

International maritime relationships:
analysis of Italian commercial trade
with a focus on the Med area

maritime
economy

2014

**With this research SRM has attended the XVI Conference of the SIET
(Italian Association of Transport Economics and Logistics),
that was held in Florence from 8th to 10th October 2014**

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Introduction

Italian maritime trade with the rest of the world in terms of exchange amounted to about €172 billion in the first nine months of 2013. Data from the last decade showed that, after the decline due to the crisis of 2009, 2013 saw a further reduction in sea-borne trade, but despite a decline of 4.9% compared with the same period of 2012, it recorded a 53.8% growth in comparison with ten years ago.

As part of the overall national trade, maritime transport plays an important role that is evident if one looks at the Italian trade flows against other different modes of transport. In fact sea is, along with road, one of the main vehicles accounting for 30.7% of the total.

However, national data only partly reflects the regional situation: if, in fact, we only consider Mezzogiorno, the figure for sea transportation rises to 63% while road transport only accounts for 20.9%.

Foreign trade by mode of transport – third quarter 2013

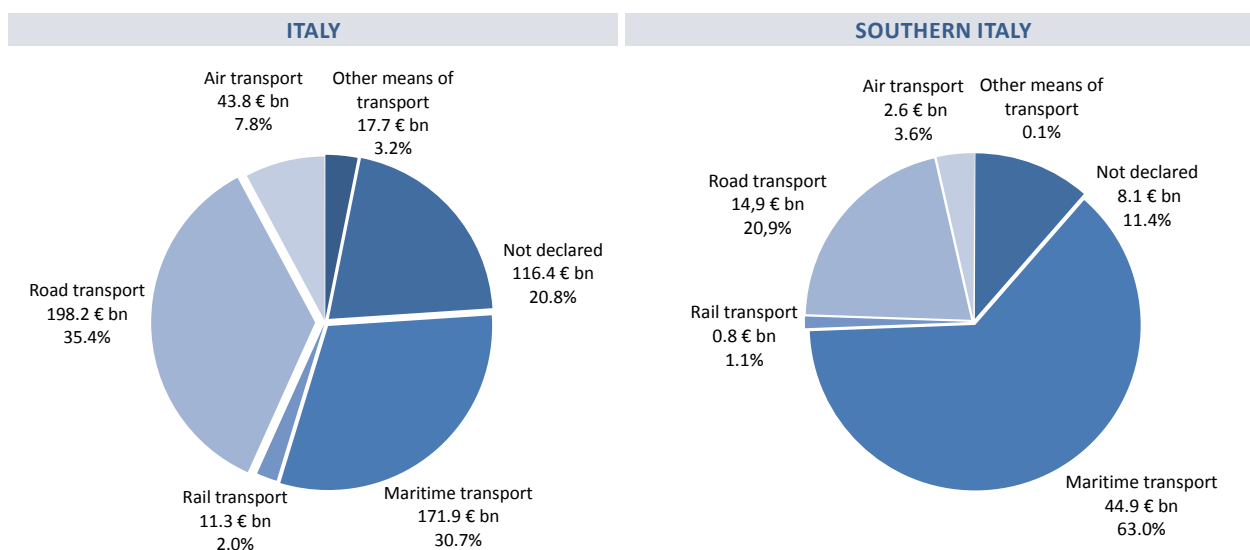


Figure 1 - Source: SRM elaborations on ISTAT Coeweb data, 2014

As for the main areas of origin/destination of the traffic under consideration, the Asian continent is the one that weighs heaviest with (39.1%); followed by Europe and America with, respectively, 20.9% and 19.8% and then Africa (16.9%) and Oceania (3.2%).

Italian seaborne trade by target area (Jan-Sep 2010/Jan-Sep 2013)

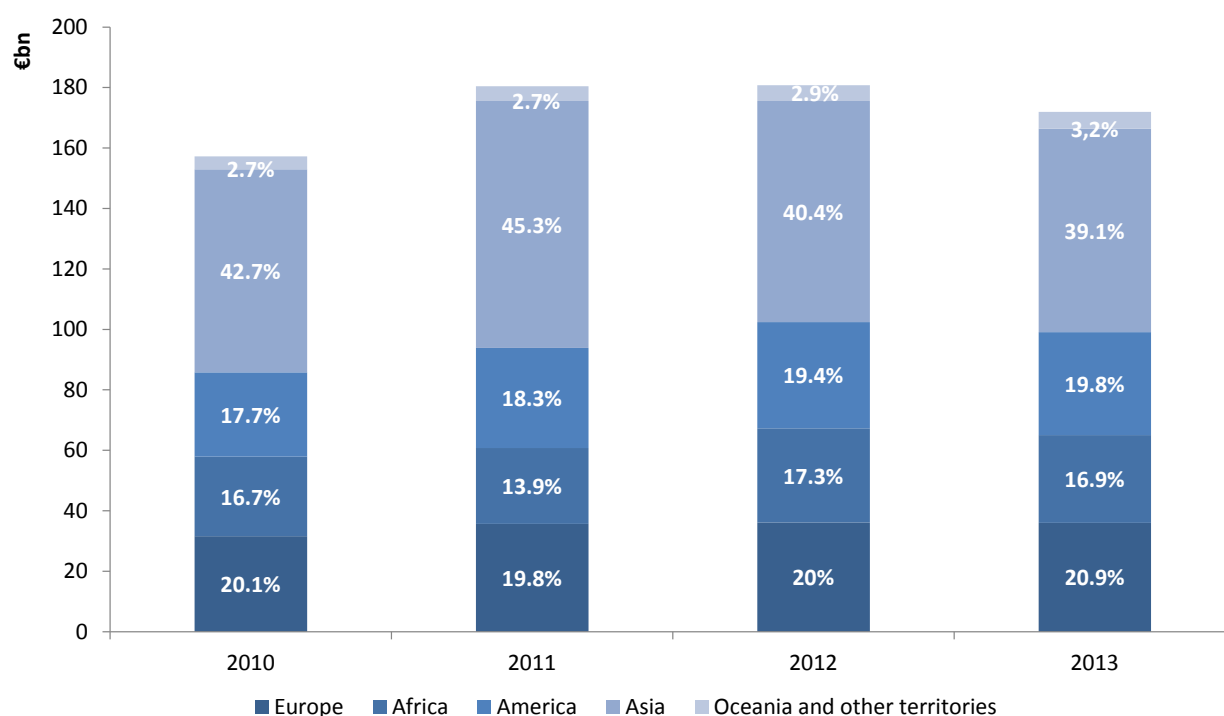


Figure 2 - Source: SRM elaborations on ISTAT Coeweb data, 2014

As part of the considered areas, China, United States and Russia are the three main partner countries for Italy as regards the exchange of goods by sea.

The trade with China, in particular, exceeds €18 billion and is attributable for 73.5% of Italy's imports. A reverse situation is that of the United States, with a total traffic accounting for more than €16.5 billion, consisting for the most part of trade originating from of Italy (about 74% of the total).

If we, on the other hand, consider the EU-28 countries, the most relevant competitors for Italian maritime traffic are Spain, France and the UK with an overall business volume worth over € 7 billion. Of this amount, approximately 45% (3.1 billion) is generated from trade with Spain.

With reference to the quality of goods carried by sea to and from Italy, we observe that the first 5 categories account for over 65% of the total value and concern, first and foremost, machinery and mechanical equipment. The exchange of these goods involves, in particular, Middle East, North American and North African countries and it regards mostly exports.

Coal, oil and natural gas, coke and refined petroleum products, metals and fabricated metal products, and finally, chemicals and synthetic fiber follows. The most noticeable of these is petroleum products which alone accounts for almost 30% of the total.

Maritime trade between Italy-rest of the world: principal commodities sectors – third quarter 2013

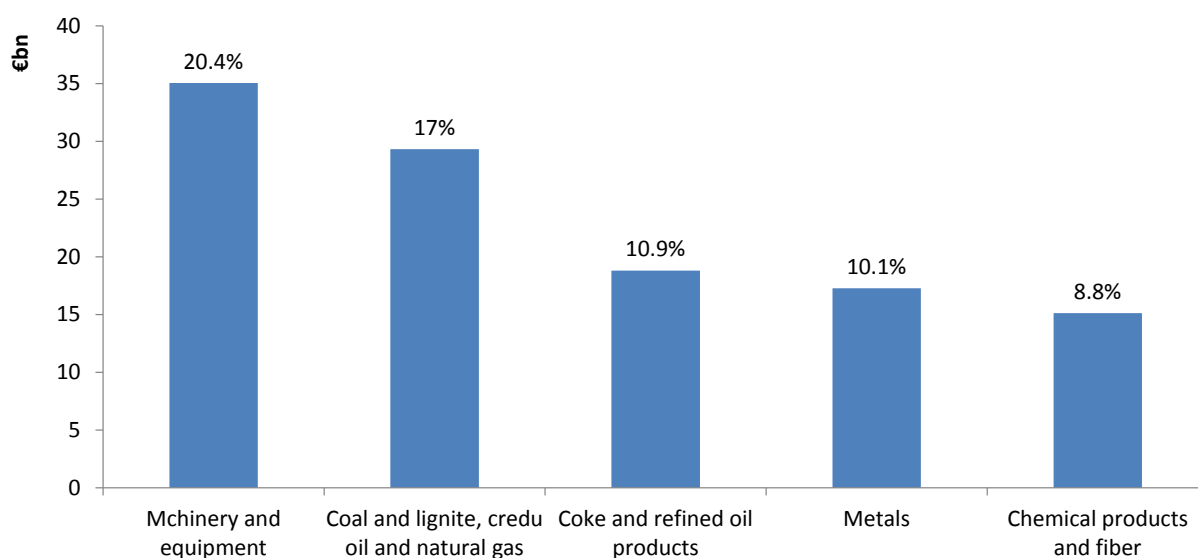


Figure 3 - Source: SRM elaborations on ISTAT Coeweb data, 2014

Relationship with the Med area

The sea represents the main transport channel for Italian commodities to and from the Mediterranean basin. During the period under consideration, in fact, the overall trade with the countries of this area amounted to €41.3 billion of which 76% (equal to € 31.4 billion) is attributable to maritime transport.

Italy's foreign trade with the Med area by means of transport – III quarter 2013

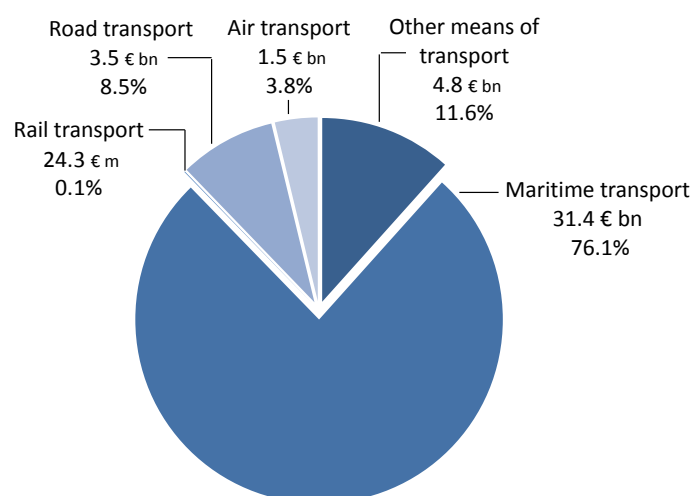


Figure 4 - Source: SRM elaborations on ISTAT Coeweb data, 2014

The maritime trade addressing the Med area represents 18.3% of all Italian trade by sea and compared to the same period of 2012 it recorded a drop of 5.6%.

More than 40% of all the traffic is attributable to two countries: Turkey and Libya which respectively absorb 20.3% and 19.8%, followed by Algeria (10.6%) and Tunisia (10.3%).

Italian maritime trade with the Med area: the partners – III quarter 2013

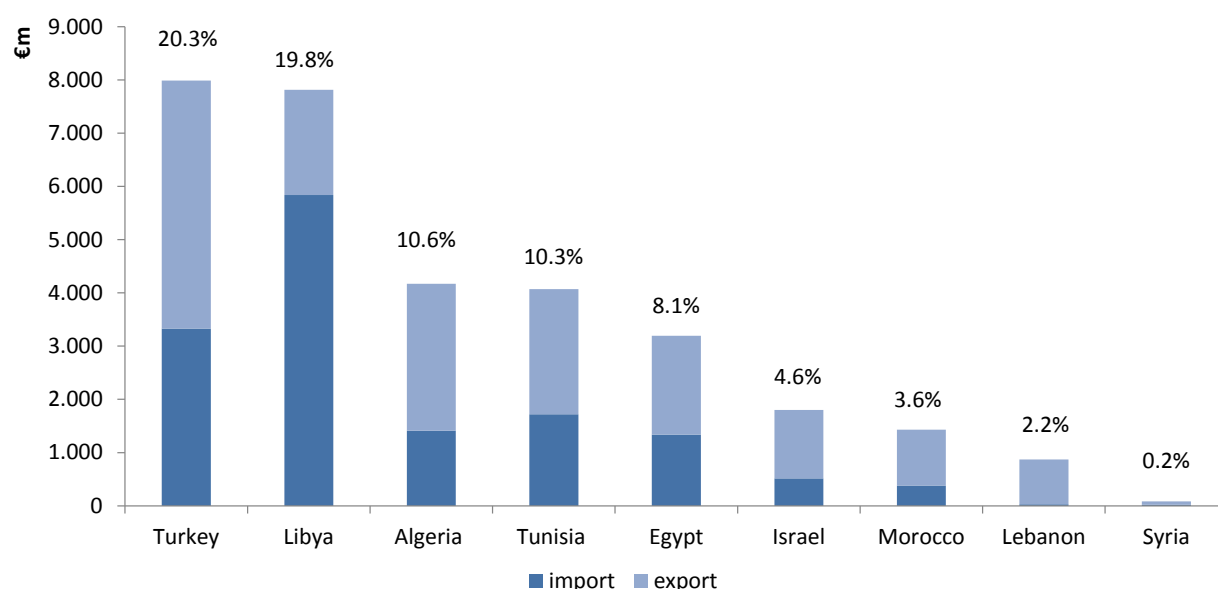


Figure 5 - Source: SRM elaborations on ISTAT Coeweb data, 2014

Finally, as regards the quality of the commodities, the most exchanged ones are refined and raw petroleum products which account for 40% of the global value and are mostly imports. Machinery follow with 16.4%, metals and chemical products.

Focus on Italian regions: the importance of maritime transport for exports

Sea transport has a primary role for Italian trade with the rest of the World. In fact it accounts for 30.7% of the total trade and exports affect it in 47% of cases. By only focusing on the export, it is possible to note that different Italian regions rely on maritime transport to different degrees.

While the national average is 27.7%, in the South it reaches 53.4%, mostly due to the commercial performance of the two islands that individually reach a maximum share of 85.7%.

Unlike the rest of the area, where road transport prevails, for the South (and especially for the two islands) sea is the main channel chosen to convey the outgoing flow of goods.

Italian export by mode of transport – third quarter 2013

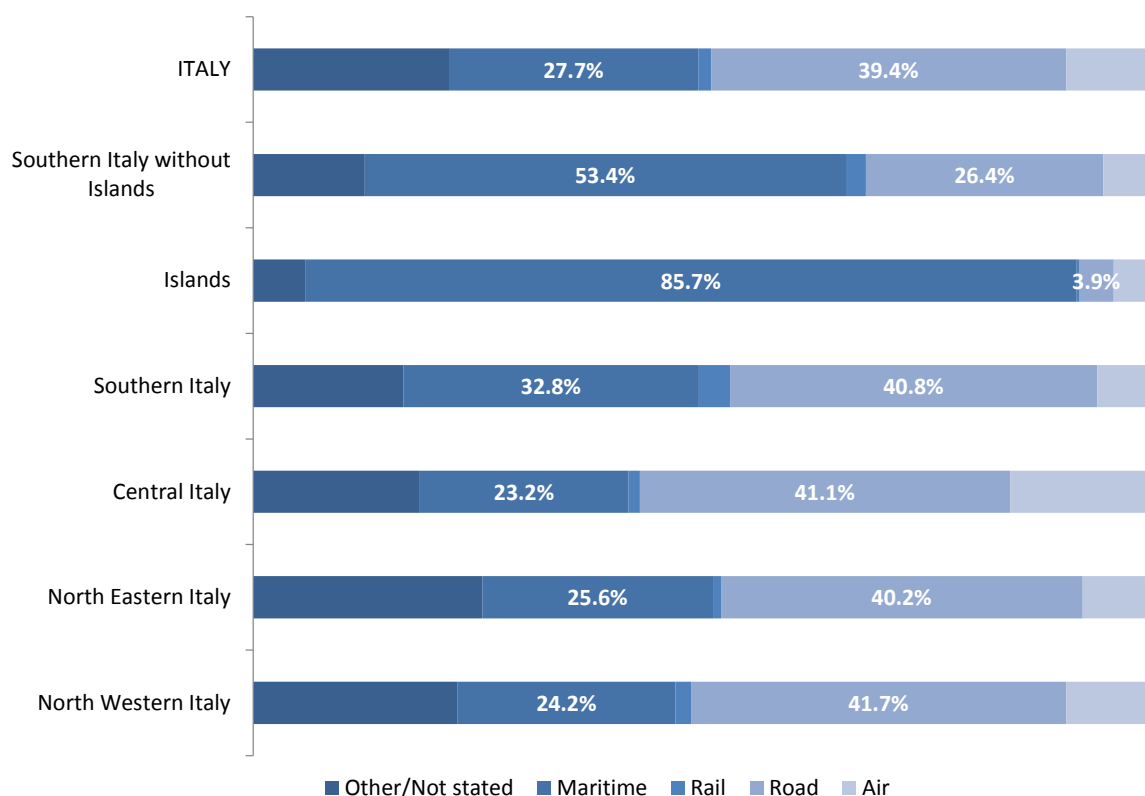


Figure 6 - Source: SRM elaborations on ISTAT Coeweb data, 2014

This scenario reflects what was recorded for the single regions. Data from Sardinia and Sicily stand out with a weight of total maritime exports amounting respectively to 93.9% and 81.6%. Liguria and Campania – headquarters of some major national ports – come soon after, followed by most of the remaining national regions, with a weight ranging between 20% and 40%.

Some conclusive remarks

The analysis carried out reveals the importance that maritime transport plays in the Italian economy. It is, in fact, not only one of the principal modes of transportation used for Italy's inbound and outbound goods, but also a growing economic segment compared to the past.

However the interchange data is only one of the possible parameters to be considered in order to assess the impact of the maritime industry on the national economy. In fact it should not be ignored that this field accounts for over 2000 companies and that major companies in the sector (a panel of about 1,000 units) have a total turnover of nearly €50 billion.

Therefore, this sector, though for several different aspects, is crucial for many areas of our country. In particular, if goods' movement is central for some of them, for other areas it is relevant either because of the commercial revenues of the companies located there, and also as a peculiar asset within the general logistic system of that territory.

Even from a programmatic point of view, the maritime sector stands out thanks to numerous Strategic Infrastructures of the so called 'Legge Obiettivo'. The interventions related to ports and freight terminals which costs almost €7.4 billion and affects almost all the Italian regions.

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