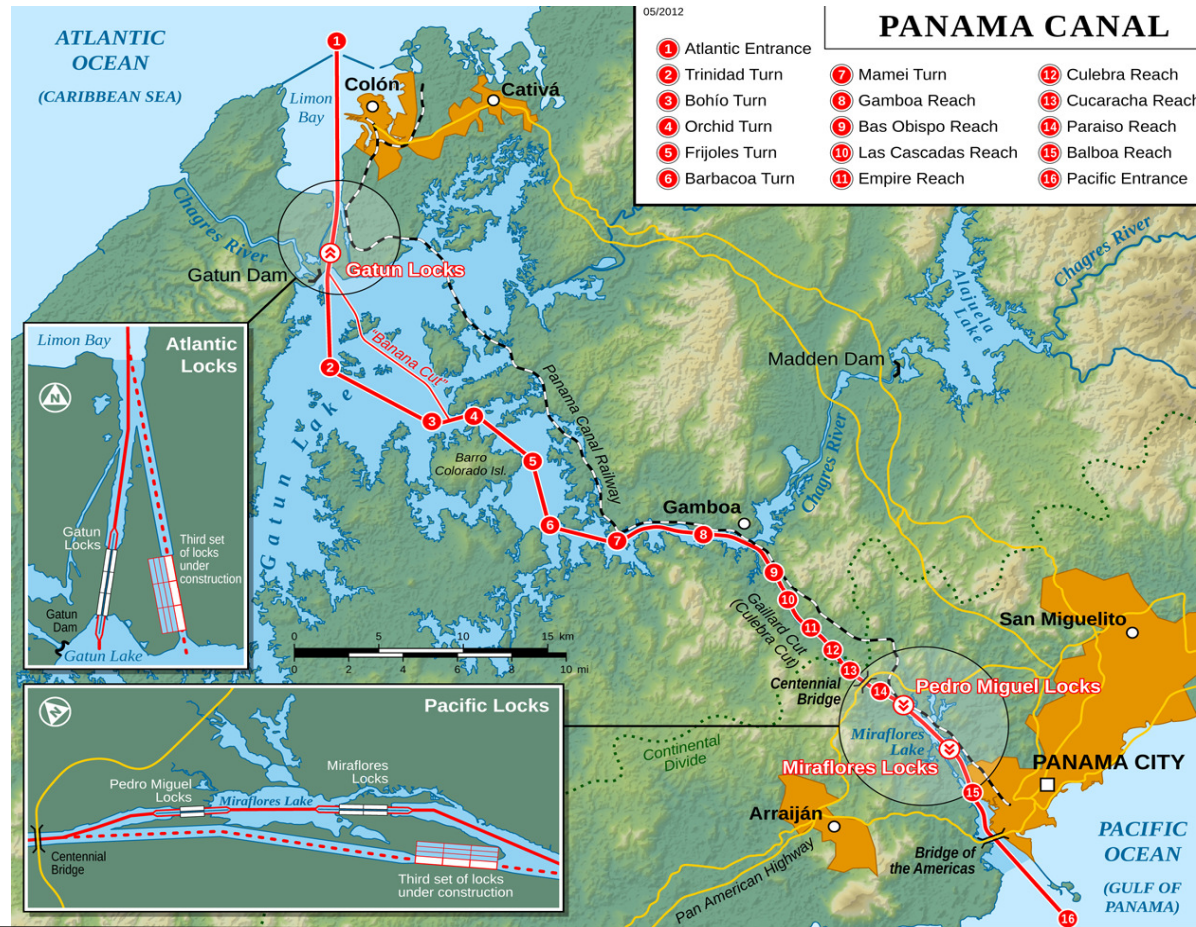
Traffic in the Suez Canal: ships and cargo

- Transit goods account for 8-10% of the entire globe.
In 2016, 819 million tonnes of goods passed through the Canal.
- More than 17,000 ships passed through the Canal.
- Between 2001 and 2016 the Canal's traffic trends recorded a 120% increase in transit goods. (+2,7% in February 2017 on previous year)



Source: SRM on Suez Port Authority, 2016

The new Panama Canal



The Panama Canal Expansion: three main effects

The inauguration: June 26th, 2016

- **The new Canal allows the passage of larger vessels.**
- **A new type of vessel will also be able to pass.** A new market segment will be created: it consists of LNG and LPG.
- **The number of transits in the medium to long term will increase.** The passage will potentially allow the **simultaneous transit of 3 ships**: a potential total maximum of **50 transits per day**.



+large vessels



New traffic

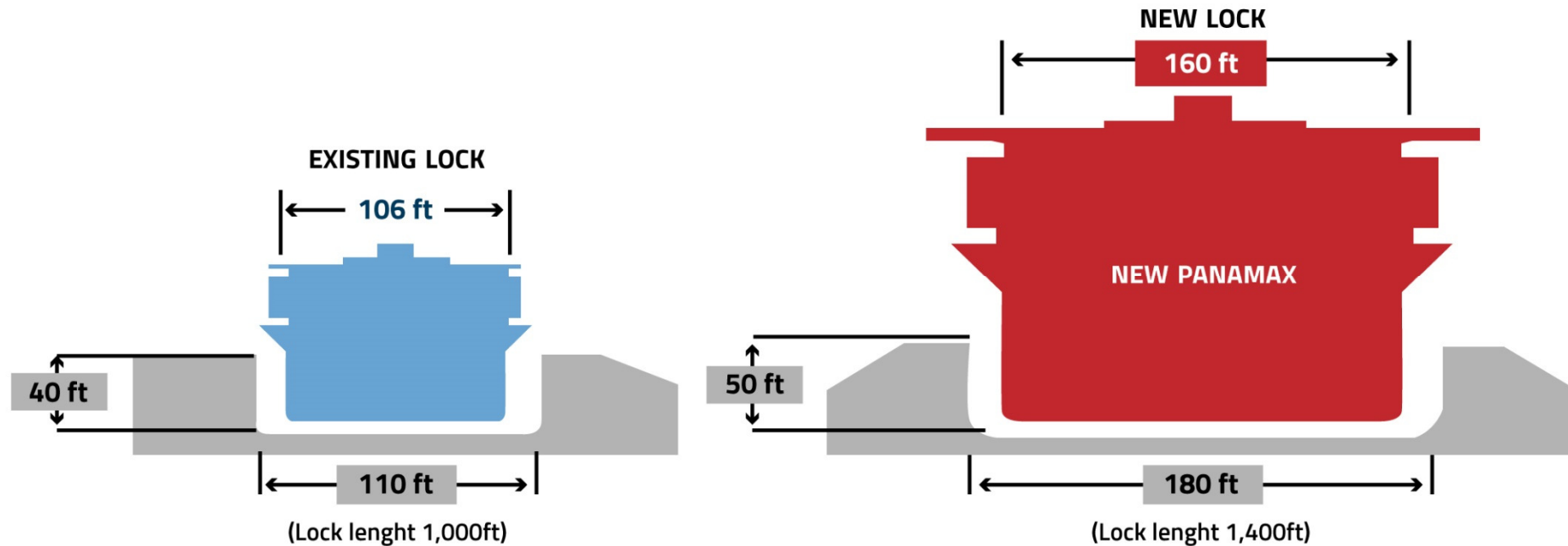


More transits



ECONOMIES OF SCALE

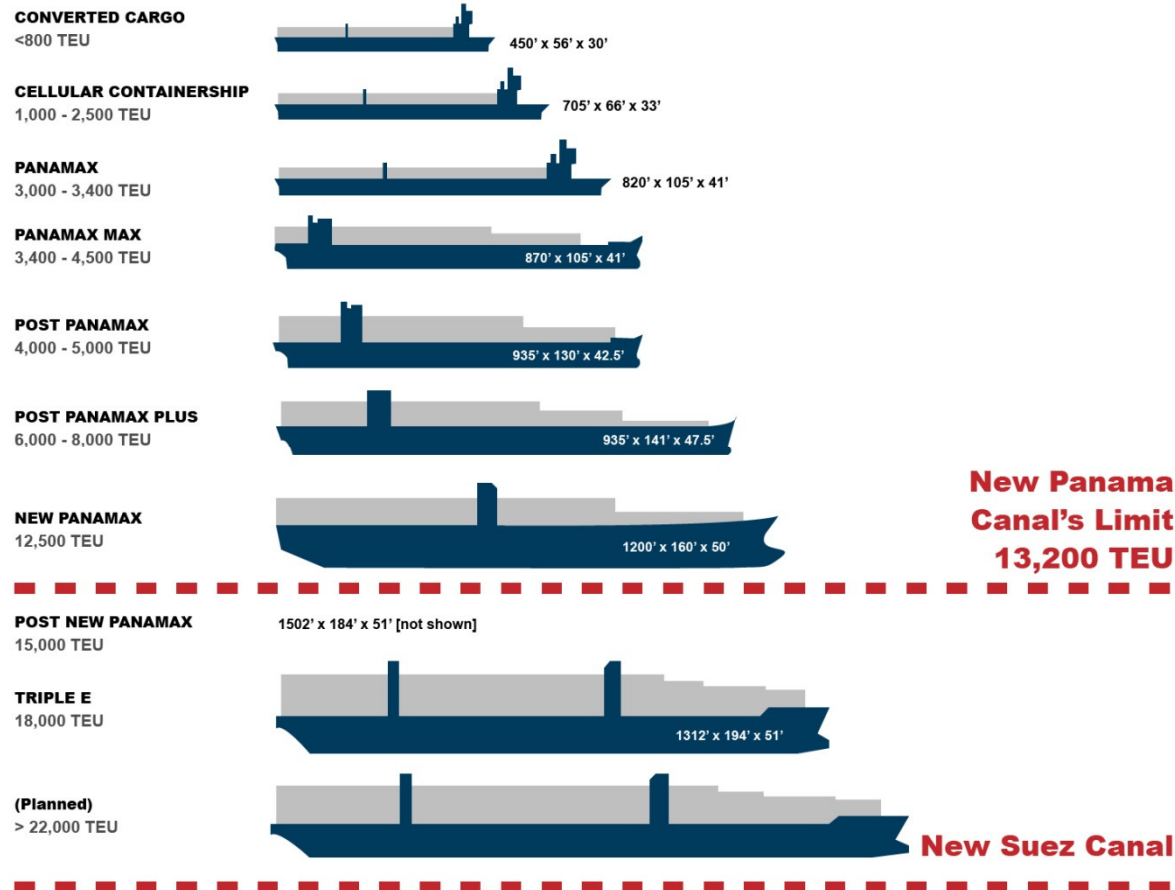
Size and vessel capacity of the new locks



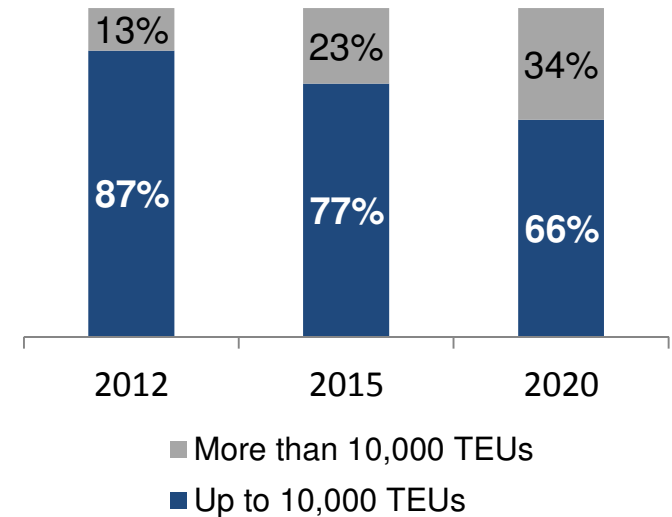
The new locks allow the passage of container ships up to 13,000/14,000 TEUs
(the first Canal limit was of 4,500-5,000 TEU).

Source: SRM's elaborations on Panama Canal Authority data

Naval gigantism: the world fleet will change in the future



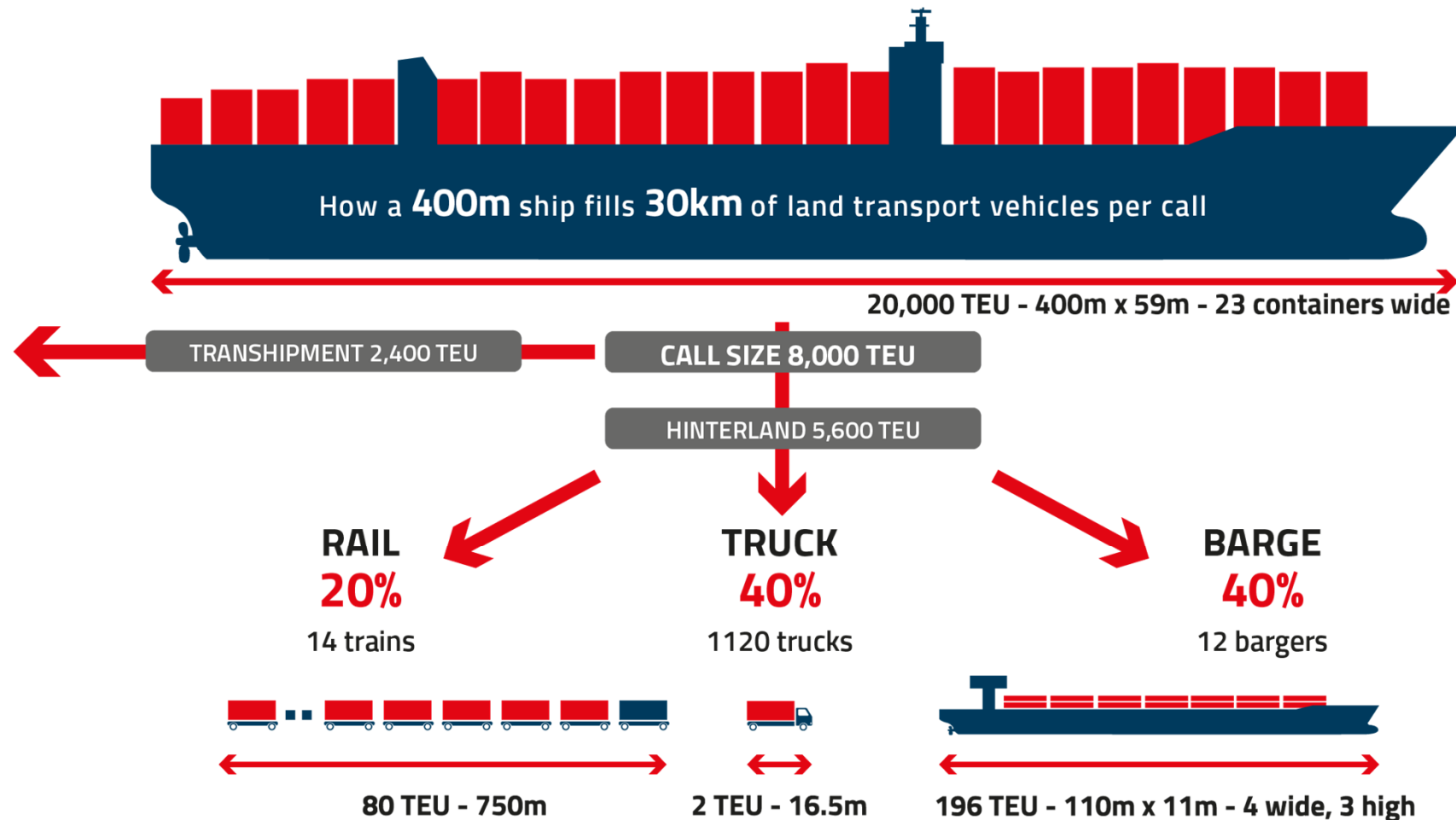
Containership fleet capacity



173 new ships will sail by 2019 in the 10-21.000 TEU size (58 of these belong to the 18-21.000 TEU size)

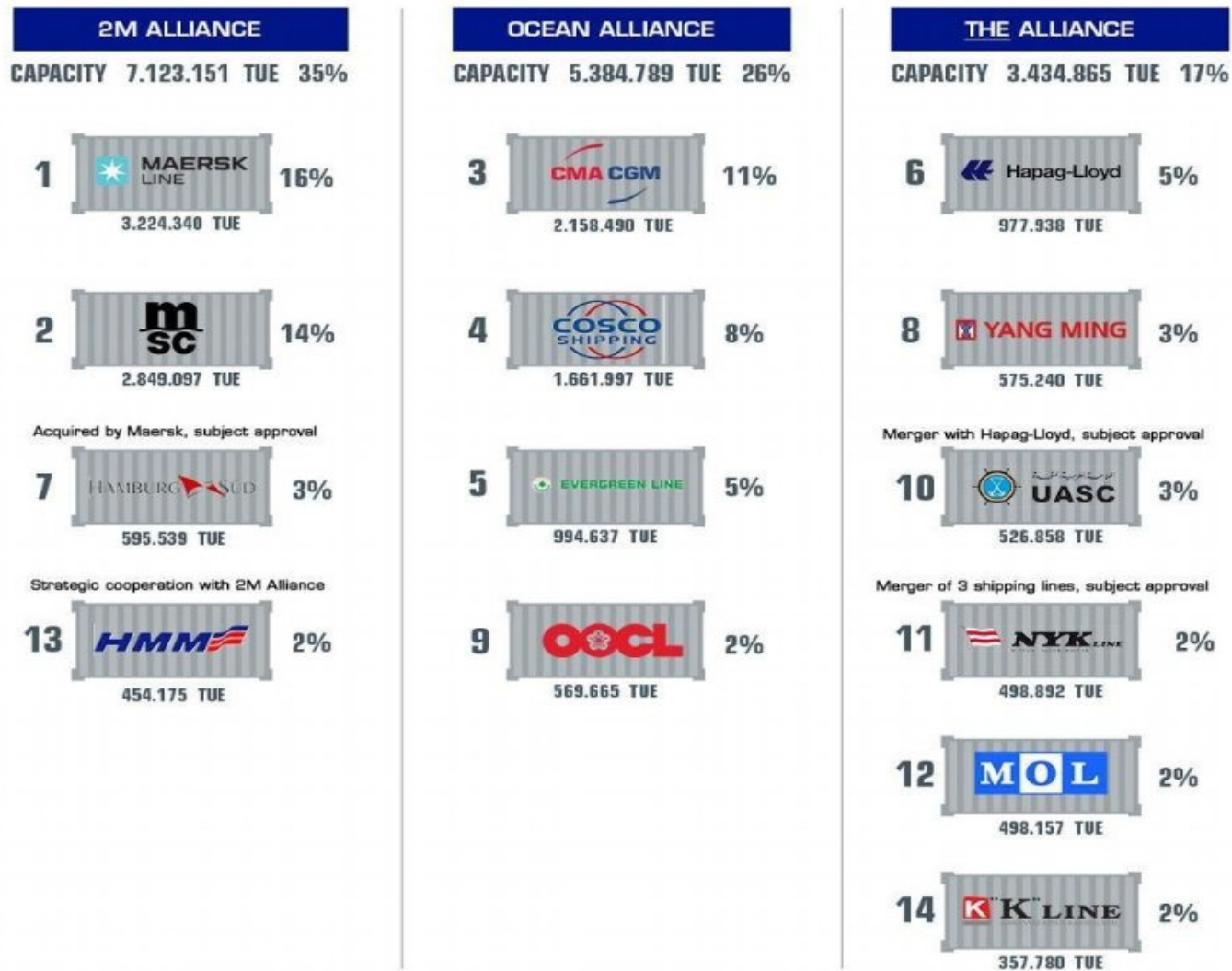
Source: Alphaliner, Panama Canal Authority

The impact of megaships on shipping intermodality

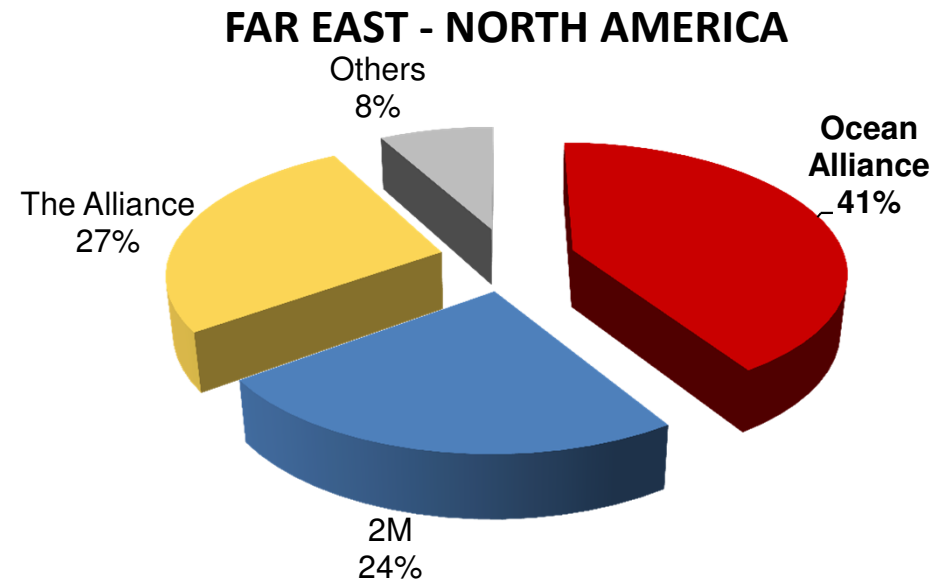
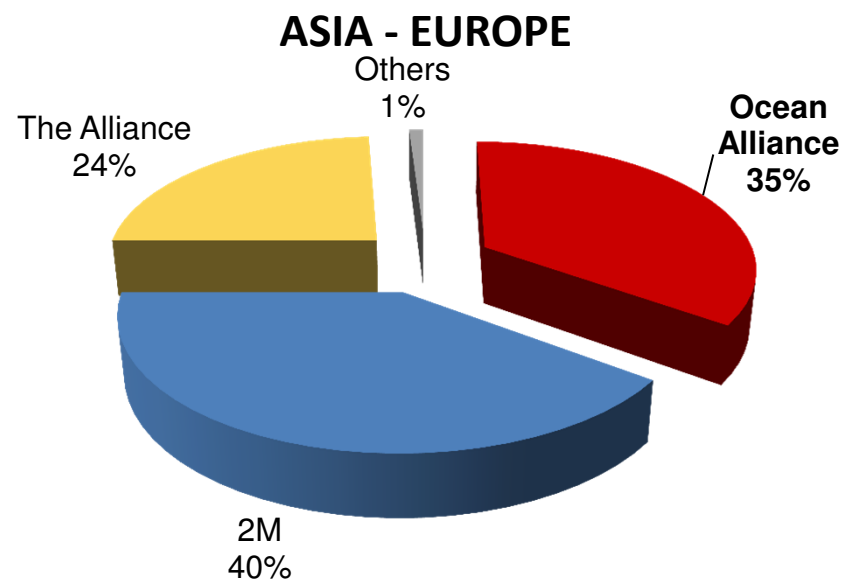


Source: Nooteboom Group

The new drivers of maritime economy: the big alliances

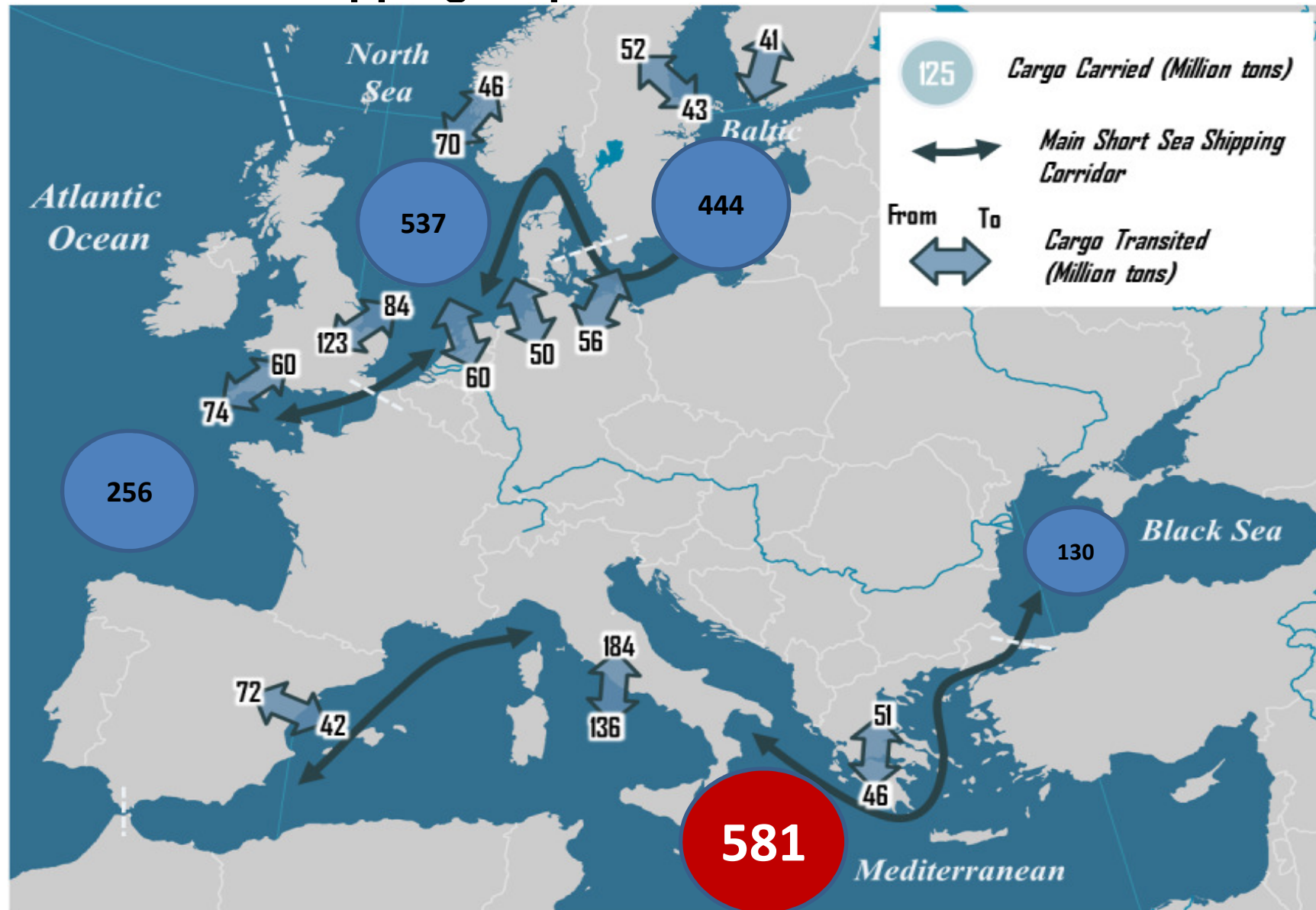


Mega alliances and their market share: an analysis of two strategic routes



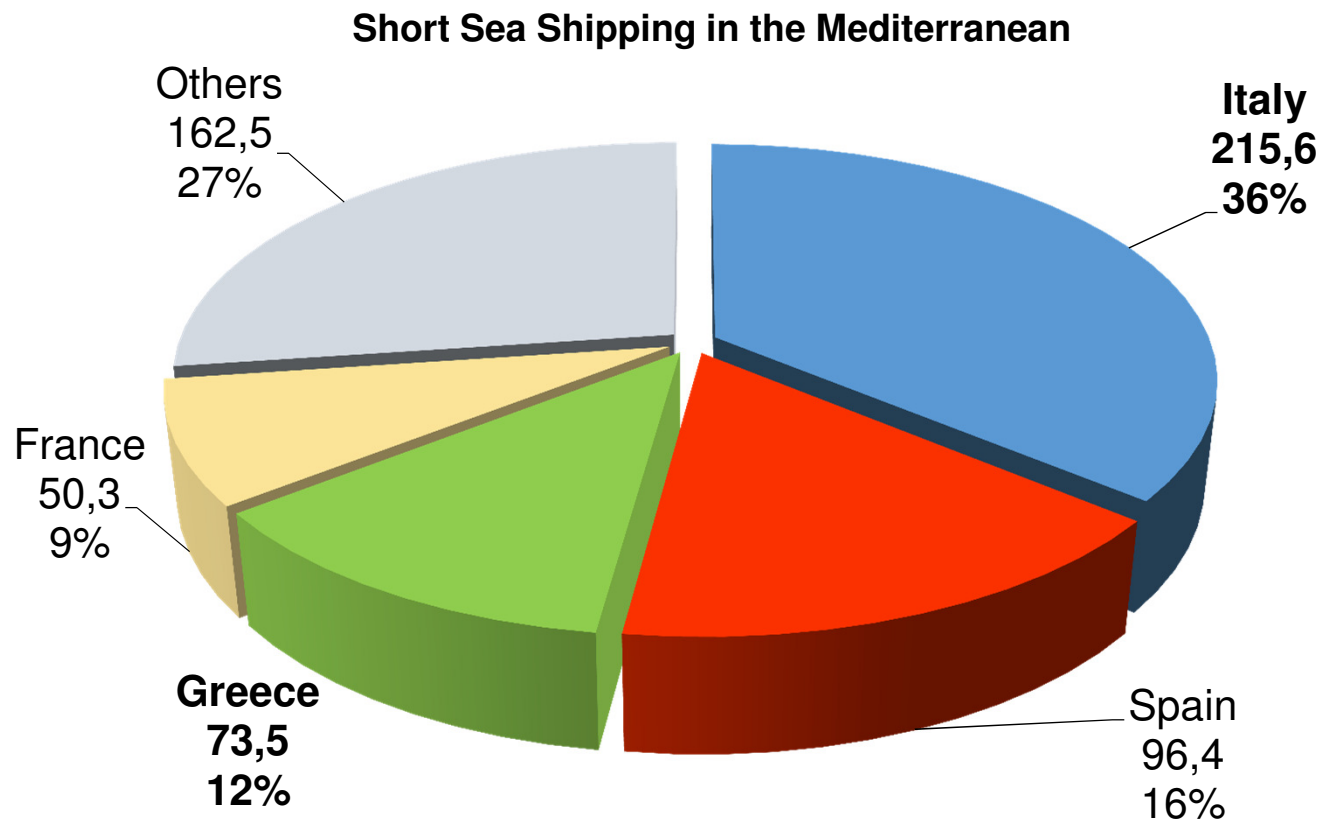
Source: SRM on Alphaliner 2016

The Short Sea Shipping map



Short Sea Shipping (SSS)

- In the **Mediterranean** Area, **Italy ranked 1st** with a volume near to 216 million tonnes of cargo equal to 36% market share.
- **Greece** had a relevant **SSS traffic**: 73,5 million tonnes and a share market of 12%.

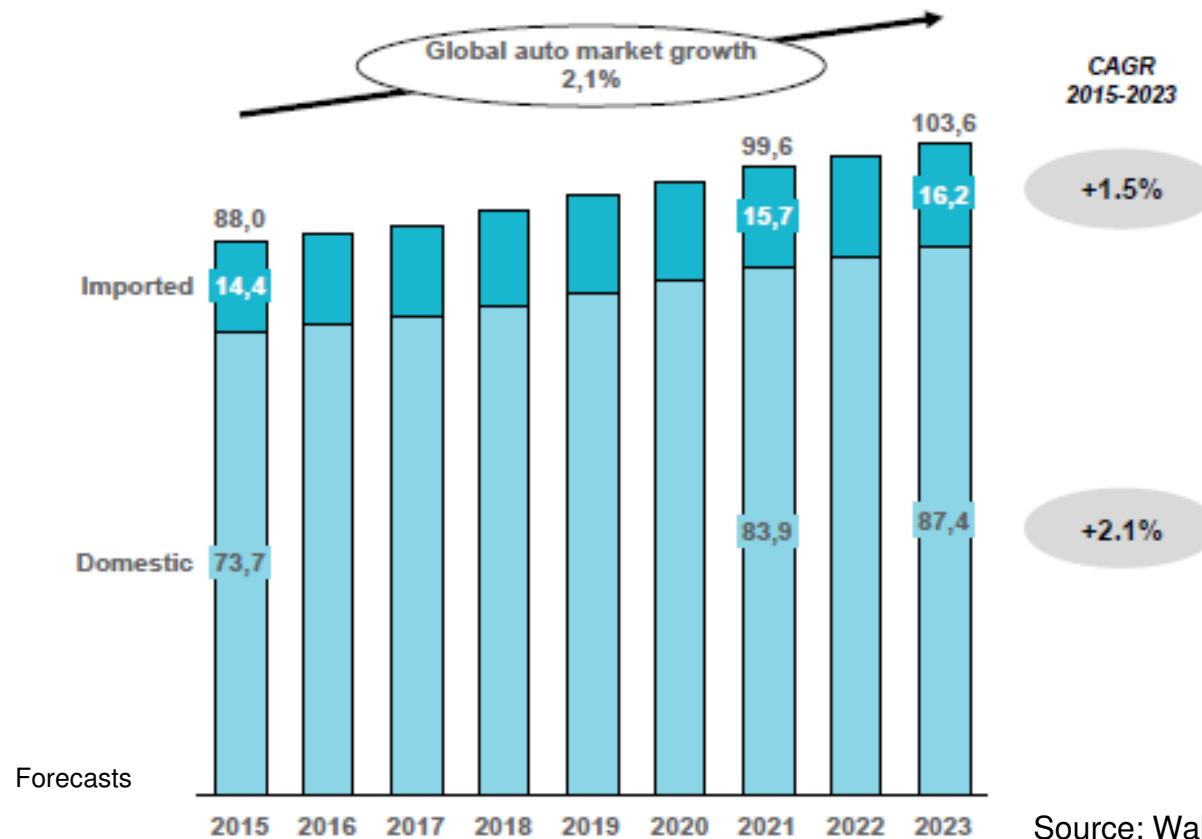


Source: SRM on Eurostat, 2017



The Ro-Ro market and the Automotive sector

- Global auto sales will develop positively forward from **88 million** units in 2015 to **103.6 million** in 2023 (+18% between 2015 and 2023; cagr +2,1)

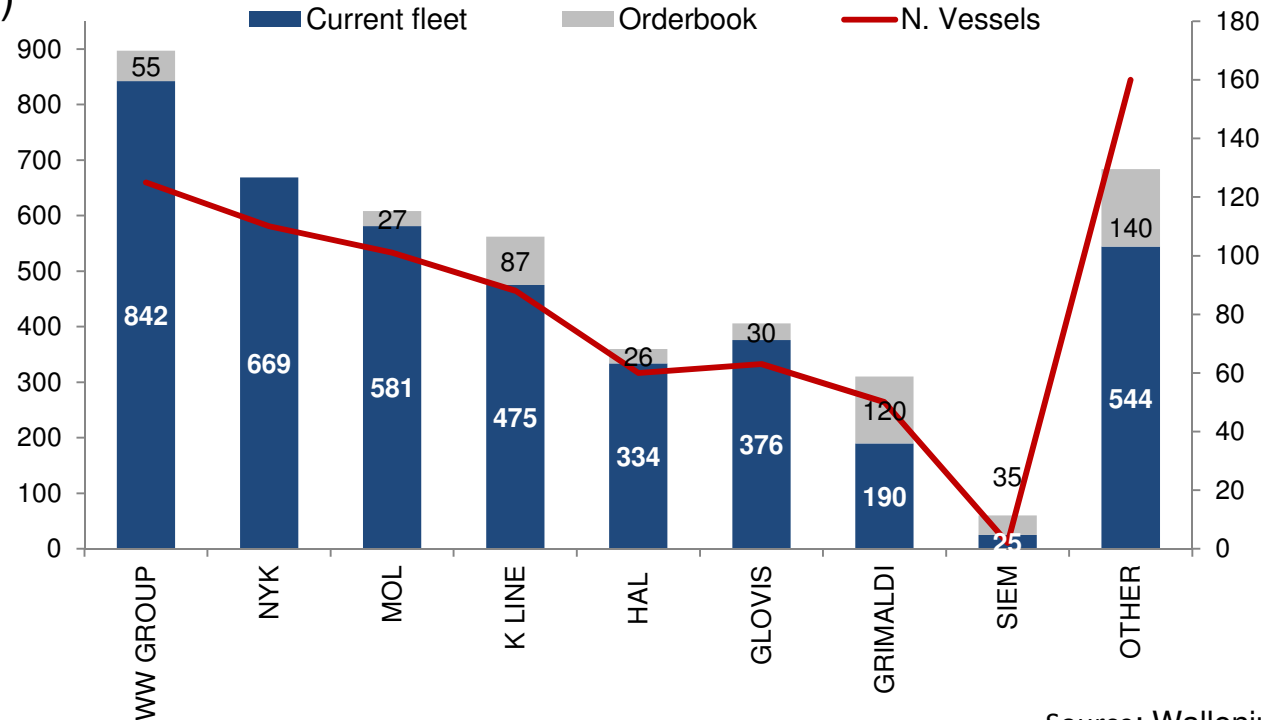
Global auto market growth 2015-2023 – million units



The top world competitors in Ro-Ro Market

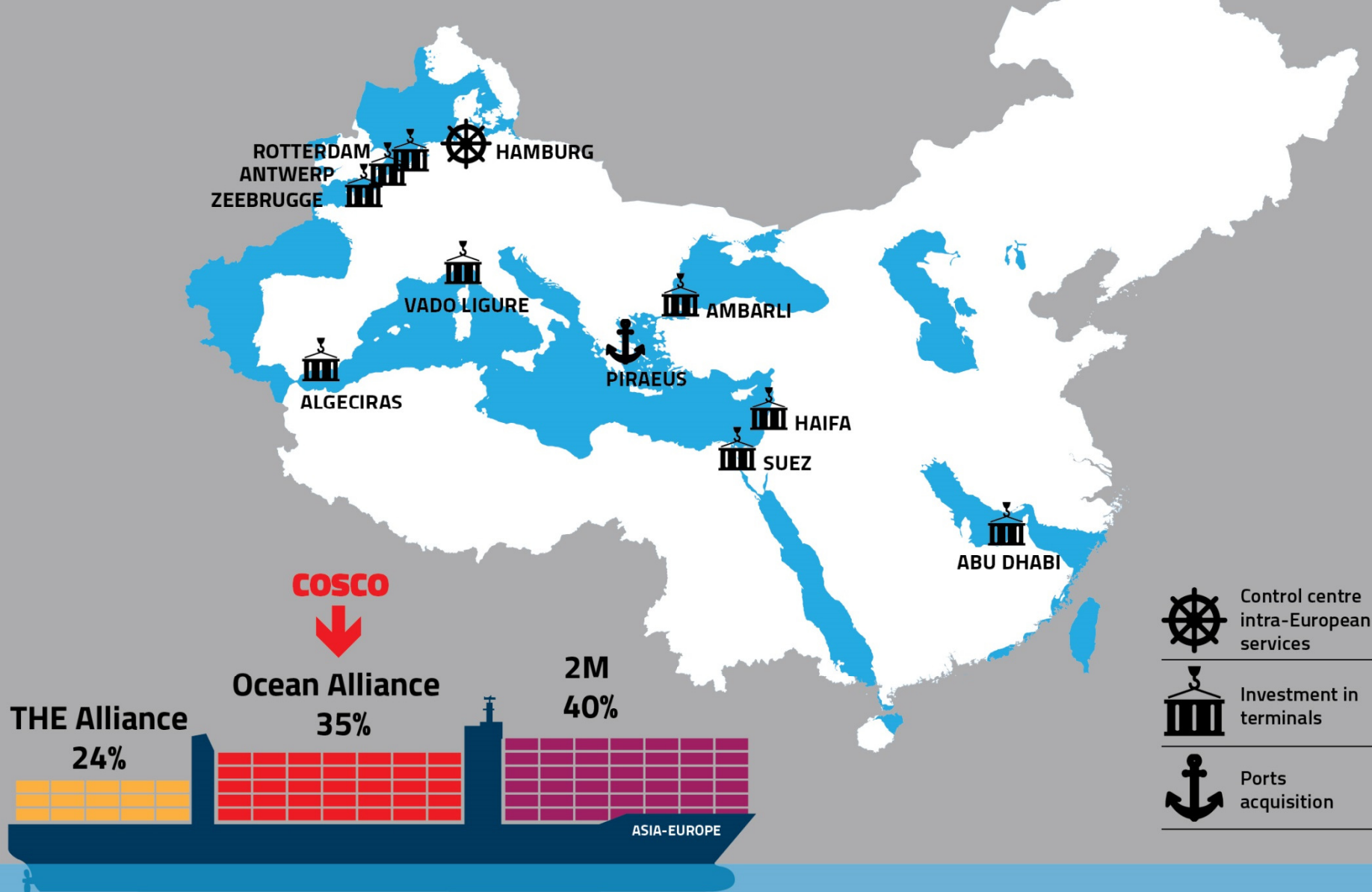
- The Ro-Ro market is concentrated in Northern Europe, North Africa and in the Black Sea. We are seeing a strong growth in Southeast Asia and in the Gulf.
- In 2016, Ro-Ro market saw some improvement on previous years.  Economic conditions are improving
-  The price of oil is decreasing

The top competitor in Ro-Ro: current fleet (KCEU & ships) & Orderbook (KCEU)



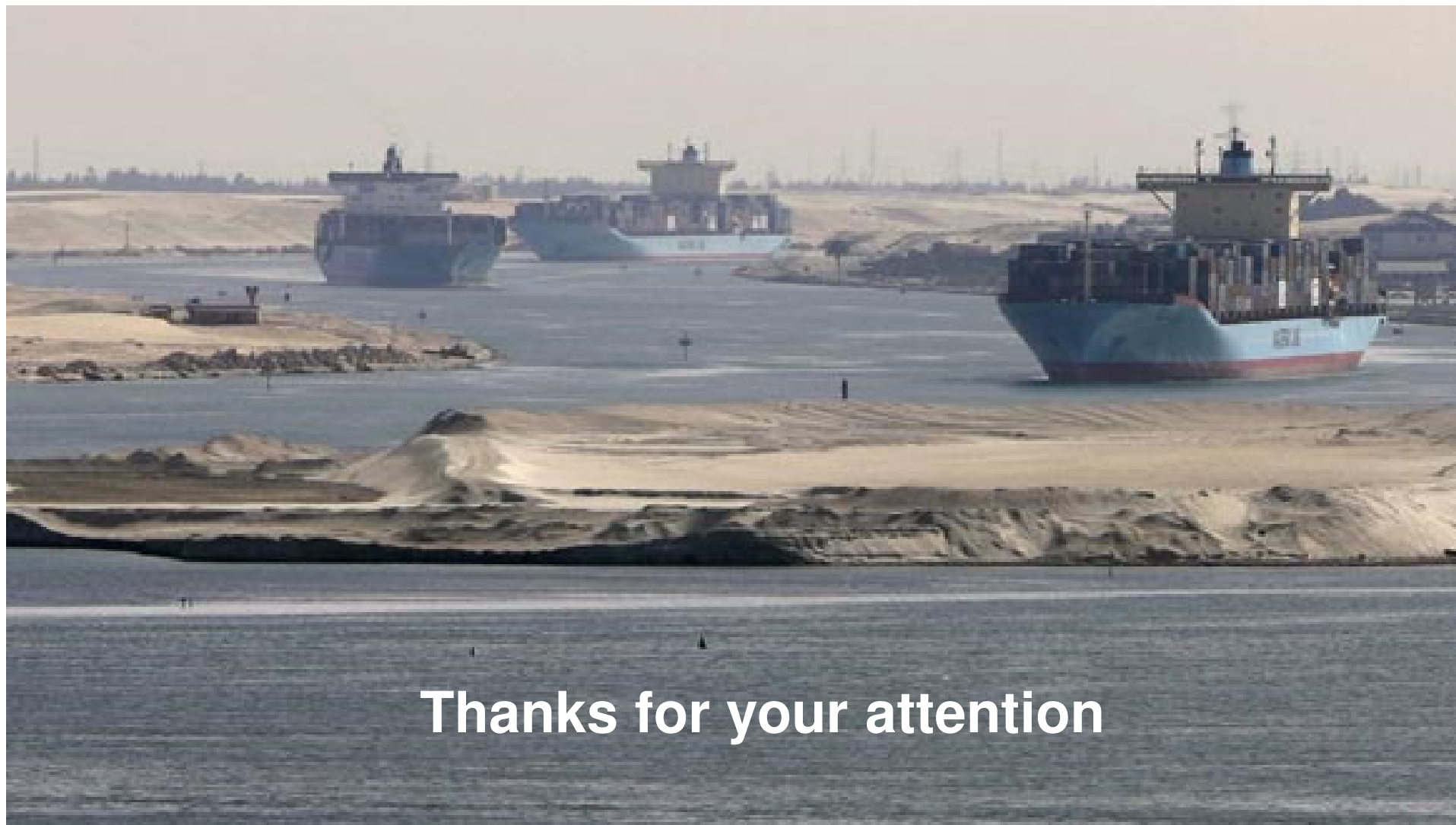
Source: Wallenius Wilhelmsen 2016

China's presence in the Mediterranean, Europe and the Gulf



One Belt One Road





Thanks for your attention

email: a.panaro@sr-m.it
website: www.srm-maritimeeconomy.com

Some food for thought

- The future competitiveness of Italian and Greek ports in the Mediterranean scenario
- Naval gigantism and big alliances: threats or opportunities ?
- China's investments in the Mediterranean: expectations and concerns
- One Belt one Road: are Italian and Greek Ports ready ?
- A new port governance: bureaucracy and new players ?