The International Maritime Transport and logistics Conference

Towards Global Competitiveness in Maritime Industry

“INVESTING IN PORTS”

The Trends, The Future

8 2019 Marlog

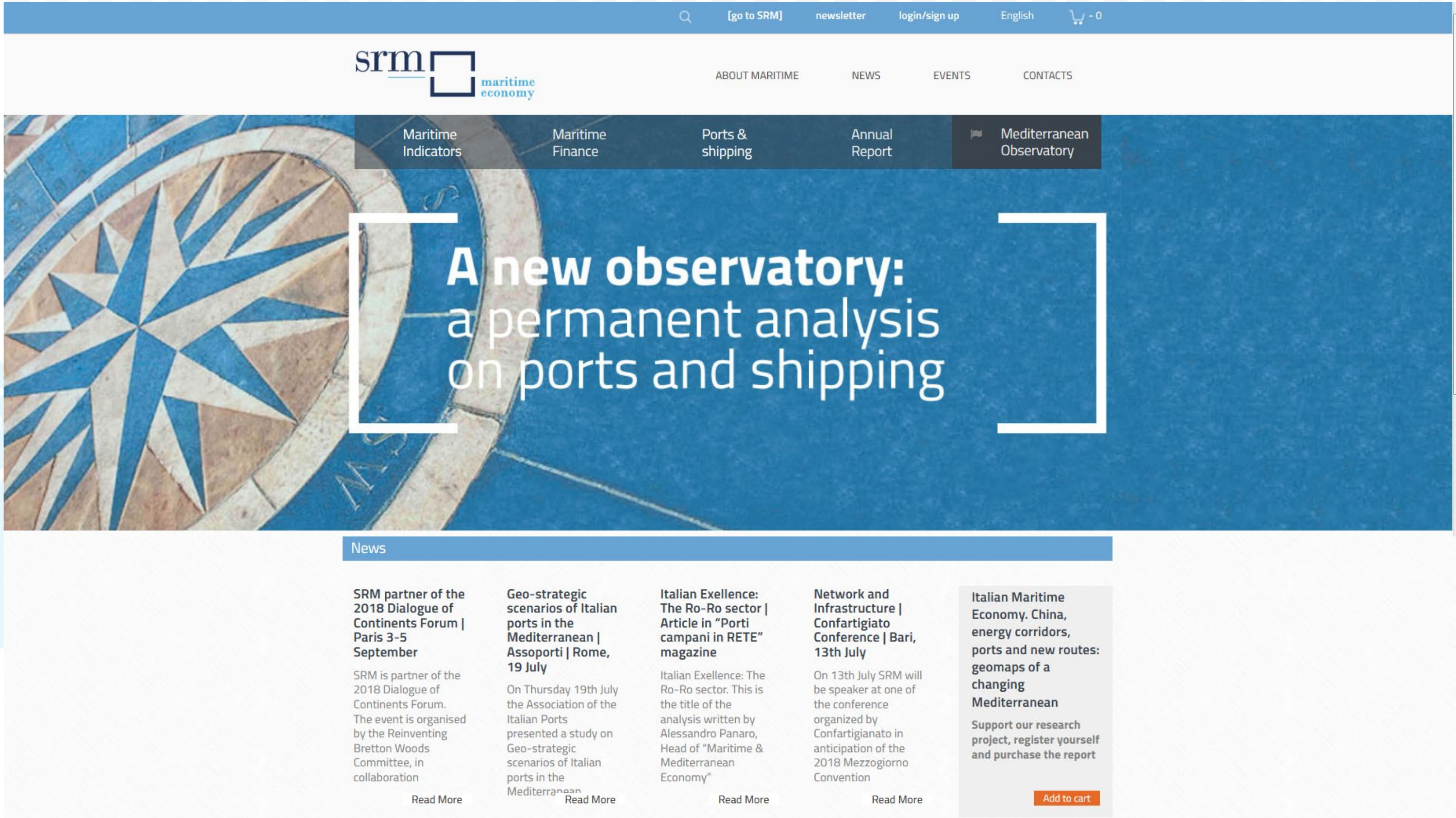
The new maritime phenomena

Alessandro Panaro

Head of Maritime Dept. SRM

Intesa Sanpaolo Banking Group

Alexandria, 18th of March 2019



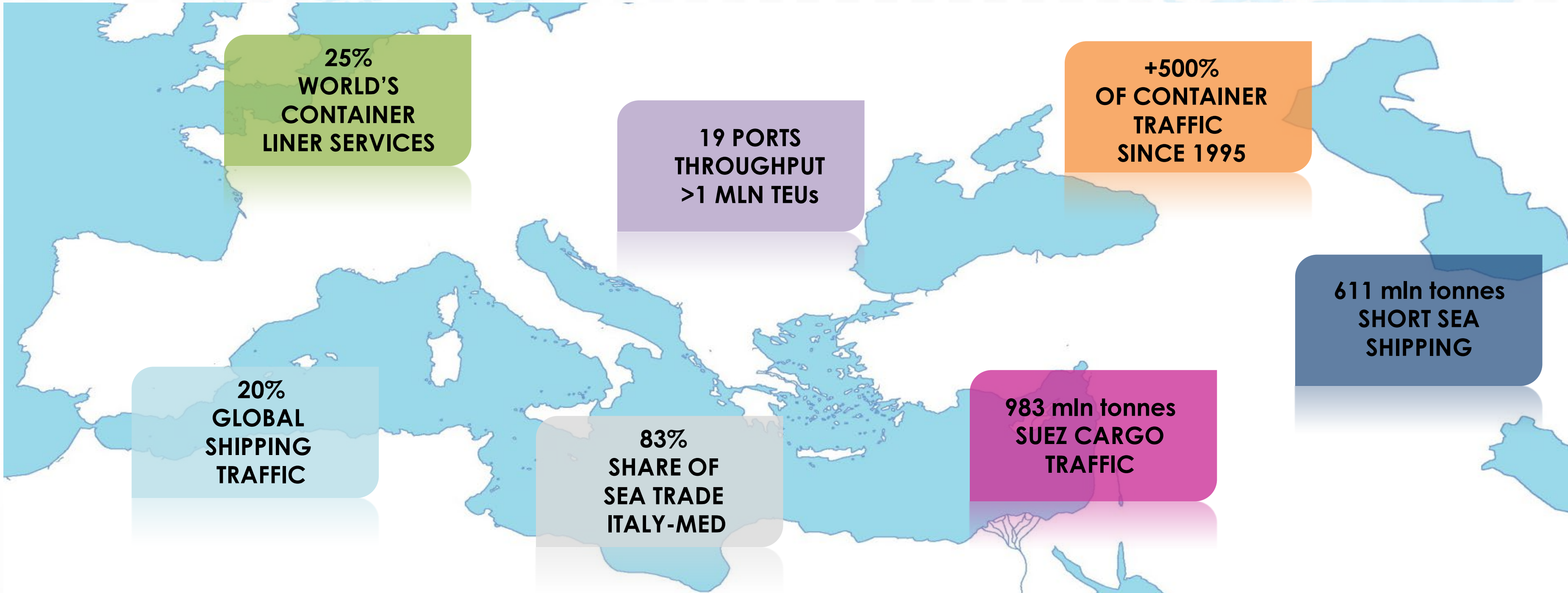
www.srm-maritimeconomy.com

The growing role of Mediterranean

The **Mediterranean Economic Scenario** and competitiveness indicators

The **main phenomena** that will shape the future of the maritime sector

The most important data on the shipping sector in the Med



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

World Seaborne Trade in 2017

10,7 bn tons

Global volumes gathered momentum and reached

4% annual growth

Fastest growth in five years

Containerized trade accounted for **17.1%** of total seaborne trade **+6.4%**

Major dry bulk commodities accounted for **29.9%** of total seaborne trade **+5.1%**

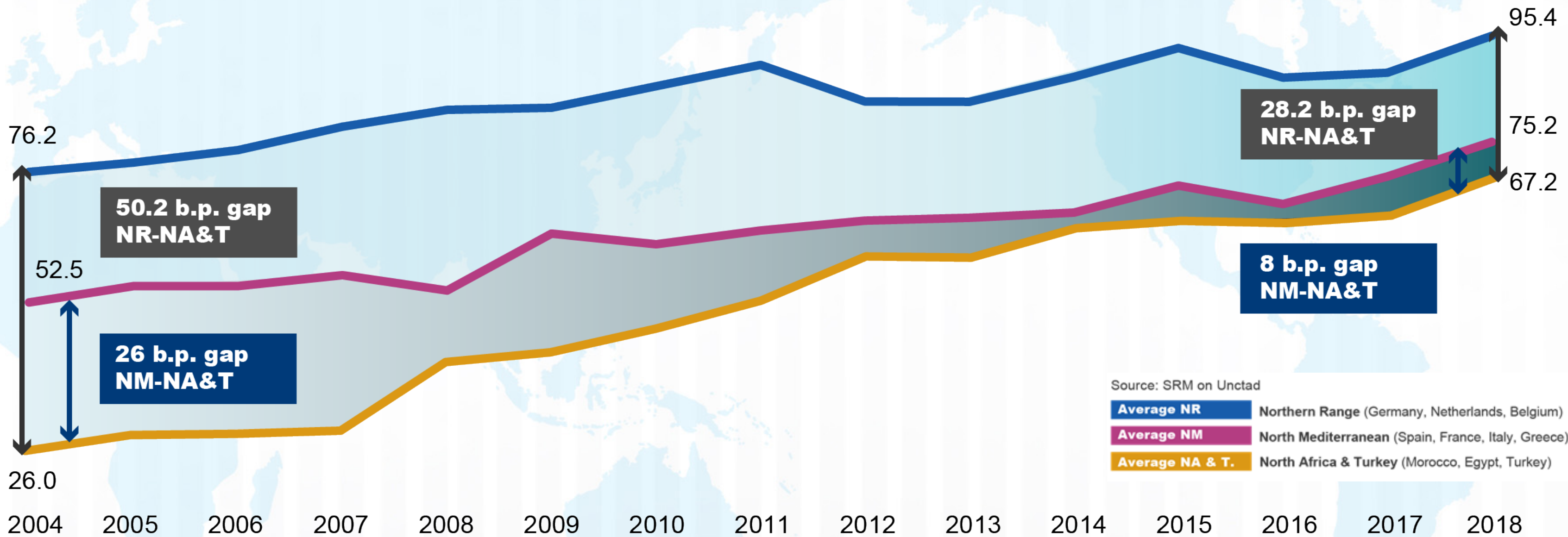
Crude oil shipments rose by **2.4%** down from **4%** in 2016

Combined volumes of refined petroleum products and gas went up by **3.9%**

Source: SRM on UNCTAD, 2018

The MENA Area is increasing its competitiveness

- 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

Liner Shipping Connectivity Index (LSCI): analysis of the MENA Area

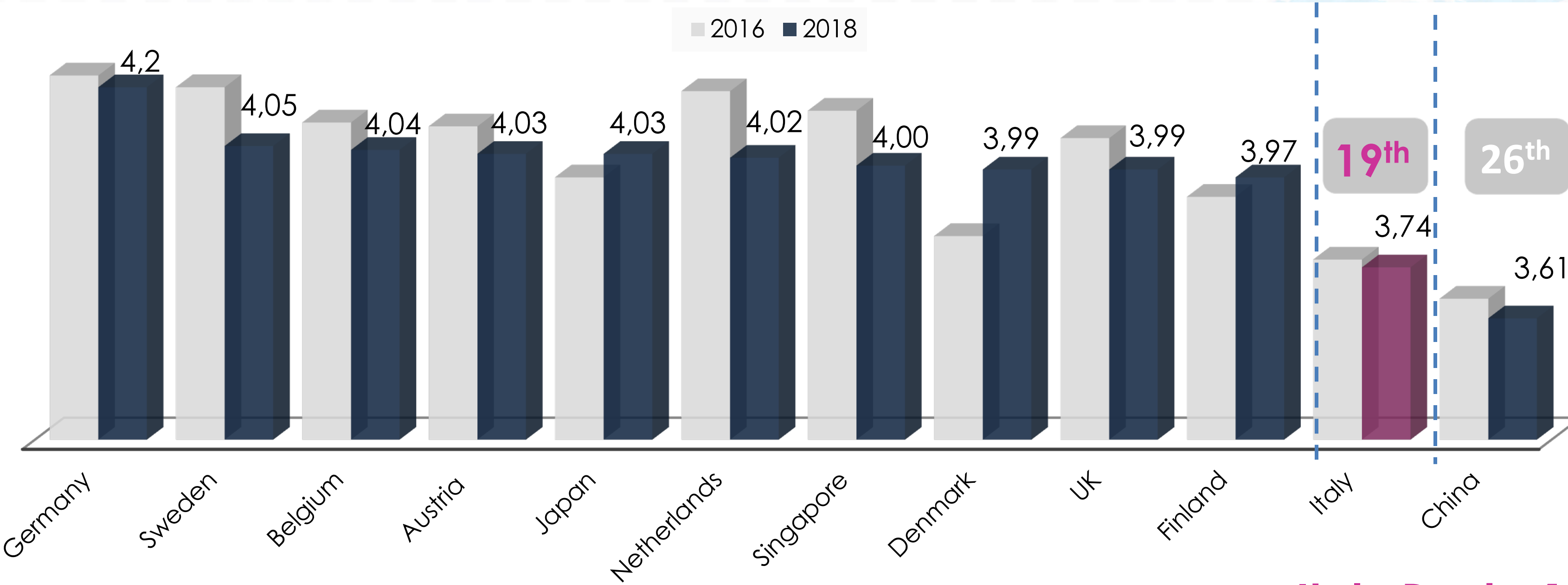
		2004		2010		2015		2018
1°	**Egypt**	42.9	UAE	63.4	UAE	70.4	UAE	83.91
2°	UAE	38.1	Saudi Arabia	50.4	Morocco	68.3	Morocco	71.5
3°	Saudi Arabia	35.8	Morocco	49.4	Saudi Arabia	64.8	**Egypt**	70.28
4°	Turkey	25.6	Oman	48.5	**Egypt**	61.5	Saudi Arabia	66.62
5°	Oman	23.3	**Egypt**	47.6	Turkey	52	Oman	62.97

Source: SRM on UNCTAD

Egypt gained **30 b.p.** in the span analysed (2004-2018)

8 2019 MarLog
The International Maritime Transport and logistics Conference
Towards Global Competitiveness in Maritime Industry
"INVESTING IN PORTS"
The Trends, The Future

Logistic Performance Index



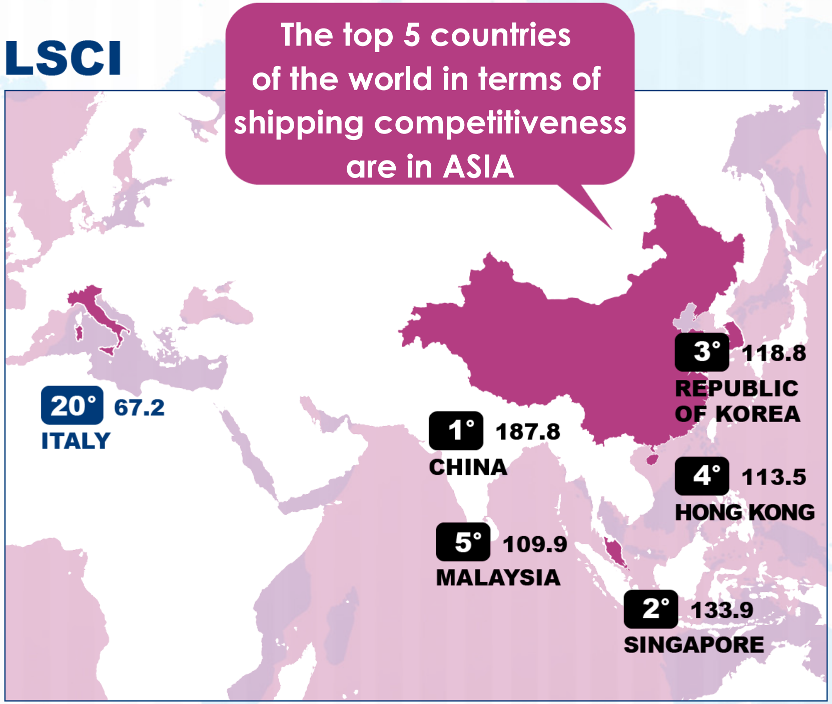
Source: SRM on World Bank

Italy Ranks 19th

China hold the 26th place in the world

In this scenario logistic efficiency and connectivity are the new challenges in international maritime competitiveness

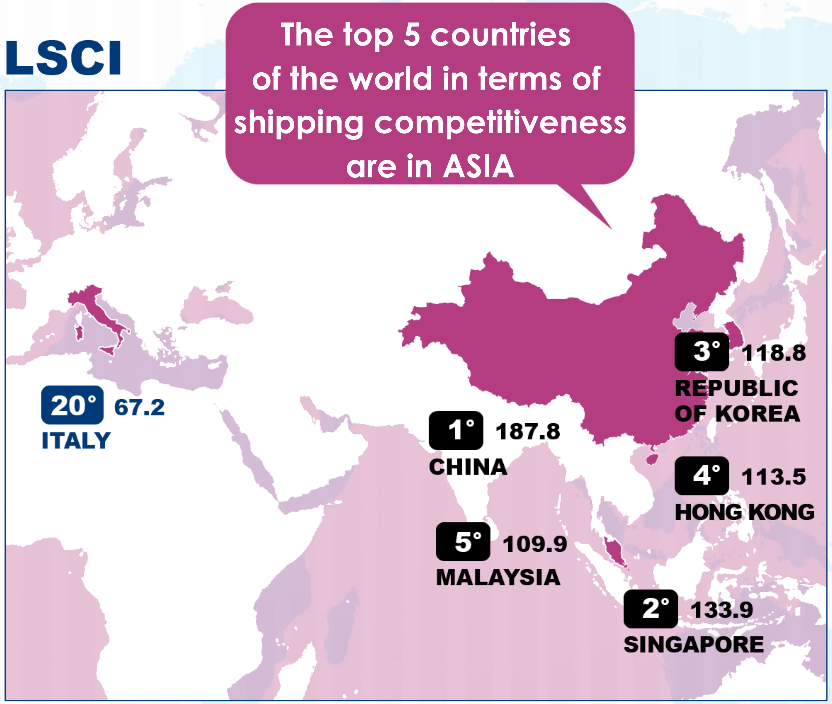
LSCI



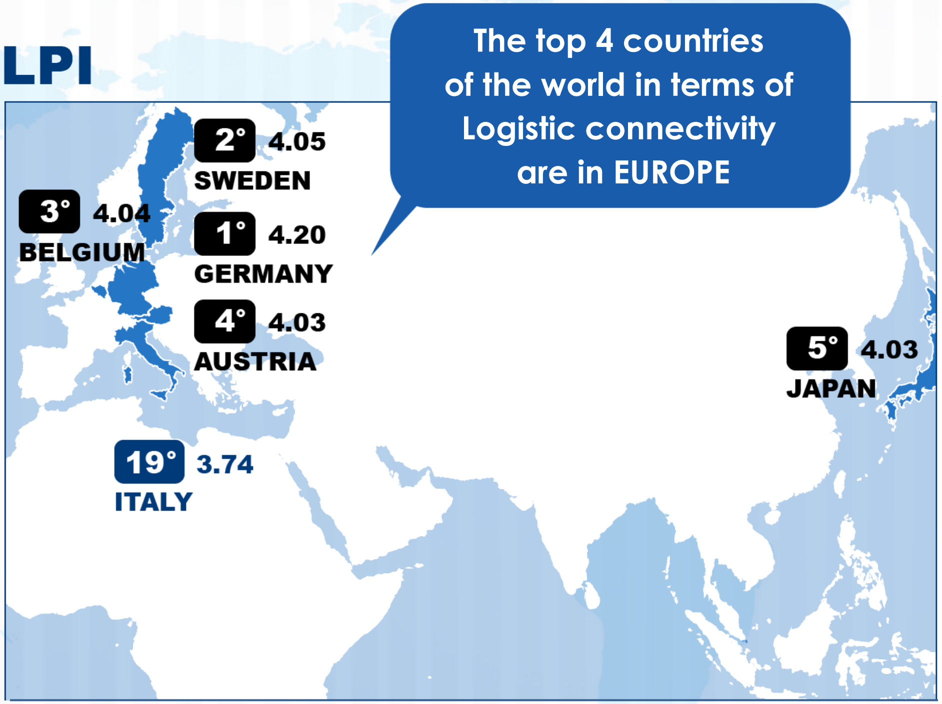
Source: SRM on Unctad and World Bank

In this scenario logistic efficiency and connectivity are the new challenges in international maritime competitiveness

LSCI

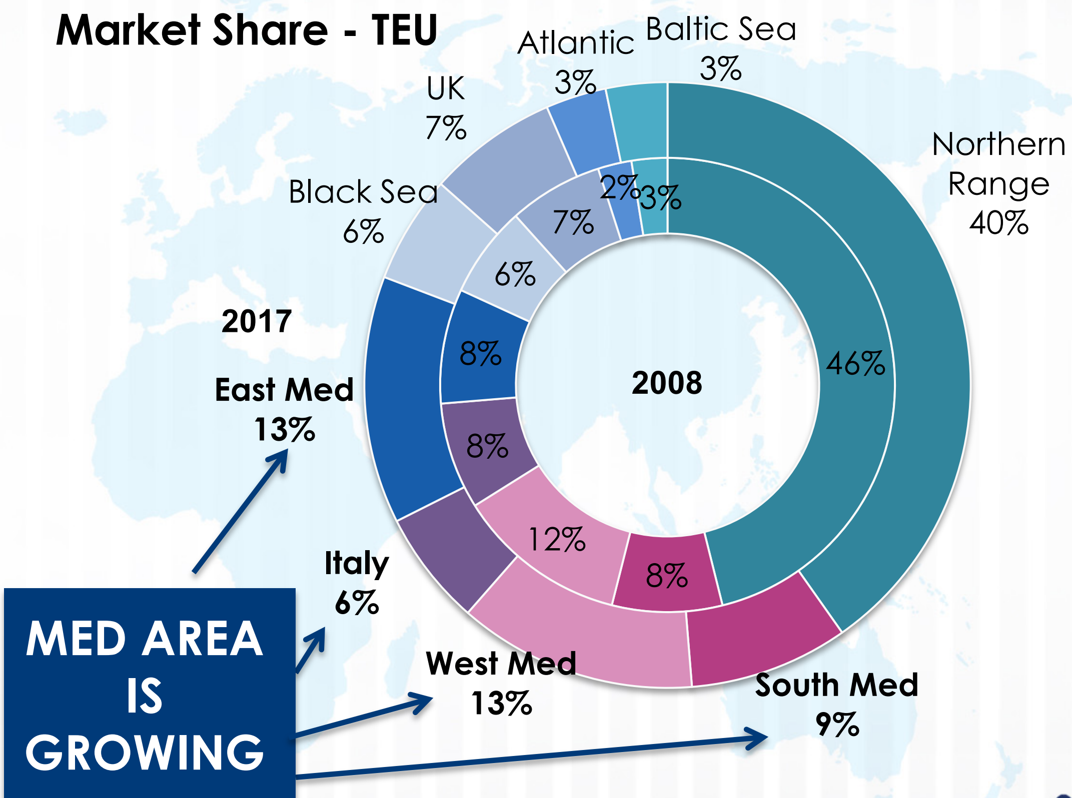


LPI



Source: SRM on Unctad and World Bank

The analysis of container ports by geographic area: the new role of Med

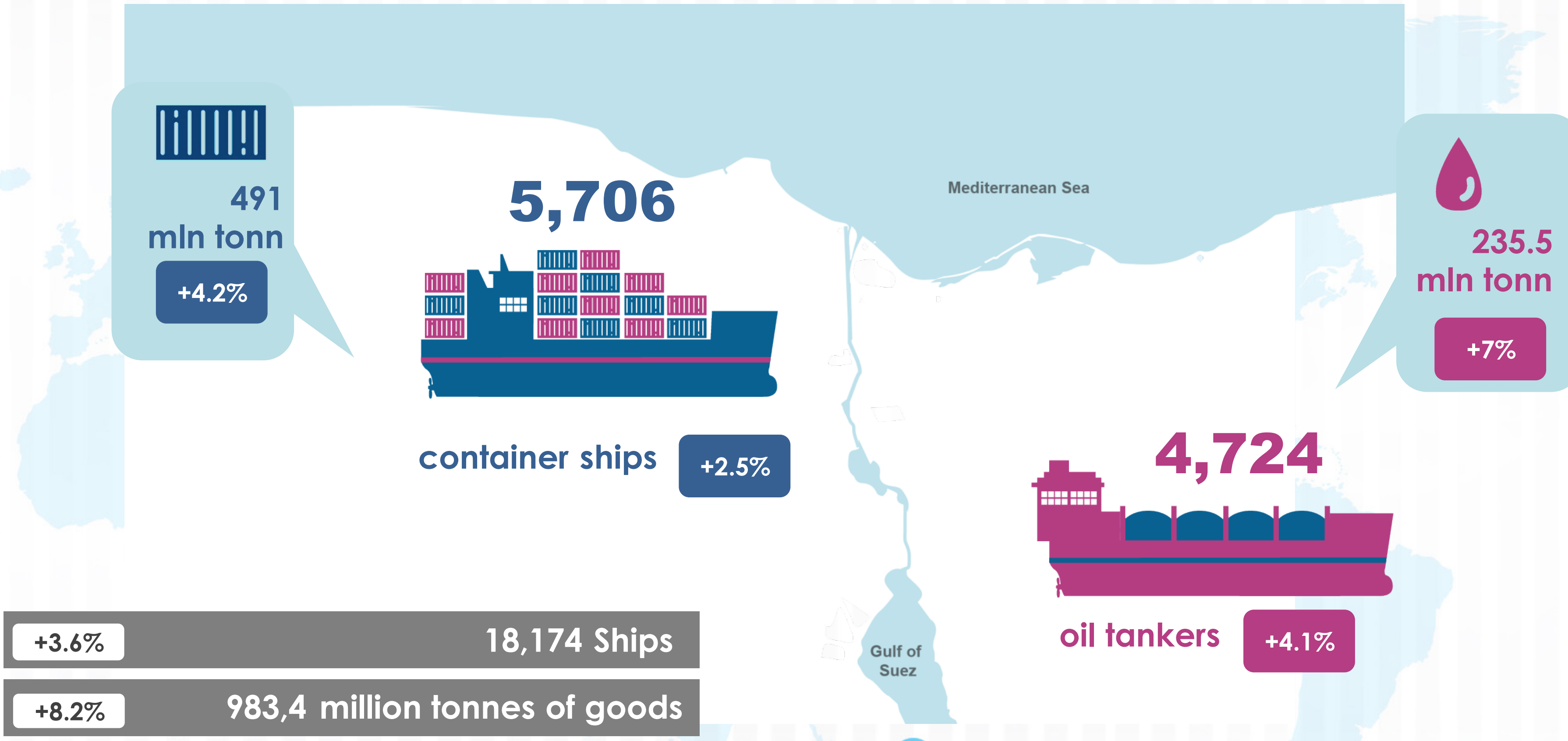


Source: SRM on Port Authorities

NORTHERN RANGE IS SLOWING DOWN

- **Northern Range market share (40%)** is decreased between 2008 and 2017.
- The **MED Area can be a great opportunity**; between 2008 and 2017 the ports of **MED Area** increased their **market share from 36% to 41%.**

Suez Canal: the new records

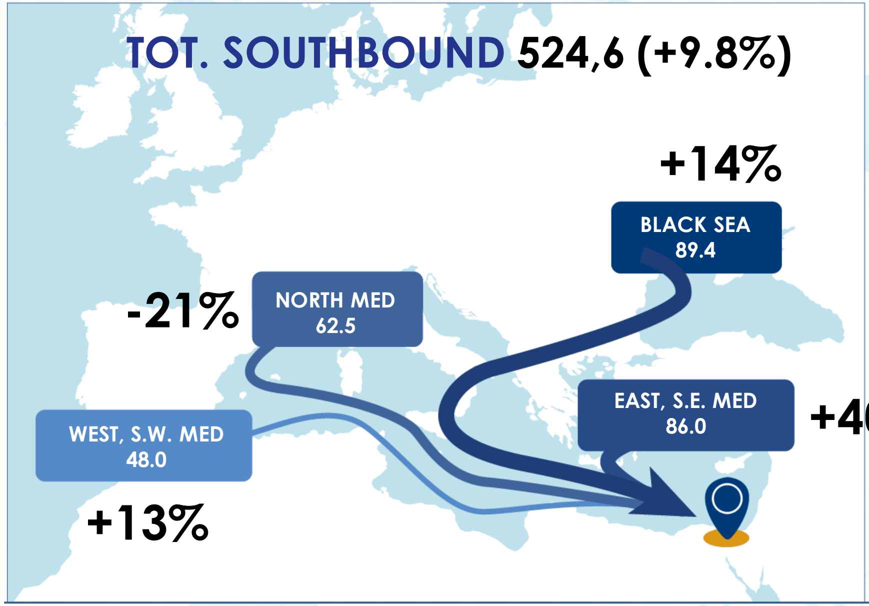


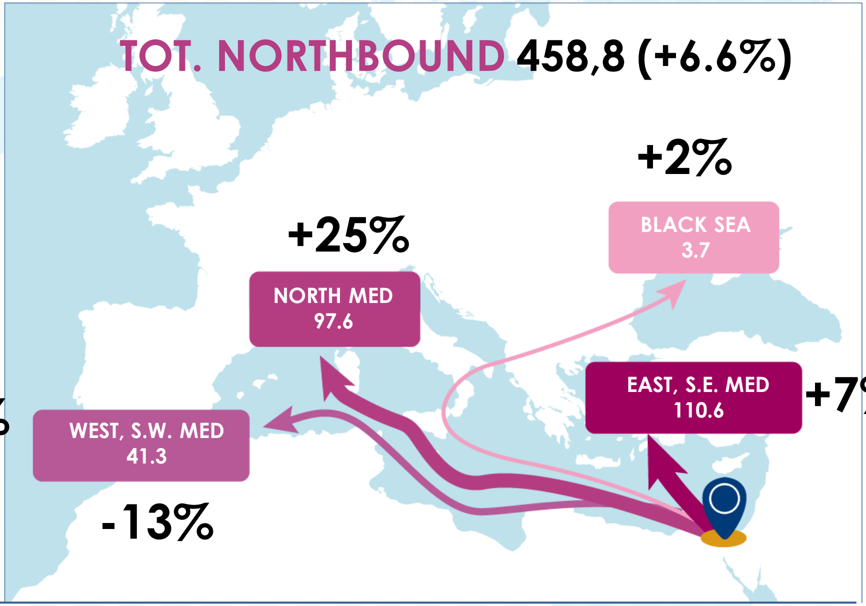
Source: SRM on Suez Canal Authority, 2019

8 2019 Marlog
The International Maritime Transport and logistics Conference
Towards Global Competitiveness in Maritime Industry
"INVESTING IN PORTS"
The Trends, The Future

The role of Med Ports in the Suez Canal (2018 on 2014)

Million Tonnes and Var % on 2014



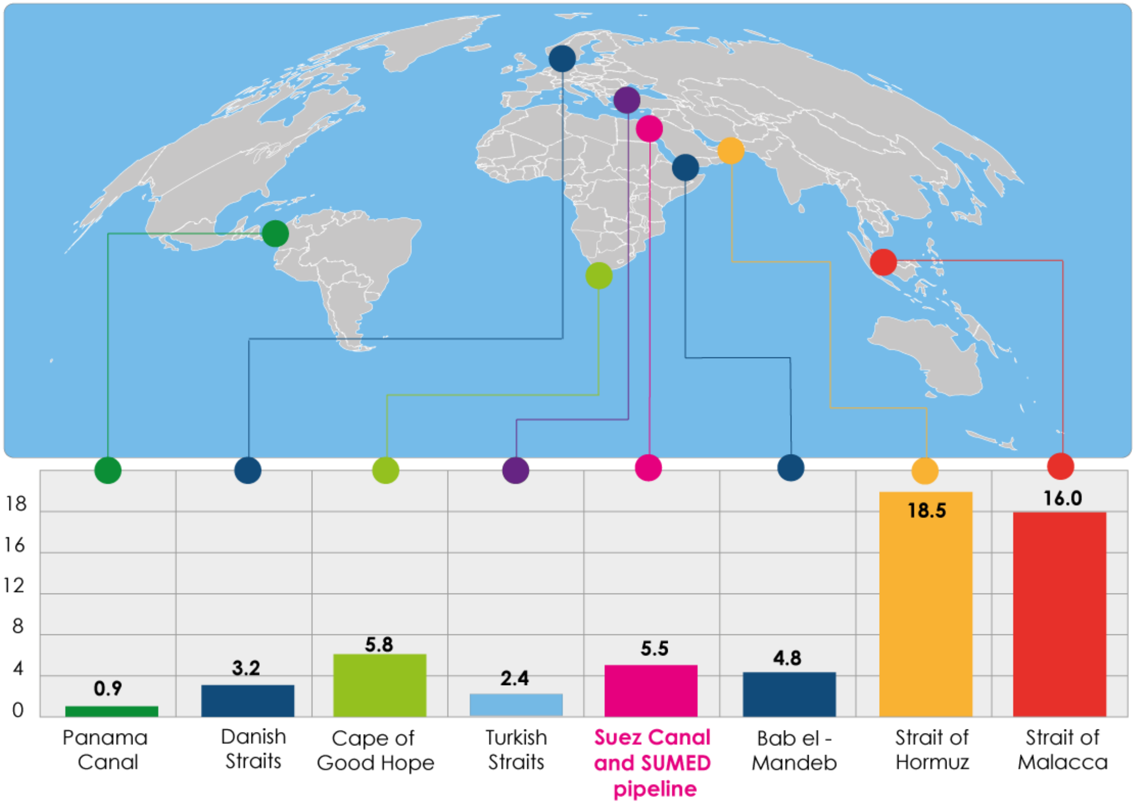


Source: SRM su Suez Canal Authority, 2019

MED ports represented 55% of total traffic transiting by Suez.

Mains oil global chokepoints

Petroleum transit volumes through select maritime routes | 2016 - Million barrels per day

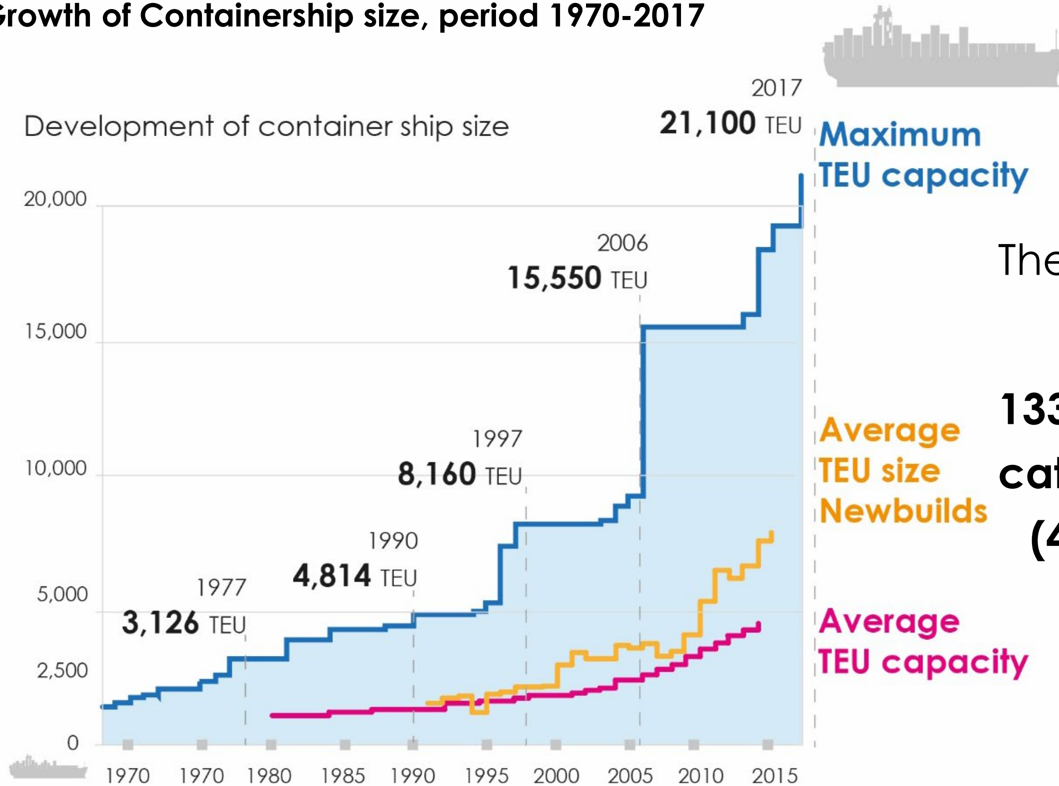


- **Suez** (and the **Sumed pipeline**) is the **3rd busiest transit chokepoint** in the world with a total oil flow (crude oil and refined products) of **5.5 million b/d** transited in both directions
- It holds **9% of global seaborne oil trade** and **9% of LNG**

Source: SRM on U.S. Energy Information Administration (EIA)

…the naval gigantism…

Growth of Containership size, period 1970-2017



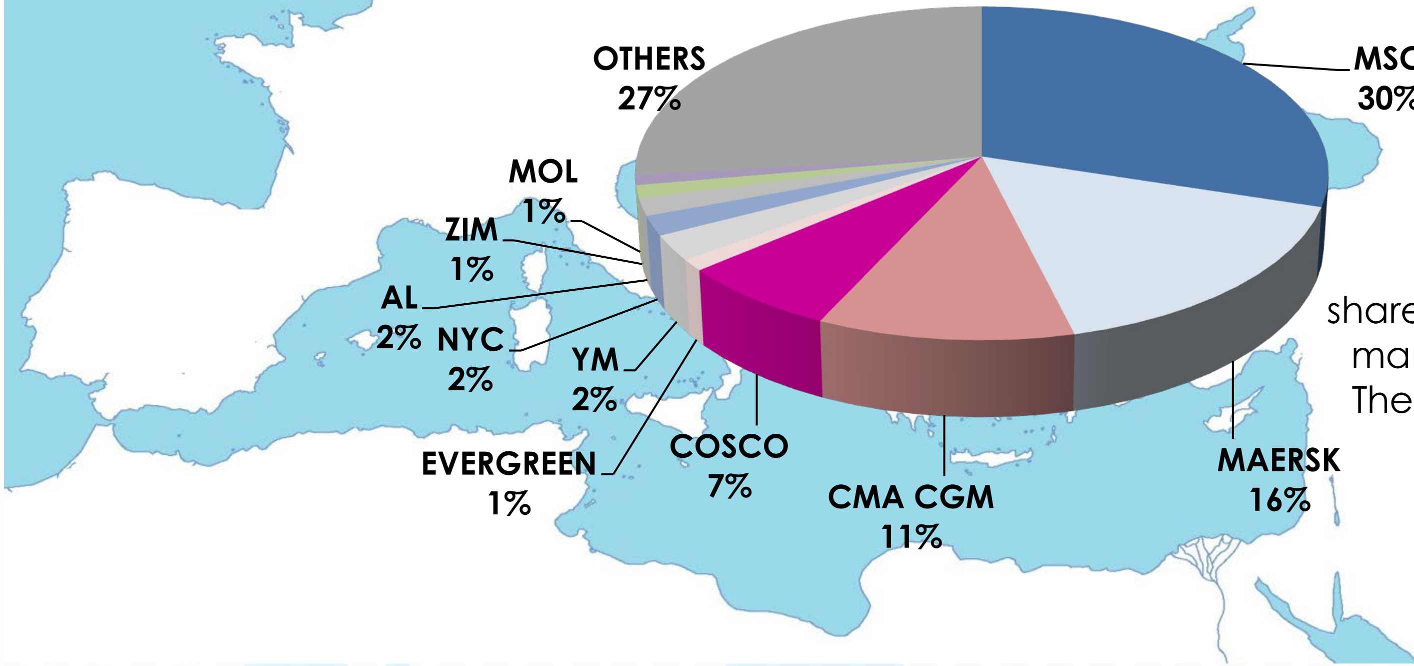
Source: ITF (2015)

- The **ship size** increased 7 times in a period of 40 years
- **133 new ships of the 10-23,000 TEUS category will be launched by 2022 (45 of which in the 18-23,000 TEUS)**

The size of the Megaships in the Mediterranean ports: Small, Medium, Large or Extralarge

Source: SRM on Alphaliner

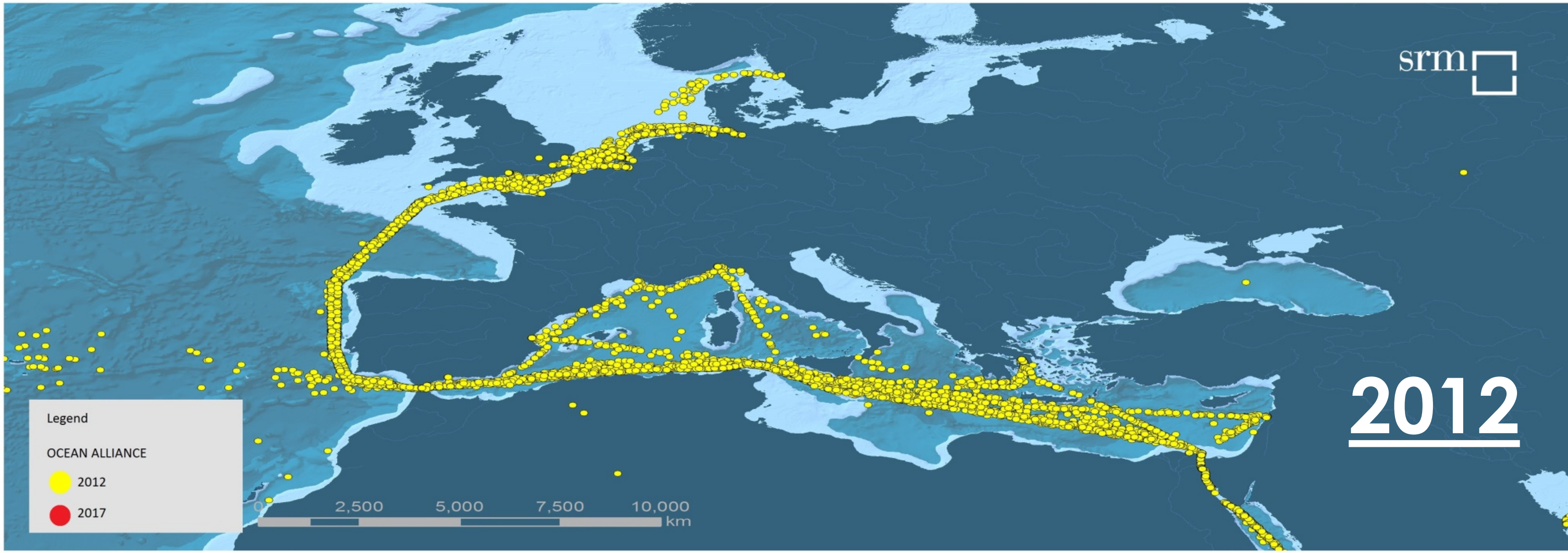
Carriers' fleet market share in the Med Ports
Total TEUs - 2018



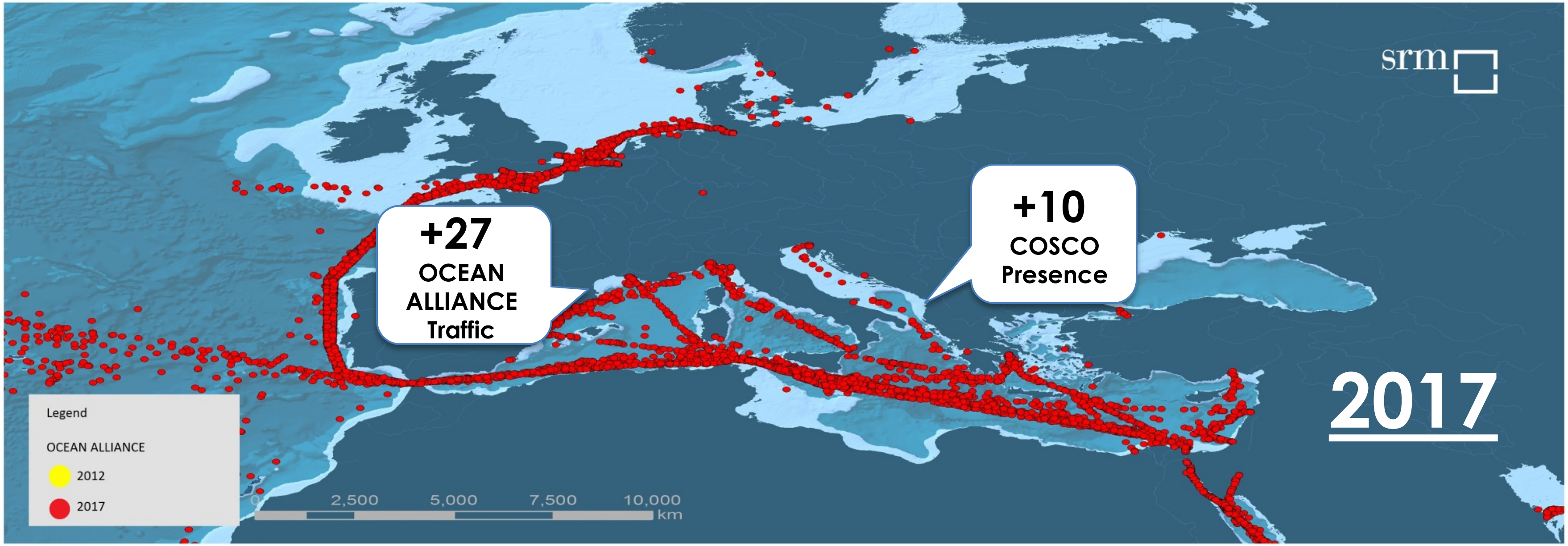
In 2018, the market share of the container fleet managed by 2M was 46%. The market share held by Ocean Alliance was almost 20%

Source: SRM on Alphaliner

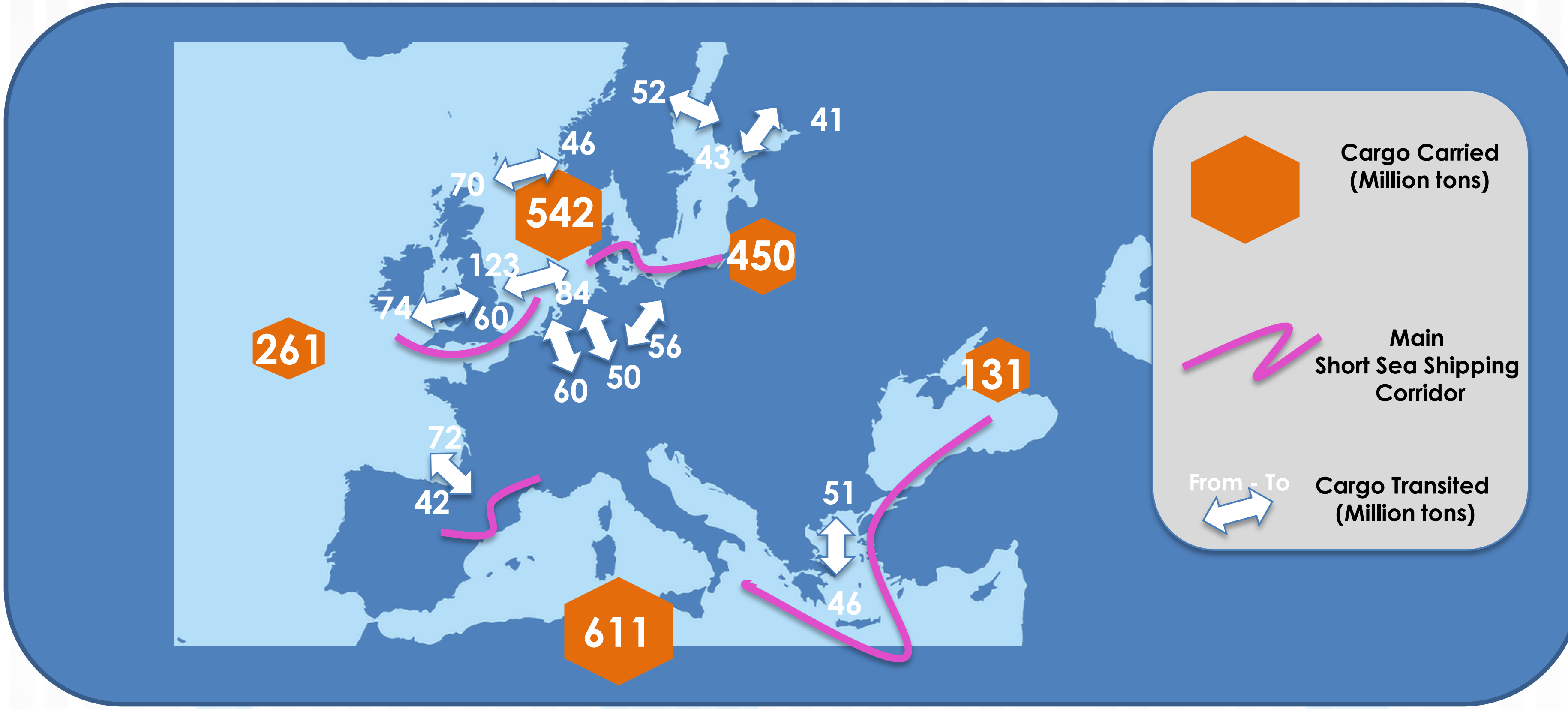
The Mediterranean routes of the Ocean Alliance



The Mediterranean routes of the Ocean Alliance

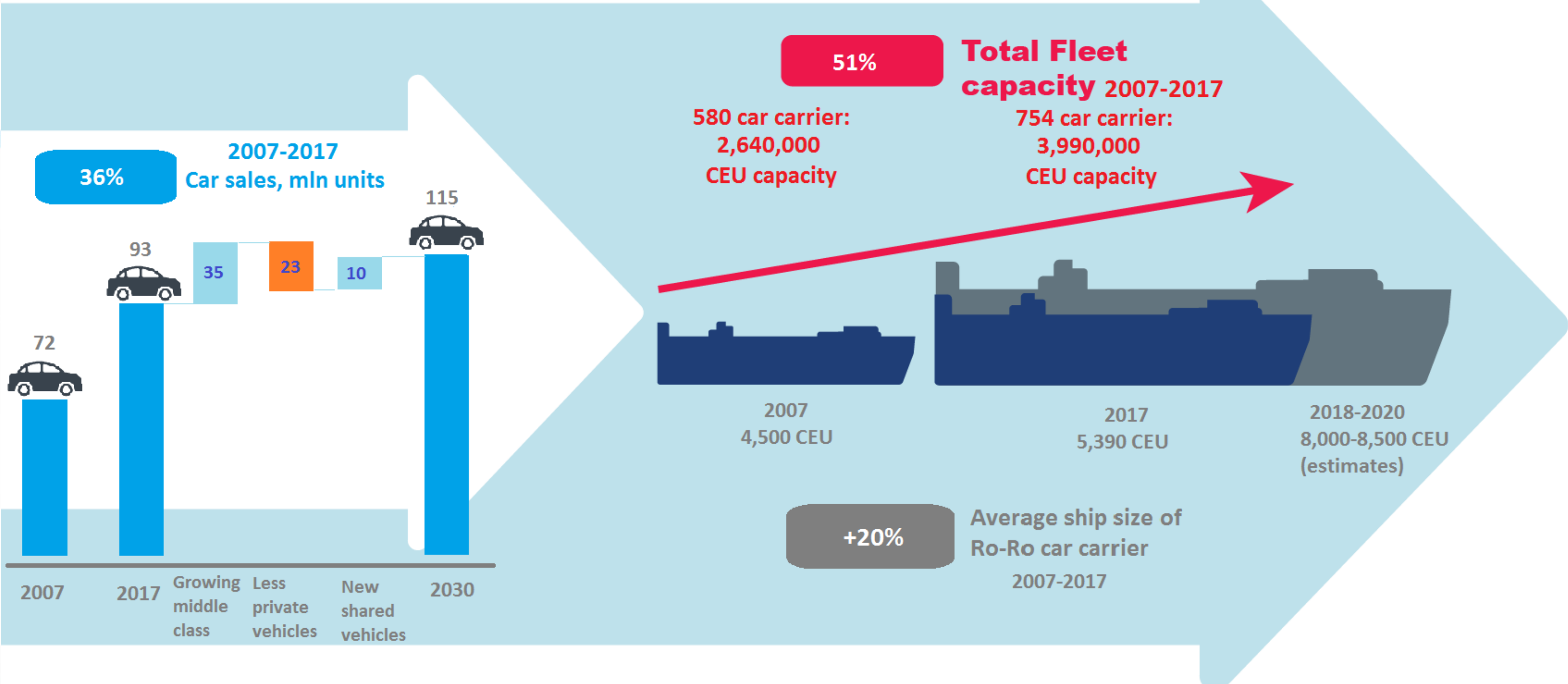


The Short Sea Shipping map



Source: SRM on Eurostat

The connection between the growth of Ro-Ro and the increase of the automotive

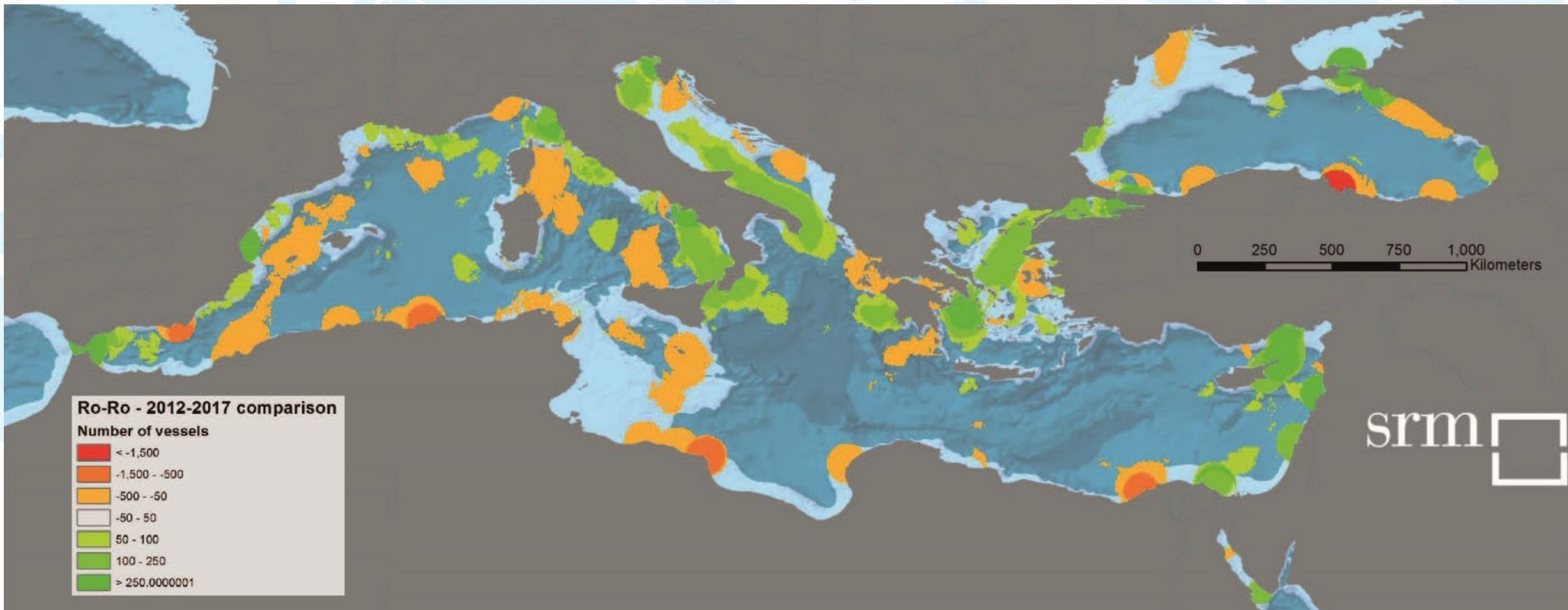


* CEU (car equivalent unit)

* Source: SRM on WWL, BRS Group, ANFIA, Fearnleys

Ro-Ro traffic in the Mediterranean Sea-density map

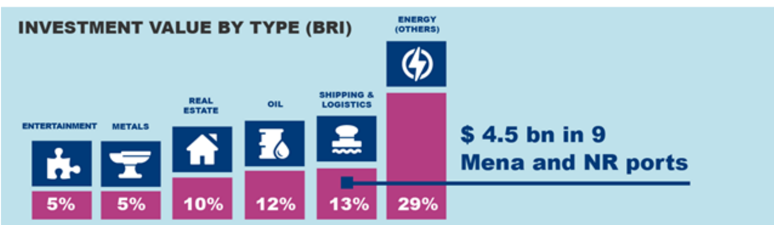
2012-2017 comparison



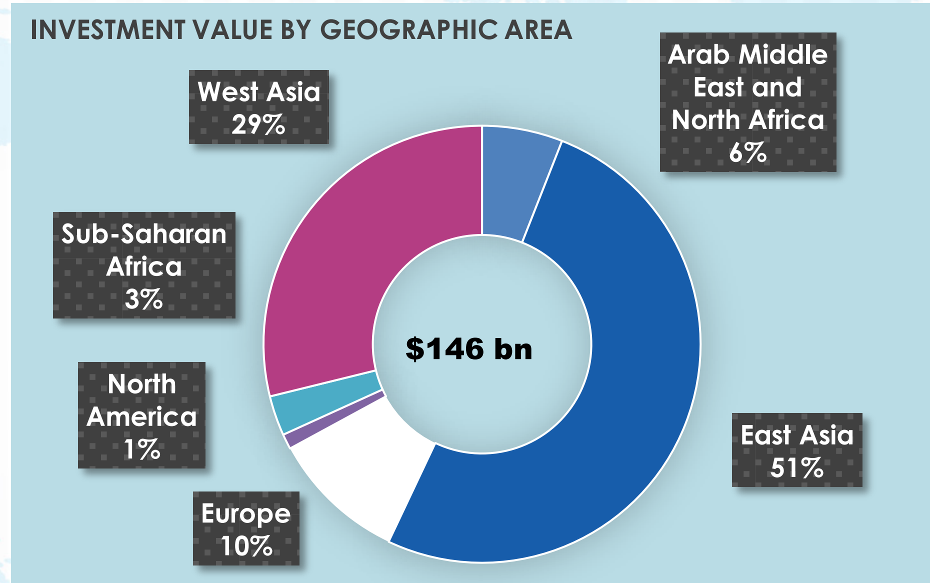
Source: SRM

The role of BRI in the Mediterranean

Total value of the project: USD 1,400/1,800 bn	Silk road Economic belt & 21st Century Maritime Silk road
Countries	between 60 and 100
Investment projected in MENA Area	$27bn

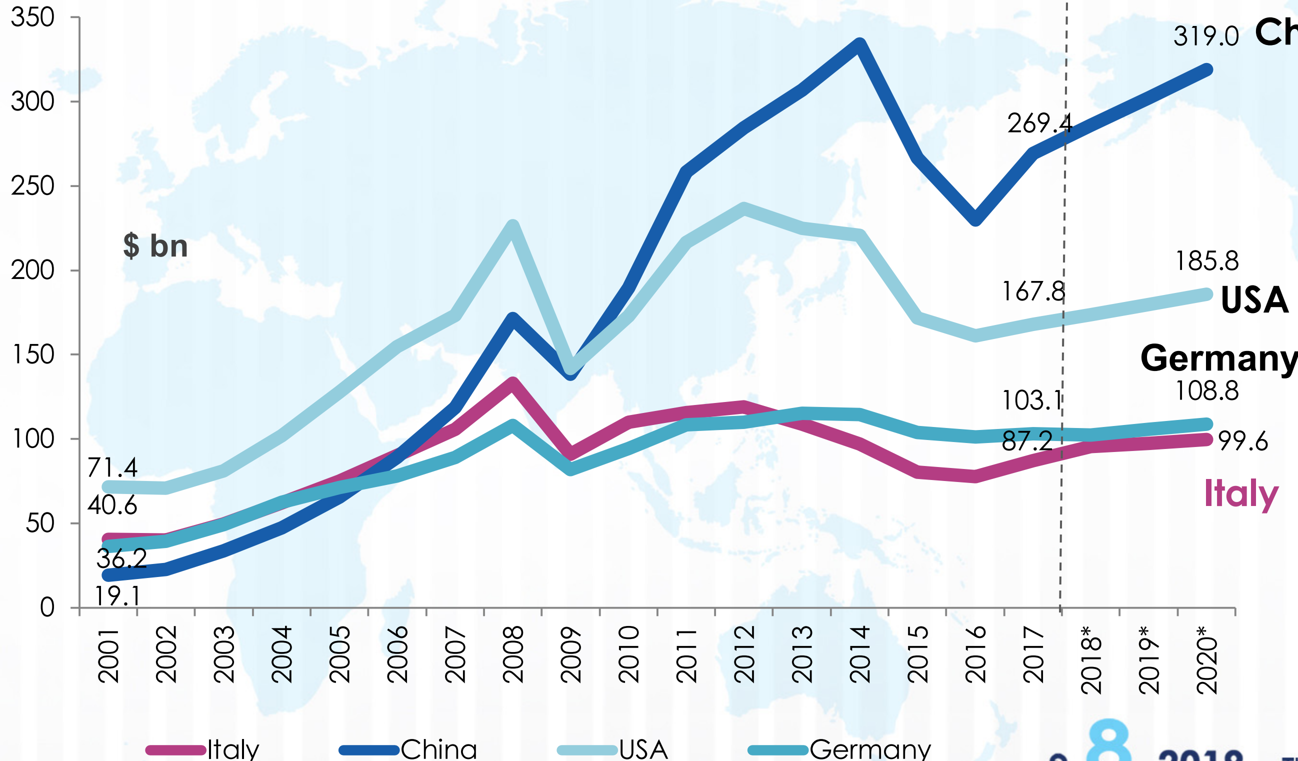


Investment until June 2018
No financial investment



Source: SRM on China Global Investment Tracker database

A steady increase in trade relation towards the MENA area
China is the largest partner



China is the **largest trade partner of MENA countries $269.4 bn** import-export

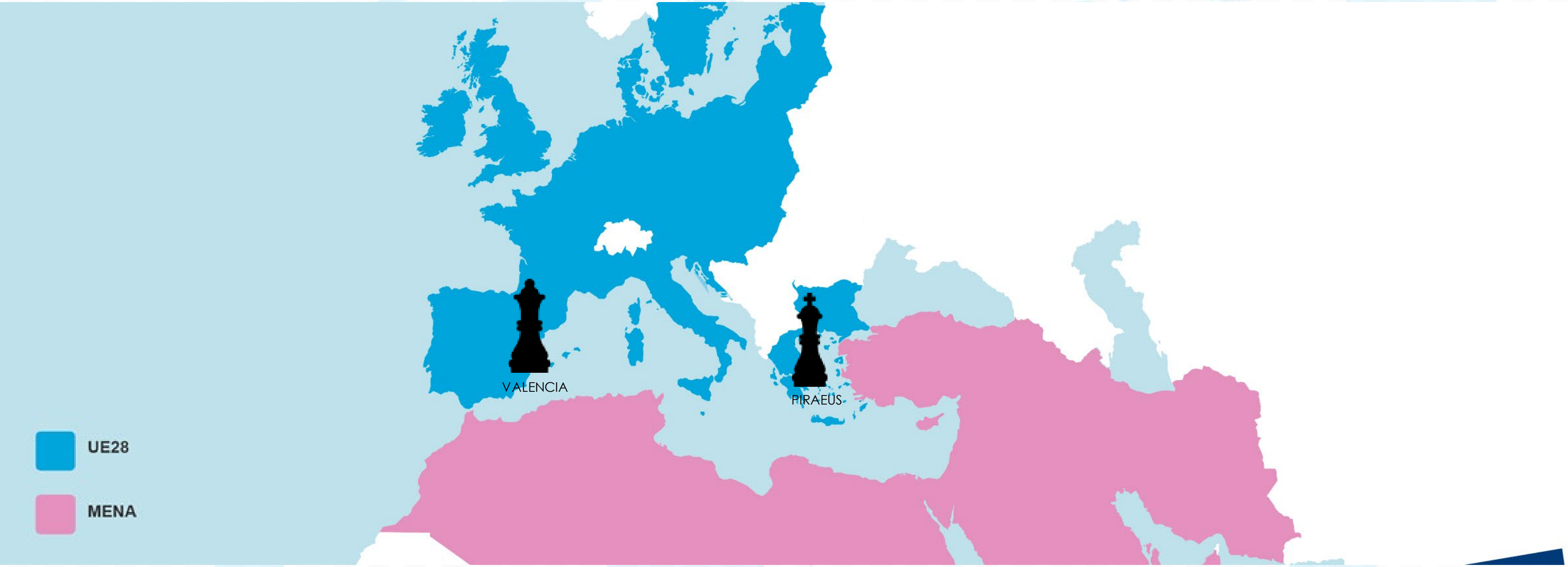
Italy's trade with MENA Area: $87 bn (+70.4% on 2001). According to SRM forecast, this trade will reach **bn in 2020 $99.6**

Source: SRM on UNCTAD

8 2019 Marlog

The International Maritime Transport and logistics Conference
Towards Global Competitiveness in Maritime Industry
"INVESTING IN PORTS"
The Trends, The Future

The Chinese chessboard



Source: SRM

The Chinese chessboard

Source: SRM

Total traffic of Cosco Container terminal is increasing in the Med

Cosco Cargo in Med terminal 2018

Terminal	Throughput (TEU '000)
Piraeus	4,409.2
Noatum	3,622.2
Suez Canal	1,258.3
Kumport	1,258.3
Vado Reefer	66.6

22% of Med ports

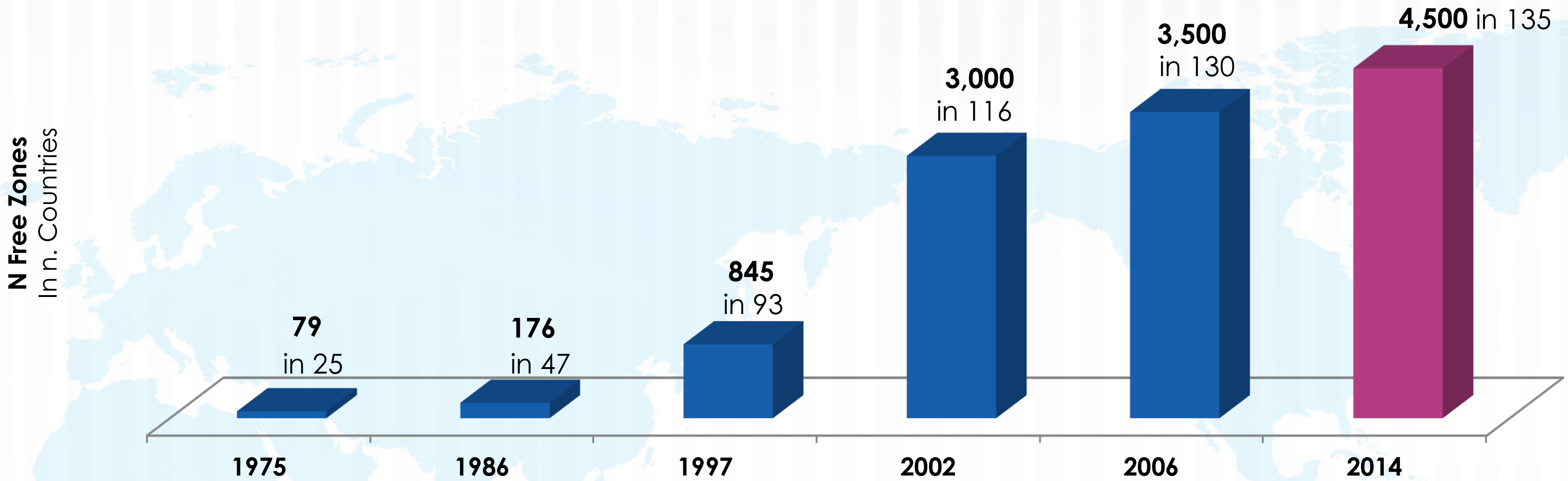
Total throughput Med Ports 11,966,100

In 2018 total traffic of Cosco container terminal in the Med ports was almost 12 **million TEUs.**

Chinese terminals dominate 22% of the traffic in the Med ports.

Source: SRM on COSCO

The growth of the free zones in the world



Source: SRM on Trade Performance Of Free Trade Zones, 2014 and others

- There are about **4,500 Free zones** all over the world.
- These zones have created **68 million direct jobs** and **over $ 500 billion of direct trade-related value added.**

Italian Free Zones: SEZ basic criteria

- Underdeveloped southern regions
- Including at least one port area
- Incentives for investments
- Strategic Development Plan
- Special agreements with banks
- Management Committee

Source: SRM

Ports of Future

INTERNATIONA-LISATION

- Dedicated department for the international development of the port
- Regular monitoring of routes and international trade

Source: SRM

Ports of Future

INTERNATIONA-LISATION

- Dedicated department for the international development of the port
- Regular monitoring of routes and international trade

INTERMODALITY

- Dedicated department for the development of intermodal traffic
- Local transport networks
- Monitoring of local and global transport phenomena

Source: SRM

Ports of Future

INTERNATIONA-LISATION

- Dedicated department for the international development of the port
- Regular monitoring of routes and international trade

INTERMODALITY

- Dedicated department for the development of intermodal traffic
- Local transport networks
- Monitoring of local and global transport phenomena

TRAINING & ACADEMY

- Regular and consolidated relations with universities and Centres of Research
- Study rooms for students
- Heritage of publications and databases

Source: SRM

Ports of Future

INTERNATIONA-LISATION

- Dedicated department for the international development of the port
- Regular monitoring of routes and international trade

INTERMODALITY

- Dedicated department for the development of intermodal traffic
- Local transport networks
- Monitoring of local and global transport phenomena

TRAINING & ACADEMY

- Regular and consolidated relations with universities and Centres of Research
- Study rooms for students
- Heritage of publications and databases

INNOVATION & START-UP

- The Port XL model
- Support from port managers with specialised expertise and incentives

Source: SRM

Ports of Future

INTERNATIONALISATION

- Dedicated department for the international development of the port
- Regular monitoring of routes and international trade

INTERMODALITY

- Dedicated department for the development of intermodal traffic
- Local transport networks
- Monitoring of local and global transport phenomena

TRAINING & ACADEMY

- Regular and consolidated relations with universities and Centres of Research
- Study rooms for students
- Heritage of publications and databases

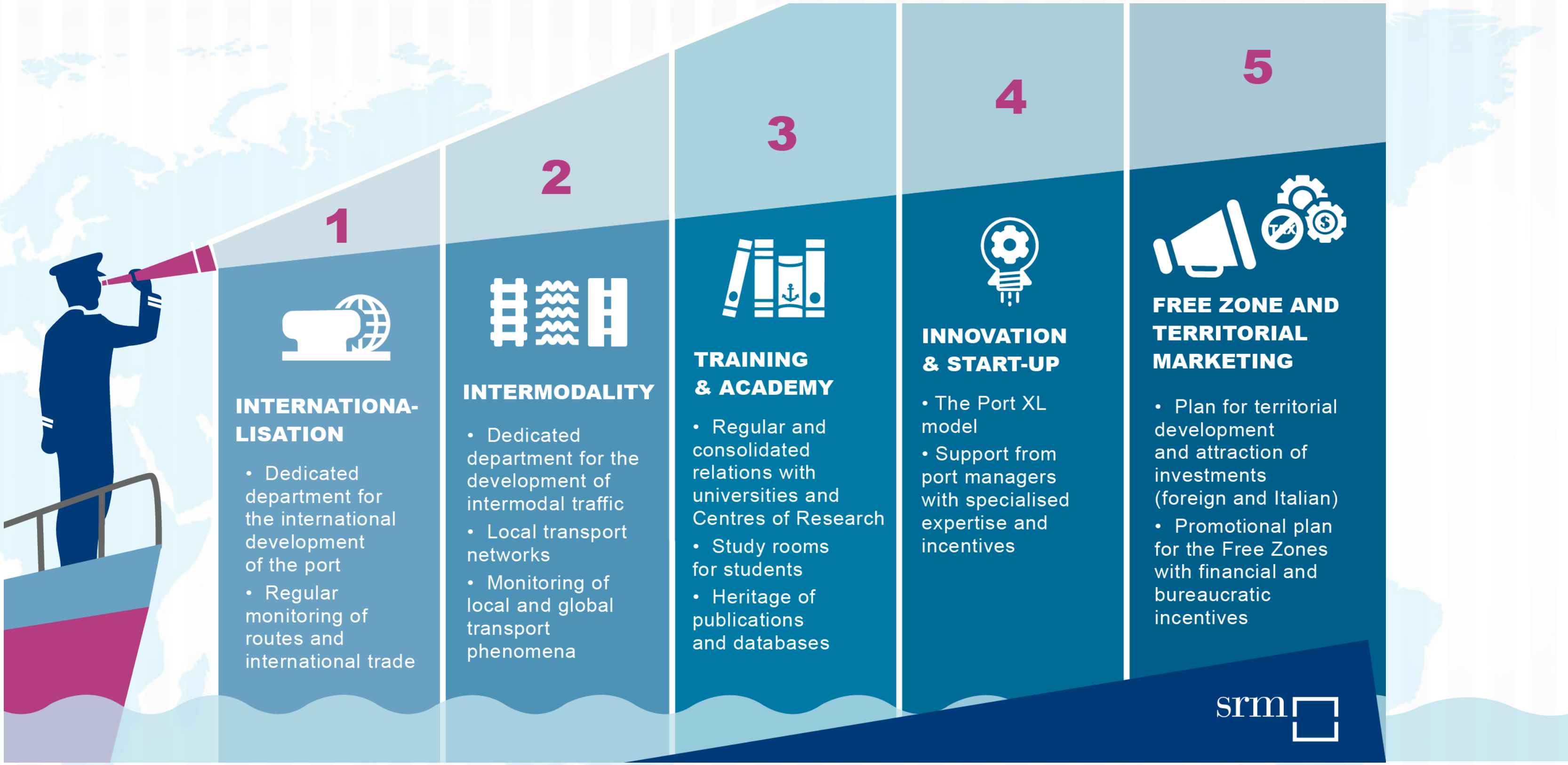
INNOVATION & START-UP

- The Port XL model
- Support from port managers with specialised expertise and incentives

FREE ZONE AND TERRITORIAL MARKETING

- Plan for territorial development and attraction of investments (foreign and Italian)
- Promotional plan for the Free Zones with financial and bureaucratic incentives

Source: SRM


1
INTERNATIONA-LISATION
• Dedicated department for the international development of the port
• Regular monitoring of routes and international trade
2
INTERMODALITY
• Dedicated department for the development of intermodal traffic
• Local transport networks
• Monitoring of local and global transport phenomena
3
TRAINING & ACADEMY
• Regular and consolidated relations with universities and Centres of Research
• Study rooms for students
• Heritage of publications and databases
4
INNOVATION & START-UP
• The Port XL model
• Support from port managers with specialised expertise and incentives
5
FREE ZONE AND TERRITORIAL MARKETING
• Plan for territorial development and attraction of investments (foreign and Italian)
• Promotional plan for the Free Zones with financial and bureaucratic incentives
srm

Source: SRM

Alessandro Panaro

Head of Maritime & Energy Dept. SRM

alessandro.panaro@intesasanpaolo.com

www.srm-maritimeconomy.com

Thank you for your attention

SRM

srmezzogiorno

SRM

SRM Studi Ricerche Mezzogiorno