

[maritime
indicators]

maritime
economy

[Notice on Methodology]

"Maritime Indicators" by SRM is a half-yearly publication with analyses of the economy of the sea, in which a number of indicators are illustrated, geared to providing an interpretation key for the trends and features that distinguish the sector, at the international level, in Italy, and in the regions of Southern Italy (the "Mezzogiorno").

The parameters selected are aimed at analysing year-on-year trends in maritime transport from the economic, infrastructural, and business points of view. The indicators are grouped into five categories: "Economic Trend", "International Trade Relations", "Competitiveness", "Company Analyses" and, lastly, "Focus on the Mezzogiorno". Each set of indicators includes tables, charts, or figures that are considered especially useful to assess Italy's positioning in the international, European, and Mediterranean competitive arena.

The analysis moves from an assessment, of international scope, of the trend of the economy of the sea, and will therefore include remarks on the charter market, as well as on the sea shipping of goods in the European Union, the trend of which will also be outlined.

Within the economic picture drawn above, the trend of international

trade by sea is then analysed, broken down by region – with special focus on Italy, in terms of import-export trends, the main destinations and goods exchanged – and by sector – with focus on short sea shipping, and a closer look at dimensions, trends, types, and the geographical areas in which it is concentrated.

After drawing a picture of the overall economic situation in the sector, the aim is to assess how the competitiveness of individual countries adapted to the changes which took place during the period considered. The selected analysis parameter is port traffic, also examined by geographical area, covering Asia, Europe, and the Mediterranean, highlighting current trends, and providing an update on the traffic handled by the national ports. As the competitiveness of a port depends on a number of external factors, infrastructural and entrepreneurial projects will be reported on, as well as any regulatory facilitations or agreements of various nature that will have intervened in the period examined, and which may be considered to have influenced the results achieved.

The size of container ship fleets will also be surveyed, with a ranking of the Top Carriers and an assessment

of the order book: representation of the economic picture in the sector offers information on the current panorama as well as on the path that could be followed by international trade.

Focusing attention on the Italian logistics market, the trends of sector companies are described, also surveyed in terms of both number and revenues, therefore offering information on the trend of the industry also in the different areas of the territory.

The economic survey is rounded up by a focus section on the Mezzogiorno, with a contextualisation of the information previously provided for Italy as a whole. Maritime trade touching the southern regions of Italy will then be assessed, together with the traffic handled by the ports of these regions, and lastly, the logistics companies of the Mezzogiorno. The share of the Italian total accounted for by each of these statistics will also be provided.

The data given in the Observatory are gathered and elaborated by SRM drawing on several national and international databases; this is why they may be updated at different dates.

Maritime Indicators are drawn up by SRM and are available at www.srm-maritimeeconomy.com SRM's scientific Observatory on the Economy of the Sea.

The data provided in this publication are updated at different dates. Source consultation updated in January 2014.

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The Current Picture in the Maritime Economy

The slowdown in global economic growth is still reaping negative effects on the maritime markets, which since the outbreak of the financial crisis in 2008 have been performing poorly, also significantly held back by the excessive offer of shipping compared to global demand. Twenty-thirteen may be considered as a transition year, in view of a gradual improvement of the market, that is largely dependent on the trend of demand in Asian countries, and on the evolution of the energy markets. In 2012 and in the opening months of 2013, global seaborne trade picked up, mostly on the back of rising domestic demand in China, and of an increase in intra-Asian and South-South trade flows.

However, the growth in trade was not accompanied by an improvement in the profitability of the maritime transport industry, held back by the weakness of the global economy and by widespread oversupply: the percentage increase in hold capacity supply is still outpacing the rise in demand for transport, for all categories of goods. UNCTAD points out that in 2012, for the first time in over a decade, the number of new ships taking service decreased compared to the total for the previous year. The largest naval construction cycle in history, with fleet deadweight tonnage more than doubling between 2001 and January 2013, has therefore started to slow down, but despite the smaller number of new vessels, global deadweight tonnage has kept increasing, achieving 6% growth in the January 2013/January 2012 period.

This was possible as carriers are using increasingly large ships, resulting in so-called naval gigantism.

The uptrend in the size and capacity of merchant ships is accompanied by a downtrend in the number of liner service companies operating in each nation. Based on the Liner Shipping Connectivity Index (LSCI), the index drawn up by UNCTAD to assess the accessibility of nations by sea, which can now count on data (number of ships that call at national ports and their capacity, number of shipping companies and of services offered per individual nation, etc.) surveyed over a full decade, the average number of shipping carriers/companies per individual nation dropped by 27% in the past decade, from 22 in 2004 to 16 at the beginning of 2013.

Another strategy also took hold in 2013 among large carriers, "slow steaming", i.e. a reduction in commercial speed, from around 28 knots in the past to 18 knots, and in some cases even lower speeds, which generate major financial savings and a much smaller environmental impact. This practice was used for the first time in 2010 by Danish company Maersk, faced with a contraction in charters and the higher price of fuel, which had almost tripled in a matter of a few years. Savings in terms of fuel are considerable, as the larger ships can cut costs by as much as a couple of million dollars for a single voyage between Asia and the United States, and the example set by Maersk soon became contagious, with all competitors following suit.

A revolution that is here to stay, to the point that the leading sector players have already started building ships that are better suited to the new cruising speeds, that place under stress propellers and engines gauged and optimised for higher speeds. The advantages of slow steaming, however, are not enough along to allow an overall improvement in the balance sheets of carriers. The sector's main problem is the overcapacity of fleets, which will prove to be a persistent problem, as although in the 2005-2008 three-year period orders for container ships amounted to 50-60% of the fleet already active on the market, this percentage is still now of around 20%.

With the aim of rationalising costs, starting in 2014 the world's three leading carriers, Maersk (Denmark), Msc (Switzerland-Italy), and Cma-Cgm (France), will jointly operate services along 29 routes, and 255 ships, based on an operational alliance called P3. The three sector leaders mentioned above command 40% of global traffic, on a par with the situation in the port sector, as many terminals are managed by the same shipping companies, wholly-owned or with controlled by means of important shareholdings, to the point that as many as 35 foreign countries are served exclusively by the three major players.

As regards the trends of the individual segments of maritime transport, for what concerns dry bulk, the Baltic Dry index closed 2013 at an average of 1228, scoring a sharp recovery in the final months of the year, and rising higher than

in 2012, which proved to be an especially difficult year for shipping, with the BDI averaging 921.

In actual fact, the trend of the BDI in 2012 and in the first half of 2013, was not closely correlated with the trend of the dry bulk market, which despite not particularly high economic growth rates in most countries, made encouraging progress. More in detail, while the economic situation in Europe, marred by the sovereign debt crisis and the resulting austerity measures, has cooled the growth potential of demand for transport, dry bulk shipping grew at a positive rate in any case, levelling off in 2012 at around 5%. The problem in this segments as well, as mentioned above, is oversupply, which is also evident in the drop in charters.

The sea shipping of liquefied gas was the best performing segment of maritime in transport in 2013: the consolidation of the market was mostly supported by substantial export flows from the Middle

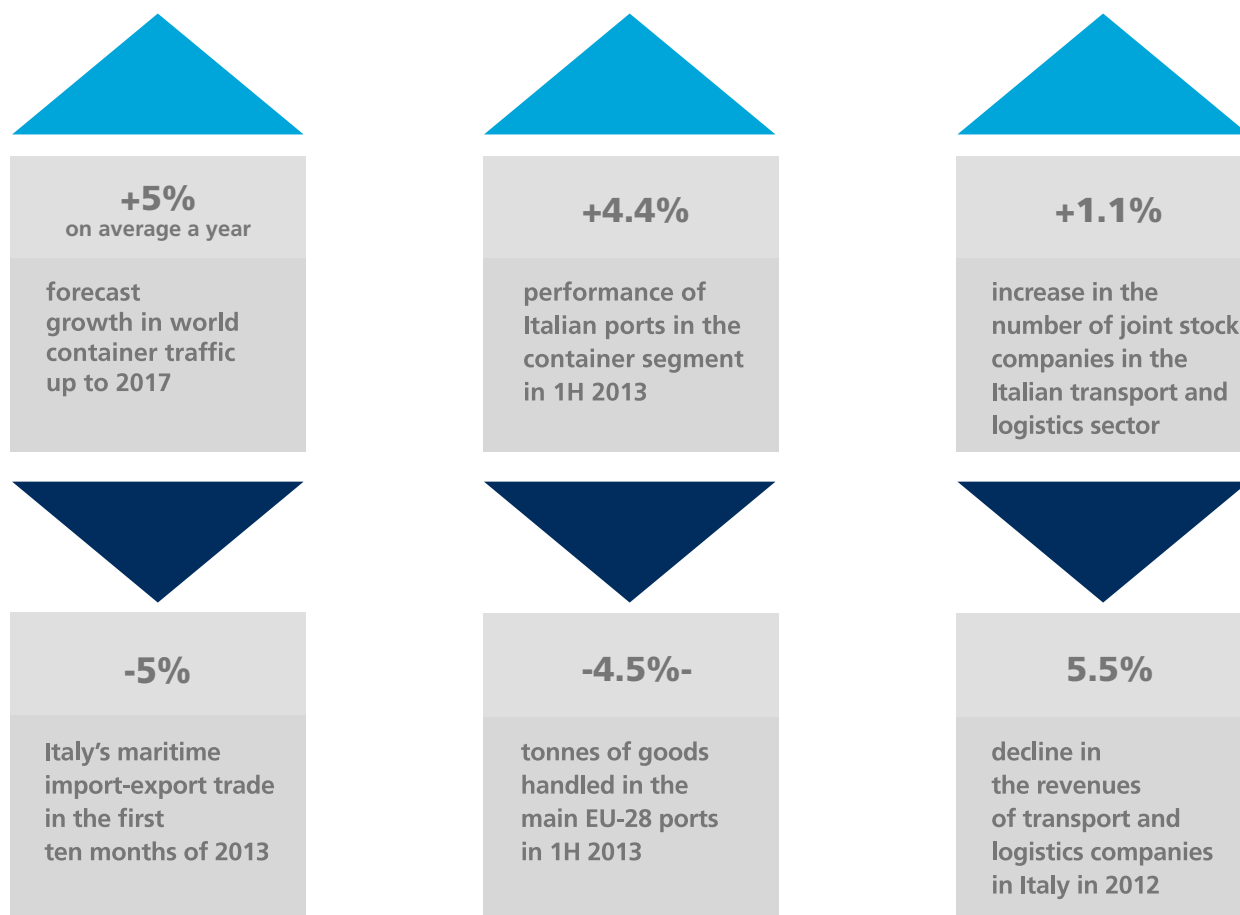
East, and a sharp increase in demand in Asian, and in Japan and South Korea in particular. However, like the entire liquid bulk market, this segment is also penalised by excess hold capacity.

Containerised goods represent the most dynamic sector, due to the numerous strategies put in place by the major carriers, some of which mentioned above, made necessary to stay on the market and improve profitability. Recourse to gigantism continues, in pursuit of economies of scale: in the year which has just ended, the first ships with a capacity of 18.000 TEUs were delivered, and in January 2014 news broke that China Shipping Container Lines (CSCL) has placed an order for five new 19.000 TEU container ships with South Korean shipbuilder Hyundai Heavy Industries (HHI): these will be the largest vessels of the world fleet. The ships will be 400 metres long and 58.6 metres wide, and will be completed between November 2014 and the first quarter of 2015.

Drewry's latest annual review of global and international container terminal operators shows that the sector remains a dynamic and profitable one, but is also undergoing numerous changes. All terminal operators are called to meet the challenge of growing on two fronts: container demand, and the increasing size of ships.

The review estimates that global container demand for ports, despite the weakness of the economy, will exceed 800 million TEUs a year by the end of 2017, up by just over 5% a year. Therefore, the sector is a colossal business – underestimated at times due to its geographical fragmentation over almost 1.300 terminals around the world. At the same time, the size of container ships is increasing at a dizzying pace. The size of the largest container ship of the world fleet has quadrupled since 1992, and has doubled in the past 10 years on the Asia-Europe route.

[Good and Bad]



The various sets of indicators analysed to investigate and better interpret the trends of the economy of the sea are illustrated below.

1

indicators

ECONOMIC TREND

The first set of indicators chosen is aimed at integrating the economic analysis of the industry with data and statistics.

Baltic Dry Index

As mentioned above, the BDI expresses the trend of the costs of maritime transport and of the charter of the main categories of dry bulk cargo ships. Referred to the transport of commodities or agricultural foodstuffs, it is an indicator of the level of demand and supply of such goods, and therefore signals the trend of the economic cycle.

Trend of the BDI in 2013



Source: SRM on ychart.com data

An analysis of the chart illustrating the trend of dry bulk charter tariffs in the course of 2013 shows that in the first nine months of the year values remained rather low, and therefore placed under pressure the balance sheets of many maritime carriers.

This performance is in line with the estimates of global trade published by the IMF, which point to limited growth in 2013, of 2.9%.

The last quarter, on the other hand, outlined a "jagged" trend to say the least, characterised by sharp increases followed by equally sharp declines, although it ultimately came to a close showing va-

lues more than three times higher than at the beginning of 2013: the index rose from 698 on 2 January to 2247 on 31 December.

A more rigorous investigation of the BDI reveals that the industry is characterised by considerable instability: between the last few days in August and the first days in October, it almost tripled its value, probably due to a sharper than expected seasonal increase in Chinese imports of steel steelmaking inputs.

However, the BDI's momentum lasted just over one month, and at the beginning of November it retreated sharply, in all likelihood

compressed by a surplus in the balance of ships.

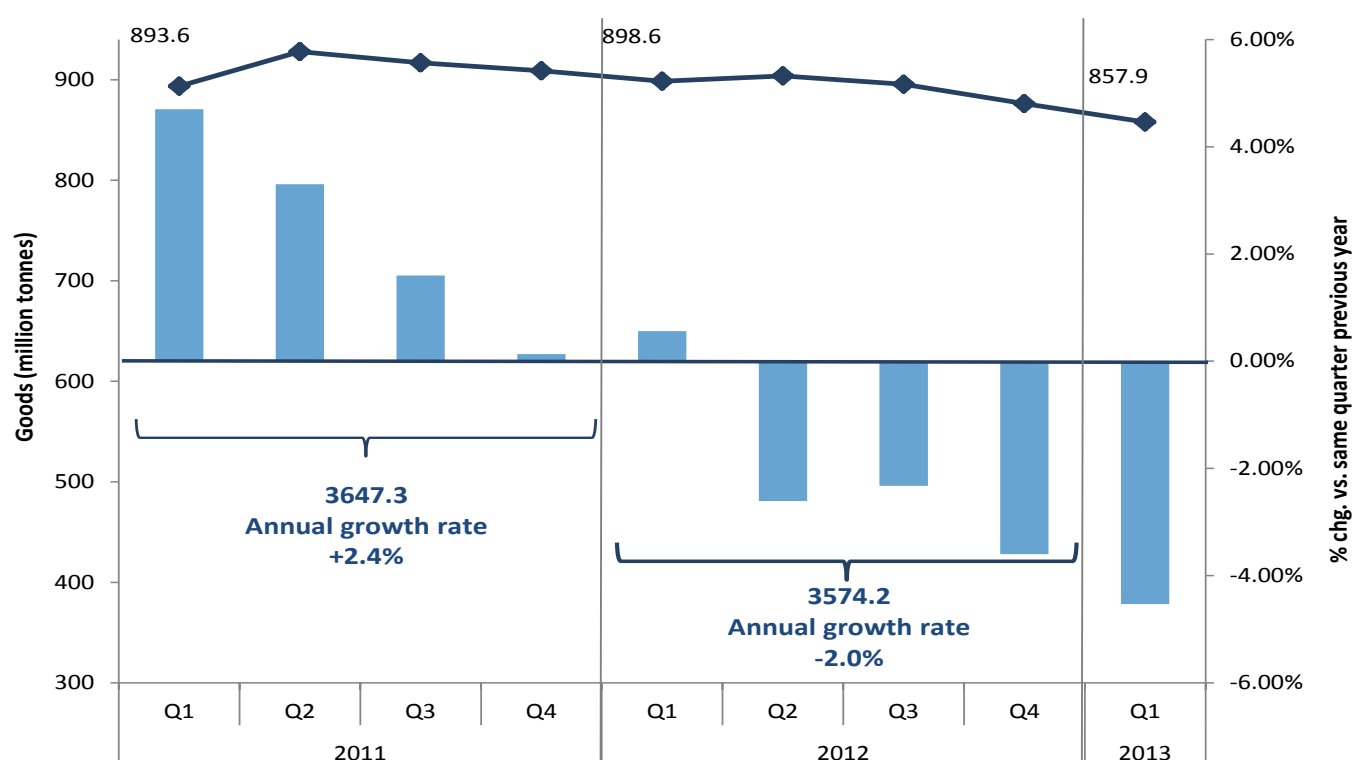
Undoubtedly this index, which reflects the balance between demand and supply of shipping in the dry bulk segment, is being affected by the overcapacity situation described above, which is weakening its reliability in anticipating macroeconomic trends.

The BDI is still following a rather erratic trend: after recovering in the closing month of 2013, it plunged by around 35% in the opening weeks of 2014.

Maritime Transport of Goods in the EU 28

This parameter describes the quarterly trend of the sea shipping of goods in EU 28 countries, and sheds some light on the trend of European trade, as 74% of the goods imported and exported, and 37% of trade within the Union, transit through sea ports.

Goods handled in the main ports of the EU-28



Source: SRM on Eurostat data, 2013

The latest data reflect the re-emergence of a downtrend in port activity in EU-28 countries, following the recovery observed in 2010 and in the first three quarters of 2011.

The chart shows that in 1Q 2013 the goods handled in the main European ports confirmed the downtrend recorded in 2012.

Compared to the January-March 2012 period, the gross weight of goods handled in the main ports of the EU-28 decreased by 4.5%, totalling 858 million tonnes.

Almost half of the respondent countries (10 out of 21) incurred a drop in the total tonnage of goods handled in their main ports in 1Q 2013, compared to the same period of the previous year. Malta, Belgium, Italy, and Latvia suffered the largest contractions (between 8% and 10%) compared to the same quarter in 2012, whereas Spain, Holland, Estonia, and Germany faced declines of more than 5%.

The first set of indicators considered outlines a difficult period for maritime transport, both internationally and in Europe, which reflects the slowdown in global trade. This situation, combined with widespread oversupply, is causing hardships for maritime carriers, increasingly forced to implement cost-cutting strategies, such as slow steaming, the rationalisation of services, and the pursuit of alliances.

2

indicators

INTERNATIONAL TRADE RELATIONS

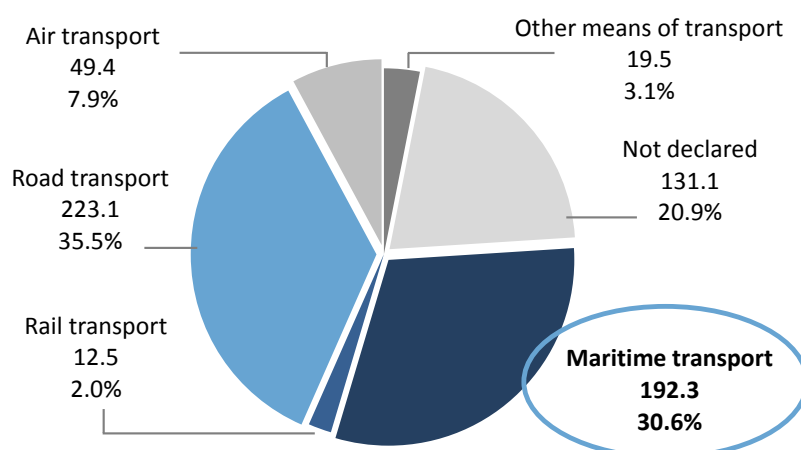
*The second set
of parameters aims
to draw a picture
of maritime trade
relations in Italy,
and in particular to
provide updates
and statistics on
short sea shipping.*

Italy's Import-Export Trade

This set of indicators pertains to economic statistics and trends referred to Italy's import-export trade, with focus on the maritime segment.

Data refer to the first 10 months of 2013.

Italian import-export trade by mode of transport (EUR Bn). January-October 2013



Source: SRM on Coeweb data

In the January-October 2013 period, Italian import-export trade amounted to 628 billion euros, down by 3% from the same period in 2012. In broken down terms, exports were broadly stable at 326 billion euros, whereas imports

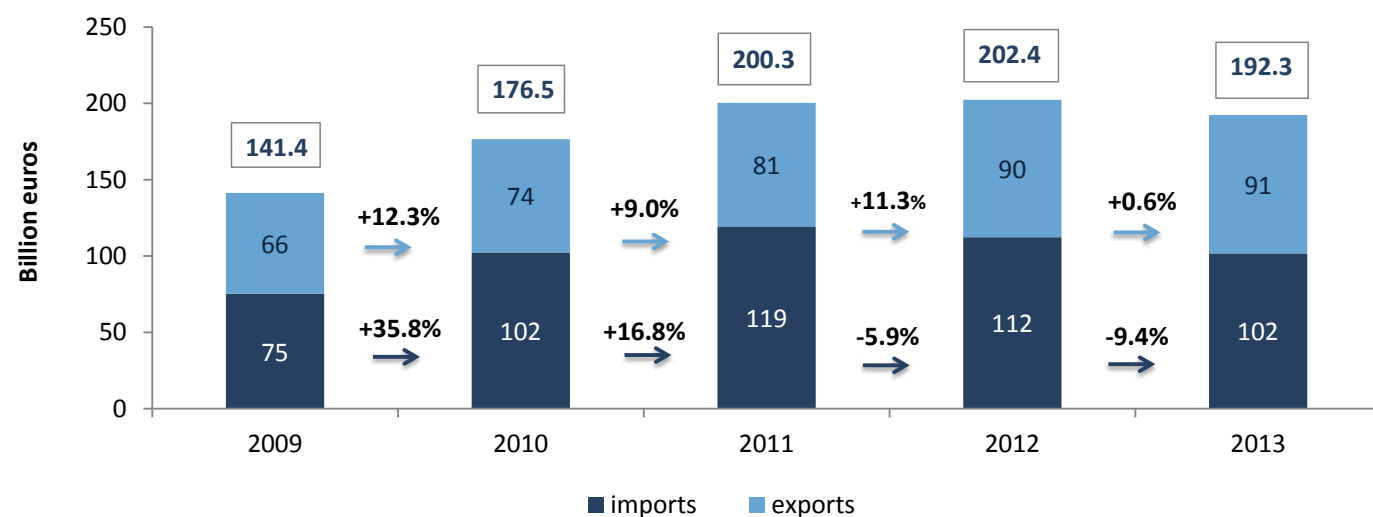
levelled off at 302 billion euros, marking a 5.9% contraction.

The figure below shows that almost one third of Italian import-export trade travels by sea. In the first 10 months of 2013, Italian maritime import-export trade drop-

ped for the first time in five years, by 5%, after four straight years of positive growth.

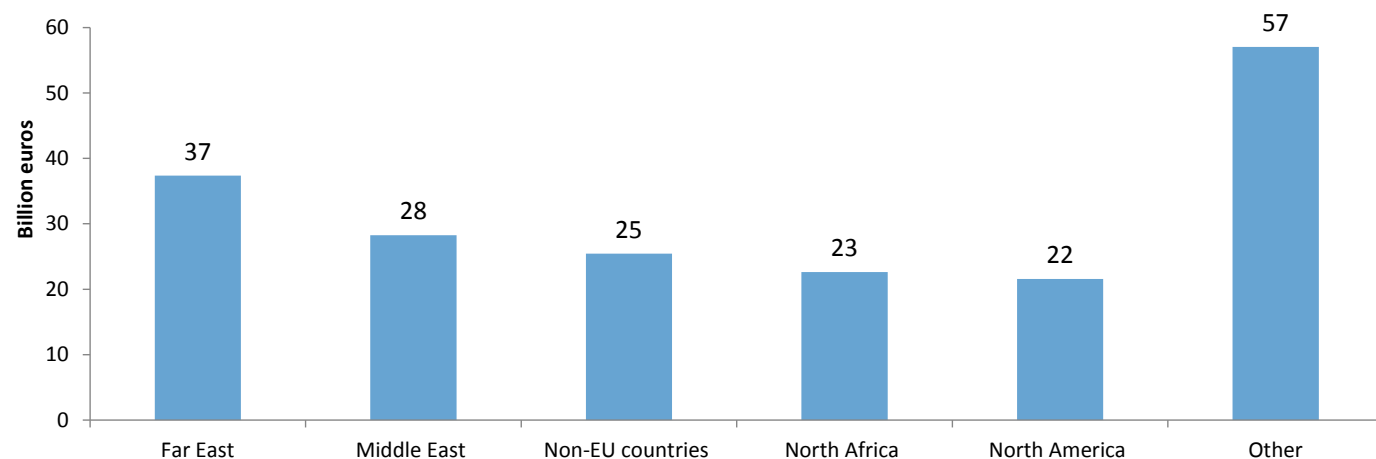
The contraction was entirely due to a fall in imports, as exports actually increased, albeit slightly.

Trend of maritime import-export: 2009-2013



Source: SRM on Coeweb data

Target geographical areas for Italian maritime import-export trade



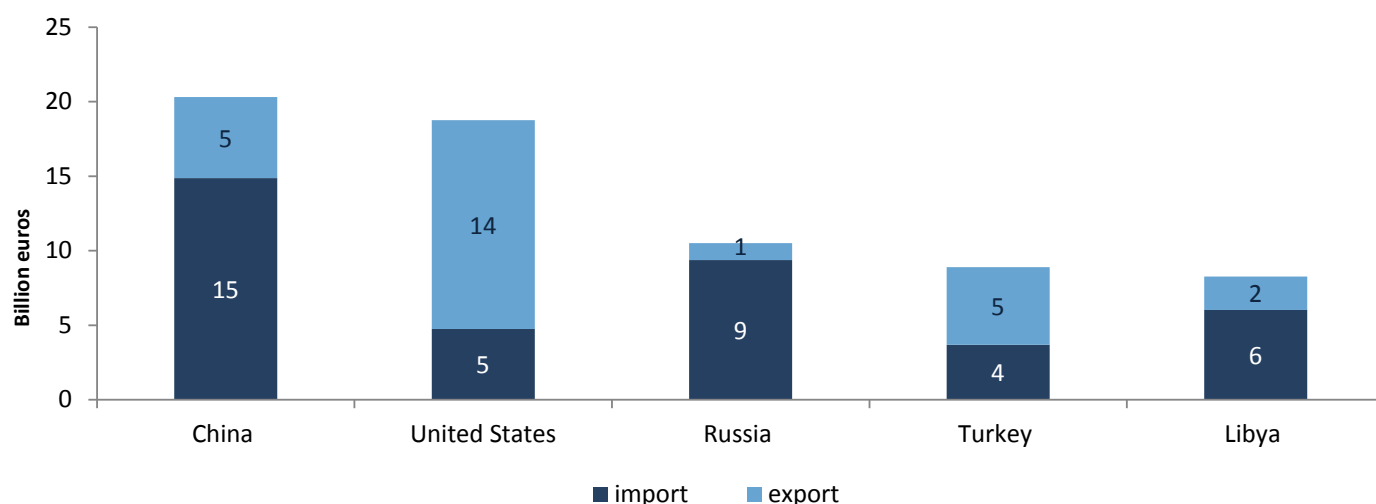
Source: SRM on Coeweb data

Asia is the geographical region towards which Italy's maritime import-export trade is mostly directed: the Far East and the Middle East account for 34.1% of the total.

Non-EU countries follow (13.2% of the total), ahead of North Africa (11.8%) and North America (11.2%). Data broken down by individual partner countries reveal a

predominance of China, followed by the United States, Russia, and two Med Area countries: Turkey and Libya.

Main target countries for Italian maritime import-export trade



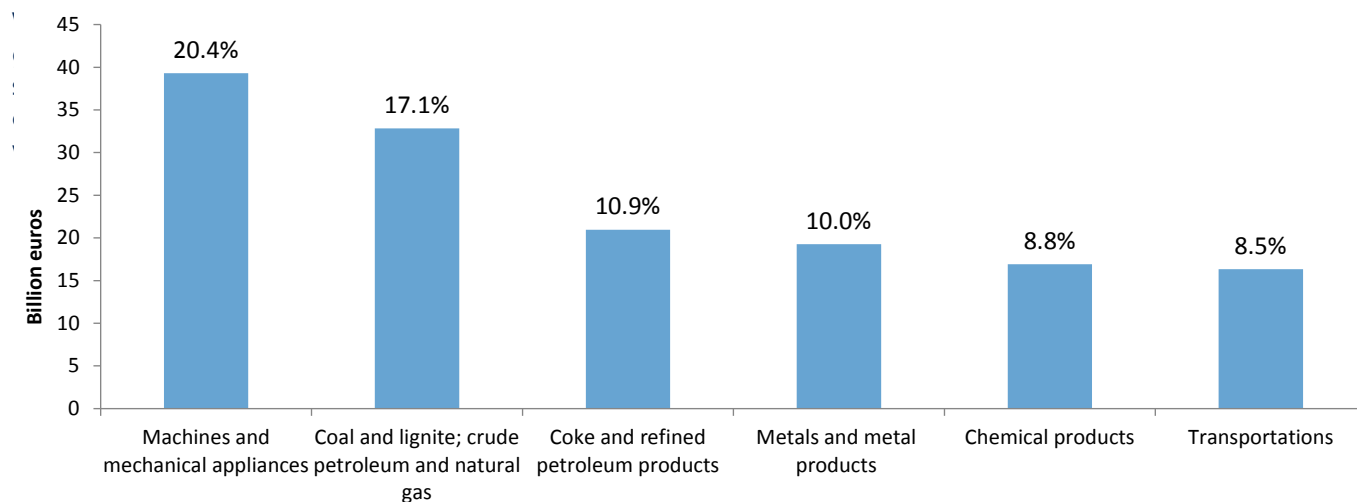
Source: SRM on Coeweb data

The figure above also illustrates how imports by sea prevail by far from China, Russia, and Libya; on the other hand, trade relations with the United States and Turkey are driven by exports.

total products; oil goods follow, accounting for a 28% share combined. When analysing the categories of goods most frequently traded by sea, a prevalence emerges of ma-

chinery and mechanical equipment, which account for over one fifth of total products; oil goods follow, accounting for a 28% share combined.

Italian maritime import-export trade by category of goods



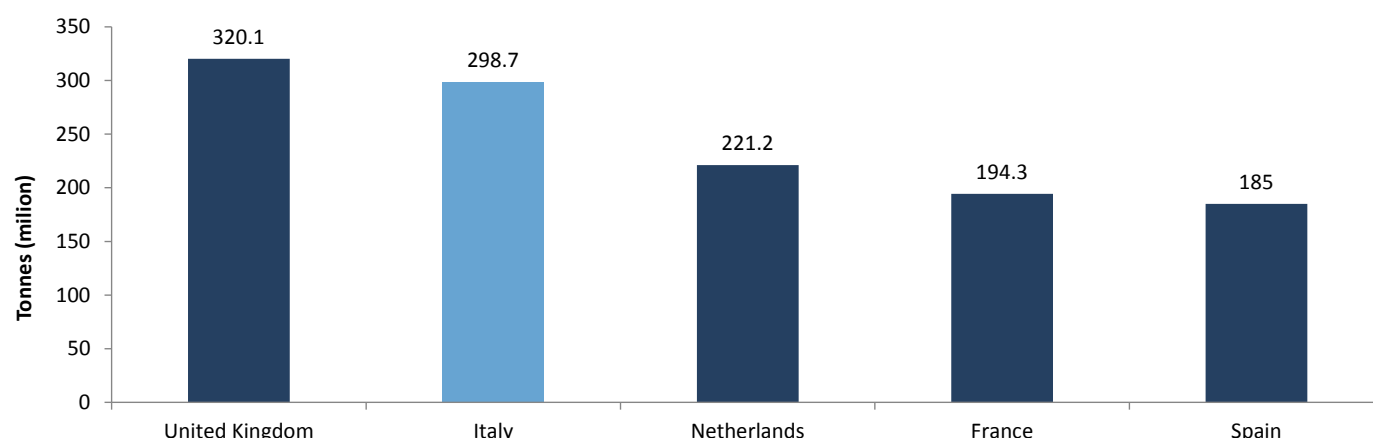
Source: SRM on Coeweb data

The data photographed by this set of indicators outline a drop in Italy's total import-export trade, essentially due to a reduction in imports, resulting from the economic-productive difficulties being faced by the country. Sea shipping, which is one of the most important modes of transport for goods traded by Italy, contracted, despite positive export growth, albeit limited.

Short Sea Shipping

This annual indicator provides data on short sea shipping in the EU 28, and details the tonnes of goods handled, the type of goods, and the geographical regions in which the activity is concentrated.

Goods handled in SSS by the top five EU-27 countries (million tonnes)



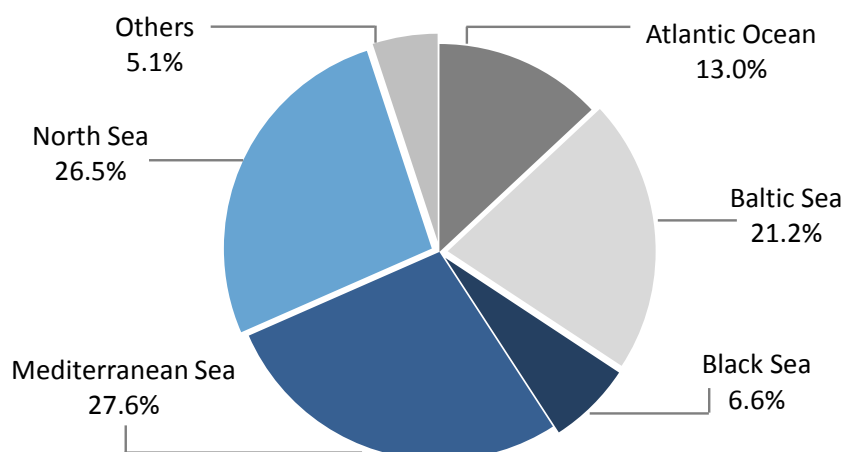
Source: SRM on Eurostat data, 2013

Short Sea Shipping (SSS) is a very important form of maritime transport for the European Union: in 2011, 1.7 billion tonnes of goods were transported by SSS, i.e. around 60% of total maritime transport in the EU, down slightly from 2010 (62%), although percentages vary significantly from one country to another.

The ports of the United Kingdom top the SSS ranking among EU-27 countries, having handled around 320 million tonnes of cargo in 2011, equal to a share of approximately 15%, followed by Italian ports and Dutch ports, respectively with 14% and 10% share of the EU-27 total.

As regards the type of goods shipped, the largest share, of 46%, is accounted for by liquid bulk, with around 802 million tonnes, a segment in which Italy holds European leadership, followed by dry bulk with 348 million tonnes (20%).

Destination areas of SSS of goods in EU-27



Source: Eurostat, 2013

European short sea shipping is mostly concentrated in the Mediterranean, with 546 million tonnes in 2011, around 28% of the total,

followed by the North Sea and the Baltic Sea, with 525 and 420 million tonnes respectively (27% and 21% of the total).

In the Mediterranean Basin, Italy is the leading country for SSS, with 204.4 million tonnes.

Short sea shipping is already a very important form of sea shipping in the EU, but its importance may increase further in the future, as a result of naval gigantism and the rationalisation of the services offered by the major carriers. As alliances are increasingly widespread, and given the ongoing increase in ship sizes, transshipment traffic is also presumably set to grow.

3

indicators

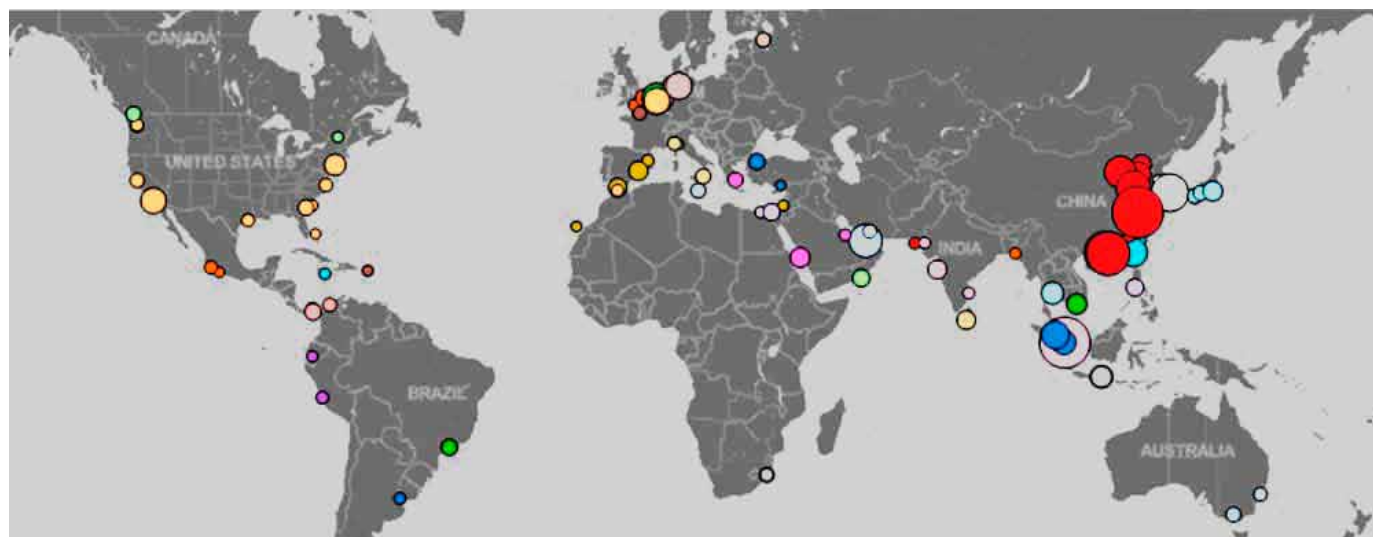
COMPETITIVENESS

The third set of parameters draws an economic picture of Italy's “maritime competitiveness”, in business and infrastructural terms, offering information on the performance of ports and on world fleet trends.

Port Traffic

An analysis of port performances at the global level sheds light on where goods travel to, and on which ports are best equipped to meet the needs of their “customers”, i.e. carriers.

Port geography



Source: www.lloydlist.com

Port geography is clearly illustrated in the map above, where the size of the circles shows the ports where container traffic is mostly addressed.

First of all the figure clearly shows the dominance of Chinese ports, with the port of Shanghai again topping the world ranking in 2013. Behind China, at some distance,

the ports of North Europe follow; in order to consider also the direct competitors of Italian ports, the performance of Spanish ports is listed as well.

Performance in 2013 in some of the world's main ports

Port	Country	Teus (million)		Var.
		2013	2012	13/12
Shanghai	China	33	32.53	1.4%
Singapore	Singapore	32.6	31.65	3.0%
Shenzhen	China	23	22.94	0.3%
Hong Kong	China	22.3	23.12	-3.5%
Rotterdam	Netherlands	11.62	11.87	-2.1%
Hamburg	Germany	9.3	8.86	5.0%
Antwerp	Belgium	8.57	8.64	-0.8%
Bremen	Germany	5.83	6.12	-4.7%
Valencia (data as at November)	Spain	3.96	4.11	-3.6%
Algeciras	Spain	4.34	4.11	5.6%
Barcelona	Spain	1.72	1.76	-2.3%
Gioia Tauro	Italy	3.09	2.72	13.6%
Genoa	Italy	1.99	2.06	-3.4%
La Spezia	Italy	1.3	1.25	4.0%

Source: SRM on Port Authority

The table highlights the constant growth of Chinese ports, with the exception of Hong Kong, as opposed to a slowdown in the activity of the ports of North Europe, except for Hamburg. On this front, the Rotterdam Port Authority identified low demand for consumption and other products as the main reason behind the decline, tied to the challenging economic situation and

to the loss of some traffics to the German port of Hamburg. In Spain, Algeciras stepped up its handling of container traffic by over 5%, threatening the national leadership of Valencia, which shed a 3.6% share. In Italy, Gioia Tauro posted an excellent performance, achieving growth in excess of 13.6% compared to 2012, again beating the 3 million TEU mark.

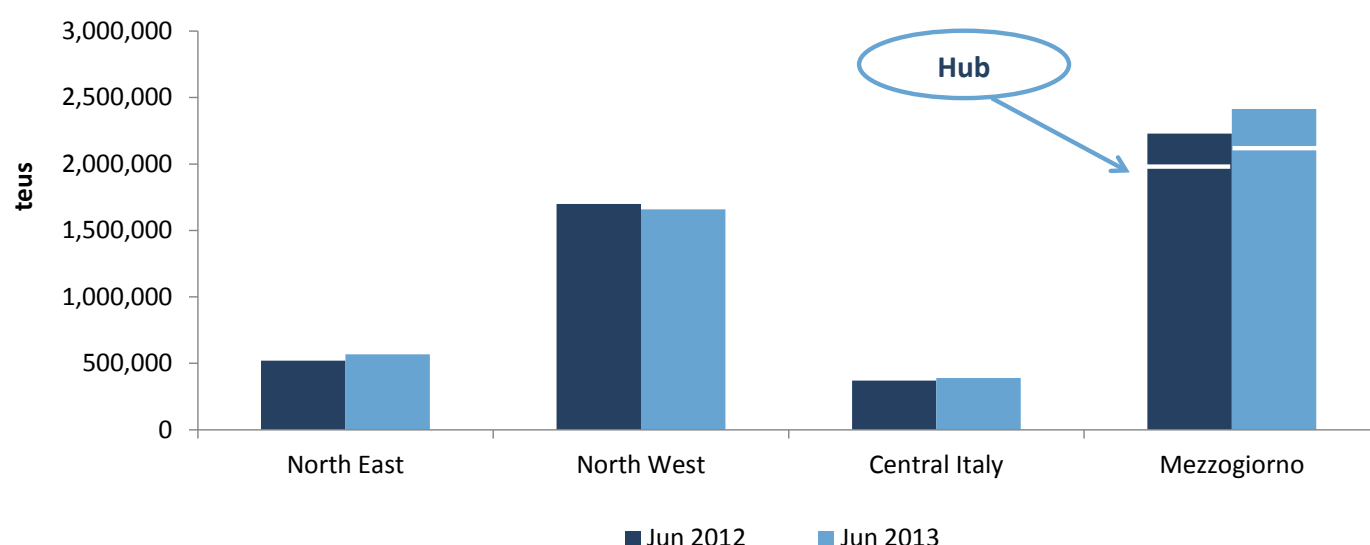
Drewry forecasts up to 2017 point to an average annual growth in container traffic of 5%, corresponding to overall demand up to 2017 of 800 million TEUs. This will have immediate and important effects on the size of container ships, and therefore on the services ports will have to be able to offer carriers.

Focus on Italian Port Traffic

The aim of this section is to assess the performance of the Italian port system across the different categories of goods, and in the passenger segment. In addition to a general overview, individual macro areas are analysed, with the intention of offering more detailed information on goods volumes and passenger flows, including tourists, which transit on the territory.

The data provided below refer to 1H 2013¹.

TEUs handled by macro area – 1H 2013



Source: SRM on Port Authority

In the first six months of 2013 the Italian port system proved rather resilient, and achieved an improvement in the container segment compared to the same period in 2012, beating the five million TEU mark in terms of containers handled (+4.4%). It also showed marginal growth in the liquid bulk segment (+0.1%), with over 87 million tonnes, and achieved +6.6% growth in the passenger segment, with over 14.8 million passengers. Progress was even larger in the cruise business, with over 4.25 million cruise-goers (+19.7%).

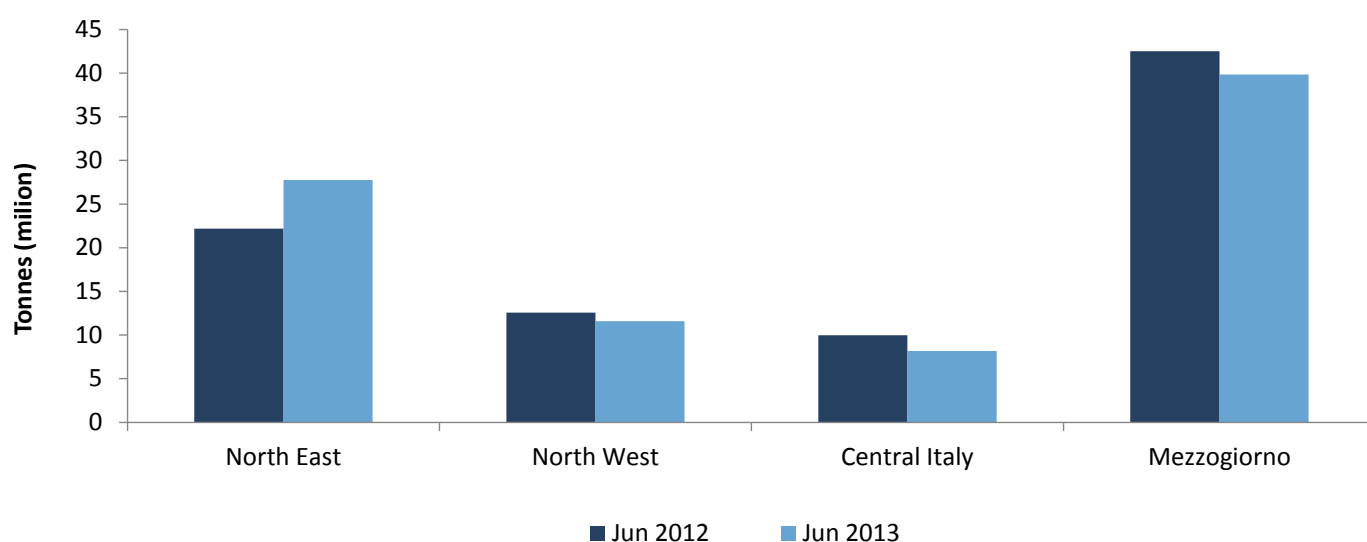
Only dry bulk contracted, by 9%, levelling off at 34.52 million tonnes.

As regards container traffic, in Italy this is mostly concentrated in the Southern Regions, amounting to around 2.4 million TEUs, mostly handled by hub ports. The positive performance of the area (+8.3%) is driven by the strong results achieved by Gioia Tauro (+15.2%, 1.6 million TEUs), followed by the North West, which incurred a 2.4% drop compared to the same period in 2012, due to Genoa's 5% contraction in traffic, to 993 thousand

TEUs, as opposed to +2% growth scored by La Spezia with almost 629 thousand TEUs. Growth was positive in the North East as well, by 9.2% over June 2012, on the back stronger performances by all the ports in the area, and in particular by Trieste, up by +13.6% to almost 234 thousand TEUs. Lastly, the ports of Central Italy also recorded consistently positive changes compared to the first six months of 2012, with the area as a whole achieving +4.9% growth to 389 thousand TEUs.

¹ Data provided by the Port Authorities of Augusta and Savona-Vado are estimates.

Handling of liquid bulk by macro area – 1H 2013



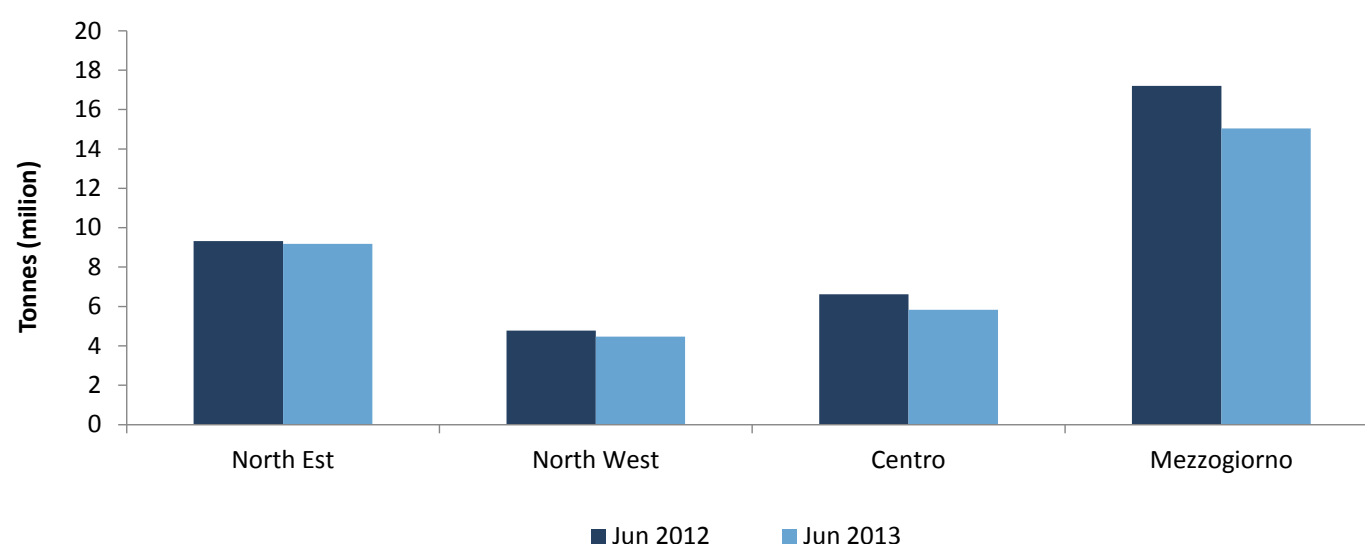
Source: SRM on Port Authority data

Southern Italy is the area in which the traffic of liquid bulk traffic is most concentrated, amounting to almost 40 million tonnes. Compared to the first half of 2012, the Mezzogiorno suffered a 6.3% reduction, which reflects a contraction in the handling of liquid bulk in all ports with the exception of Naples, where traffic increased by +35.7% to 3.3 million tonnes, Messina, +3.4% to 8.9 million tonnes, and Brindisi (+6.7%

to around 1.4 million tonnes). The North East is the only macro area which achieved growth in the liquid bulk segment in the period considered, on the rise by a hefty 25% to almost 28 million tonnes. The result was mostly driven by the strong performance of Trieste, which stepped up its traffic by over one third, to more than 20 million tonnes. The North West suffered a decline of around 8% compared to the first 6

months of 2012, due to a reduction in all the ports of the area, and in particular La Spezia, where traffic halved. Lastly, Central Italy incurred an 18% contraction, with handling down in all its ports except Livorno, which experienced a 3.6% increase in traffic.

Dry bulk handling by macro area – 1H 2013



Source: SRM on Port Authority data

The dry bulk segment experienced a contraction in all macro areas, with the Mezzogiorno suffering most (-12.6%), although it is still the area in which this type of traffic is most concentrated.

The ports of Taranto (-27.3%, i.e. a contraction of around 3 million tonnes) and Brindisi (-28.8%, one million tonnes less) uncured the sharpest reductions, which the increase experienced by the Levante

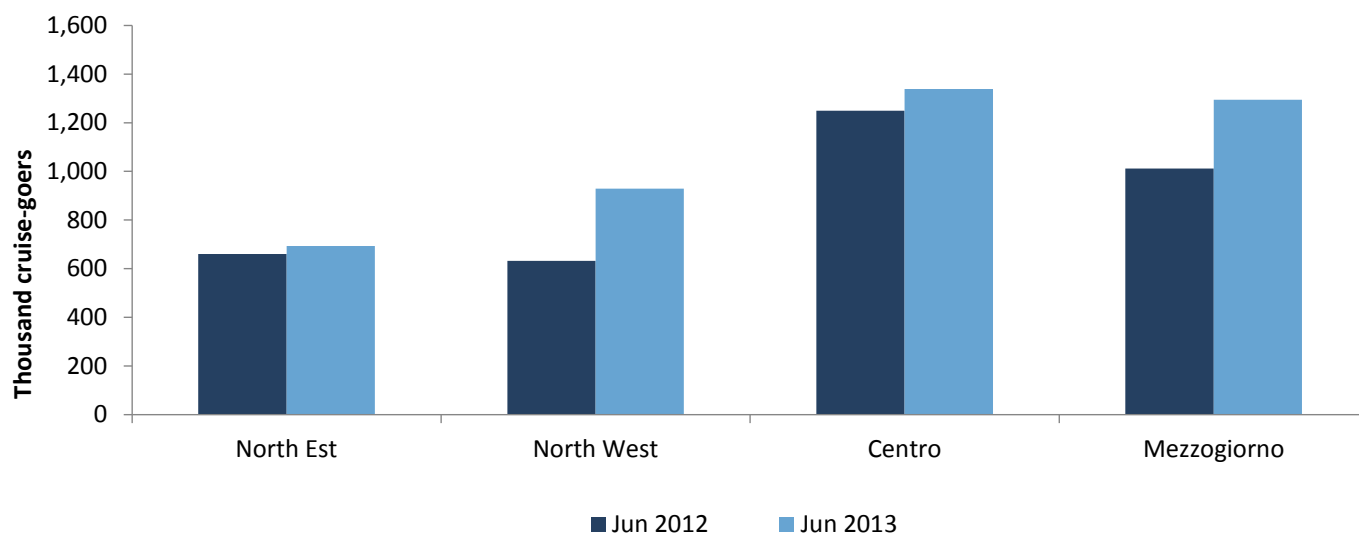
Port Authority (+70.6%, i.e. around 400 thousand tonnes) failed to balance. A noteworthy performance was achieved by the port of Naples, which more than quadrupled its handling of dry bulk, to over

2.2 million tonnes. The North East followed, with resilient ports that contained the contraction in traffic to -1.5%. In Central Italy, dry bulk handling decreased by 11.9% as

a result of slower traffic in all the ports of the area, and in particular in Piombino, which dropped below the 2 million tonne threshold (-23.3% compared to June 2012).

Lastly, the North West also suffered a decline, by -6.5%: in the area, only solo Savona – Vado improved its traffic profile by 6.2%, to around 1.7 million tonnes.

Handling of cruise-goers by macro area – 1H 2013



Source: SRM on Port Authority data

The analysis of the Italian port system in the first half of 2013 is rounded up with a look at the cruise-ship passenger segment, as this type of tourism has direct and important implications on the economy of the territories served by the ports. The cruise segment experienced strong growth in the period considered, in all macro areas. Central Italy, and in particular the port of Civitavecchia, which is the leading Italian port in this segment, was the macro area which handled the largest number of cruise-goers. It recorded a 7.2% increase compared to June

2012, on the back of Civitavecchia, which posted 22% growth, crossing the million-passenger mark. The Mezzogiorno followed at a short distance, with a 28% increase to almost three million passengers, distributed over various ports: Naples, the leading port of the area in terms of cruise-goers, with over 407 thousand passengers, on the rise by 7%; Bari, which achieved +9.9% growth to around 228 thousand cruise-goers; Palermo which is aggressively attacking the second position in the area, with almost 224 thousand passengers, up by 78% compared to June 2012. Cagliari

and Messina also performed well in the segment. The North West was the area in which growth was strongest compared to 1H 2012, at +46.8%, to around 930 thousand passengers, almost entirely concentrated in Genoa and Savona-Vado, both of which experienced positive growth. Lastly, the North East improved by 5.1% on the back of the performance of Venice, which grew by 7.7%, confirming its second position in the national ranking for the segment, with 667 thousand cruise-goers.

The analysis of the trend of the national port system in the first half of 2013 outlined a strong performance of Italian ports, which experienced growth despite the slowdown in global trade and maritime transport.

Size of the Container Ship Fleet

Drawing a picture of the economic situation in the container ship market, with information on the capacity already available, on the market shares held, and on existing orders, sheds light on the trends in the shipping market on the supply side.

Alphaliner ranking of operated fleets in the container segment*

Rnk	Operator	TEU	Share	Existing fleet	Orderbook
1	APM-Maersk	2,594,376	14.6%		
2	Mediterranean Shg co	2,353,451	13.2%		
3	CMA CGM Group	1,511,472	8.5%		
4	Evergreen Line	855,207	4.8%		
5	COSCO Container L.	772,304	4.3%		
6	Hapag-Lloyd	725,306	4.1%		
7	APL	636,686	3.6%		
8	Hanjin Shipping	627,027	3.5%		
9	CSCL	601,563	3.4%		
10	MOL	547,464	3.1%		
11	OOCL	458,360	2.6%		
12	NYK Line	457,529	2.6%		
13	Hamburg Sud Group	449,395	2.5%		
14	PIL (Pacific Int. Line)	375,603	2.1%		
15	Yang Ming MarineTransport Corp.	368,723	2.1%		
16	K Line	347,803	2.0%		
17	Hyundai M.M.	336,017	1.9%		
18	Zim	331,352	1.9%		
19	UASC	278,442	1.6%		
20	CSAV Group	273,008	1.5%		
21	Wan Hai Lines	165,791	0.9%		
22	X-Press Feeders Group	88,673	0.5%		
23	HDS Lines	88,608	0.5%		
24	NileDutch	75,490	0.4%		
25	KMTC	73,260	0.4%		
26	SITC	67,422	0.4%		
27	UniFeeder	57,227	0.3%		
28	TS Lines	52,436	0.3%		
29	Simatech	51,973	0.3%		
30	CCNI	50,711	0.3%		

* The top 100 league:

- The percentage shown on the left of each bar represents the operator-s share of the world liner fleet in TEU terms.
- The light coloured bar on the right represents the current orderbook (firm orders).

Source: Alphaliner

The Alphaliner ranking of the largest operated fleets in the container segment, as at 20 January 2014, is illustrated below. At that date, 5,966 ships were active on liner trades around the world, for a total capacity of 17,774,803 TEUs, i.e.

226,461,611 dwt, of which 4,977 fully cellular ships, for 17,305,571 TEUs. The total existing cellular fleet (including ships not currently active on liner trades) amounted to 4,983 ships, for 17,309,645 TEUs in total.

For what concerns the ranking of sector operators, the chart above lists the top 30 carriers.

The figure shows that the largest companies specialised in container shipping are continuing to strengthen their fleets, confirming and increasing their dominance in the international ranking. The industry is increasingly concentrated, with the top five players already commanding 48% of global deadweight tonnage, and continuing to invest. The market leader, Danish company Maersk, has commissioned 15 new ships for the coming years, for an overall hold capacity of more than 274 thousand TEUs, whereas the second largest group,

Mediterranean Shipping Company, is planning to reduce the gap, and has ordered as many 40 new vessels, with a combined capacity of almost thousand TEUs. The strategies of both companies seem geared to preferring mega-ships with a capacity of 18 thousand TEUs. The third group in the world ranking, French company Cma-Cgm, has placed orders for 32 ships, as opposed to 30 vessels commissioned by the fourth player at the global level, Taiwanese group Evergreen, which owns Italy Marittima (formerly Lloyd Triestino), which aims to step

up its supply capacity with over 352 thousand TEUs. In this colossal race, a more cautious approach is being taken by Chinese group Cosco, which has ordered “only” four new ships.

The first Italian group in the ranking (of the three in the top 100) is Naples-based Grimaldi Lines, in 35th place, with 37 container ships and an orderbook of 11. The company remains important on the global scene as its activity also embraces ro/ro ferries and services along the Motorways of the Sea.

An analysis of the ranking and data provided by Alphaliner draws a very dynamic picture of the container ships segment, in which the leading sea shipping groups continue to make and plan increasingly important investments, that are resulting in growing concentration in the industry.

4

indicators

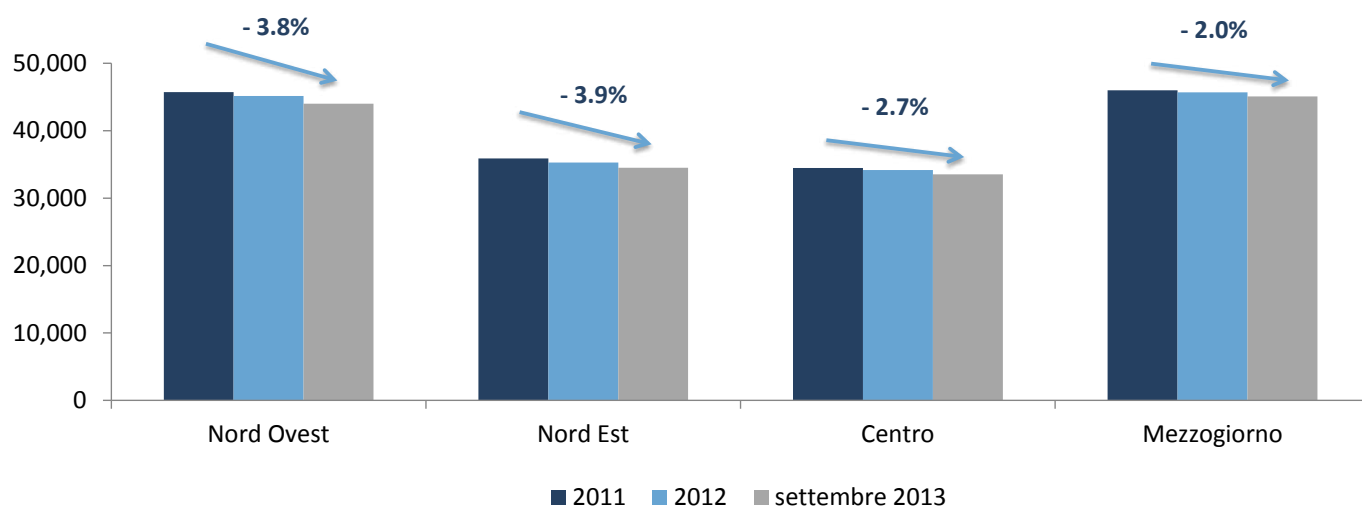
COMPANY ANALYSIS

The forth group of parameters is geared to defining the number of companies and their revenues, trends, and state of advancement.

Logistics Sector Companies

This set of indicators draw a picture of the number of logistics and shipping companies, divided by territory and type. Statistical data on the Italian fleet will then be surveyed annually, itemised by type, and year-on-year changes provided.

Concentration of logistics companies in the macro areas (2011-2012-Sep. 2013)



Source: SRM on Movimprese data

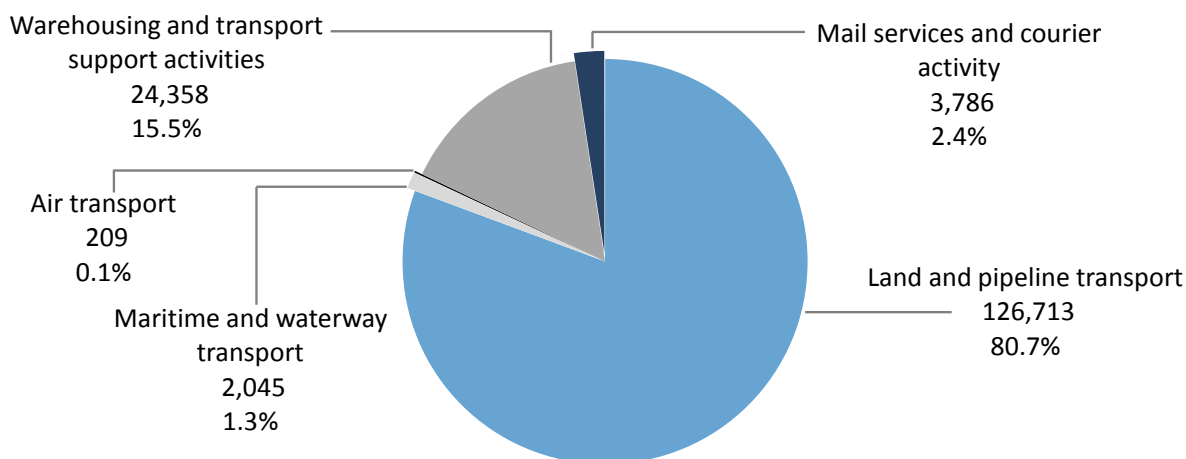
In the period considered, the number of logistics companies decreased progressively in all the macro areas considered in Italy. At the end of September 2013 they added up to 157,111 in total, and were most

numerous in Southern Italy, where 45 thousand were located.

A prevalence of land transport companies is confirmed, in line with the previous years.

Of the total number of logistics companies, 18% are joint stock companies, up by 1.1% compared to 2012.

Suddivisione delle imprese logistiche per settori di attività. Dati a settembre 2013



Fonte: SRM su Movimprese

Data referred to enterprises also reflect the difficult phase being experienced by the Italian economy, showing a reduction in the number of companies in all the country. However, a positive aspect also emerges, i.e. the higher number of joint stock companies, proof of the greater presence of more structured companies than in the past.

As regards ship-owners, the Italian fleet includes 1,581 ships, for a total gross tonnage of 19 million tonnes. Compared to 2011, tonnage increased by 2%, at a slower pace than over previous years (9.8% between 2009 and 2010, and 8% between 2010 and 2011), and the

number of ships dropped by a similar amount, due largely to the sale abroad of vessels. The Italian fleet is very young, considering that 66% of ships are less than 10 years old; this is because ship-owners keep investing in increasingly advanced and environment-friendly ves-

sels: in the course of 2012, 25 ships were completed, amounting to 739 thousand tonnes of gross tonnage. Based on the information available as at 2013, the Italian flag merchant ship fleet shows no noteworthy changes.

Italian merchant fleet (2011-2012)

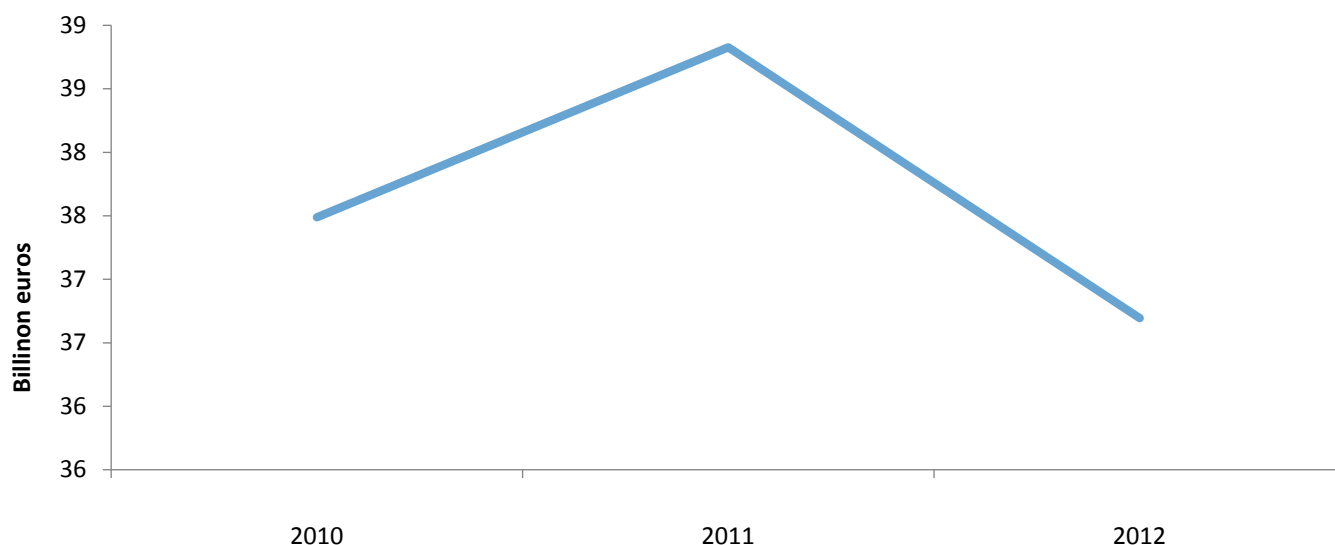
Ships of 100 gt and over	31.12.2012		31.12.2011		Var. 2012/2011	
	N.	000 gt	N.	000 gt	N.	gt
Liquid cargo ships	299	5,611	307	5,606	-3%	0%
Dry cargo ships	240	8,262	245	8,143	-2%	1%
Mixed and passenger ships	444	4,536	463	4,251	-4%	7%
Obo Carriers	1	33	1	33	0%	0%
Auxiliary services ships	597	683	603	746	-1%	-8%
Total	1,581	19,125	1,619	18,779	-2%	2%

Source: Confitarma, 2013

Revenues of the Top 100 Companies of the Logistics/Maritime Sector

This set of indicators, calculated based on information drawn from SRM databases, allows an analysis of the revenues of sector companies, with focus on trends, territorial concentration, legal status, etc.

Trend of the overall revenues of the Top 100 transport and logistics companies in Italy. 2010-2012



Source: SRM on AIDA bureau van Dijk data

The results listed below were obtained tapping the AIDA bureau van Dijk database and extrapolating the 100 names in terms of revenues in the years 2010, 2011 and 2012 among Italian transport and logistics companies.

The trend of these companies' overall revenues in the three years considered was a seesawing one, with an increase in 2011 compared to the previous year of 3.6%, followed by a 5.5% decline in 2012, to a total value of 36.7 billion euros.

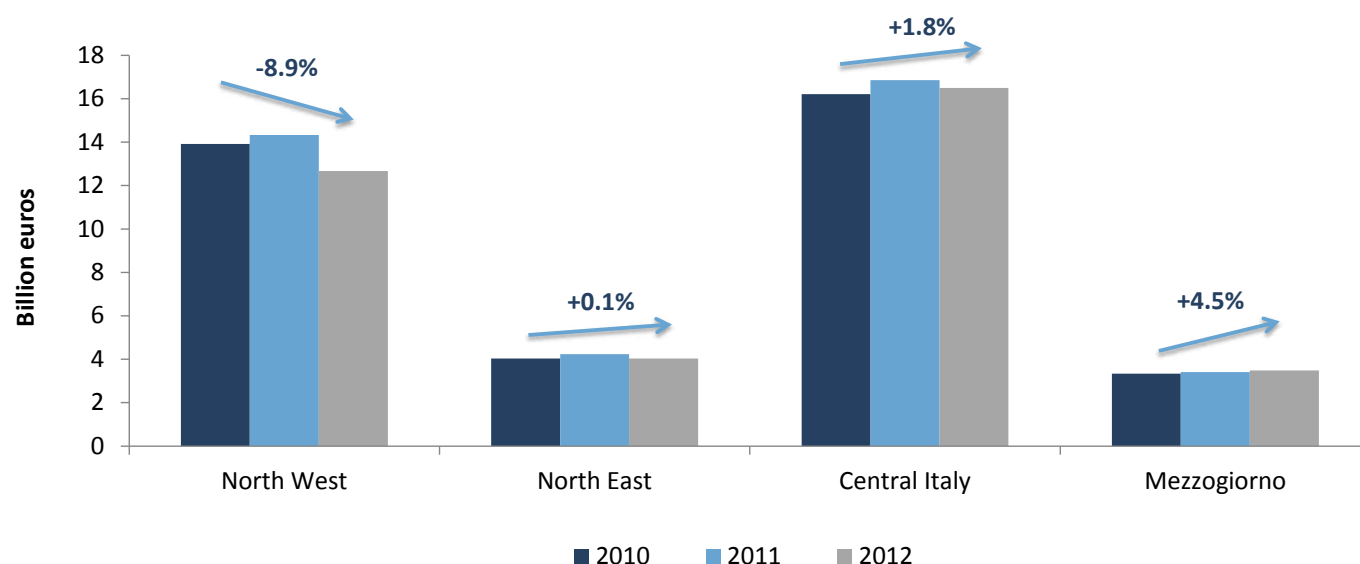
In order to assess the territorial concentration of the revenues of transport and logistics companies, we considered the Province in which each company is legally based.

The first chart below shows that Central Italy is the macro area in which the revenues of transport and logistics companies are most concentrated, on the rise between 2010 and 2012 by 1.8%. The North West follows, the only macro area to have incurred a correction in the period considered, by 8.9%.

Growth was strongest in Southern Italy, at +4.5%.

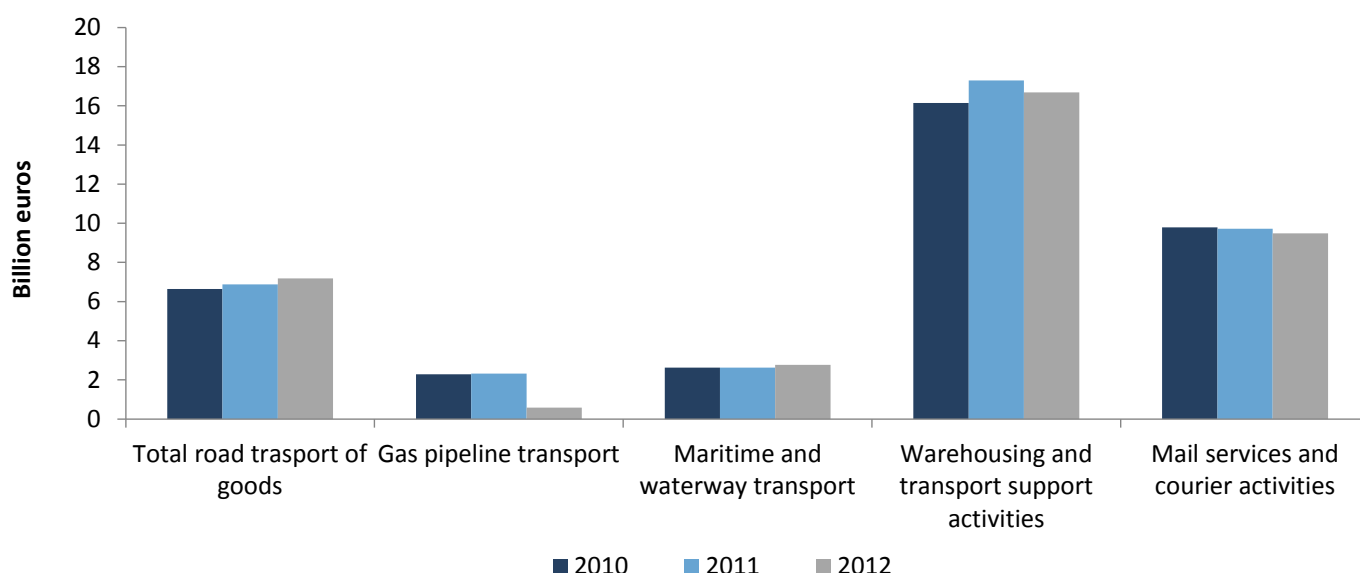
Lastly, in terms of the distribution of revenues by type of activity, the chart below illustrates concentration in the warehousing and mail services sectors, followed by road transport. Companies active in this line of business, together with maritime transport enterprises, boasted revenues growth in the three years considered.

Territorial concentration of the overall revenues of the Top 100 transport and logistics companies in Italy. 2010-2012



Source: SRM on AIDA bureau van Dijk data

Distribution of the revenues of transport and logistics companies by line of business. 2010-2012



Source: SRM on AIDA bureau van Dijk data

Data on the revenues of transport and logistics companies, drawn from the Aida bureau van Dijk database, outline a decline in 2012 compared to the previous year, although the reduction was essentially limited to companies located in the North West. Also, the analysis by line of business shows that in Italy revenues were highest for companies providing support to transport companies, and that among the latter road transport continues to prevail.

5

indicators

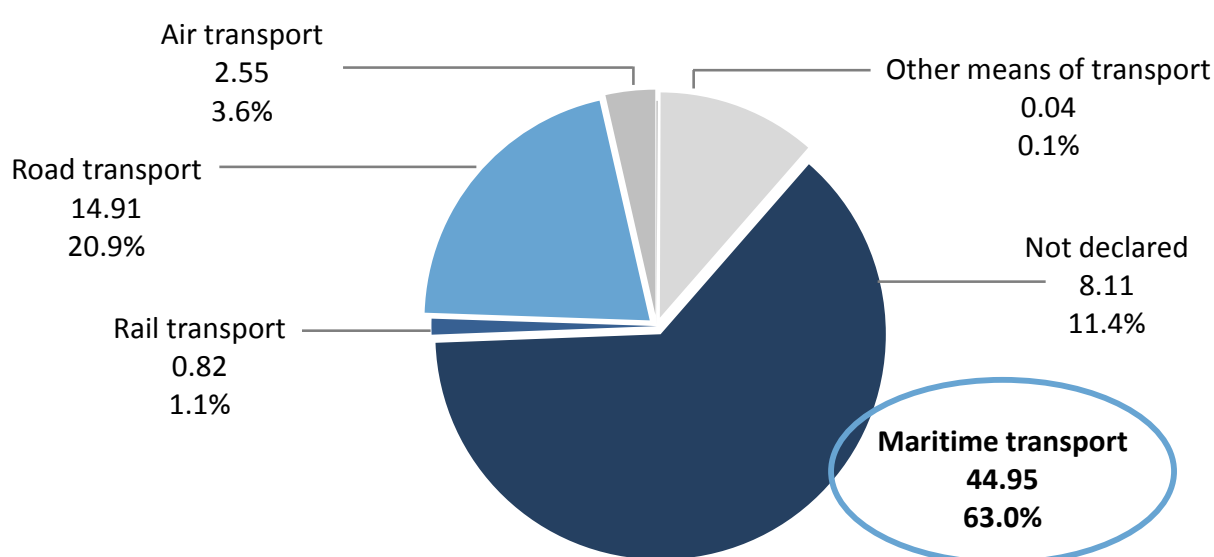
FOCUS ON THE MEZZOGIORNO

The following set of parameters focuses the analysis of the state of health of the Italian maritime economy on the southern regions of the country, the so-called “Mezzogiorno”, to assess the role played by this area in contributing to Italy’s overall competitiveness.

The Mezzogiorno's Share of Italian Maritime Import-Export Trade

Information on the value of trade generated by the Southern regions of Italy compared to national figure. The weight of trade by sea on the Mezzogiorno's the total import-export trade will also be measured.

Transport modes used in the Mezzogiorno's import-export trade (EUR Bn). January-September 2013



Source: SRM on Coeweb data

In the January-September 2013 period, the import-export trade of Southern Italy was worth 71.4 billion euros, or 12.8% of total Italian import-export Italian. Compared to the same period in 2012, trade declined by 8.1%: broken down data show that exports amounted to 31.3 billion euros, down by 9.5%, and imports to 40 billion euros, down by 6.9%.

The chart above shows that maritime transport is the main mode of transport used in Southern Italy for the trading of goods, accounting for a 63% share. This value is significantly higher than the national average of 31%, in itself considerable. In absolute terms, the value of maritime import-export trade in the Mezzogiorno in the first nine

months of 2013 amounted to almost 45 billion euros, i.e. 26.1% of the national total; it was also affected by the widespread slowing of import-export trade in the area, and fell by -9.6% compared to the same period of 2012.

In the first nine months of 2013, the Mezzogiorno's import-export trade decreased, due to a contraction in both imports and exports, which testifies to the slowdown in production, which also affected the maritime transport of goods.

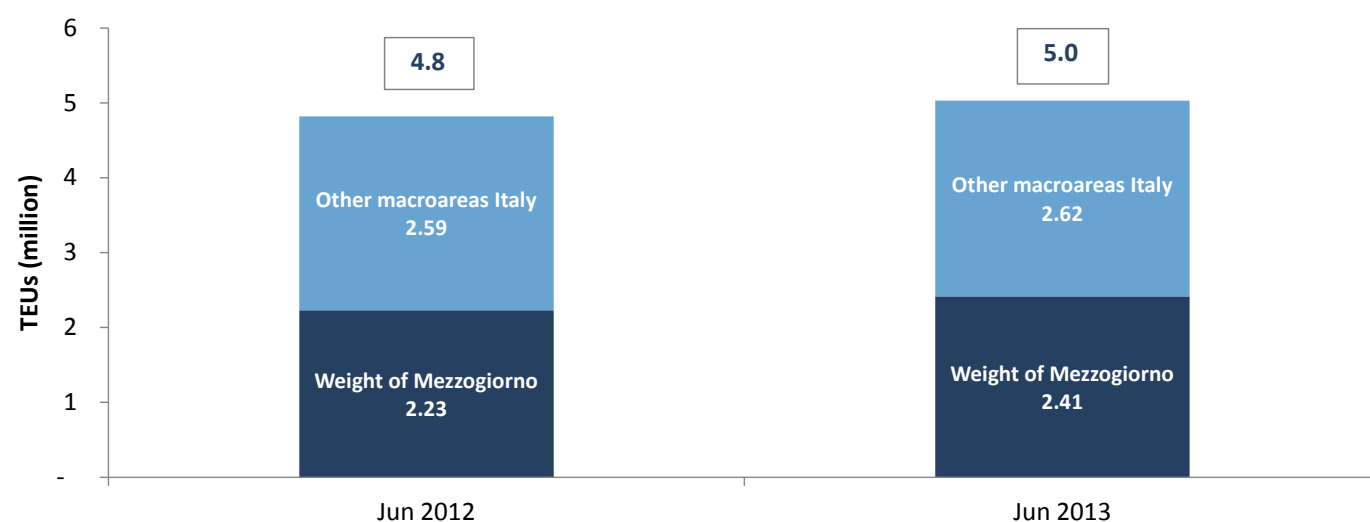
However, this mode of transport is of key importance for the import-export trade of Southern Italy, as two goods out of three are imported/exported by ship.

Port Traffic in the Mezzogiorno

These statistics on the ports of Southern Italy, in terms of TEUs and of the tonnes of goods handled, are useful in completing the picture of the maritime economy of the Mezzogiorno, as they allow an assessment of the trend of the area's main facilities, and their weight on the Italian national total.

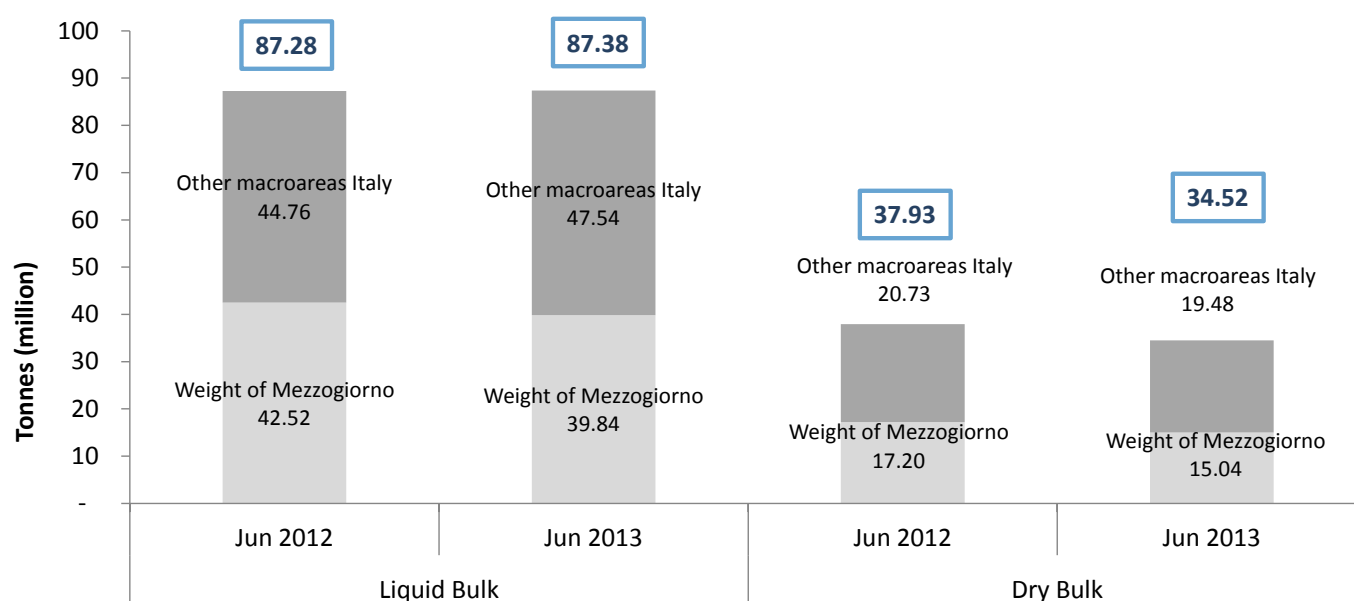
Data are referred to 1H 2013.

TEUs handled by the ports of Southern Italy compared to Italian total – 1H 2013



Source: SRM on Port Authority data

Liquid and dry bulk handled by the ports of the Mezzogiorno compared to the Italian total – 1H 2013



Source: SRM on Port Authority data

Southern Italy accounted for 48% of total TEUs handled in Italy, worth 2.4 million euros, in the first six months of 2013, up from 8.3% in the same period of 2012.

This is explained by the presence in the area of Italy's three transshipment ports Italian, and in particular by the excellent performance achieved by Gioia Tauro, which handled over 206 thousand TEUs more than in 1H 2012, recording a growth of 15.2%. This surge, which more than balanced the contraction suffered by the port

of Taranto, where traffic kept declining: the June 2013 reading was -29.7%. Traffic in Cagliari improved by 8.8%.

Southern Italy also plays an important role in the handling of liquid bulk, and in June 2013 accounted for almost 46% of the national total, down by 6.3% compared to 1H 2012. This result was due to slower traffic in the largest ports of the area in this segment of activity: Augusta (2.45 million tonnes less, -16.8%) and Cagliari (835 thousand tonnes less, -6.9%).

As regards dry bulk, Southern Italy accounts for 44% of total handling, also down compared to 1H 2012.

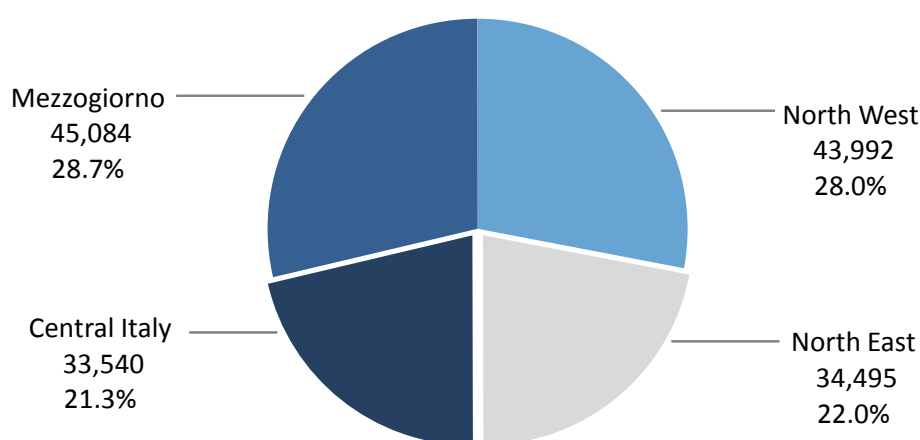
The drop in traffic was especially significant in the Puglia region ports of Taranto, which shed almost three million tonnes in the period considered (-27.3%), and Brindisi, down by 964 thousand tonnes, i.e. -28.8%.

The statistics on ports clearly highlight the major role played by the ports of the Mezzogiorno in all segments of traffic. In contrast to the widespread decline in the handling of liquid and dry bulk, the trend of traffic in the containerised goods segment was positive.

Weight of the Logistics Companies of the Mezzogiorno

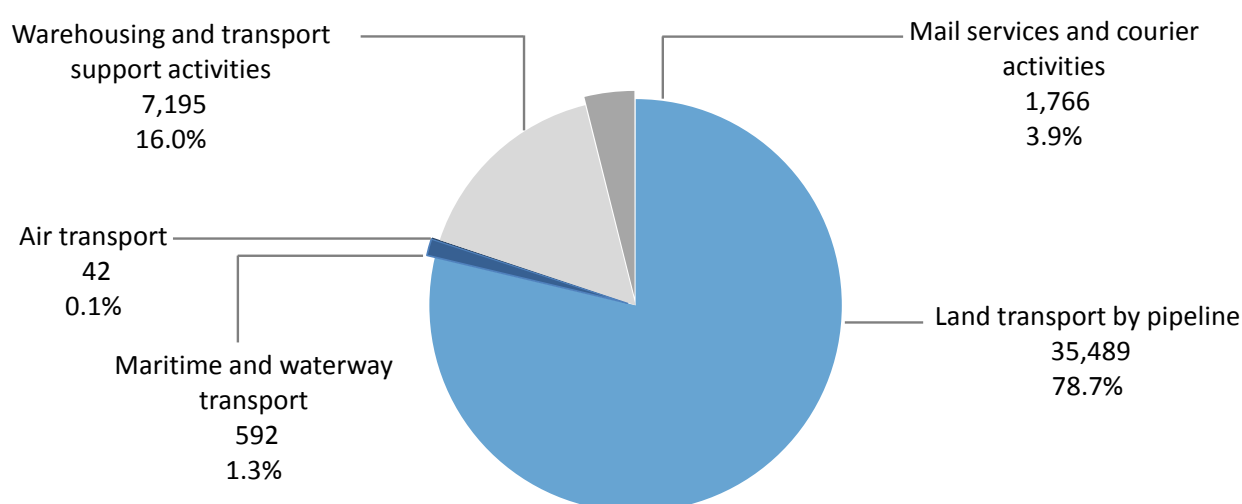
Data on the presence of logistics companies in the regions of Southern Italy, with an indication of the three-year trend to assess the state of health of the industry, a breakdown of the legal status of the companies, and an annual analysis of the revenues of the main companies.

Logistics companies by macro area. Data as at September 2013



Source : SRM on Movimprese data, 2013

Breakdown of logistics companies by sector of activity in Southern Italy. Data as at September 2013



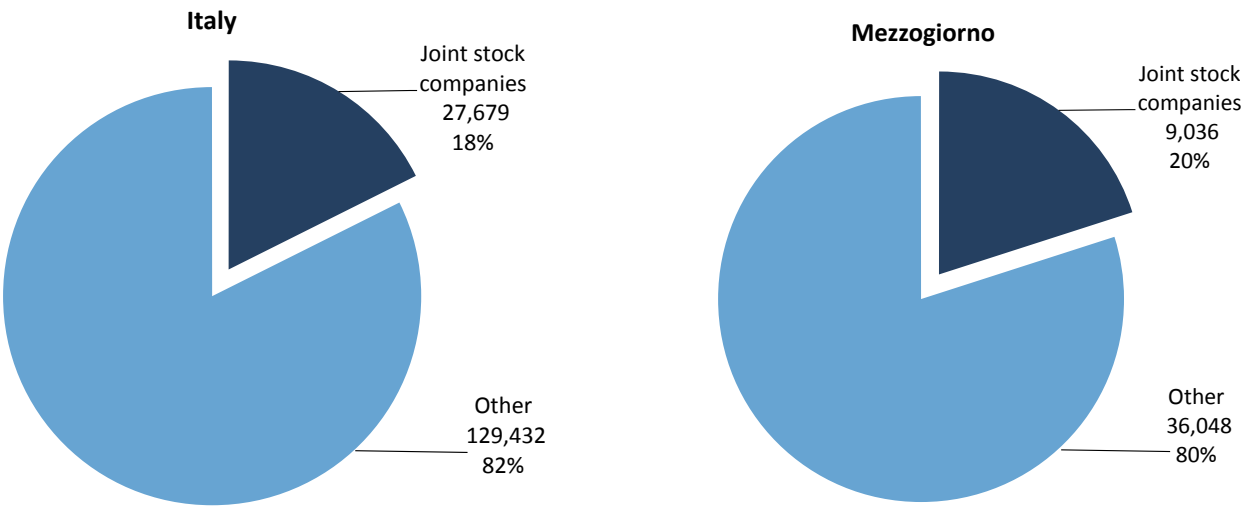
Source: SRM on Movimprese data

The Mezzogiorno is the macro area with the highest concentration of logistics companies, numbering over 45 thousand, or 28.7%

of the national total. They are mostly active in road transport (79%), and in transport support activities (16%).

As regards the legal status of the companies, 20% of them are limited companies, a slightly higher share than the national average.

Legal status of logistics companies. Italy–Mezzogiorno comparison – September 2013



Source: SRM on Movimprese data

Data on enterprises confirm the important logistics endowment of Southern Italy, and the extent to which maritime transport is a major driver of its economy.

A Global View

The indicators considered in the SRM Observatory outline a difficult period for maritime transport, both internationally and in Europe, which reflects the trend of global trade, that has resumed growing, but at a moderate pace. This situation, combined with widespread oversupply, is causing hardships for maritime carriers, increasingly forced to implement cost-cutting strategies, such as slow steaming and naval gigantism, the rationalisation of services, and the pursuit of alliances.

Therefore, it is natural to expect that the strategies pursued by the main carriers may influence the geography of ports, that will undergo stricter selection and be able to offer complex services to increasingly large ships. The trend towards gigantism may also presumably have implications on Short Sea Shipping, which on its part is already a very important form of maritime transport in the EU, but which could become even more relevant in the future as transshipment traffic increases.

An analysis of the ranking and data provided by Alphaliner draws a very dynamic picture of the container ships segment, in which the leading sea shipping groups continue to make and plan increasingly important investments, that are resulting in growing concentration in the industry.

What about Italy?

The data contained in the Observatory point to a slowdown in overall import-export trade, essentially driven by a reduction in imports, resulting from the economic-productive difficulties being faced by the country. This state of affairs is also reflected by the performance of sea shipping, one of the most important modes of trans-

port for goods traded by Italy, which contracted despite positive export growth, albeit limited. The analysis of the trend of the national port system in the first half of 2013 outlined a strong performance of Italian ports, which experienced growth despite the slowdown in global trade and maritime transport.

Data referred to enterprises are mixed, and show a reduction in the number of transport and logistics companies throughout Italy. However, a positive aspect also emerges, i.e. the higher number of joint stock companies, proof of the greater presence of more structured companies than in the past. Enterprises are in any case feeling the impact of the difficult economic situation in Italy, as proven by data on the revenues of transport and logistics companies, drawn from the Aida bureau van Dijk database.

The figures reveal a contraction in 2012 compared to the previous year, although the reduction was essentially limited to companies located in the North West. Also, the analysis by line of business shows that in Italy revenues were highest for companies providing support to transport companies, and that among the latter road transport continues to prevail.


Data confirm the important logistics endowment of Southern Italy in terms of infrastructures and companies, although the economic situation is not especially favourable and is also having repercussions on the area's trade relations.

An assessment of import-export trade shows that in the first nine months of 2013 both imports and exports dropped, testifying to the slowdown in output, which also

affected the maritime transport of goods.

However, this mode of transport is of key importance for the import-export trade of Southern Italy, as two goods out of three are imported/exported by ship.

clearly highlight the major role played by the ports of the Mezzogiorno in all segments of traffic. In fact, in contrast to the widespread decline in the handling of liquid and dry bulk, the trend of traffic was positive in the containerised goods segment, the form of transport commonly selected to compare the performance of ports at the global level, given its close correlation with the trend of world trade.

In particular, a mention goes to Gioia Tauro, the main Italian transshipment hub, which after feeling the effects of the crisis and suffering an ongoing reduction in the amount of goods handled, began a brilliant recovery in 2012, and is set to experience new traffic increases if and when the P3 Network comes into full swing, given the port's selection as main hub port for Southern Italy. 

maritime
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