

“Sustainability” the long view

What’s happening in the Med area? The new maritime phenomena

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SRM Profile

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- We are an Economic Research Center belonging to Intesa Sanpaolo Banking Group
- We are based in Naples and our studies have a special focus on:
 - Italian Regional Economy, especially Southern Italian economy and the Mediterranean region
 - Maritime Economy, ports and logistic sectors
 - Energy and infrastructure
- In 2016 we launched the proposal to establish **SEZs** in **Southern Italian ports** with a strong documentation on the impact that Free Zones have already had in some countries.
- In 2017 the Italian Government adopted a specific national Law (in accordance with the EU) to establish SEZs...





Why **entering** in the Mediterranean Area means investing in a strategic geo-economic location?



Italian ports are evolving and gaining **competitiveness**: towards a **new model of port**



Italian Special Economic Zones: a new opportunity for **investment**



Why is a **partnership** with China **strategic**?



How **Intesa Sanpaolo Bank** is supporting the **attractiveness of SEZs** to investors

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

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The New Suez Canal:

reduction in transit times, no limits in ship size, logistic facilities



The new centrality of the Mediterranean:

Thanks to the growing role of China and the Belt and Road Initiative



The evolution 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

Let's start with the global maritime trade scenario ⁵

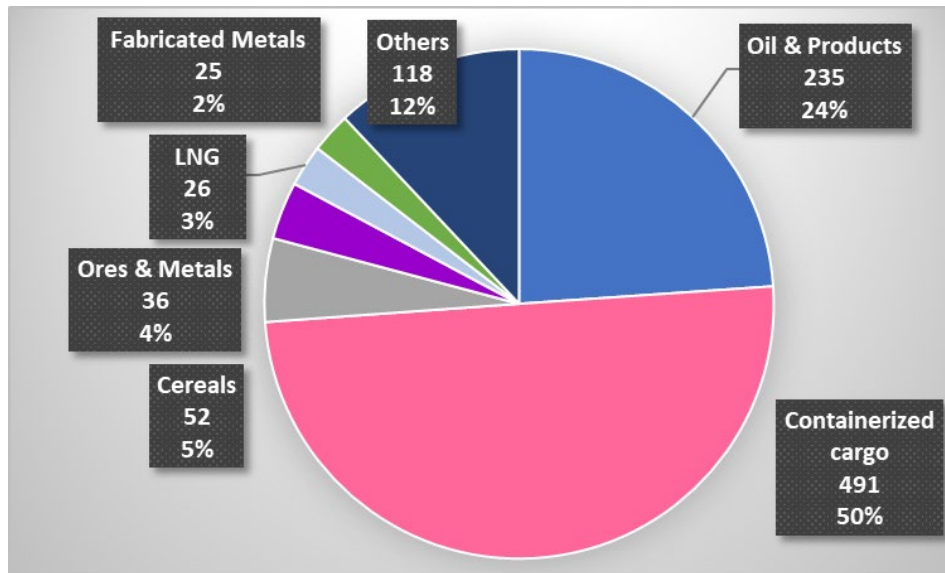


Big Infrastructure: The “New Suez Canal” is setting new records

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- 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**.
- **Containerized cargo** amounted to **491 million tons equal to 50% of the total**. Oil & Products follow with **24%**.
- In the first 9 months of 2019, **13,854 ships passed through** the Suez Canal marking an increase of **+3%** over the same period last year. They transported **766.4 million tons of goods (+5.5%)**.

Traffic by cargo type (million tons) in 2018

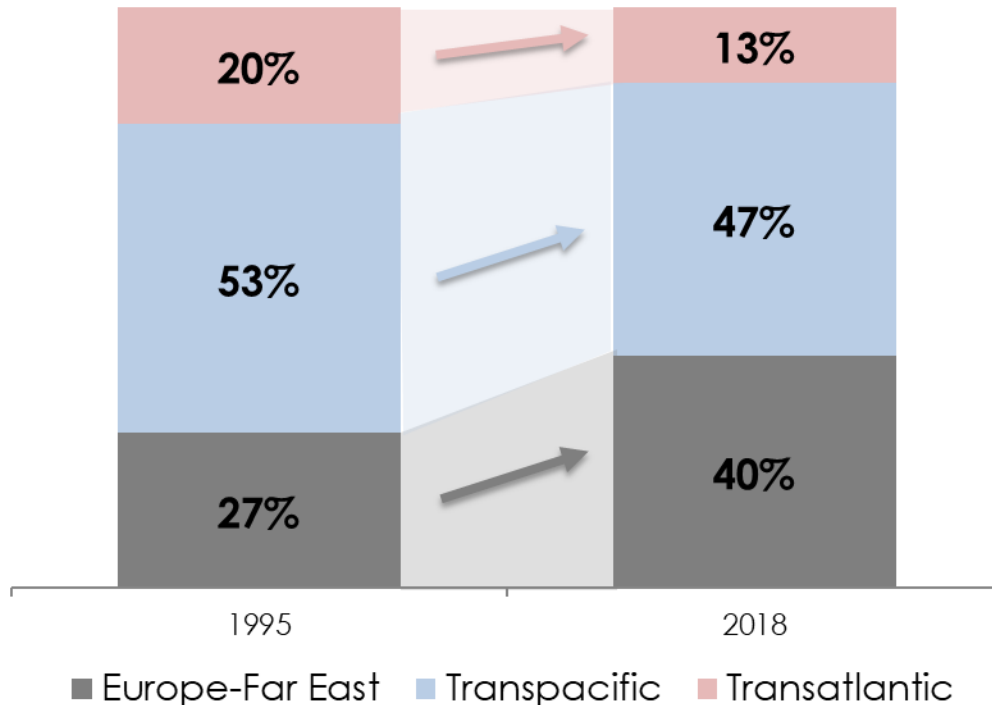


Source: SRM on Suez Canal Authority, 2019

New Centrality of the Mediterranean:

The growth of shares on the Europe-Far East Route

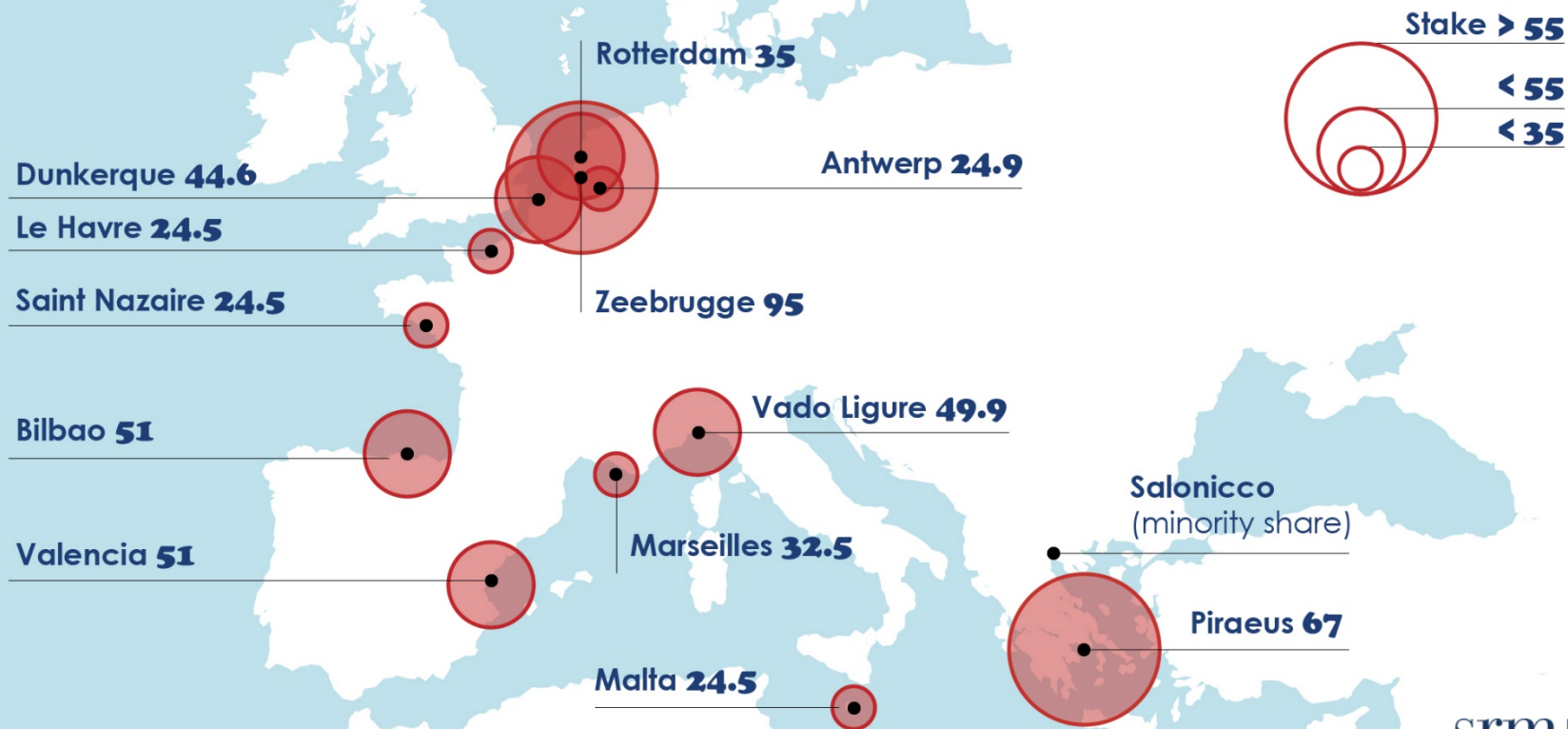
Containerized cargo flows on major East–West trade routes, 1995–2018 (% TEUs)



- In 2018, the **Europe-Far East** and **the Transpacific** were by far the two biggest trade routes, accounting to 24.4 and 28.2 mln TEUs of traffic respectively.
- **Europe-Far East:** from **27%** in 1995 to **40%** in 2018.
- As a result of this growth, **the Mediterranean recovers its centrality.**

Source: SRM on Unctad, 2019

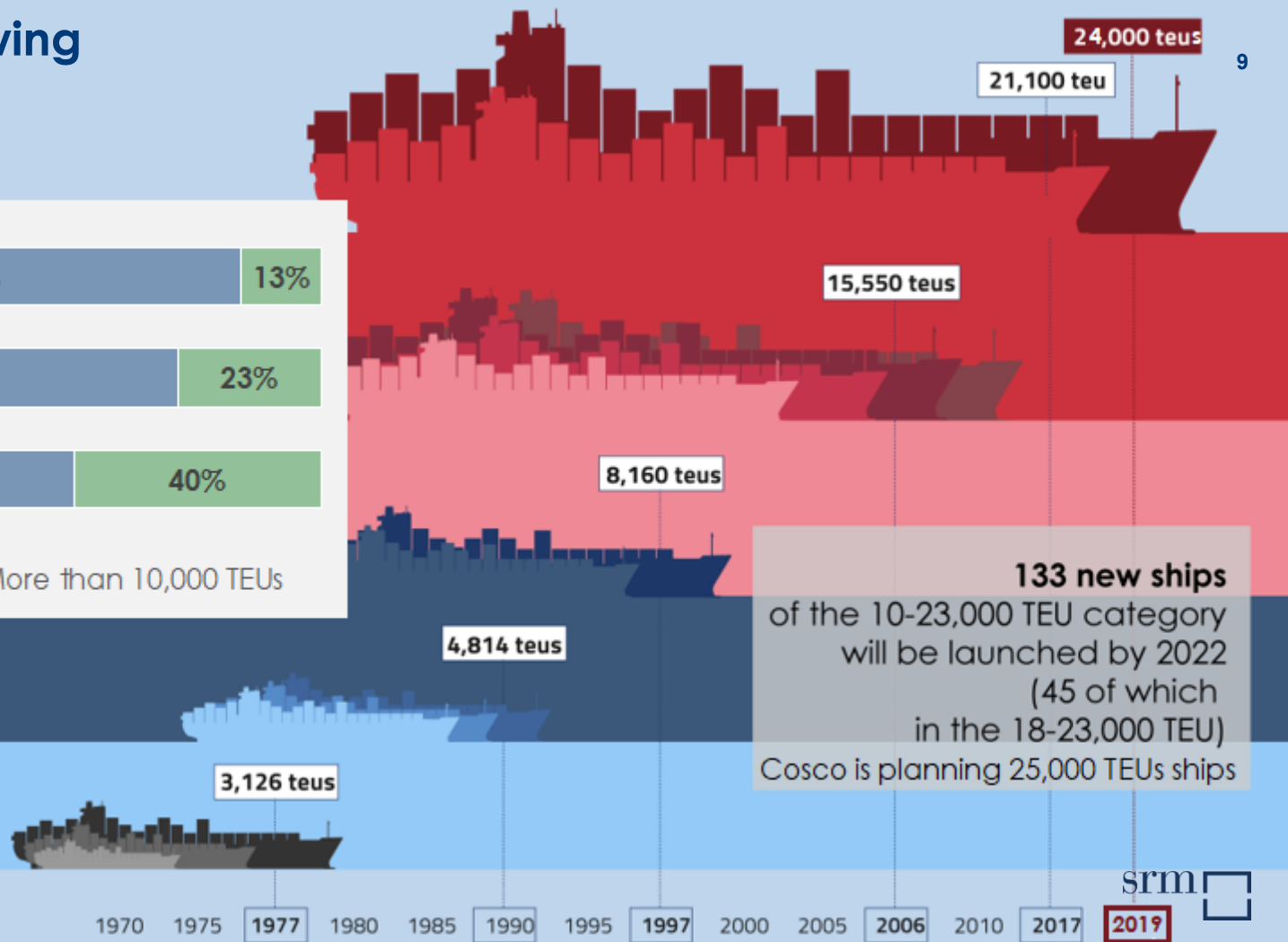
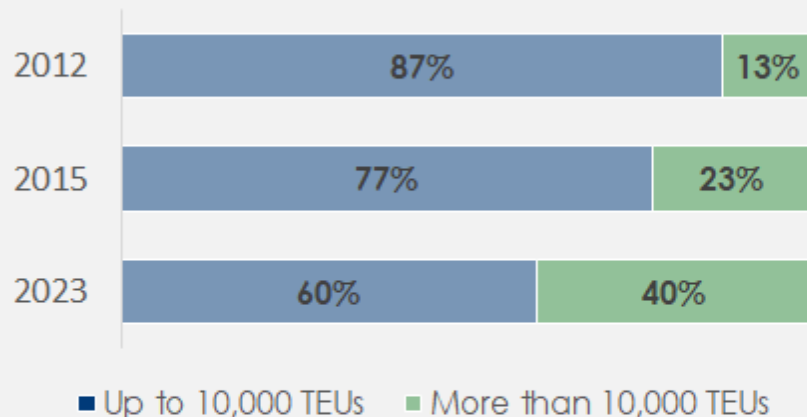
China role in the European ports



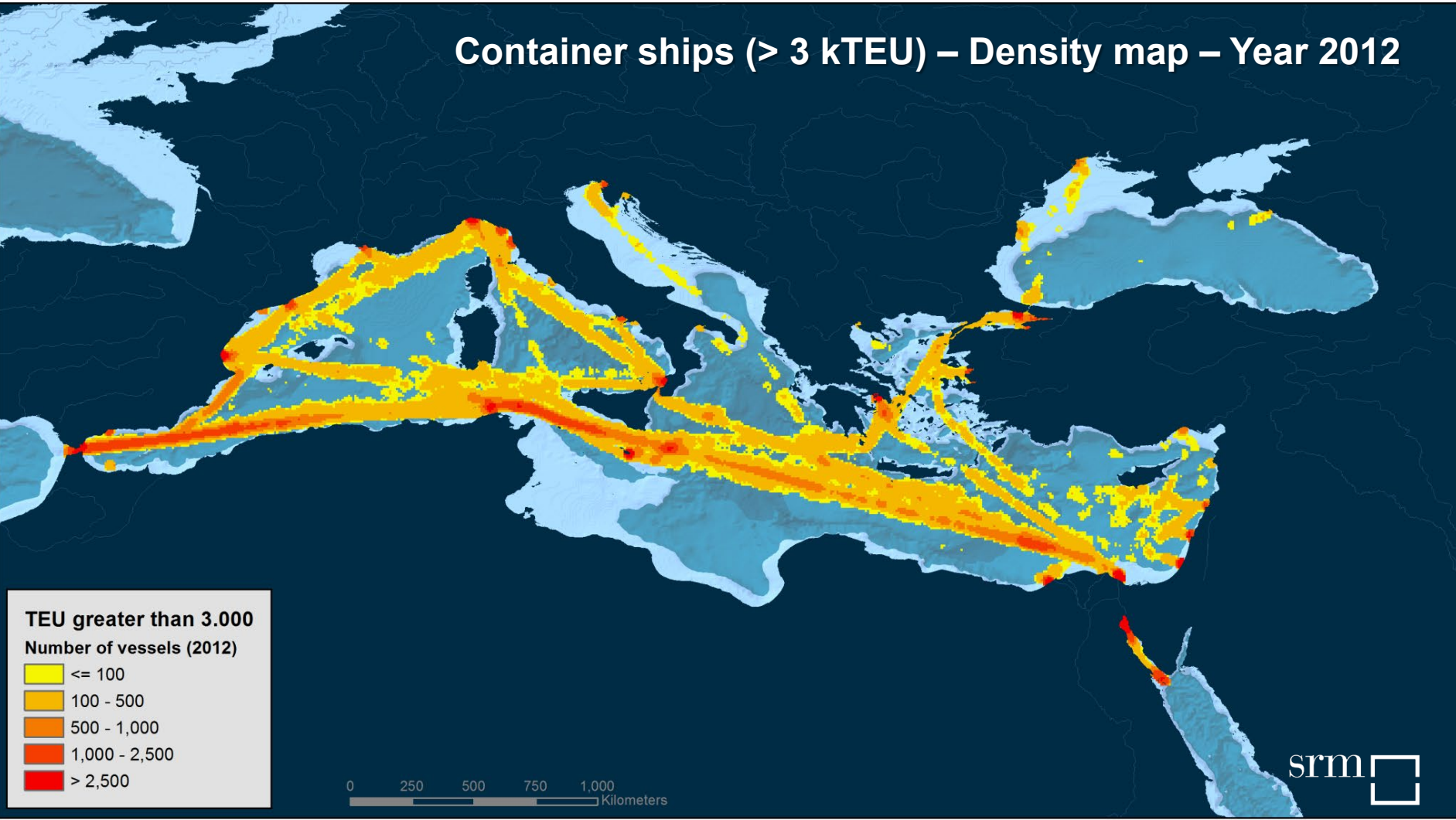
Ship Sizes are growing

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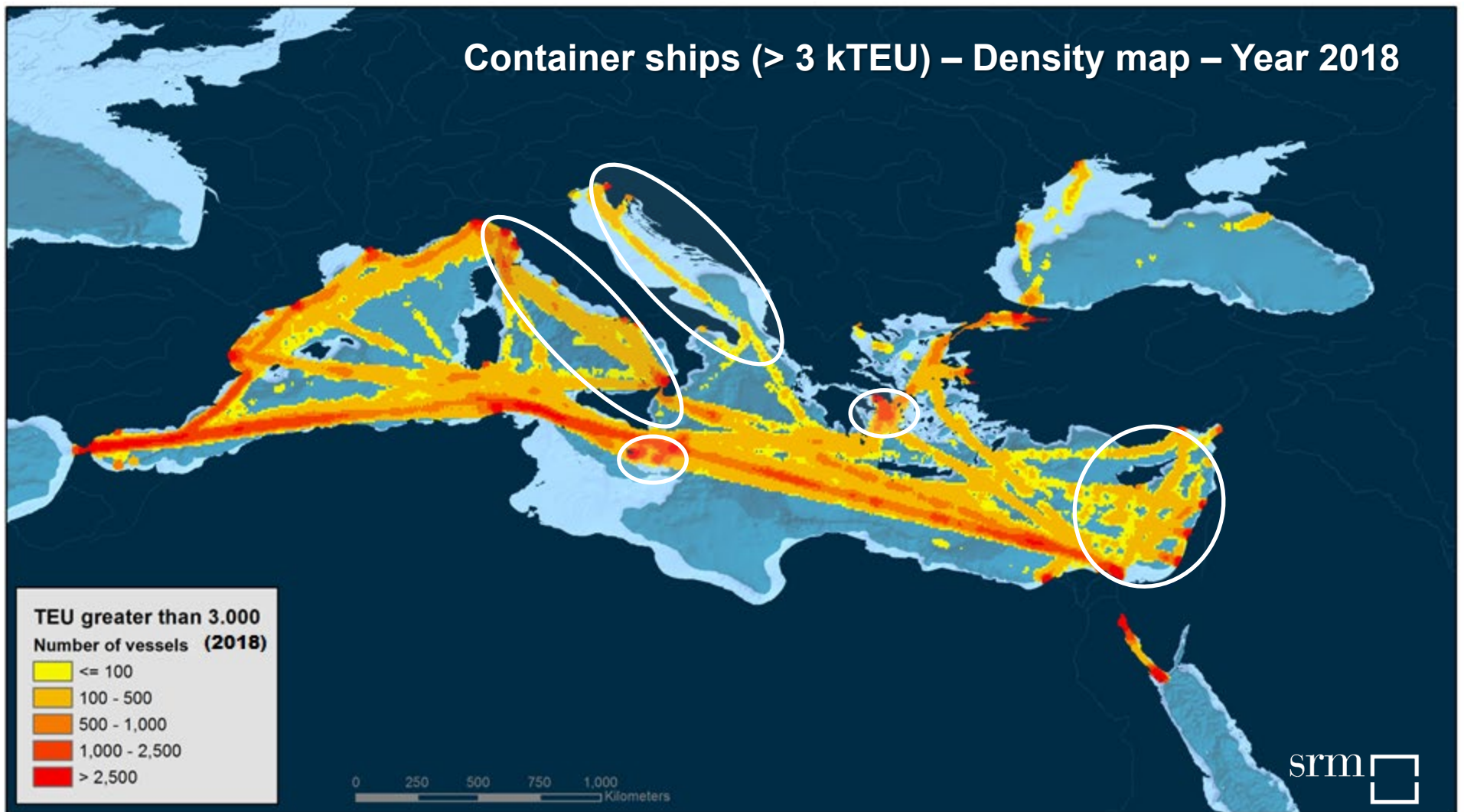
Containership fleet:



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



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



Italy: a pivotal country in the middle of the Mediterranean 12

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



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



Strategic gas pipelines from North Africa and Asia

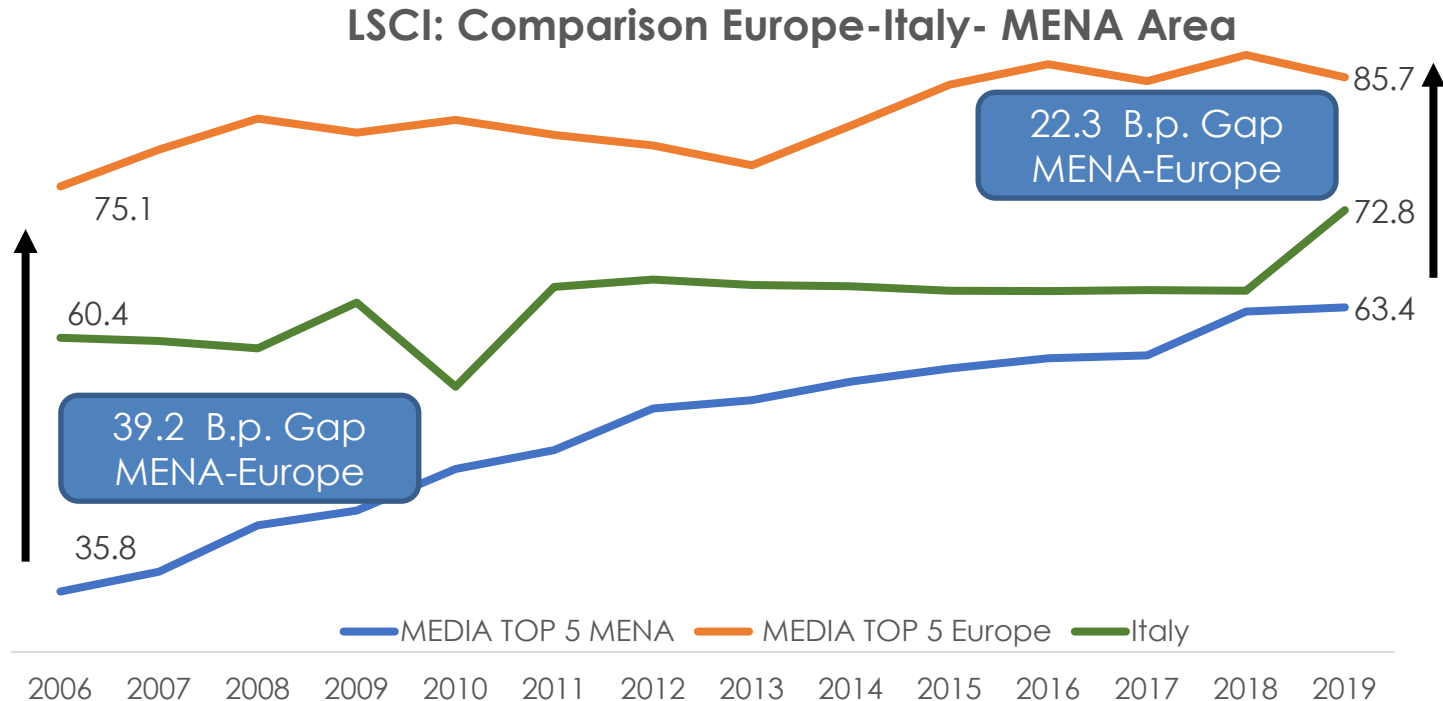


Trade leader with Med and the BRI

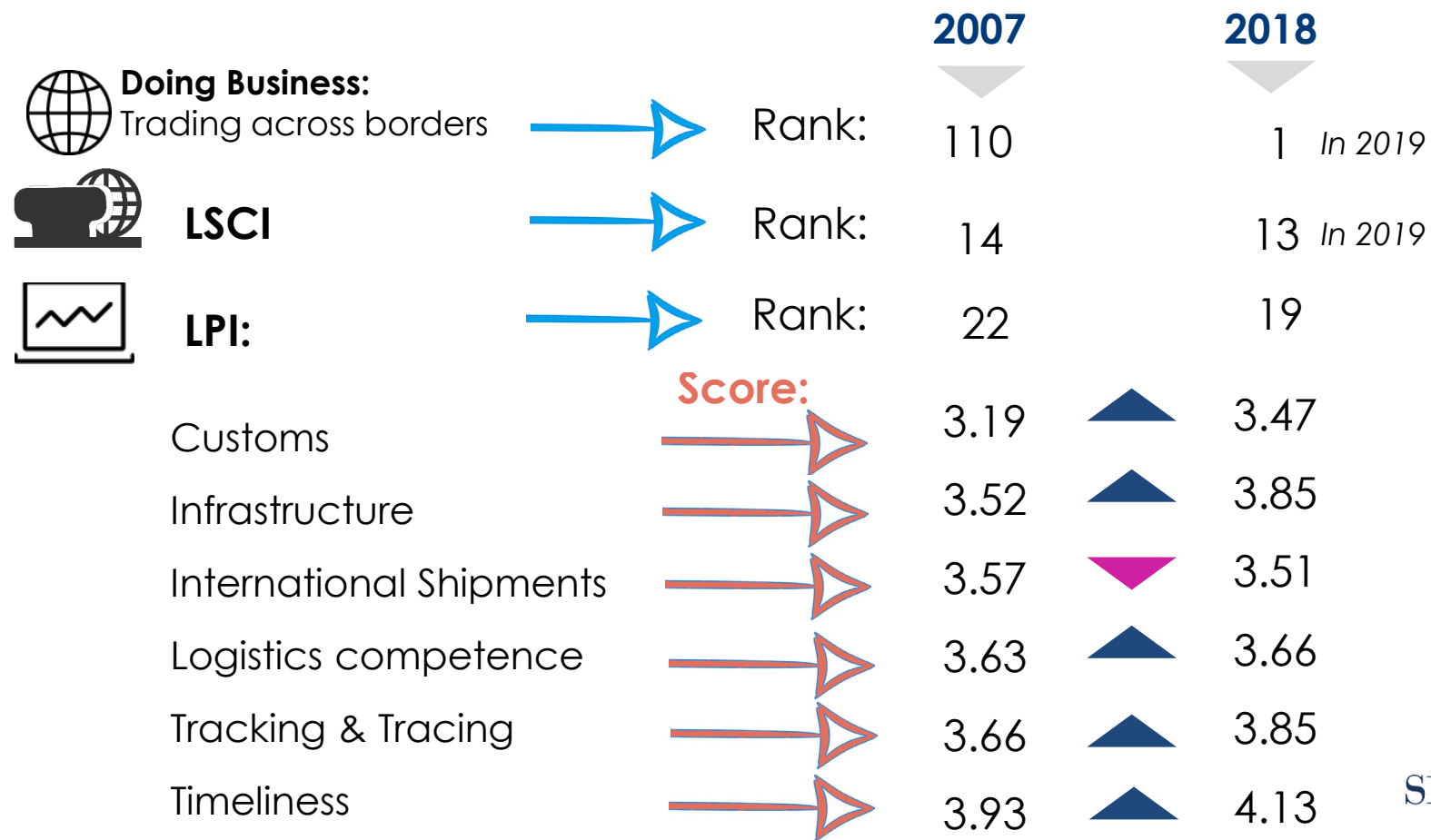


Mediterranean ports are increasing their competitiveness 13

- The gap between the Mediterranean and European ports has greatly reduced between 2006 and 2019.
- Even the gap with Italy is shrinking.

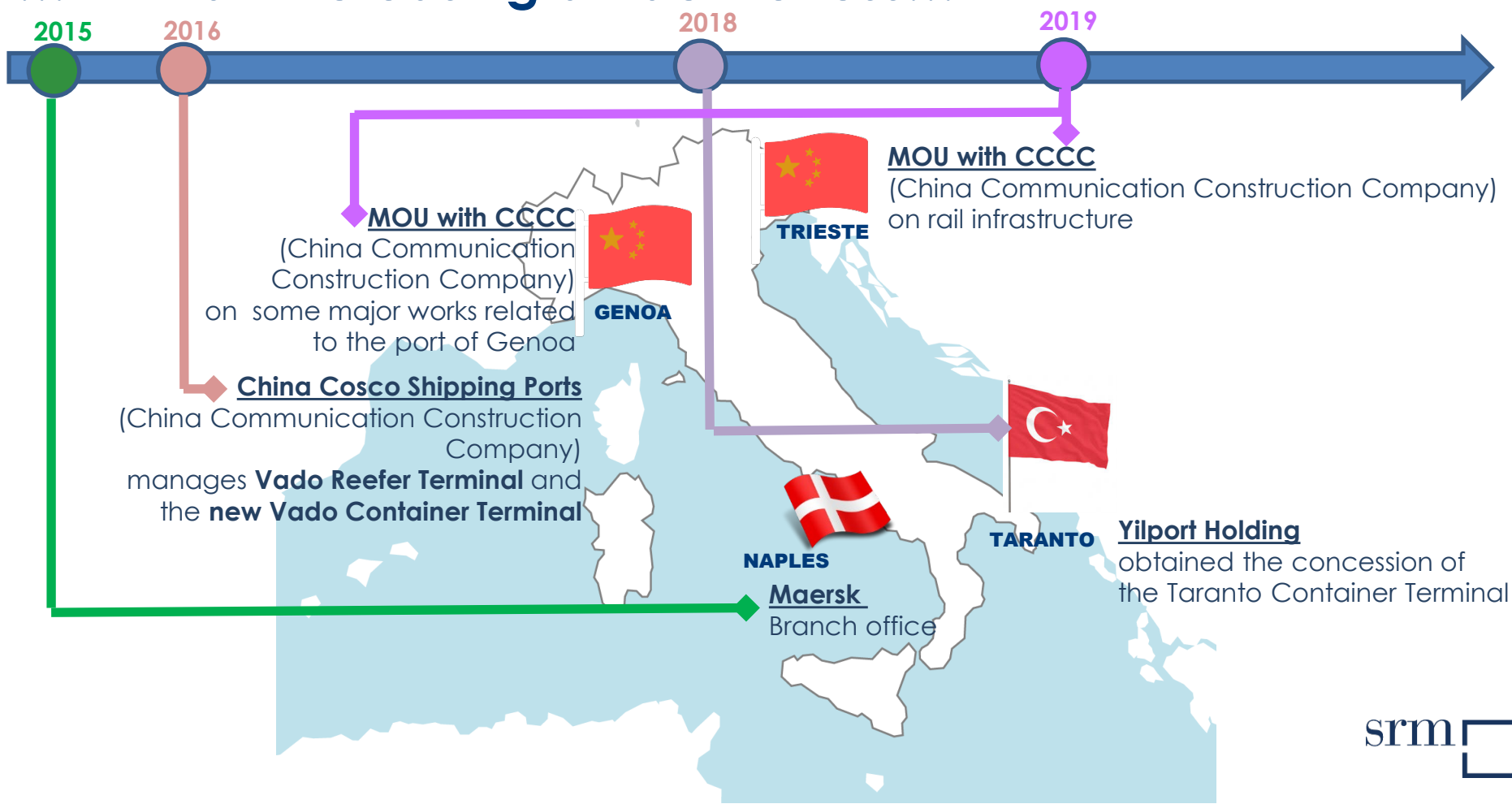


...and Italian port and logistic system improve its ranking



... with an increasing attractiveness...

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Italian Free Zones: SEZ basic criteria for Naples, Bari & Taranto

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SEZ **only** in the Southern Italian ports (l. 123/17)



Companies: import-export oriented - by sea



Specific tax credit for the purchase of instrumental assets: **UP TO €50 M FOR EACH INVESTMENT** with potential additional regional incentives



Tax discounts and reduction of bureaucracy



Strategic sectors: Food & B., Aeronautical, Mechanical, Automotive, Fashion&Clothing, Energy, Bio-Pharma



Duration of activity in the SEZ: at least 7 years, while the lifetime of a SEZ amounts to 7 years (+7 years)



Special agreement with Intesa Sanpaolo Bank

A new online procedure for tax credit:

<https://www.agenziaentrate.gov.it/portale/web/guest/-/provvedimento-del-09-08-2019>

 **SEZ**

 **INTERREGIONAL SEZ**

**ADRIATIC
(+ MOLISE)**

**NAPLES
SALERNO**

**IONICA
(+BASILICATA)**

SEZ-Special Economic Zones
in the Mezzogiorno:
Features of current situation,
summary framework, strengths and
implementation status

The present document has been updated
with information and data available
by October 2019

*legal and economic details in
the paper delivered*

Total government allocation: €506 M

PORT 6.0

INTERNATIONALISATION

- ▶ Department for international development
- ▶ Monitoring of international trade

INTERMODALITY

- ▶ Department for intermodal traffic
- ▶ Local transport networks
- ▶ Monitoring of transport phenomena

TRAINING & ACADEMY

- ▶ Relations with universities and Centres of Research
- ▶ Study rooms for students
- ▶ Heritage of publications and databases



ITALIAN PORTS ARE MOVING IN THIS DIRECTION

INNOVATION & START-UP

- ▶ The Port XL model
- ▶ Specialised expertise and incentives

FREE ZONE & TERRITORIAL MARKETING

- ▶ Plan for territorial development and attraction of investments
- ▶ Financial and bureaucratic incentives

SUSTAINABILITY

- ▶ Creating economic and social value and realising sustainable growth

What is Intesa Sanpaolo Bank doing to support SEZs investment attractiveness? ¹⁸

▶ **Intesa Sanpaolo** established a specific credit facility of €1.5 bn to **support** new **investments** inside the **Special Economic Zones**

▶ **Intesa Sanpaolo** opened a **Desk** devoted to **supporting companies** who want to invest in the **3 SEZs of Campania, Adriatic and Ionica**

▶ **Intesa Sanpaolo** is organising an **international ROADSHOW** for the **Southern Italian Regions SEZs ... until now Dubai and Beijing...**

▶ **... because Intesa Sanpaolo** is the leading Italian bank



Thank you for your attention

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