

Maritime economy: a new centrality of the Mediterranean and the pivotal role of Italy. The case of short sea shipping

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General Manager SRM

London, 7th March 2019

Agenda

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The European leadership in the maritime sector

The growing role of China in the Mediterranean

An outlook on the Short Sea Shipping in the Med

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A new observatory: a permanent analysis on ports and shipping

News

SRM partner of the 2018 Dialogue of Continents Forum | Paris 3-5 September

SRM is partner of the 2018 Dialogue of Continents Forum. The event is organised by the Reinventing Bretton Woods

Geo-strategic scenarios of Italian ports in the Mediterranean | Assoport | Rome, 19 July

On Thursday 19th July the Association of the Italian Ports presented a study on Geo-strategic scenarios of Italian ports in the Mediterranean

Italian Excellence: The Ro-Ro sector | Article in "Porti campani in RETE" magazine

Italian Excellence: The Ro-Ro sector. This is the title of the analysis written by Alessandro Panaro, Head of "Maritime & Mediterranean Economy"

Network and Infrastructure | Confartigiano Conference | Bari, 13th July

On 13th July SRM will be speaker at one of the conference organized by Confartigianato in anticipation of the 2018 Mezzogiorno Convention

Italian Maritime Economy. China, energy corridors, ports and new routes: geomaps of a changing Mediterranean

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The Growth in maritime trade

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80% of global trade by volume and 70% of global trade by value are carried by sea and are handled by ports worldwide

**WORLD SEABORNE TRADE
IN 2018**

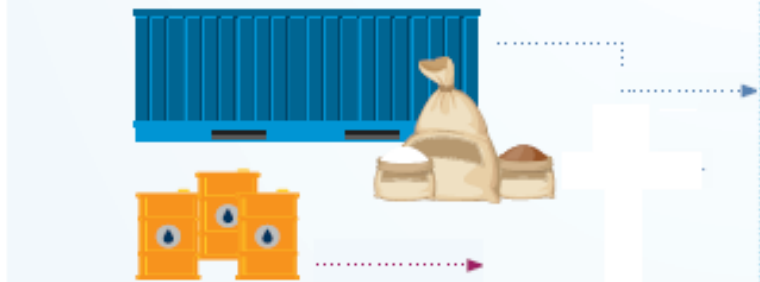


Global volumes gathered momentum and reached
11 billion tons.

4% annual growth:

**WORLD SEABORNE TRADE GROWTH
FORECAST: 2018–2023**

Volume projected to grow
+3.8%

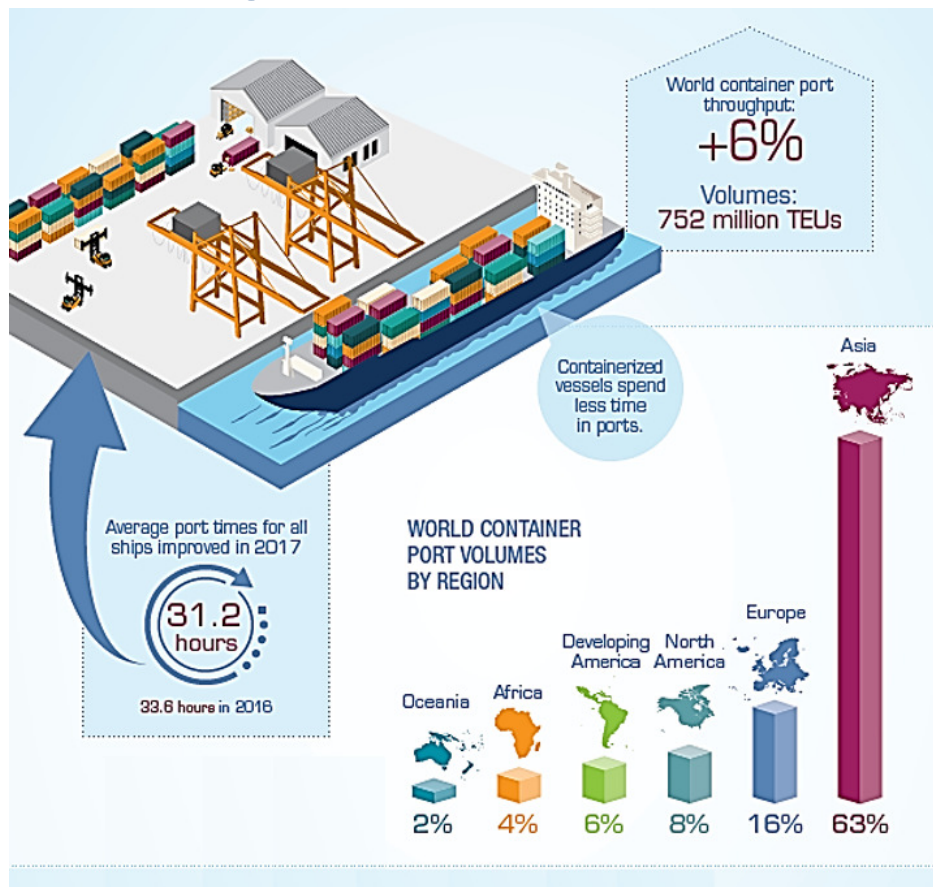


- **Containerized** trade volumes: **+6%**
- Five major bulks: **+4.9%**
- **Crude oil: +1.7%**
- **& Refined petroleum products and gas: +2.6%**

Source: SRM on UNCTAD, 2018

Trade of goods is mainly by containers

5



Source: SRM on Unctad

- The **container ports of the world** handled a combined throughput of **752 Mteu (+6%)**.
- **Asia** accounted for **63%** and **China** accounted for **35%** of world container port volumes.
- Ports are **more efficient** than in the past: the average port times is **2.4 hours shorter**.

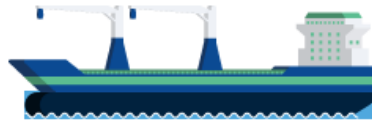
The European leadership in the maritime sector

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European shipowners control **40%** of the world merchant fleet



60% of world's container ships



52% of world's Multi-purpose vessels



43% of world's oil tankers



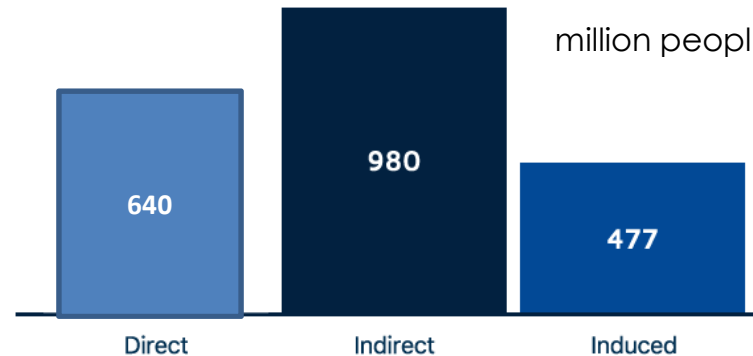
37% of world's offshore vessels

V.A. billion euro



The direct, indirect and induced Economic value of the European shipping industry is €140 bn

million people



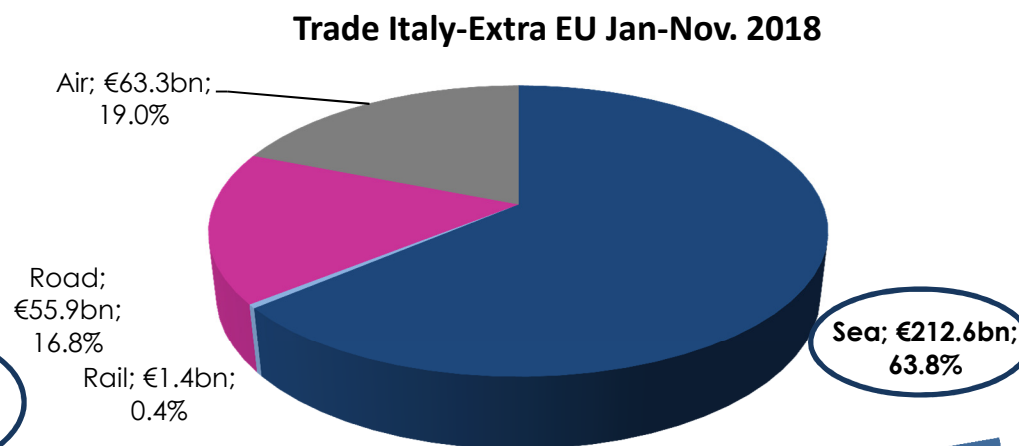
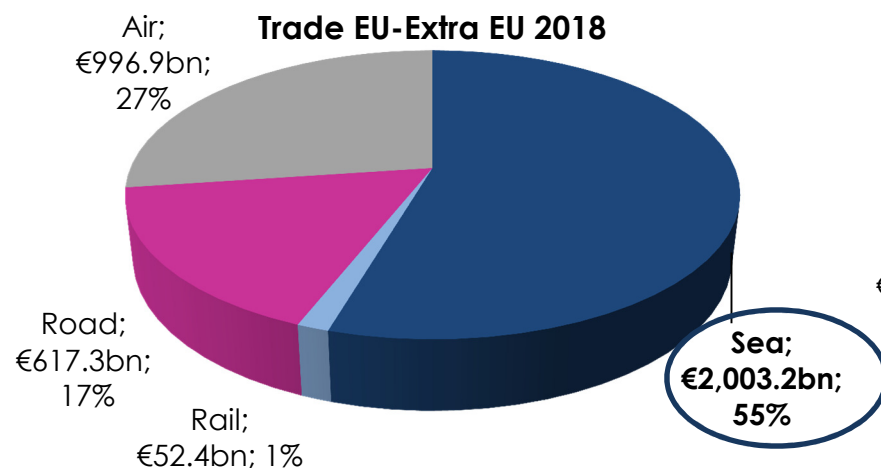
The direct, indirect and induced Economic employees are 2.1 million people

Source: SRM on Oxford Economics

Maritime commercial trade EU with Extra EU

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- In 2017, China is the 2nd EU trade partner (€604 bn). 60% of traffic with China travelled by sea.
- In 2018, trade relations by sea between EU and extra EU were € 2,003 bn. most of the total traffic with extra UE was maritime traffic (55%).
- In Italy trade by sea with extra EU reached 64% of total traffic equal to €212 bn. (Italy trade by sea with China: 70%).
- **Maritime transport is clearly the most significant mode.**

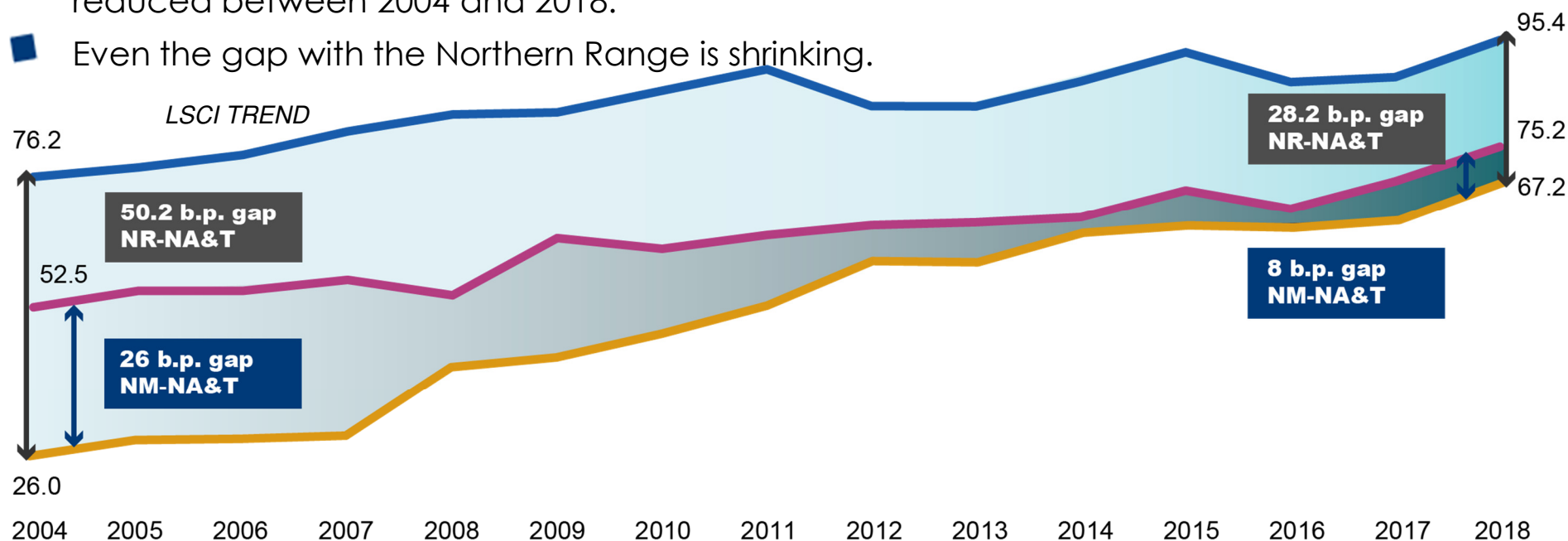


Source: SRM on Eurostat and Istat

Southern Med ports are increasing their competitiveness

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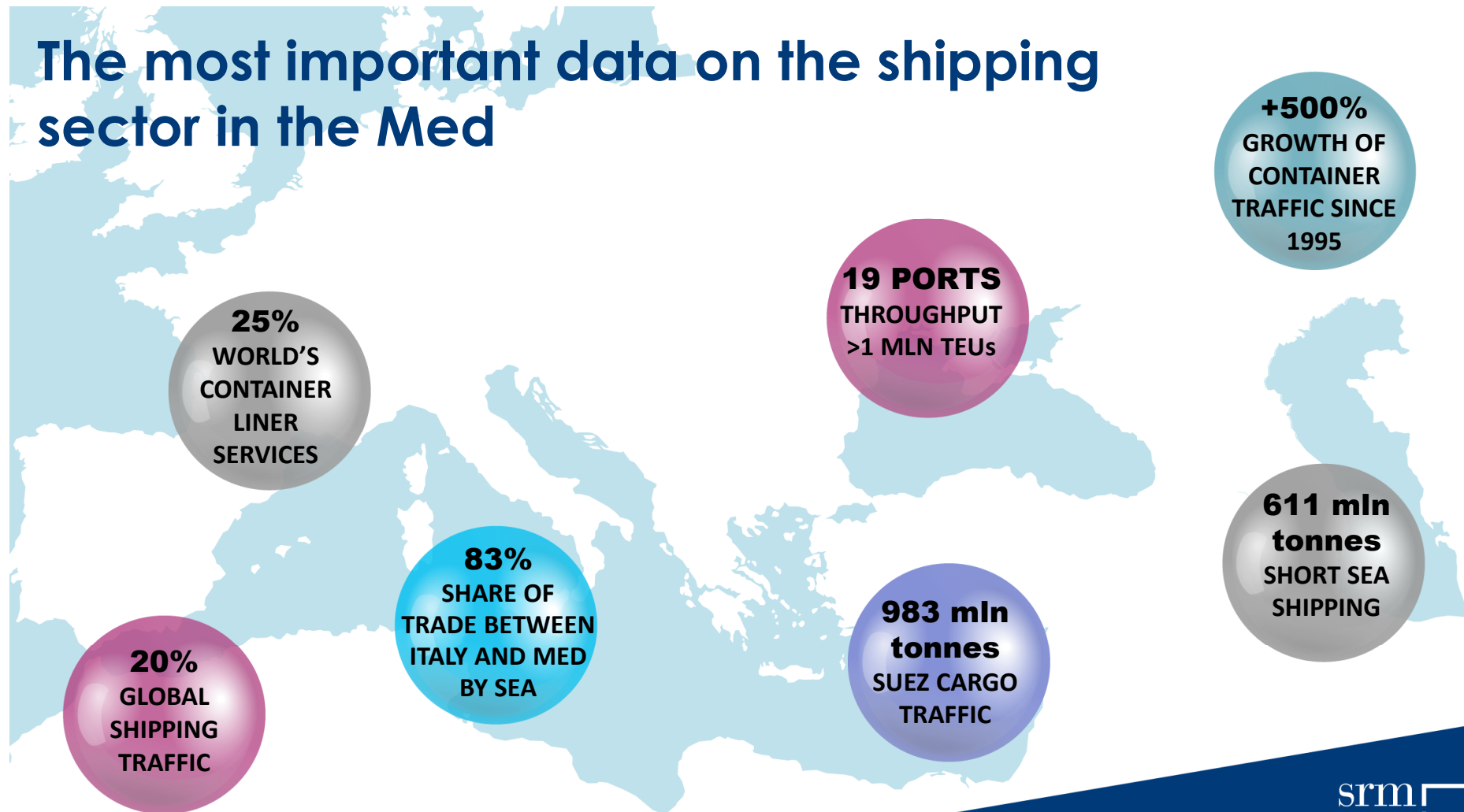
- The gap between the ports of the South and the North of the Mediterranean has greatly reduced between 2004 and 2018.
- Even the gap with the Northern Range is shrinking.



Source: SRM on Unctad

Average NR	Northern Range (Germany, Netherlands, Belgium)
Average NM	North Mediterranean (Spain, France, Italy, Greece)
Average NA & T.	North Africa & Turkey (Morocco, Egypt, Turkey)

The most important data on the shipping sector in the Med



Source: SRM on Eurostat, Suez canal Authority, ISTAT, Port Authorities

In this scenario a new centrality of the Mediterranean is emerging thanks to ... *three key factors*:

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The New Suez Canal:

reduction in time, no limits in ship size, logistic facilities



The growing role of China:

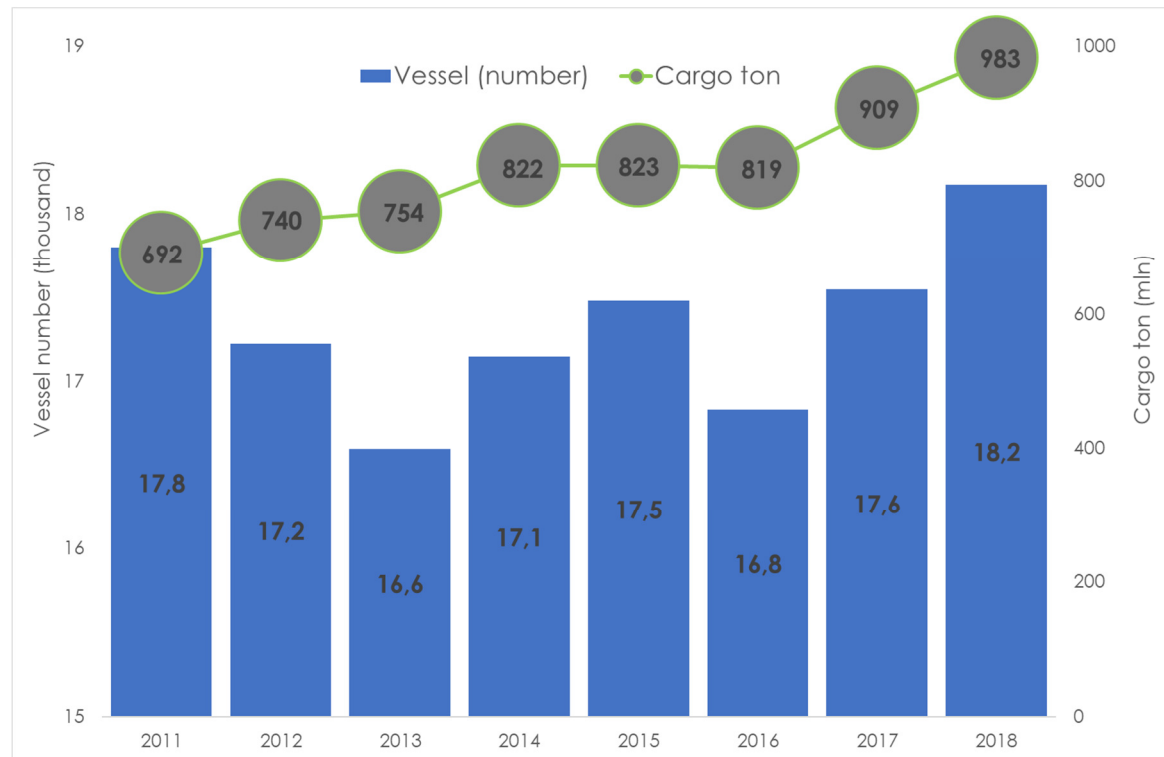
in the Mediterranean / Belt and Road Initiative



Evolutions in the shipping industry: growing ship size and mergers between carriers determine economies of scale and the need of routes with many stop where to load and download

The “New Suez Canal” is setting new records

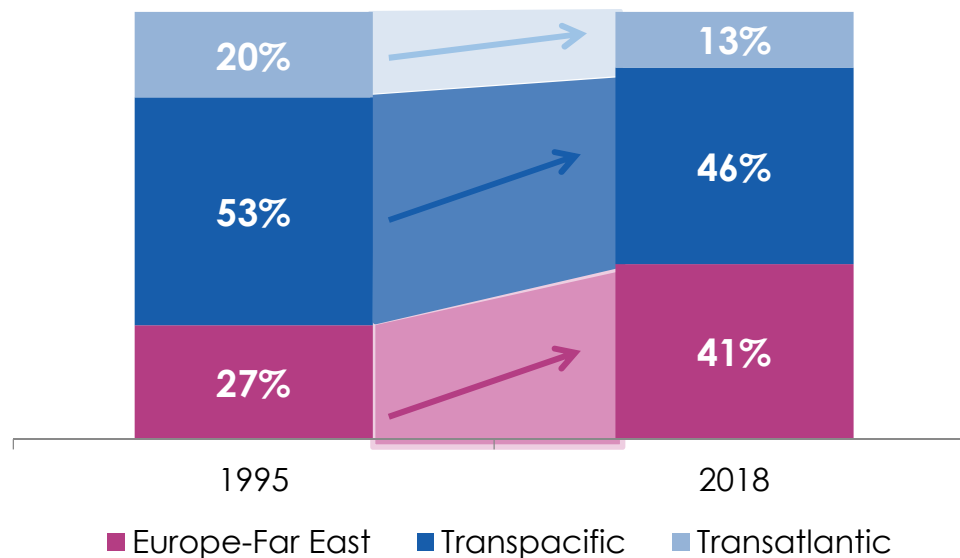
- Transit goods through the Suez Canal account for **8-10% global seaborne trade**.
- **2018 is the year of records.** For the first time in its history the threshold of **18 thousand ships** has been **exceeded (+ 3.6%)**. They transported over **983 million tons of cargo**.
- **Southbound** cargo (524.6 million tons, +9.8%) and **Northbound** cargo (458.8 million tons, 6.6%) registered a remarkable growth.



Source: SRM on Suez Canal Authority, 2019

New Centrality of the Mediterranean: The growth of shares on the Europe-Far East Route

Estimated containerized cargo flows on major East–West container trade routes, 1995–2018 (% TEU)



Source: SRM on Unctad, 2018

- In 2018, the **Europe-Far East** and the **Transpacific** were by far the two biggest trade routes, accounting to 25 and 28 mln TEUs of traffic respectively.
- **Europe-Far East:** from **27% in 1995** to **41% in 2018**.
- As a result of this growth, **the Mediterranean recovers its centrality**

For China the Mediterranean is a crossroads where to meet European markets, North Africa and the Middle East with an option to reach the East Coast of the US

EU's GDP

€ 15,566 bn

MENA's GDP

€ 3,591 bn

TOTAL

€ 19,157 bn

CHINA-EU
TOTAL TRADE

€ 536.3 bn

CHINA-MENA
TOTAL TRADE

€ 214.9 bn

TOTAL

€ 751.2 bn

% OF
CHINA'S
GDP
7.1%

EU28

MENA

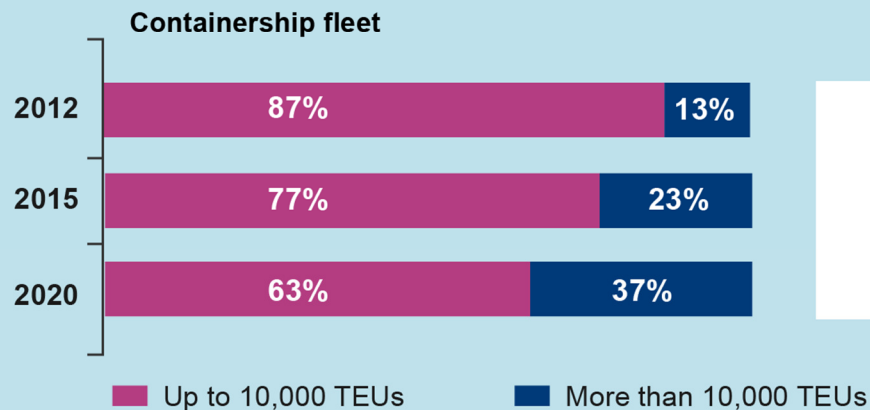
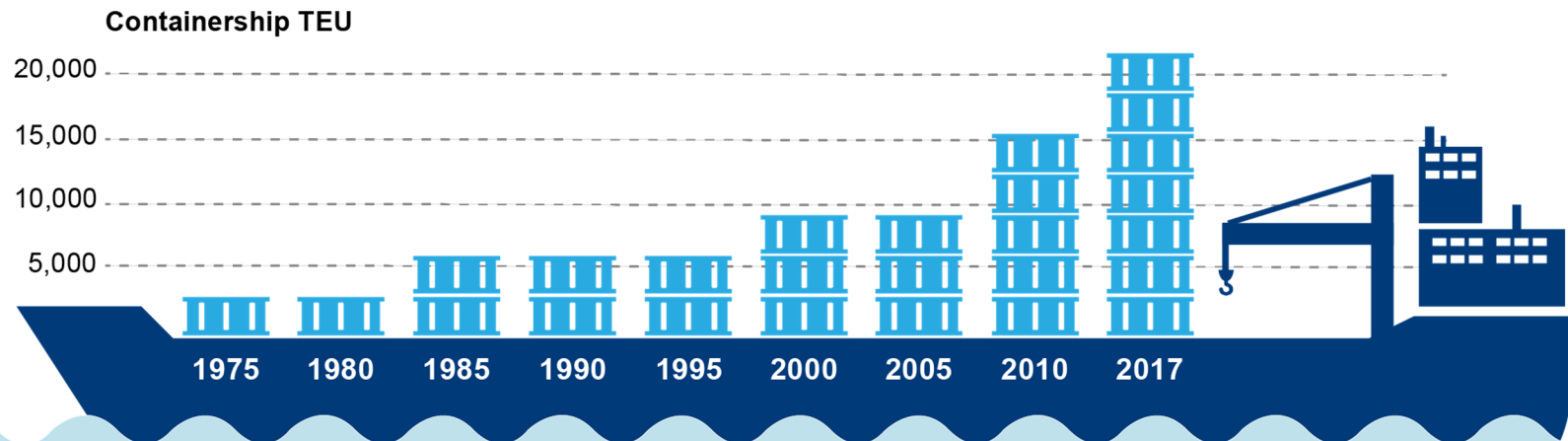
Source: SRM

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The size of ships is growing

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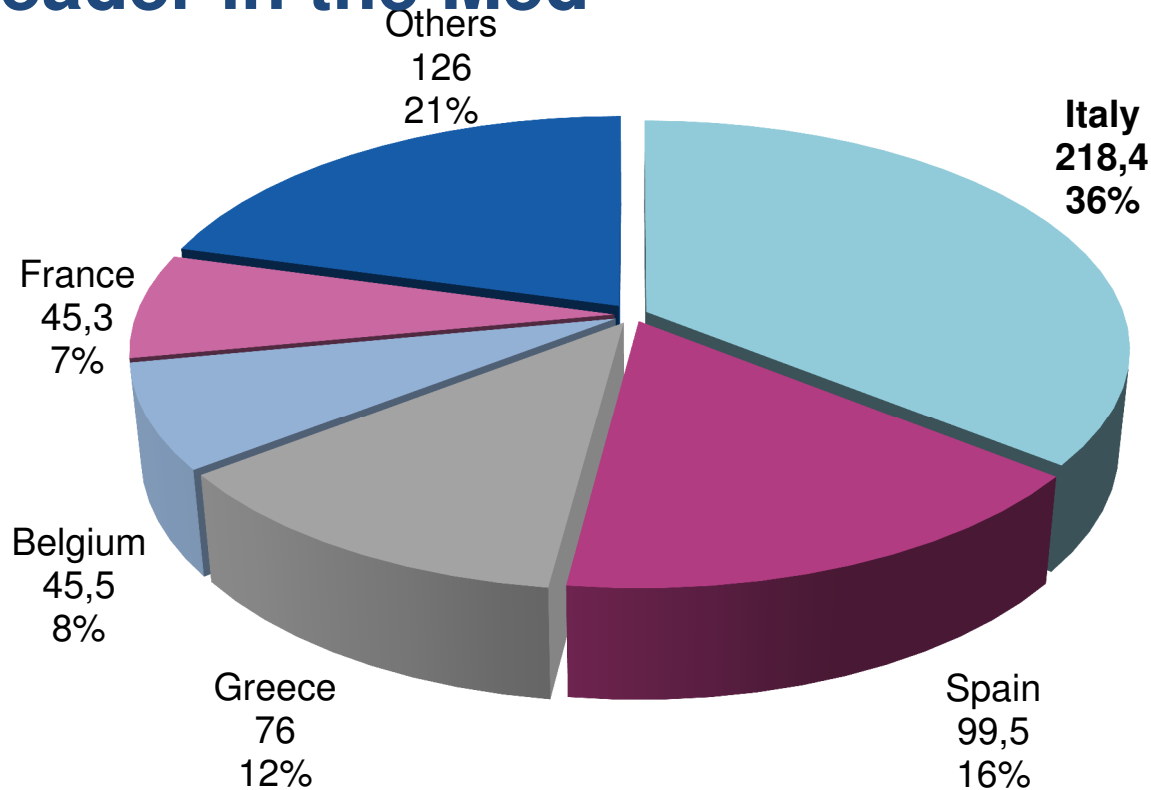


129 new ships
of the 10-23,000 TEU category
will be launched by 2020
(57 of which in the 18-23,000 TEU)

Source:
SRM on
IHS,
Alphaliner

Also Short Sea Shipping (SSS) is growing: Italy is leader in the Med

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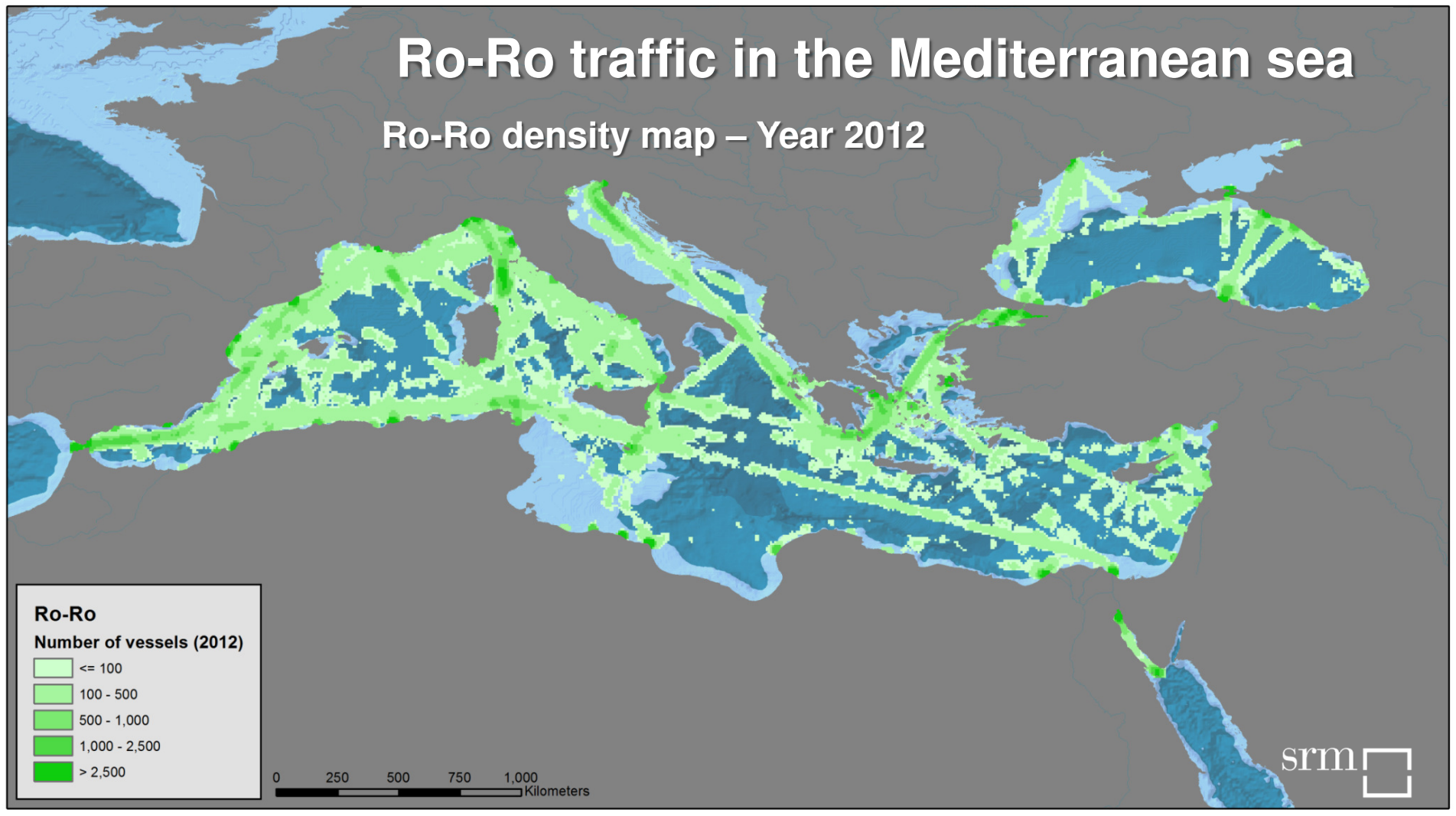
■ **European SSS** mainly concentrates in the **Mediterranean** with **611 million tonnes** amounting to 29%.

■ In the **Med Area**, **Italy ranked 1st** with a volume near to 218 million tonnes of cargo (36% market share).

*Million tonnes and %
Source: SRM on Eurostat, 2018

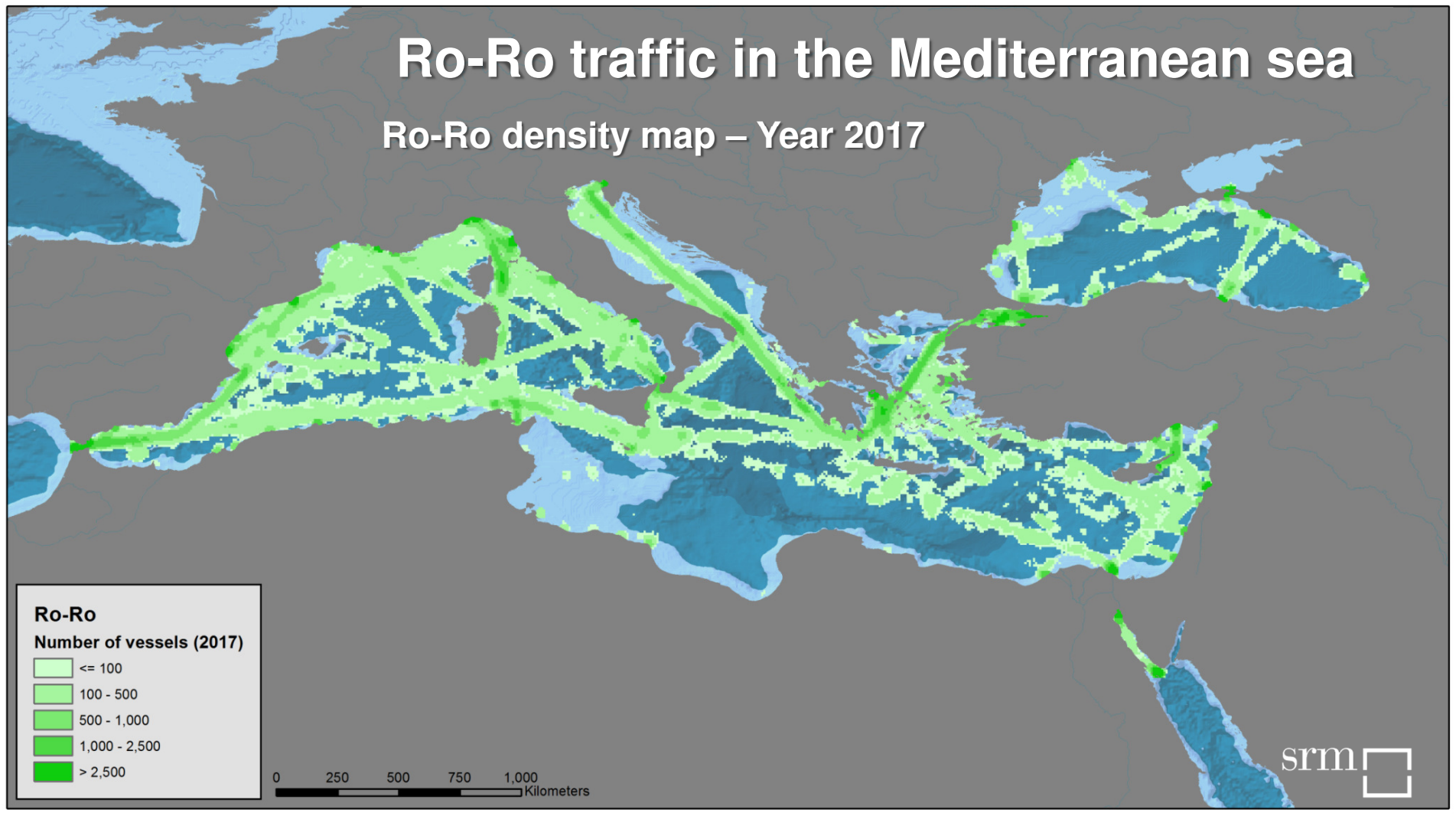
Ro-Ro traffic in the Mediterranean sea

Ro-Ro density map – Year 2012



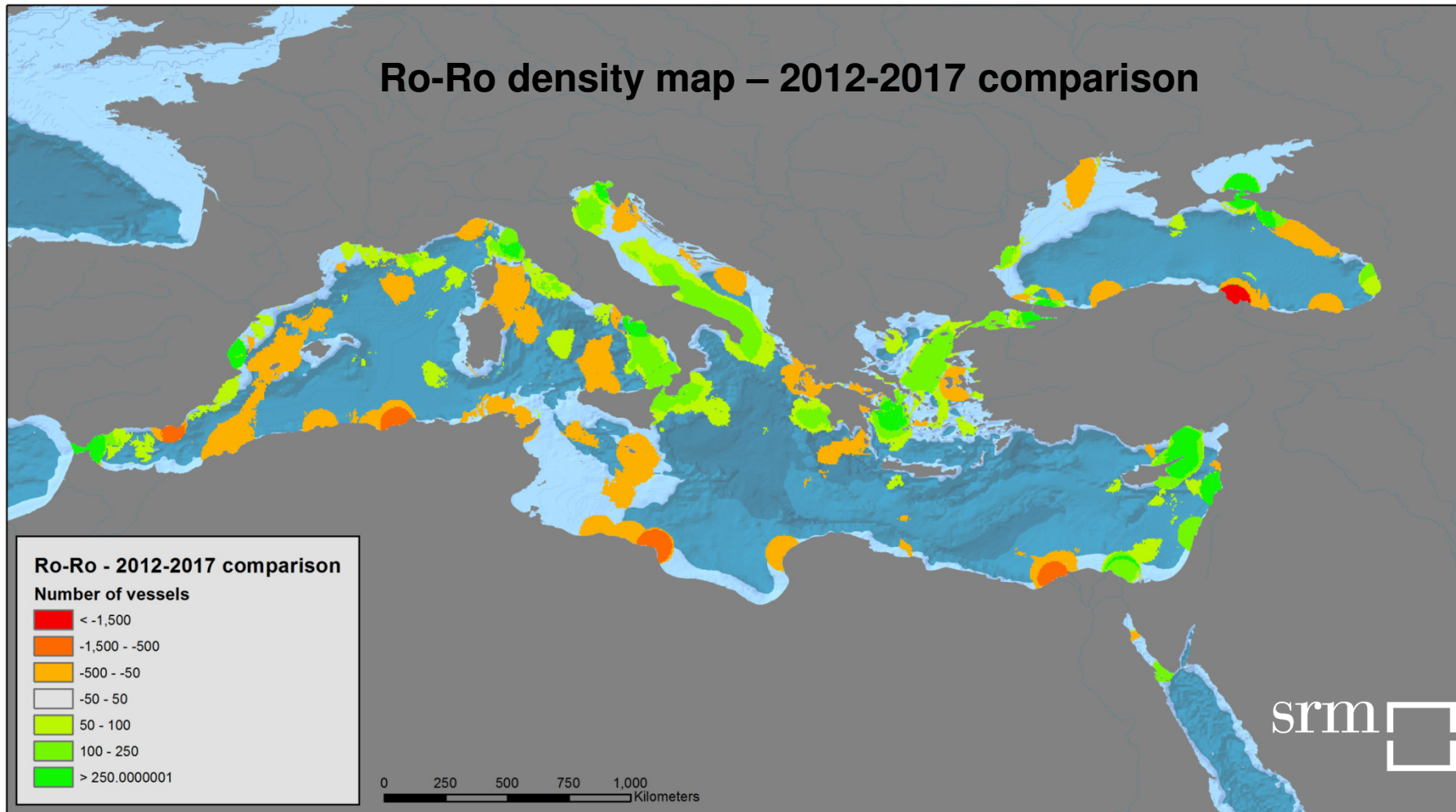
Ro-Ro traffic in the Mediterranean sea

Ro-Ro density map – Year 2017



Ro-Ro traffic in the Mediterranean Sea

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Italy is a pivotal country in the middle of the Mediterranean¹⁹

Italy as logistic and energetic bridge between Europe, Mediterranean and Asia



15 Port Network Authorities and at least 5 strategic ports



Strategic gas pipelines from North Africa and Asia



Trade leader with Med and the BRI

Source: SRM



What do we need to foster economic development in the Mediterranean?

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looking at ports and logistics in a **Euro-Mediterranean perspective** not only in their national context;



Implementing a European and a national “golden power” for a **bilateral agreement** with China;



Improving **intermodal connections** with inland areas, which that are key factors for Italian gateway ports;

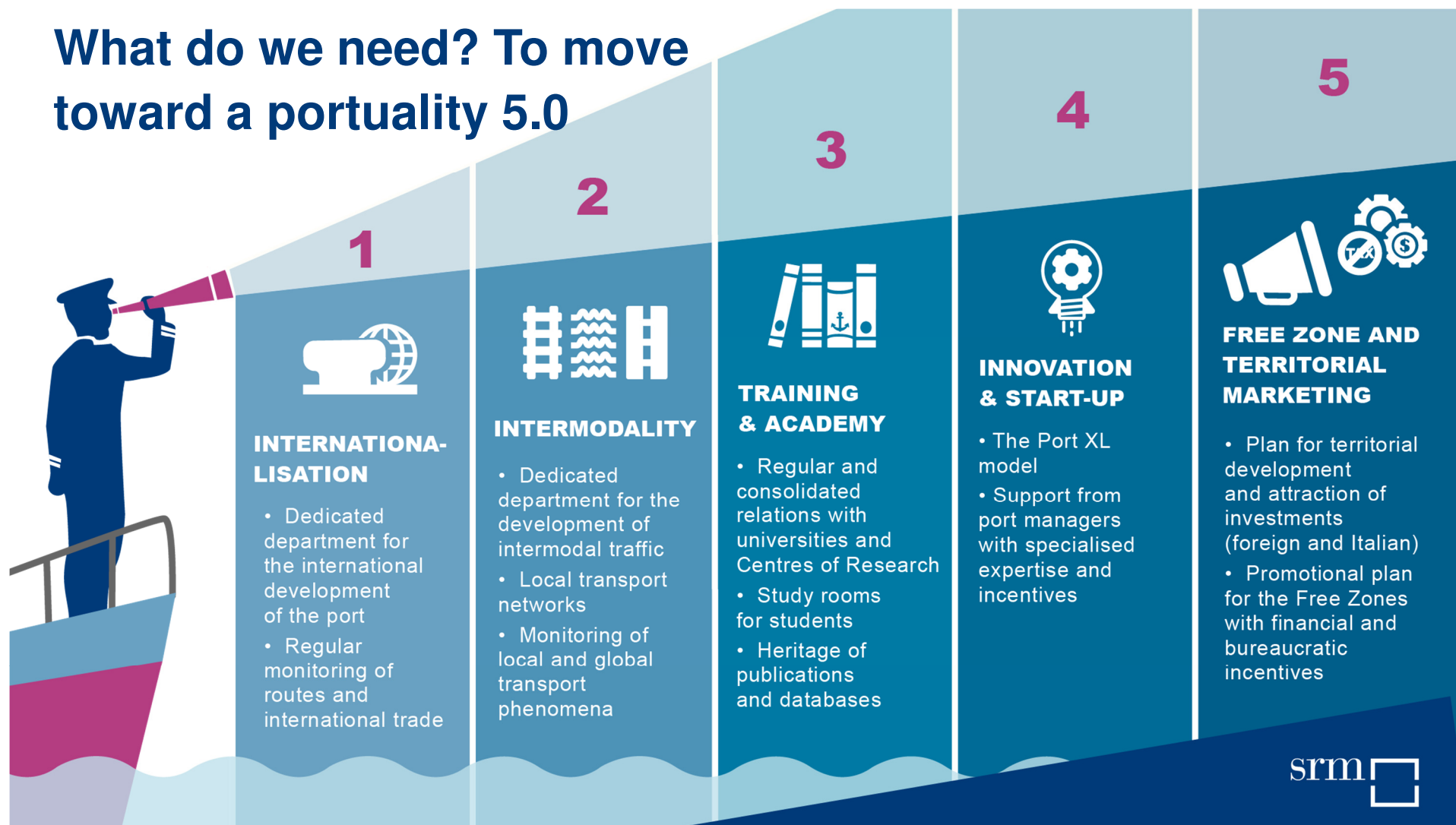


investing in **modernizing port infrastructures** at national and European level;



moving toward a new concept of ports... “**Portuality 5.0**”

What do we need? To move toward a portuality 5.0





Thank you for your attention

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