



The Trieste Eastern Europe investment Forum

A new centrality of the Mediterranean and the pivotal role of Italy: the case of the Adriatic corridor

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Agenda



The new centrality of the Mediterranean and a growing Adriatic Sea



The role of New Suez Canal



The BRI in the Med



A vision of the Mediterranean through the geo-maps



Trieste: an international port with a strategic location

The new centrality of the Med is emerging thanks to three key factors:



The New Suez Canal:

reduction in transit times, 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 for routes with many stops where to load and download

The global maritime trade scenario

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Over 80% of global trade by volume and more than 70% by value are carried on board ships and handled by seaports worldwide

**WORLD SEABORNE TRADE
IN 2017**

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

Volume projected to grow

+3.8%



Global volumes gathered momentum and reached

10.7 billion tons.

4% annual growth:
fastest growth in five years

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

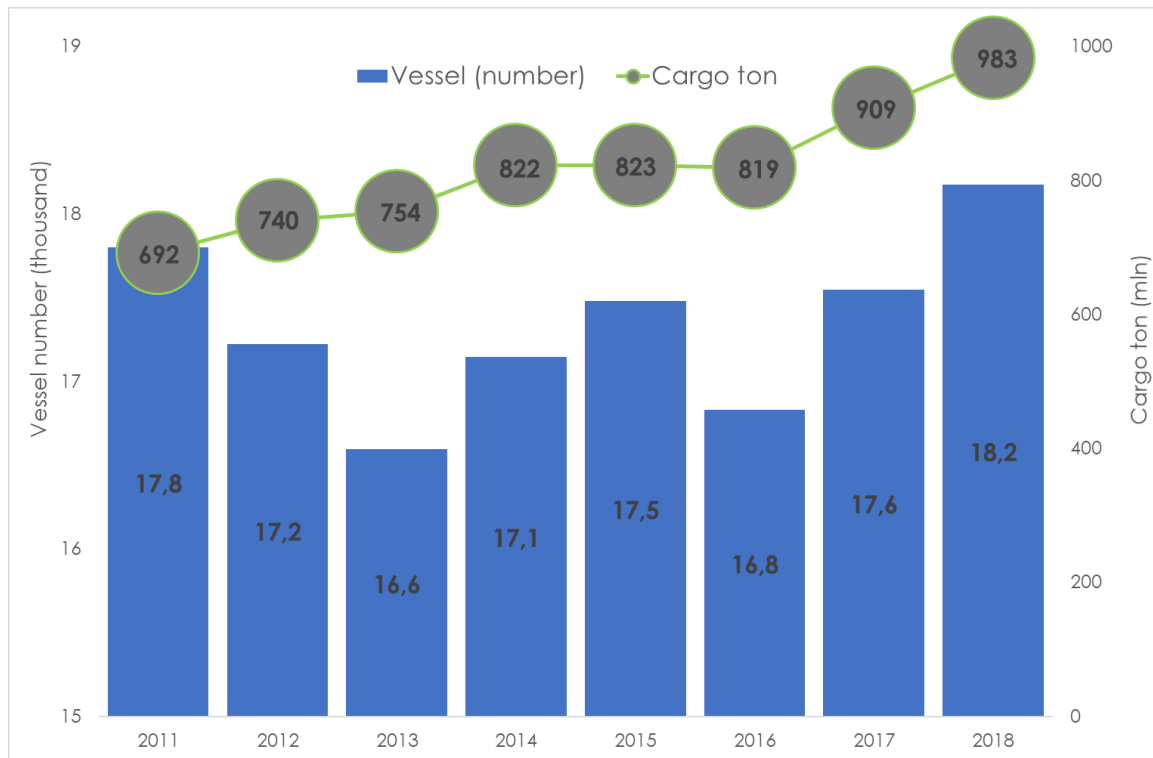
The “New Suez Canal” is setting new records

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■ Transit goods through the Suez Canal account for **8-10% of global seaborne trade**.

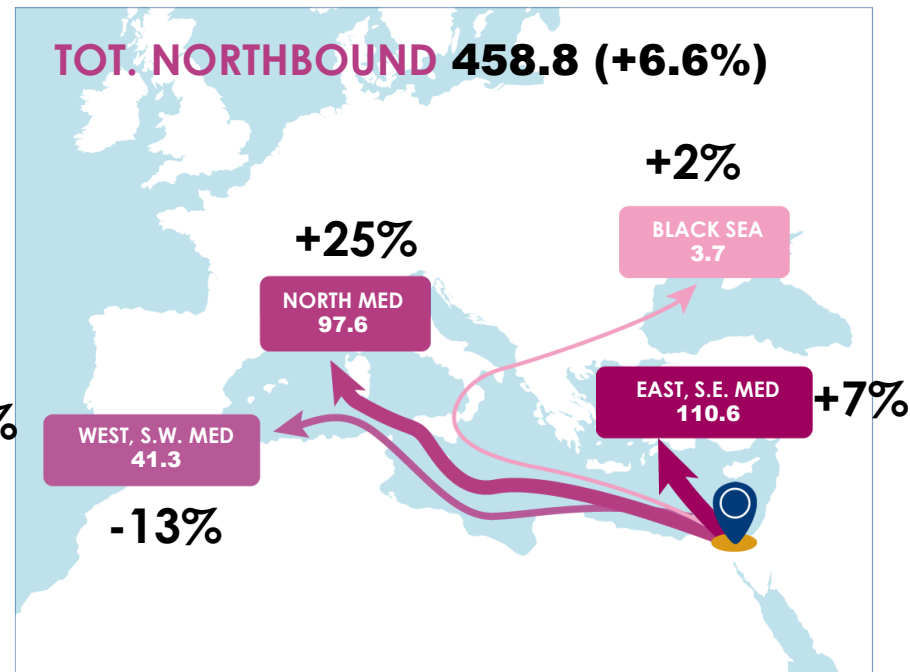
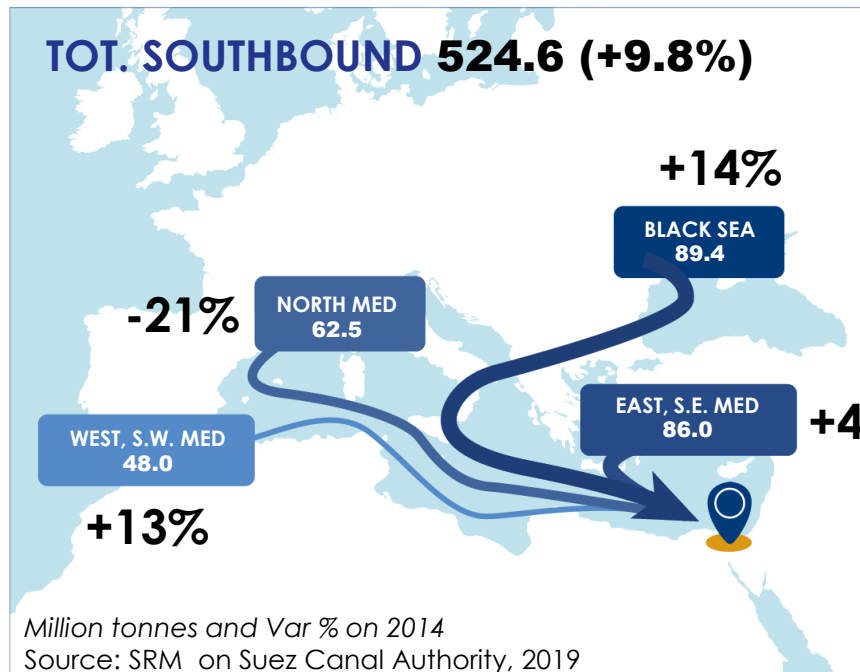
■ **2018 is the year of records.** For the first time in history the threshold of **18 thousand ships** has been exceeded (+ 3.6%). They transported over **983 million tons of cargo**.

■ **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 Suez Canal and the MED ports (2018 on 2014)

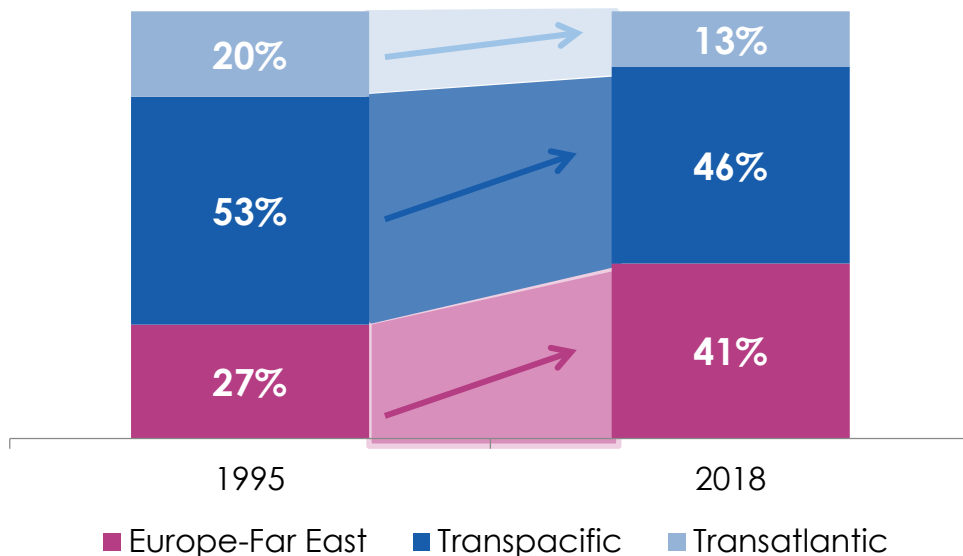


■ In both directions, **the Med ports** represent **55%** of the total.

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)



- 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 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

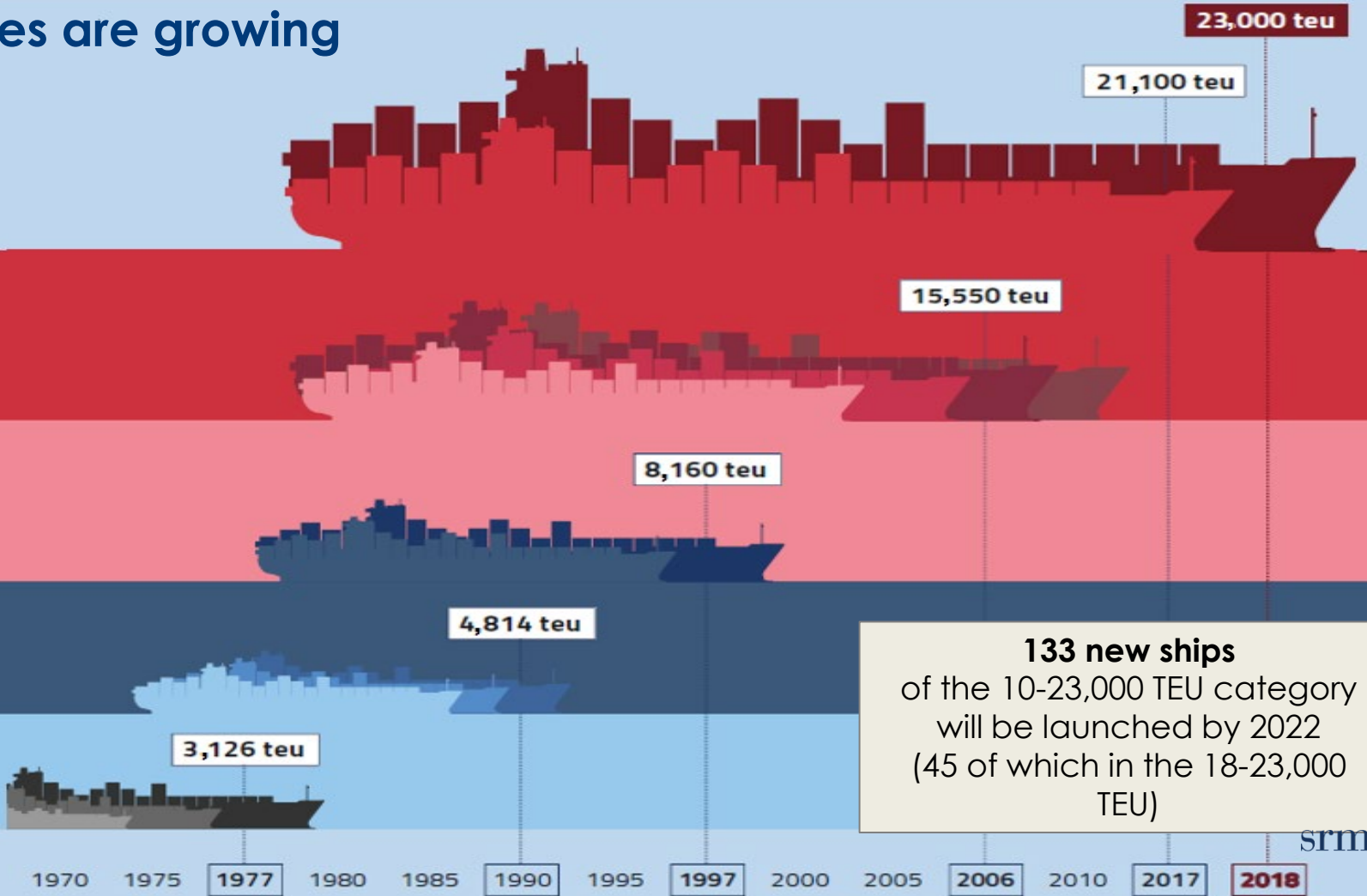
€ 751.2 bn

% OF
CHINA'S
GDP
7.1%



Ship Sizes are growing

9



The most important data on the shipping sector in the Med

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27%
WORLD'S
CONTAINER
LINER
SERVICES

19 PORTS
THROUGHPUT
>1 MLN TEUs

+500%
GROWTH OF
CONTAINER
TRAFFIC SINCE
1995

83%
SHARE OF
SEABORNE TRADE
BETWEEN ITALY
AND THE MED

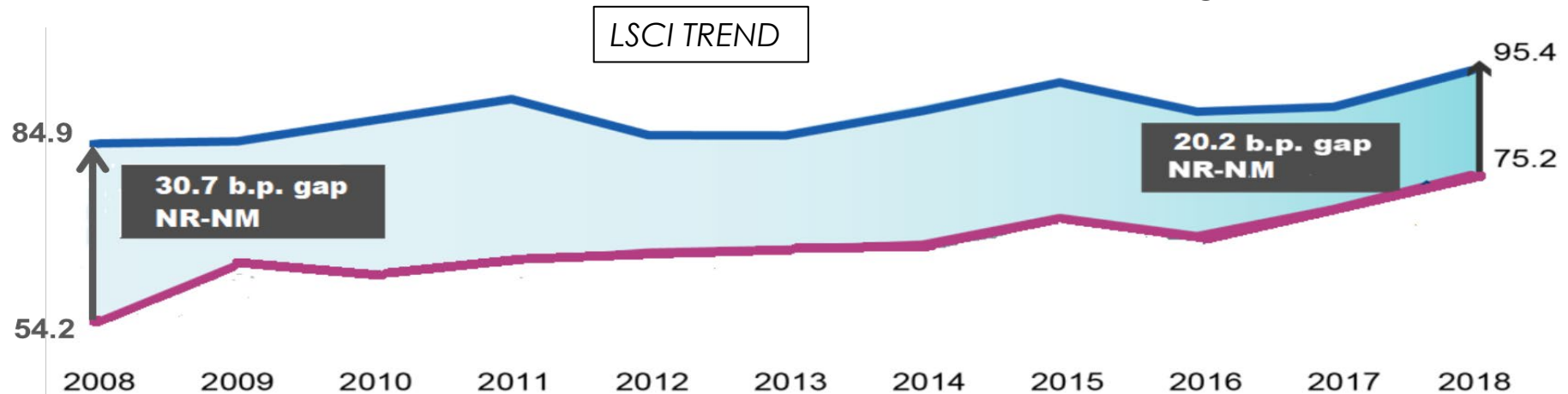
20%
GLOBAL
SHIPPING
TRAFFIC

**983 mln
tonnes**
SUEZ CARGO
TRAFFIC

**611 mln
tonnes**
SHORT SEA
SHIPPING

Mediterranean ports are increasing their competitiveness 11

- The gap between the ports of the Northern Range and the North of the North Mediterranean has greatly reduced between 2004 and 2018.
- The ports of the Mediterranean are growing also thanks to the development of the **attractiveness** of the area for the **deep sea and short sea shipping**.



Source: SRM on Unctad

Average NR Northern Range (Germany, Netherlands, Belgium)
Average NM North Mediterranean (Spain, France, Italy, Greece)

The Italian port and logistic system is gaining competitiveness...

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Doing Business:

Trading across borders



Rank:

2007

110

2018

1



Logistics performance Index:

Score:

Customs



3.19



3.47

Infrastructure



3.52



3.85

International Shipments



3.57



3.51

Logistics competence



3.63



3.66

Tracking & Tracing



3.66



3.85

Timeliness



3.93

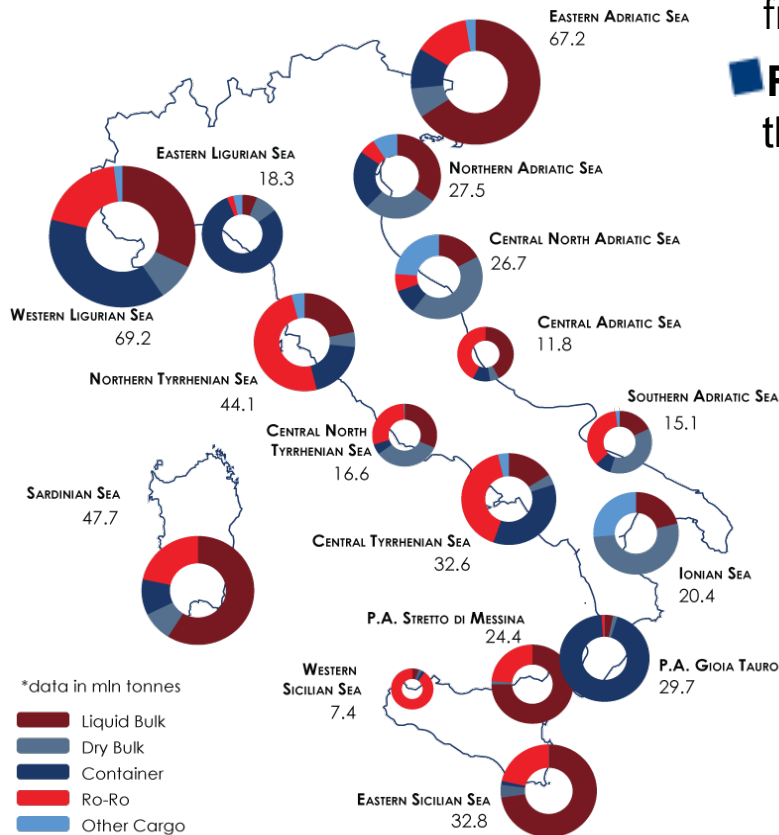


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Analysis of Italian ports performance

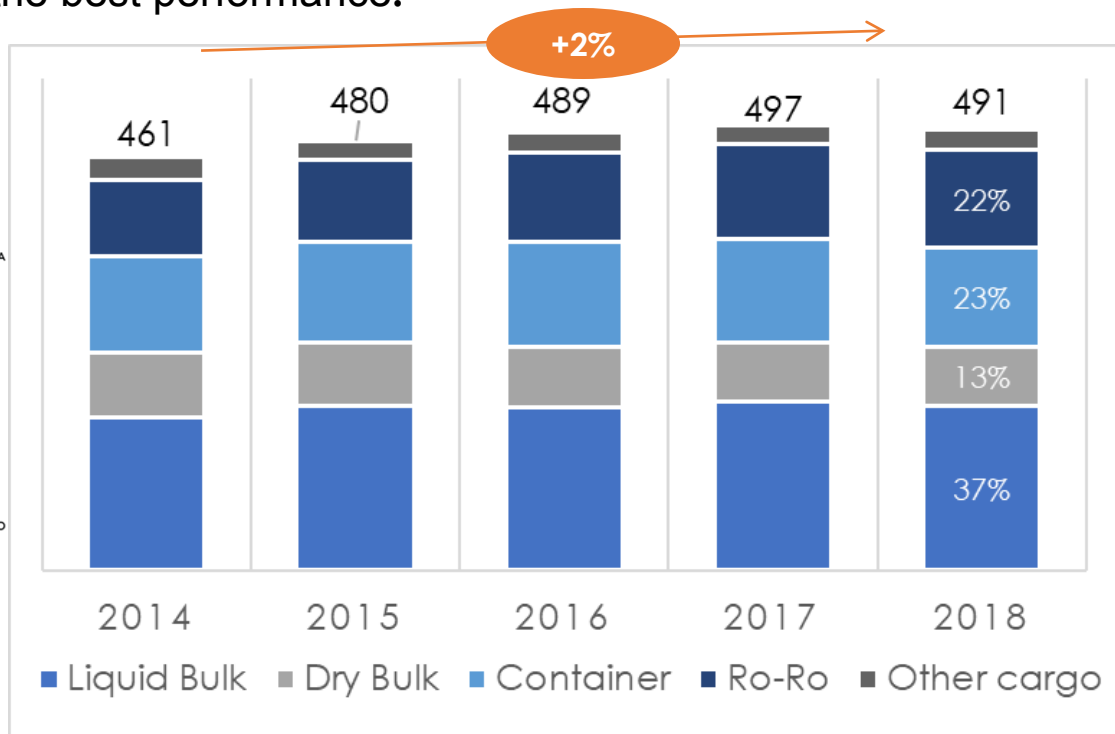
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Type of goods handled by the Port Network
Authorities in 2018 (mln tonnes)



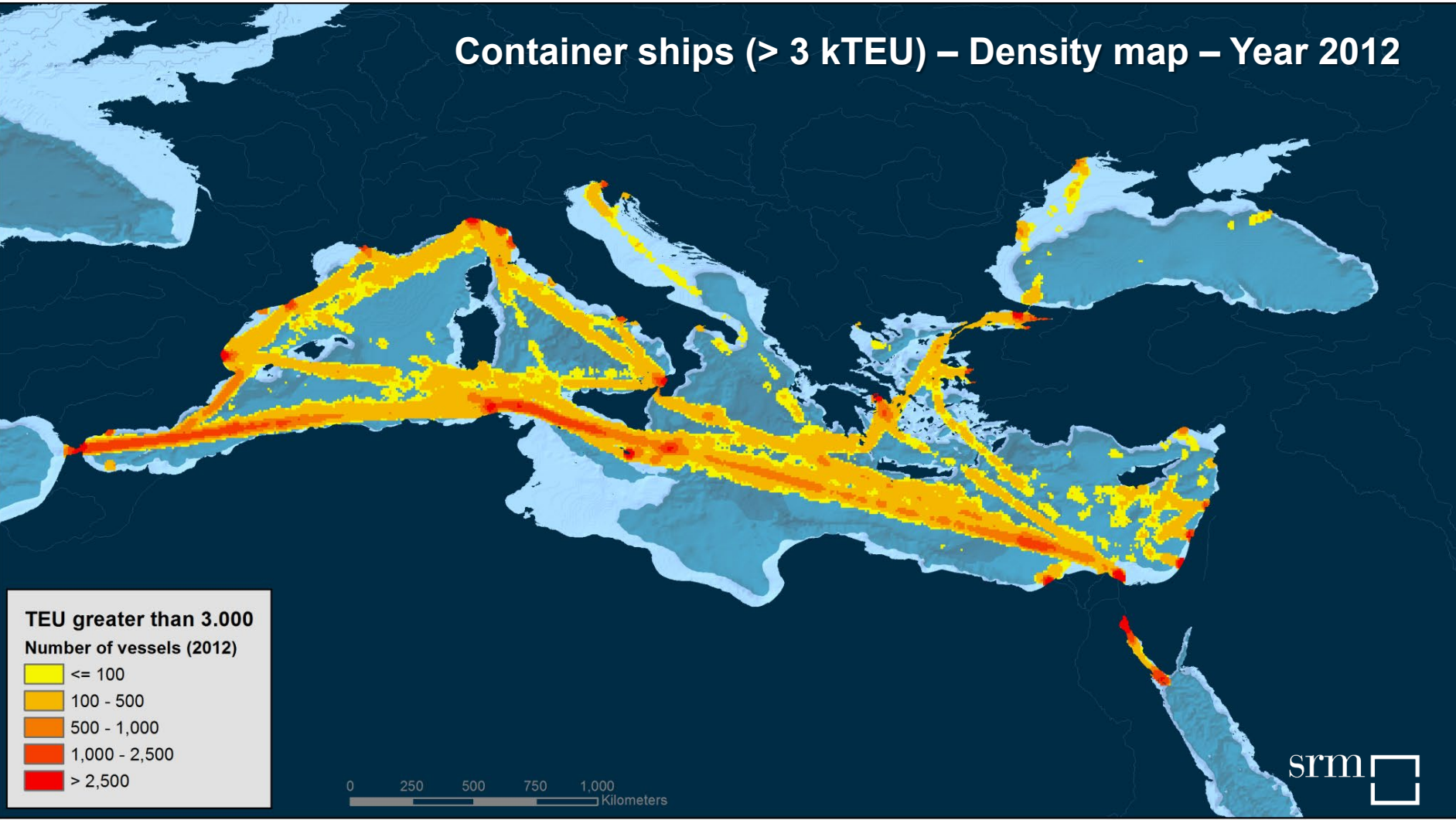
■ In 2018, all **Italian ports** managed a volume of freight traffic of **491 million tonnes**.

■ **Ro-Ro with a volume of 109 mln tonnes (+3%)** realized the best performance.

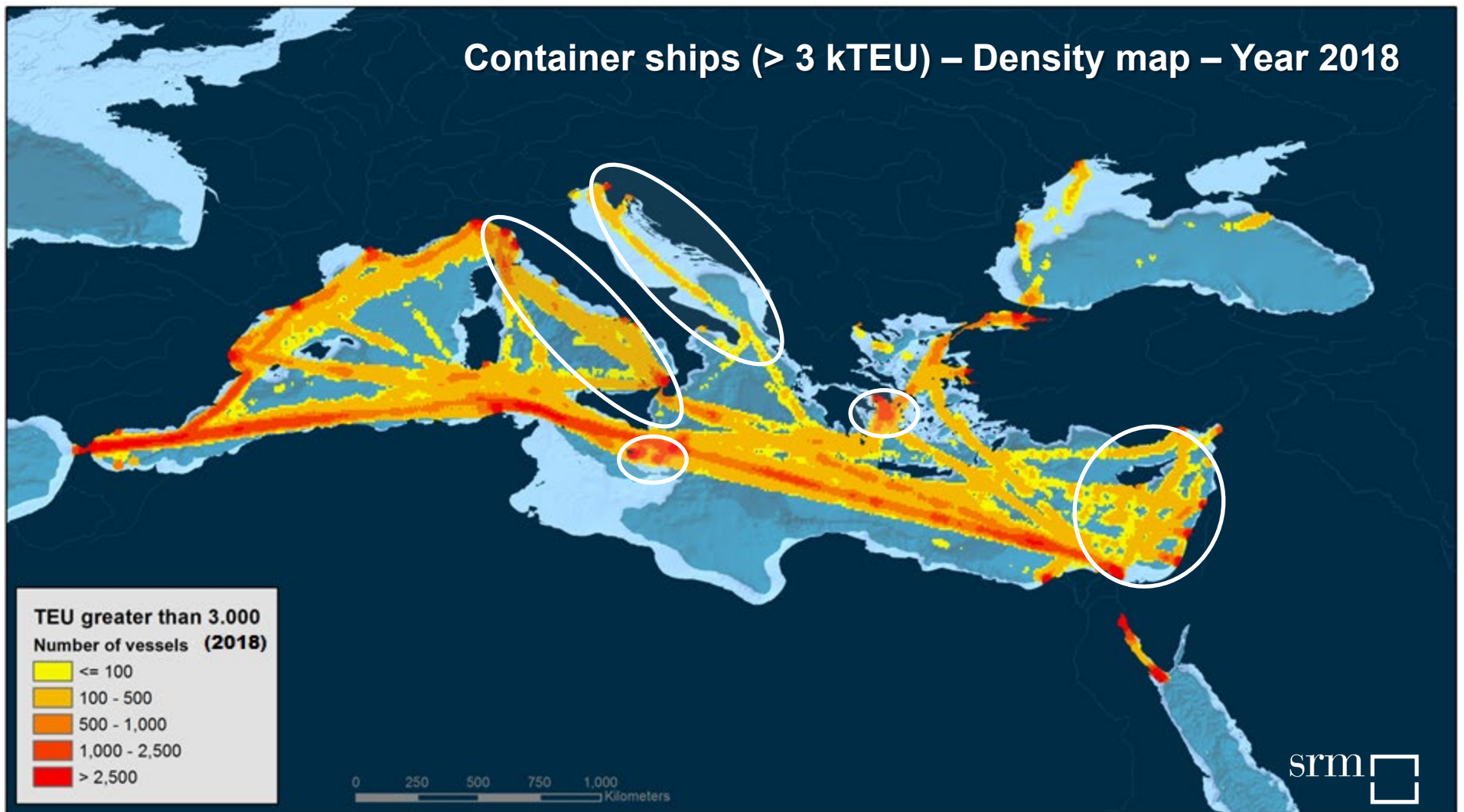


Source: SRM on Assoporti

Container ships (> 3 kTEU) – Density map – Year 2012



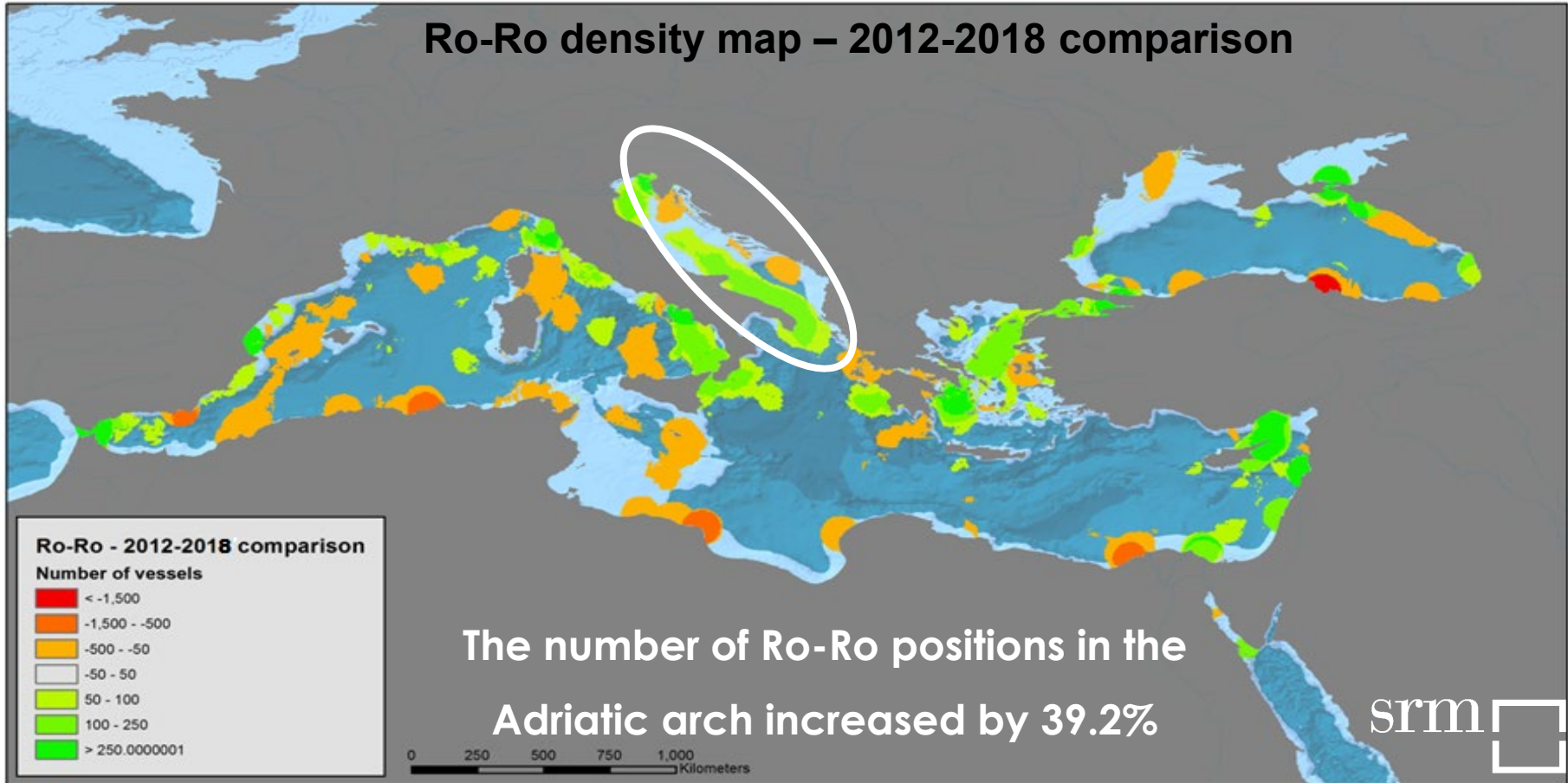
Container ships (> 3 kTEU) – Density map – Year 2018



Ro-Ro traffic in the Mediterranean Sea

16

Ro-Ro density map – 2012-2018 comparison

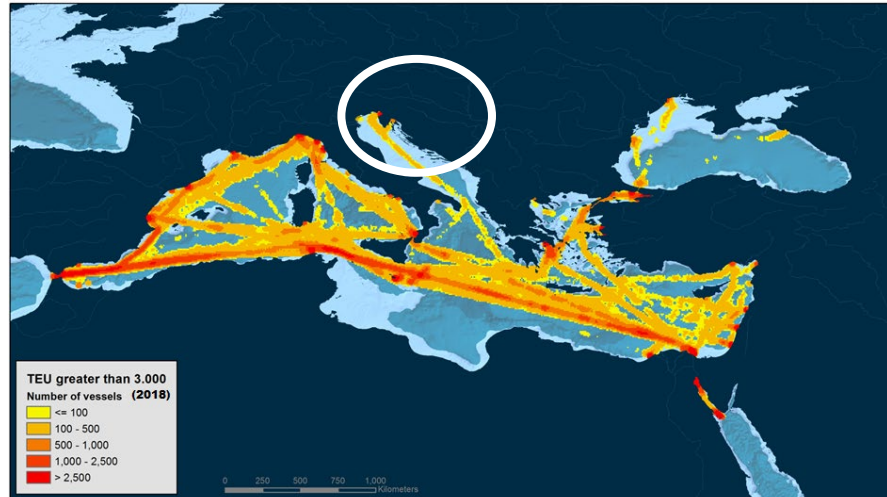


Trieste: competitiveness of the port

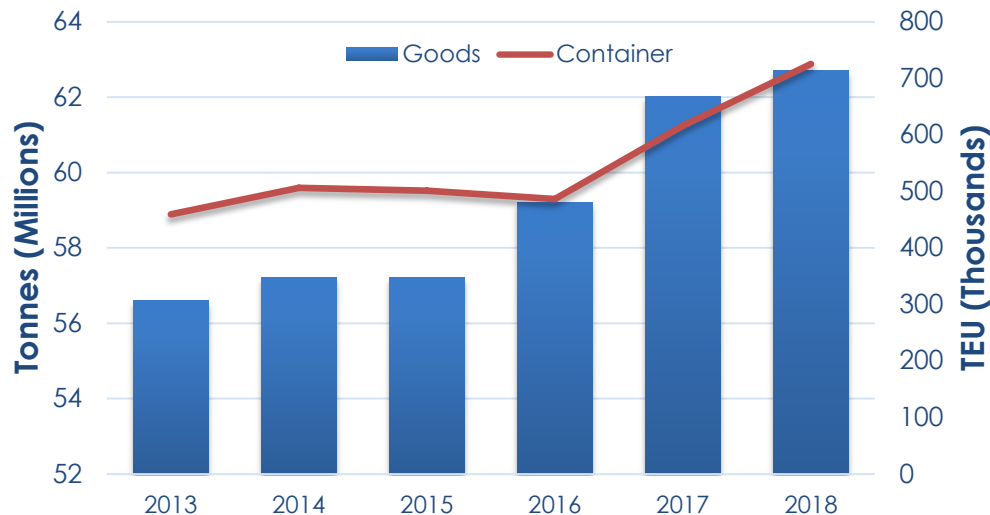
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- 1) Strategic geographic position;
- 2) Intermodal and railway connections with central and eastern Europe;
- 3) 18 meter deep water to accommodate mega ships;
- 4) Single European free port that allows customs extraterritoriality.

Thanks to these advantages, last March 24th Italy and China formalized a Memorandum of Understanding (MOU) about the railway infrastructures located in the region port of the Eastern Adriatic Sea.

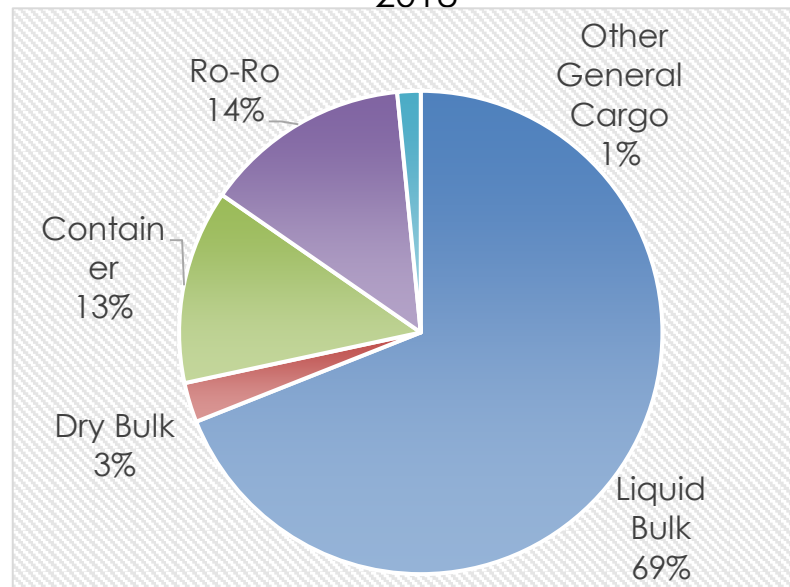


Goods handled by Trieste



Fonte: SRM su ADSP MAO, 2019

Trieste by Cargo type (%).
2018

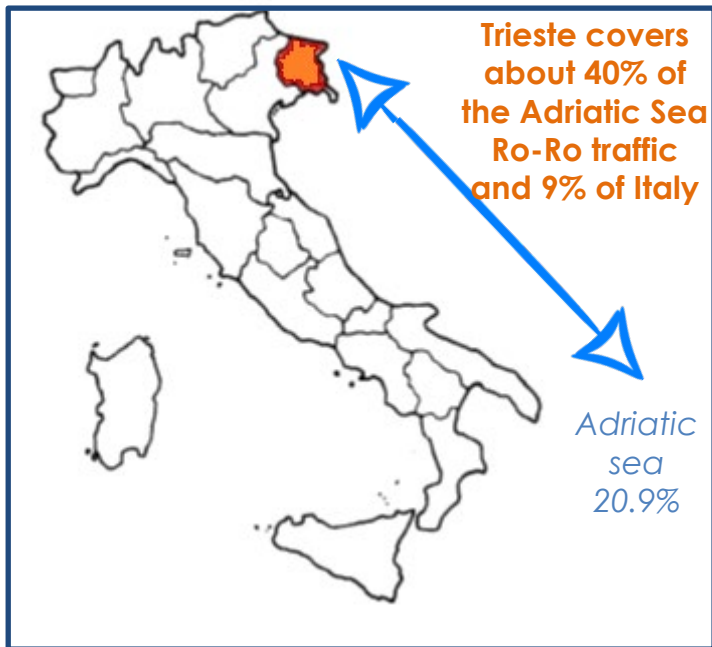


- In 2018, Trieste handled **62,7 millions tonnes of goods** (+1.2%), **ranking 1st in Italy**.
- It ranked also **1st rail-port in Italy** with **10 thousand trains** (+12%)

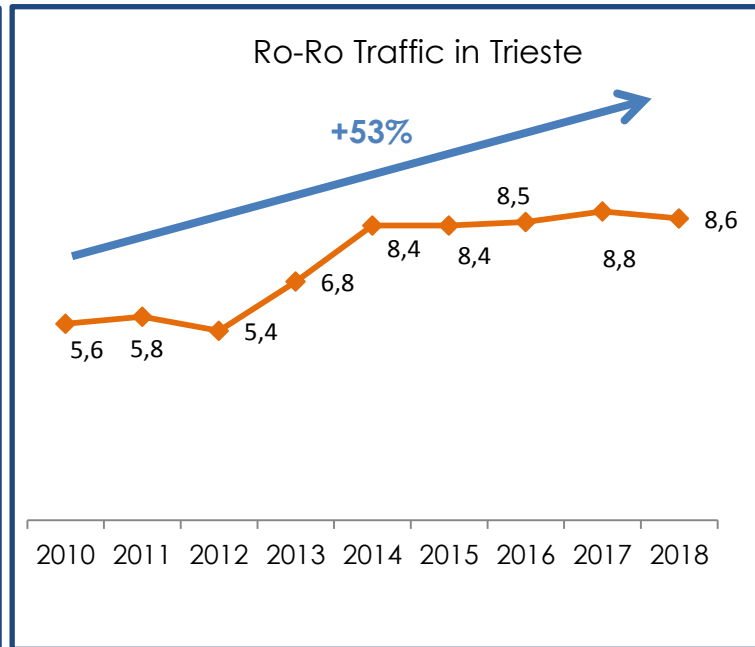
Ro-Ro traffic in Trieste

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- In 2018, Trieste ranked 3rd in Italy (after Livorno and Genoa) in Ro-Ro with 8.6 million tonnes.
- The growing development of Ro-Ro underlines the logistics capacity of the port.



Source: SRM, 2019



Source: SRM on Assoporti & Eastern Adriatic Sea Network Authority, 2019

Italy is a pivotal country in the middle of the Mediterranean²⁰

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



14 Port Network Authorities 2 Port Authorities
and at least 5 strategic ports



Strategic gas pipelines from
North Africa and Asia



Trade leader with Med and the BRI

Source: SRM



Trieste Free Port: an opportunity of investment for foreign company

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ADVANTAGES OF THE FREE PORT OF TRIESTE

no time limit on the storage of goods

no customs duties to pay or to guarantee as long as the goods are in the Free Zones

manipulation of goods permitted as well as their industrial transformation

application of the customs deferred payment scheme, whereby duties and taxes on goods imported can be paid up to six months after the date of customs clearance

no customs formalities to be completed as long as the goods stay in the Free Zones

OTHER ADVANTAGES

lower harbour dues than other Italian ports

simplified transit for commercial vehicles directed abroad that are in transit to/from the Port of Trieste

simplified customs system for the transit of goods by rail

Source: SRM on Eastern Adriatic Sea Port Network Authority, 2019



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



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

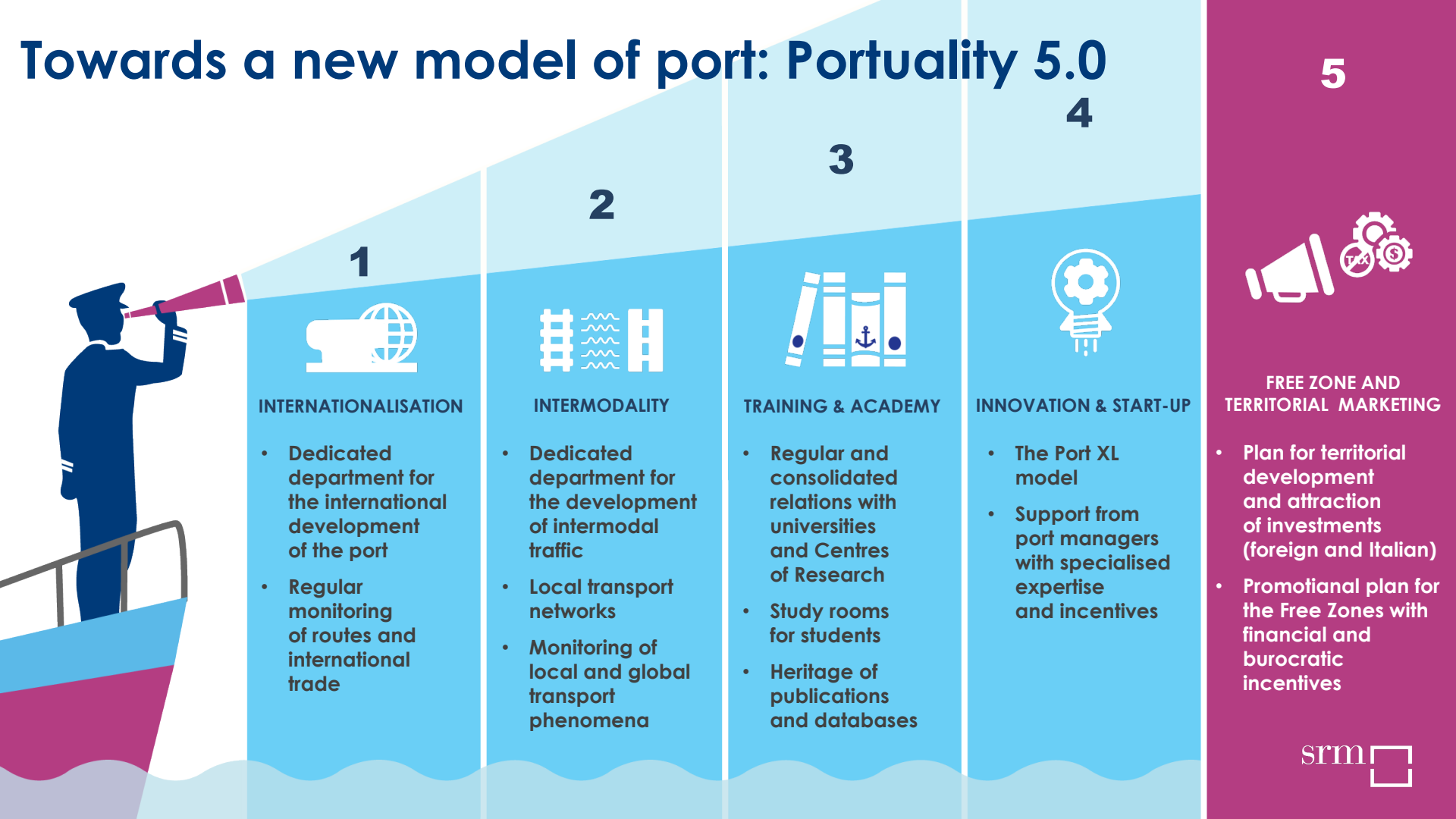


Investing in **modernizing port infrastructures** at national and European level;



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

Towards a new model of port: Portuality 5.0



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



Roundtable: Fostering Investments in Ports, Logistics and the Maritime Economy for European Economic and Social Development

Chair and Key-note speaker: **Massimo Deandreis**

Title: A new centrality of the Mediterranean and the pivotal role of Italy: the case of the Adriatic corridor

Mario Sommariva | Secretary General Trieste Port Authority

Fabrizio Zerbini | Chairman, Trieste Marine Terminal

Monica Polidori | Head of Strategic Market Analysis, Fincantieri

Massimo Alvaro | Vice President Supply Chain Assurance, BA&IS –
Inspection, Lloyd's register

Francesca Voce | Cyber security Expert, Deloitte Risk Advisory



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