

Port competitiveness in the
Mediterranean and Northern Europe:
comparison among regional systems

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Introduction

This paper intends to analyse the competition in the context with which the Italian port system operates, with reference to Northern Europe, Med Europe, Northern Africa and the East Med hubs.

As the analysed ports are very different from each other, this inquiry also takes into account that such comparisons has to consider various parameters such as size, width of the target market or type of trade operating in that area, to only mention a few.

This analysis assumes that ports are operating in an economic and logistic context that is undergoing continuous changes; no longer to meet only the needs dictated by globalization but also to cope with the effects of an economic and financial crisis that involves, although to varying degrees, both mature and emerging economies.

Containerized traffic and competitor port systems

As regards container shipping the Northern Range (that, in terms of value, accounts for 52% of world maritime trade) still holds a strong role (the port of Rotterdam alone, for example, operates container traffic which exceeds the entire Italian port system) despite a contraction in its market share (from 46% to 43%) against the significant growth of the Med port (from 35% in 2008 to 39% in 2013) thanks to the East-Med ports development – Piraeus in particular, which during the period under consideration has increased by more than 5 times its volumes handled in terms of TEUs – and the creation of new infrastructures in North African countries (Morocco and Egypt). The market share of ports in the Western Mediterranean remains stable.

In this context, where Italy has seen a drop, however slight, in its market share (accounting for 7% in 2013 while in 2008 it was 8%) it appears evident that this country has not been able to exploit its privileged geographical position to its fullest. This negative performance was partly due to the stagnation of the national economy and partly due to the difficulty experienced by ports to expand the catchment area to the surrounding areas, in turn determined by the qualitative and quantitative shortage of port and inland hubs. The main competitive disadvantages can be ascribed, in general terms, to a national logistics cycle that appears fragmented, compared to the integrated systems of other countries.

Traffic shares in the main European and Mediterranean port regions¹ 2008-2013 Comparison

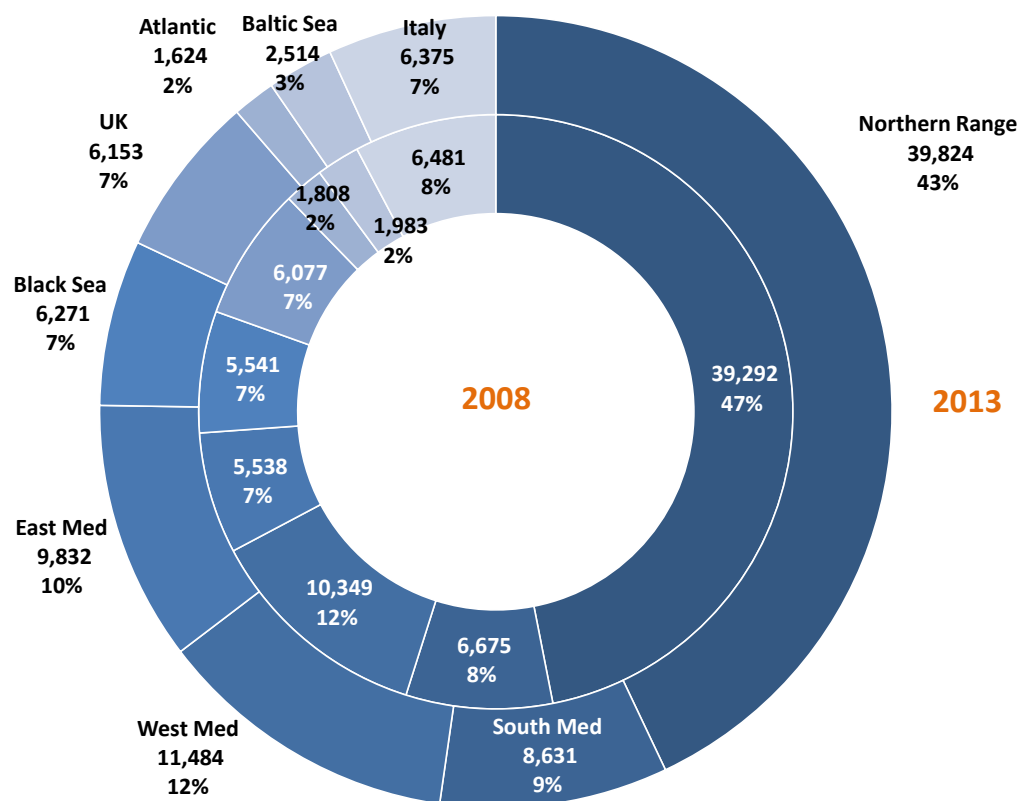


Figure 1 - Source: SRM on Port Authorities, 2014

The difficulties experienced by Italian hubs are consequential to the current events affecting the international port systems. Naval gigantism meanwhile, acts more and more as a 'natural selector' of facilities, as companies are going to concentrate stopovers only in those ports able to receive last generation container ships and to ensure maximum quality/timeliness of services, and cost-effective maritime and land operations. In addition, the alliances phenomenon is going to stress this ports' selection.

¹ Northern Range: Antwerp, Bremen, Hamburg, Le Havre, Rotterdam, Zeebrugge;
 South Med: Alexandria, Damietta, Port Said, Tanger Med;
 West Med: Algeciras, Barcelona, Marsiglia, Valencia;
 East Med: Ashdod, Capodistria, Haifa, Marsaxlokk, Mersin, Piraeus;
 Black Sea: Ambarli, Beirut, Costanza, Novorossiysk, Odessa;
 UK: Felixstowe, London, Southampton;
 Atlantic: Bilbao, Las Palmas;
 Baltic Sea: St. Petersburg;
 Italy: Genoa, Gioia Tauro, La Spezia.

The relevance of logistics and the regulation of ports in Italy's main competitor countries

Europe

Data available for 2013² shows that, with the exception of UK ports, the Northern Range with about 40 million TEUs handles 62% of all European container shipping. More in detail; Rotterdam, Hamburg and Antwerp which top the rank with 30 million TEUs, handle 75% of all the cargo moved in the Northern European port system. Compared to 2012, the three ports conjointly, only grew by 0.2% while other European, Atlantic and Med ports show a more substantial growth of 3.6%. Given the different dimensions that characterise and inevitably influence the infrastructures and the volumes of trade, what this analysis focuses on is the identification of other parameters on the base of which Northern European ports strengthen their competitiveness: it particularly focuses on governance and market size. As regard to the first aspect, Northern Range is characterized by an entrepreneurial management of ports aimed at achieving large and efficient ports while following the criteria of inexpensiveness. The second aspects of Northern European ports regards the fact that they serve one of the largest markets in the world while Italian ports, to date, are struggling to meet the needs of the domestic market.

Below, in summary, the analysis of the importance of logistics and regulations of the Italy's main competitor countries.

Netherlands

The Netherlands is the sixth European economy and has the fourth highest GDP per capita in the eurozone³. The country distinguished by a remarkable openness to international trade; in 2012 exports reached 431 billion euro (71% of GDP), mainly due to the fundamental role of the re-exportation of products from non-EU countries transiting from Rotterdam's port. Therefore, logistics are crucial for the Netherlands economy: about 8.5% of the workforce is employed in this field whose value added is estimated at around 40 billion euro⁴.

² Only European ports handling more than 1 million TEUs have been considered.

³ Ministry of Foreign Affairs, in collaboration with ICE and Italian Chambers of Commerce abroad, The Netherlands profile, 2014.

⁴ CB Richard Ellis, Understanding logistics in the Netherlands, 2011.

In 2010 Dutch seaports added value on GDP amounted to 35.1 billions (about 6% of the entire Dutch economy) and employed directly and indirectly 267,931 people⁵.

The principal Dutch port is Rotterdam, with traffic volumes ranking fifth in the world (440.5 million tonnage in 2013) and containers handled eleventh (11.6 million TEUs in 2013). The hub is managed by Havenbedrijf Rotterdam NV, a joint stock company partly owned by the Municipality of Rotterdam (70%) and partly by the Ministry of Finance (30%). The port is managed with a clear corporate approach, and its revenues derive from the port charges and rental of facilities, without any State contributions. In 2013 net income was 226.6 million, the same year the company invested in port infrastructure worth 263 million, of these, 154 million were invested in the existing area while 109 million were used for Maasvlakte 2, a new terminal which determined an overall cost of €1.55 billion. According to profits, the port has distributed a total dividend of € 87.4 millions to its shareholders, € 61.9 million to the Municipality and € 25.5 million to the State.

Belgium

The transport and logistics sector turnover of Belgium has grown by 135% in the decade 2002-2012, with an annual turnover exceeding € 85 billion and 300,000 employees. Logistics contributes to 9% of the national GDP and is one of the top 5 drivers for the Belgian economy⁶. The port of Antwerp is a fundamental node in the intermodal system of logistics in Belgium, ranking second (after Rotterdam) in Europe with 191 million tonnes of goods and 8.6 million TEUs handled in 2013. Zeebrugge is another important port (featuring 43 million tonnes and 2 million TEUs in 2013), it is a multi-purpose port specializing in the transport of over 2 million cars a year which represents a landmark for the Belgian automotive industry.

In the Belgian legal system sea port matters are provided for by a regional Flemish law: the so called “Port decree” of March 2nd 1999, which is inspired by the “Landlord Port” management model. The legislation gives the Port Authority which are management bodies of each Belgian port, primarily functions aimed at developing and promoting the port, and at the construction, management and maintenance of the infrastructure. The private sector, on the other hand, has been given the power in order to carry out business activities. Port authorities’ activity is subject to the regulations and control of the regional *Vlaamse Havencommissie* which depends directly on the Flemish Ministry for public works.

⁵ Ministry of Foreign Affairs, Meeting on infrastructures and port services, June 21st 2013.

⁶ Ministry of Foreign Affairs, in collaboration with ICE and Italian Chambers of Commerce abroad, Belgium profile, 2013.

By virtue of the managerial and accounting autonomy, enjoyed by the Flemish port authorities, these latter hold a wide margin of discretion with regard to the determination of its tariff policy.

Germany

German economy is strongly oriented towards foreign trade, as a matter of fact, about 60% of its exports, imports, and raw commodities are transported by sea, so it follows that a strong and competitive maritime economy at an international level is one of the priorities of the federal government.

The decision-making power on logistics and harbours in Germany belongs to the federal government to define the regulatory framework and the construction of infrastructure that ensure accessibility to ports. The Laender – i.e. the Federal States – and the local authorities are responsible for port infrastructure, while the management of port activities is entrusted to private companies (often partly state-owned). The *“Third Report of the Federal Government on the development and future prospects of the maritime sector in Germany”* of February 2013, is the main policy instrument for the sector and explores the different areas of the sea economy (economic scenario, ports, shipbuilding, technology, renewable energy, climate and protection of the marine environment) and rationalizes the lines of action of the maritime policy of the German government as well as the investments planned for the achievement of the objectives.

Hamburg remains the largest port in the country (ranking third in Europe after Rotterdam and Antwerp for cargo handled, and second for incoming and outgoing containers): it employs approximately 261,000 employees, creating an added value of € 2.6 billion and tax revenue for approximately € 751 million. Railway connections with the hinterland are very efficient: as many as 80 railway companies operate with the port and this is a world record.

France

France ranks sixth in Europe as port power, with more than 262 million tonnes of goods handled. The organization of French ports has been reformed with the Law of July 4th 2008 (L.2008/660) which identifies the following categories:

- the *Grands Ports Marittimes (GPM)* and the *autonomous ports* which refer to the State;
- *other maritime ports* which are responsibility of local authorities and of their groupings.

Hence, in France the State retains its rights in matters of environmental protection, public safety, aids to navigation (control over the ships movement), while local authorities, by contrast, are responsible for the management, maintenance and planning of the port. Furthermore, the Port Authority, locally, is responsible for the management of the port and the issuing concessions granting its effective functioning, as well as the oversight of the terminals, the allocation of moorings and of the destination of port surfaces. These responsibilities regard the land, unlike the functions maintained by the State which regard the monitoring of watersheds (ship movements, environmental protection and control of dangerous goods).

Marseille and Le Havre rank respectively 6th and 8th among European ports as for tonnes of goods handled and (amounting respectively to 80 and 67.2 million). In addition, Le Havre is the 7th European container port with its 2.5 million TEUs handled.

Spain

The importance of ports in the Spanish economy follows from the fact that over 60% of exports and 85% of imports use the maritime mode. The activities related to the port sector directly contribute to the country's economy being 1.8% of the Spanish GDP and provide an annual gross value added of over € 9 billion which, if we take into account the indirect and induced effects, doubles and rises to € 18 billion⁷. To this must be added 100,000 direct jobs generated by the Spanish ports and the additional 175,000 indirect jobs.

The Spanish port system is regulated by the “Ley de Puertos” of 2010, which recognized 28 Port Authorities which manage a total amount of 46 ports of general interest, with considerable autonomy in the pursuit of their own economic and strategic objectives. Spanish Port Authorities are public bodies coordinated, controlled and supported by a separate state body, called *Puertos del Estado*, which has the overall responsibility in respect of the system of state-owned ports and is responsible for the implementation of the government port policy and for the coordination and control of the overall status of the port infrastructure.

The most relevant aspect of the law, which reformed the economic system and the service performance in the ports of public interest, concerns the tariff arrangements, with the aim of making it more competitive. Port Authorities are granted the right to independently define the level of fees charged in the harbour, so as to make ports more attractive and convenient for shipping companies and other types of users. The reform also aims at ensuring autonomy and flexibility in funding.

⁷ Ministerio de Fomento, Nota de prensa, January 28th 2014.

Another important aspect of the *Ley de Puertos* regards the freedom of private initiative which can contribute to the development of the infrastructures through special agreements with the Port Authority.

The presence of private operators is increasingly larger and more intense, particularly for the management of terminals and the provision of logistics services.

As regards the volume of cargo handled by Spanish ports, they represent the fourth power of the European Union with approximately 11% of the total traffic. Bahia de Algeciras ranks first among the main Spanish ports by both overall amount of cargo handled and amount of containers. In 2013 in this segment the port, thanks to an increase of 5.5% over the previous year, and exceeding 4.3 million TEUs, has regained primacy in the Mediterranean preceding the other Spanish port, Valencia.

Greece

The analysis of Greece's maritime competitiveness in the Mediterranean basin deserves special attention for the performance of its main commercial port, Piraeus, with over 3.2 million TEUs handled in 2013, which confirms it as the European port with the highest growth rate compared to the previous year.

In this case, the important results achieved by the Greek port are not the direct result of infrastructural projects or regulations enacted by the government but of the considerable investments made by one of the world's largest shipping groups, China Cosco Holdings, through its subsidiary, Cosco Pacific, which is the fifth terminal operator in the world.

In 2009 the Greek government granted the company the concession for Pier II and III of the container terminal in the port of Piraeus, for a period of 35 years in return for an initial payment of € 50 million which will be added to further payments in proportion to revenues: it has been estimated that the overall amount of investment for the entire period of the grant will amount to around € 4.3 billion⁸. Cosco is also investing in the improvement of the port's intermodal capacity, mainly in the form of railway connections that were completed in 2013, between its terminal and the national rail network.

⁸ Van der Putten Frans-Paul, Chinese Investment in the Port of Piraeus, Greece: The Relevance for the EU and the Netherlands, February 14th 2014.

Mediterranean Area

Over the last few years the massive investment in infrastructure, regulatory and bureaucratic facilitations and low labour costs in the countries on the southern and eastern shores of the Mediterranean have allowed the ports in these areas to provide specialised services at very low prices, thus making them direct competitors of European ports. Moreover, this dynamic is reflected in the analysis of the variations in the traffic volumes between 2012 and 2013 of some of these ports: Piraeus and Tanger Med record, respectively, +15% and +34%, it is also worth mentioning the performances of the Turkish port of Ambarli (+9%) and of the Italian Gioia Tauro (13%) which is regaining a prominent position in the Mediterranean.

The project for the doubling of the Suez Canal suggests that in the short term there will be a relevant growth in the traffic within the Mediterranean basin which will lead to new development opportunities for the ports lining those shores.

Moreover, its central position compared to many strategic and commercial areas – Northern Africa, Middle East, Eastern Europe, Turkey – has further revived the Mediterranean trade, offering many ports of the basin the opportunity to offer themselves not only as intermediate points of global routes but also as terminals of the north-south routes.

The European Union is planning to invest much in the coming years on the development of the port system, in particular on flows between ports belonging to the same region. One of the priority projects within the European transport policies is that of *Motorways of the Sea*, which should limit the more polluting and expensive ground transportation and then respond to the objective of sustainability.

Morocco

In Morocco, the Ministry of Equipment and Transport (*Ministère de l'Équipement et des Transports*) is responsible for managing the development, the implementation of the policy and of the regulatory framework of the sector, besides dealing with the design and construction of new port infrastructures too. The *Agence Nationale des Ports* (National Port Agency) coordinates all the ports of the country except for Tanger Med which is administered by the *Agence Spéciale Tanger Med*. Their tasks regard control, port police, concessions and authorizations, implementation of port operations, development, maintenance and modernization of infrastructure and superstructure and management of publicly owned ports. Commercial functions are performed in a competitive environment, by public or private entities, as operators or service providers: they mainly include ships and goods services and other related activities.

Between 2003 and 2013, an average annual budget of 3 billion dirham has been invested in the port sector and in this same period, the flow of traffic that affected the terminal grew strongly (+6% per year, on average), as a result of the national policy of both economic development and of integration of the Moroccan economy into regional and international markets. In Morocco logistics already employs over 300 thousand people and contributes to 5% of GDP.

In February 2014 the *Agence Nationale des Ports* announced a plan of investment in port infrastructure worth 6.3 billion dirhams, approximately 561 million euro, from 2014 to 2018. Of these, 1.8 billion dirhams, about 160 million euro, have already been invested already in 2014 by starting major projects that enhance the Moroccan port system, in order to adapt to the changes underway in the shipping industry and the growth of international trade of the country.

The main port in the country is Tanger Med which in 2013 handled more than 2.5 million TEUs. Tanger Med 2 whose construction began in June 2009 and is expected to be completed in 2015, will allow a great extension of the port complex increasing to a total annual capacity of 8.2 million TEUs, with 7 million passengers, 700.000 trucks, 10 million tonnes of hydrocarbons and 2 million vehicles. Lastly, the areas of activity in the port are intended to attract and develop logistics, industry, trade and high-profile services to generate employment in the country.

The area devoted to logistics is divided into sub-areas which are detailed below:

- Tanger Free Zone: 300 hectares free zone located in the proximity of the port areas;
- Medhub: 250 hectares free zone dedicated to the logistics and connected with rail and motorway network since 2008;
- Melloussa Industrial Zone: area currently housing a part of the Renault's activities; in October 2013 the company announced further investments of around 400 million euro and the employment of additional 1,400 employees.

Within the free zone exemptions from all duties, taxation and exchange office controls are guaranteed. Customs duties and other taxes are only paid if goods are transferred to the customs territory of Morocco.

Tunisia

Sea represents the preferred method of transport in **Tunisia** with 98% of the country's international trade operated by ships.

In recent years, maritime transport has been the focus of several reforms aimed at liberalizing services thus increasing competitiveness, encouraging private enterprise and improving ports' management arrangements.

In september 2014, Tunisia started a project – already presented in 2008 but suspended due to the Tunisian revolution – for the new deep water port in Enfidha. It will cost at least € 1.3 billion and will cover an area of 1,000 acres, more than 3,000 acres of dry port, depths of 17 meters (able to accommodate the largest ships in circulation), 5 km of quays, of which 3.6 dedicated to container and 1.4 to bulk. Once completed, it will have a capacity of 5 million TEUs and 4 million tonnes of dry bulk cargo and will be managed by Dpw (Dubai Port World). The port is located on the Gulf of Hammamet, where an important industrial and logistical area, which is already connected to the road axis Tunis-Sousse and Tunis-Sfax rail, is being built. It complements the industrial site of Enfidha, which also includes an airport, and stretches for thousands of square meters. The area already offers to businesses and industries from all over the world equipped areas and infrastructures. In order to quicken the procedures a public body will be created and will supervise its implementation. According to the government, the construction will start in 2015 and will not take more than five years.

The strategic guidelines and policies for the development of the sector are formalized in the Plan, which is the policy instrument of the Republic of Tunisia in terms of transport.

Conclusions

The analysis of the main competitors of our country has clearly shown that the strategic advantage of a port may be subject to different variables.

The infrastructural facilities, the spaces of the platform, the number of containers which can be handled at the same time, skills and equipment of the dry port, bureaucratic / administrative procedures for the transfer of goods as well as the very size of the traffic managed and of the reference economic target are overriding aspects which decide the success or marginalization of a port. In this context, big logistics operators that use a port as their operational base are another element of significant competitive advantage.

The analysis carried out focuses on port systems which may be regarded as our competitors as their area of 'gravitation' includes the same large flows of goods that concern Italy, they basically revealed that it is not possible to simply evaluate the efficiency exclusively on traffic data.

There are certain factors that unquestionably constrain the performance of a port system and, more generally, of a logistics system; the first of these being the size of the market that they are to serve. Let us not forget the unique Italian topography, and al-

though the country extends in the Mediterranean it has to face territorial constraints that make the transfer of incoming goods to national ports to countries that lie behind the Alps difficult. Italy has also individual economic characteristics compared to its main European competitors, because logistics has to meet the complex needs of an entrepreneurial system evenly spread throughout the whole territory.

Despite these structural problems, the weight of Italian ports in Europe is considerable: with more than 450 million tonnes, Italy is third for its traffic which is equal to 12.4% of the total, and yet this volume is fragmented among many ports. This result was also achieved thanks to the undeniable geographical advantage of which our country indeed benefits, and the most important of the global supply chains; the one that goes from the Far East to Europe and vice versa, and for all the trades 'North-South' of the Mediterranean, from Morocco to Turkey. Another feature that had a positive impact on the performance of our ports is the strong entrepreneurial tradition in this field that is not limited to shipping companies – some of which are with Italian origin – but also involves maritime operators at multiple levels.

Those major changes are indeed affecting the shipping industry; the covenants in the first place, are likely to marginalize the Italian ports: Italian ports need infrastructural facilities suitable for the trend of new traffic to be carried out within a short time in order to meet the demands of ship owners and terminal operators.

The constraints that characterize the Italian port system, such as troublesome inter-modal connections that make logistics process difficult, are well known. In this regard, it should be noted that to date the use of rails for the movement of goods is essentially limited to long distances (> 500 km) and to point-to-point routes, typically connecting the large ports to the main urban areas.

The strong modal imbalance in favour of road carriers, which characterizes today the Italian system of transport, is an element of weakness, as it determines longer times and makes it difficult to ensure timeliness of services.

Actually, among these infrastructural needs, the most urgent demands are those relating to the administrative / bureaucratic system, both as regards the procedures required for the adaptation and / or construction of infrastructure, and for those relating to the transit of goods. These regulatory actions seem to be important also to attract private financing, which requires times and costs for investment, given that public funding is intended to be more and more limited.

Despite their difficulties and after having suffered the repercussions of the crisis, in 2013 the ports of our country managed to take the upturn of global shipping, recor-

ding an increase in traffic. The inquiry carried out in this chapter has pointed out the structural differences of Italian ports and has singled out important factors of competitiveness to the other port systems examined. Such factors if made available for the Italian ports – taking into account their characteristics – would indeed prove helpful to improve their performance.

The analysis of the Northern Range, and in particular of Rotterdam, shows that the ports' governance is one of the elements on which we can promptly act. The above case is an example of ambitious entrepreneurship as the port is run by a corporation, where revenues are derived from port dues and rental of port facilities, without any contributions from the state, and in case of profits, a dividend is shared amongst shareholders. As a general rule – as pointed out by a study ESPO 2011– Port Authorities of the Northern Range regions are given greater functional and financial autonomy than those of the southern regions of Europe, or Latin. The analysis of the Spanish port system, however, has shown that this government is focusing on strengthening the competitiveness of its ports, and as in the past it has not been able to count on significant public investments, it has now given greater financial autonomy to its Port Authorities by connecting it to their performance.

What emerges from the analysis is the operational, decisional and financial speed of the Port Authority which operates in accordance with clear and well structured objectives. In Italy governance is regulated by Legge 84/94 which is based on the coordination between the Port Authority and a multiplicity of decision centers placed in different levels of government. This situation makes the port logistics cycle more complex during both the implementation and operational stage, and especially in the planning phase of operations, in which Port Authorities decisions are submitted to the consideration of a significant number of players. In addition there exist the issue of financial autonomy that, although recognized by the law 84/94 for a long time had no practical implications: only the excess of current revenues could be used to finance the construction of infrastructural works. The following legislative acts on the issue, the latest being the Decree "Grow Italy", which established a fund for infrastructure in ports, supplied with 1% of the revenue from VAT and the excise duties collected, has not eliminated the problem as it has effects on tax mechanisms with incentive policies and, therefore, is likely to lead to distortions in the reference economy. For example, the funding criterion supported only by VAT particularly encourages the ports specialized in the transport of containers (who benefits from taxation) and are likely to create distortions in the system, causing ports specialize in different areas (eg. dry bulk) to change their 'tendency' in order to obtain preferential tax regimes or forms of income related to it.

The inquiry into Italy's competitors show the approach with which investment decisions are made, fitting into a systematic framework of needs and where the precise identification of the interventions to carry out arises from the analysis of the demand and of the competitive environment. In this respect, confronting with the Italian reality, the development of port and logistics system should not consider the needs of the industrial fabric, its specialization and its degree of international integration.

The port infrastructure programming should be written accordingly. The analysis of the Northern Range countries shows a particular attention of governments concerning the strengthening or the 'revival', as in the case of France, of ports for the local economy. Our insights carried out on the Southern Range countries have also highlighted the attention that the institutions have drawn on the development of ports and dry ports areas, given the strong impact that the activities connected with them have on the economy of the country. The development of this infrastructure is part of a broader plan with the aim to strengthen the national logistics industry, which of course has different schedules and plans according to each of the countries examined, but in which their programming tools share the identification of the goals to achieve, the time required and the available funding. Precisely for this aspect, the shares of private investors have been shown too. From an industrial and strategic point of view, the participation of private subjects in the construction of port infrastructure is generally related to projects of vertical integration of large shipping companies, of terminal operators and of the major international logistics operators. An emblematic example is that of the Greek port of Piraeus which thanks to the substantial investment of Cosco Pacific which has almost increased fourfold during the period 2010-2013. In its programming document for port infrastructure, Spain guarantees a stable regulatory framework in order to ensure legal certainty and a tax policy that encourages investment in infrastructure through forms of public-private partnership. The case of Tanger Med is significant too; it has become the Renault Group's hub in the Mediterranean as the company manages its car terminal and in late 2013 announced further investments of around 400 million euro and additional 1400 jobs in Melloussa Industrial Zone, the logistics platform behind the harbour.

The presence of industrial, logistic and operational areas and of free zones close to the port is another factor that has contributed to strengthen the competitiveness of the port systems examined aspects on which our country could make progress.

The ability of national ports to attract international investors and ship owners in the next few years will be also connected to policies targeting the realization of operational logistics areas behind the harbour where users can benefit from important tax and/or customs relief on goods. These measures will be a driver for the development

of trade and investment between the Med economies and other world economies including China, Asia, the Gulf, India, etc... The study showed that the presence of distripark is of great advantage to operators in terms of administrative procedures too; in the case of the Northern Range countries, although not free zones, the areas occupied by each company within the centres are considered free points in which customs duties are not to be paid until the goods are stored in the warehouse. This area hosts many international logistic providers and specialized shippers (such as Dachser, DHL, DPD Nordic, DSV, Schenker, Posten AB, Stena, TNT and Volvo Logistics) appealing to both businesses, which may outsource part of their activities, and shipping companies, as logistics operators manage the container collection within the countries in order to ensure an adequate load factor for ships. Logistic providers, moreover, tend to bring together the flow of goods from the ports that ensure their efficient interconnections Port-land, providing distripark or inland intermodal centres in a perspective of greater easiness for sea-land transport.

What has been highlighted so far suggests that it is important to ensure that any intervention evaluated in the field of port and logistics assumes the character of an integrated project. Each infrastructure should not be considered separately but as a link in a much longer chain which integrates infrastructure and skills. It is necessary to quantify the target market and the ability of the infrastructural hub which connects them, this should be commensurate according to the requirements. The regulatory provision contained in the CD goes in this direction. In Article 46 the so called 'Save Italy Decree' 201 of 2011 recognizes the importance of the integrated logistics systems which, thanks to the agreement between multiple entities (regions, port authorities, freight operators and networks), implement infrastructure and put into operation connection services between the ports and the dry port areas thus enhancing the efficiency of the logistics chains. Only in this way is it possible to imagine a system in which the passage of cargo from the sea to the terrestrial networks and, through this way, to its final destination, is efficient both from the operational and the economic point of view.

In order to offer a comprehensive overview of the port systems competitiveness which is analyzed in this chapter we have chosen the following:

Summary diagram of the factors affecting port competitiveness

PORT COMPETITIVE FACTORS:	PORT SYSTEMS	FEATURES	ITALY'S OPPORTUNITIES/RISKS	
Geographic position	Med	Central position in East-West and North-South routes	Growth forecasts on the flow of traffic in the Med area	Competitor ports with advanced facilities and low service cost
Target market size	Northern Range	Central and Northern Europe. Absence of geographical barriers	Ten-T facilitating the transit of North-South goods	Intermodal NR boost able to expand the market southward
Governance	Northern Range Spain	Port Authorities' operational, decision-making and financial rapidity	Legislative action to speed up the decision-making/ operational procedures /	Loss of trades due to red tape
Port infrastructure plan	Northern Range Southern Range Med	Well-organized port planning; identification of objectives, timelines, funding	Logistics district	Logistic system not well-integrated causing delays in the transit of goods
Attraction of private capitals	Northern Range Southern Range Med	Legislation that ensures certain times and procedures for the return on investment	Major logistics operators ensuring grater trading and economies of scale	Limited 'attractiveness of logistics'
ZAL and free zones	Northern Range Southern Range Med	Major logistics operators	Dry ports logistically equipped and free zones promoting the concentration of freight volumes	Limited 'attractiveness of logistics'

Figure 2 - Source: SRM

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