

[maritime indicators]

maritime
economy

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and are available at www.srm-maritimeconomy.com
the Scientific Observatory on the Economy of the Sea**

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The Current Picture in the Maritime Economy

During 2014, maritime transport was supported by an upturn in international trade, however, as recorded over the previous years, for most of the companies such an increment did not equal an increased profitability which carried the burden of a still fragile global economy and by a generalized oversupply situation. As a matter of fact, the percentage increase in the offer of cargo capacity is still higher than the growth of transport demand for all the cargo categories.

A more detailed exam of the single maritime transport segment trend, shows that during the second semester of 2014 two phenomena strongly affirmed in container transport: the large alliances and the trend towards the fleet renovation which, in its own turn confirms the naval gigantism trend. The carrier are experiencing that by reducing the unit cost of each single TEU they carry, it is possible to balance out the decline in unit revenues resulting from a freight market which is still quite depressed.

Therefore the configuration of the container shipping sector is increasingly linked to the strategies which are implemented by the large consortia and alliances springing especially on the east-west routes and which are, in 2014 too, suffering from overcapacity. According to the consulting firm Alphaliner, the new shipowning alliances 2M — made up of Maersk Line and the Mediterranean Shipping Company (MSC) — and Ocean Three — formed by CMA CGM, China Shipping Container Lines (CSCL) and the United Arab

Shipping Company (UASC) — will place a further capacity of 14,000 TEUs per week on the scheduled services connecting the Far East with the Mediterranean; an increase of 11% compared to the end of 2013. The highest capacity growth of the container fleet will be recorded by the services for the Adriatic Sea and the Black Sea; regions for which the two alliances have foreseen the inauguration of new lines.

Such increase in capacity, contrary to the wishes of the shipping companies, is likely to reverse the relationship between supply and demand thus endangering the fragile recovery in the level of freight rates. Actually, the outlook of Drewry Shipping Consultants expects that the volumes transported on the main shipping routes should grow by 5.5%; the Asia-Northern Europe route alone is expected to grow by 3.5%.

Also for this sector, Dynamar estimates that the Mediterranean basin is progressively acquiring importance in terms of interational maritime trade of containerized cargo, in fact, according to the Dutch consulting firm's forecasts, in 2015 regional and feeder trades within the Mediterranean will amount to 15.6 million TEUS — on the rise compared to the 14.9 million of 2014 — and will reach 17.1 million by 2017.

The growth in demand for this market segment is also accompanied by a significant growth of supply because, in order to achieve the economies of scale necessary to contain costs, the big carriers keep ordering giant vessels. In September 2014, for the first time Alpha-

liner foresaw that by 2016 and based on the current orders placed, the Swiss MSC would become the leading company in the sector, but only after a few days Maersk Line (which currently holds the record) announced a \$3 billion per year investment for the period 2015-2019 to finance its fleet development plans consisting of 30 Triple-E.

In the meanwhile, based on the Ocean Shipping Consultants's forecasts, the Korean shipsites are now ready to build vessels with a capacity of 24,000 TEUs, that is 5,000 TEUs larger than those just entering service which feature 19,000 TEUs.

In a study on the sector titled "*How carriers make money*", Drewry Maritime Research carried out an in-depth analysis on the main liners' accounts and underlined that, as resulting from the latest quarterly report published, more and more carriers have returned to have a positive balance (from 5 to 10 in the ranking of the top 25 companies between the first and the second quarter of 2014).

According to Drewry's analysts, another element that carriers have to consider, in order to contain operating costs after the truce granted in recent times, is the bunker cost. On average, the operating cost per transported TEU raised from 1,240 dollars in 2010 to 1,327 in 2011 (+7%), especially due to a rise of 40% in naval bunkering and though from 2012 this coefficient dropped by an average of 7% per year for all shipping companies it is not possible now to hope for a further decrease in the price of fuel bunkers. In fact, it is more likely that the costs associated with

the introduction of new regulations on environmental sustainability, increase.

Going on with the analysis by single segment of maritime transport, it emerges that for solid bulk, 2014 still represents a year of dire straits as the imbalance between supply and demand pushed the market of dry bulk down although in the summer months it had reached the levels of 2009. According to Newport Shipping data, the expansion in the supply of bulk carriers increased at decreasing rates; from 15% in 2011 and 10% in 2012 to 5.8% in 2013 and 5.2% in 2014; in 2015 it is expected an increase of 6.4%. This critical situation of pressure on the market should subside as the estimate of demand growth (more than 5% year on year) and a more balanced expansion of tonnage will create — in the second half of 2015 and throughout 2016 — the conditions for an increase in the freight rates of this segment.

The key driving factors for the solid bulk demand will remain the iron and steel industry and the Chinese import of iron and coal; add to this the estimate of an increase in the transport of iron towards the EU, Japan and other parts of Asia which should imply an overall increment of 8% in the maritime trade of iron over the period 2013-2016 of which 89% will be made up of import from China, especially from Australia and Brasil.

The Baltic Dry Index closes the eleventh month of 2014 with an average of 1,119, recovering, as usual, in the final part of the year after having experienced a particularly difficult summer seeing a decrease compared to 2013, when the BDI average was 1,228.

As for the variegated segment of the liquid bulk, the perspectives seem to be encouraging for the transport of refined oil products and slowly improving for the VLCC (Very Large Crude Carriers). The sector of crude oil, after a particularly complex 2013, in 2014 showed a slight recovery because the drop in demand in the US, especially in the last months of the year, was partly offset by the increased imports in the emerging economies of China and India and partly by the drop

in crude oil prices that incentive the buying of cargo. The Baltic Dirty index in the first 11 months of 2014 had an average of 768 compared to the 649 in 2013.

The oil tankers world fleet grew by 7% in 2011, by 5% in 2012 and by 2% (with about 14 million tonnes delivered, down by 47%) in 2013 and this growth rate should remain constant in 2014 and 2015 too. Demolitions remain at high levels also because the attention of shipowners is moving on Very Large Crude Carrier leading to a rapid increase in new orders in the last quarter of 2013. In the semester between October 31st 2013 and March 31st 2014 48 tankers (among which 18 are VLCC) have been ordered, with an overall capacity equal to 18.3 million tons.

The business which is now giving the strongest signs of recovery in the short term is that of the refined oil products. The rise in freight rates, according to Venice Shipping & Logistics, is primarily being facilitated by the increase in the production of the refineries of Asia, Middle East and United States, coupled with the growing demand of the weights of Latin America and Africa. A recovery in freight rates will be evident, according to VSL, especially for those vessels operating in the Mediterranean and the Black Sea.

This market outlook is also roughly reflected in the analysis by Banchemo Costa, in which it is underlined that in 2013 too the product tanker global fleet grew by 2% compared to the previous year (in 2009 it had grown by 13%). Nevertheless for this class of vessels, as well, there's an alarm about the new orders. In 2013 new tankers for refined products were ordered for 19 million deadweight tons (of which nearly 13 million are ships between 30,000 and 60,000 tons) which exceed more than three times the 5.9 million tons ordered in 2012. The deliveries scheduled for 2015 and 2016 should result in an increase of 5.3% of the fleet.

A significant growth in demand is expected for the LNG segment, in fact the IEA (International Energy Outlook) estimates that between 2010 and 2040 there will be an incre-

ase of the global consumption of natural gas by 65%, thus strongly promoting the use of this type of the ship. The growth of the fleet was 3.1% in 2011, 0.1% in 2012, 6% in 2013 and will reflect the market trend with an increase of 7.3% in 2014 and 7.5% in 2016.

Based on the available data, in 2014 the container traffic in Italy was substantially stable. With reference to the hub ports, for the first 9 months of the year, Gioia Tauro moved less than 2.3 million TEUs (-1.5%), Cagliari 471,000 (+1.1%) and Taranto 143,000 (-3.7%).

However, for transshipment ports and for some ports of final destination in our country the door to major growth opportunities opens, as they are within the network of scheduled services defined by the big alliances.

The big news of this semester

MAERSK LINE ABOUT TO INVEST \$15 BILLION TO RENEW ITS FLEET

The Danish carrier, a world leader in the transportation of containers, announced an investment plan worth \$3 billion per year, for the years 2015 to 2019, to finance the project of renewal of its fleet in order to strengthen its dominant position in the industry.

Source: World Maritime News

THE STRATEGIC PLAN FOR THE PORT OF GENOA: €303 MLN

The Port Committee approved the 2015-2017 Three Year Operational Plan. The strategic plan for the Port of Genoa for the first two years is worth a total of €303 million, 157 for 2015 are already covered by state funding and loans from the EIB, and 106 in 2016 for which you are activating the funding. The 2015-2017 Three-Year Operational Plan also describes the steps that will lead to the approval of the new port master plan that will be presented by the Port Committee by the end of 2014.

Source: Genoa Port Authority

DOUBLING OF THE SUEZ CANAL ANNOUNCED

The partial doubling of the Suez Canal aims to avoid that in a stretch of 72 kilometers (out of a total of 193) navigation remains as alternating lanes. The project is worth \$8.2 billion and will reduce the travel times of the channel from 18 to 11 hours, allowing the doubling of the daily traffic from 49 to 97 ships. The work will generate a positive impact on the huge costs caused by delays to the owners and will increase the revenue for Egypt by \$5.3 billion in 2013 to \$13.5 billion to complete the project.

Source: Suez Canal Authority

[Good and Bad]



+5.5%

container traffic growth forecasts for 2015 on the main shipping routes



+4.8%

performance of Italian ports in the container segment up to 2013



+1.1%

increase in the share capital of the transport and logistics companies in Italy



-3.2%

maritime trade in Italy in the first six months of 2014



-2.5%

number of companies in the maritime cluster 2012-2014



-0.4%

tons of cargo handled in 2013 in the Eu-28 main ports

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

1

indicators

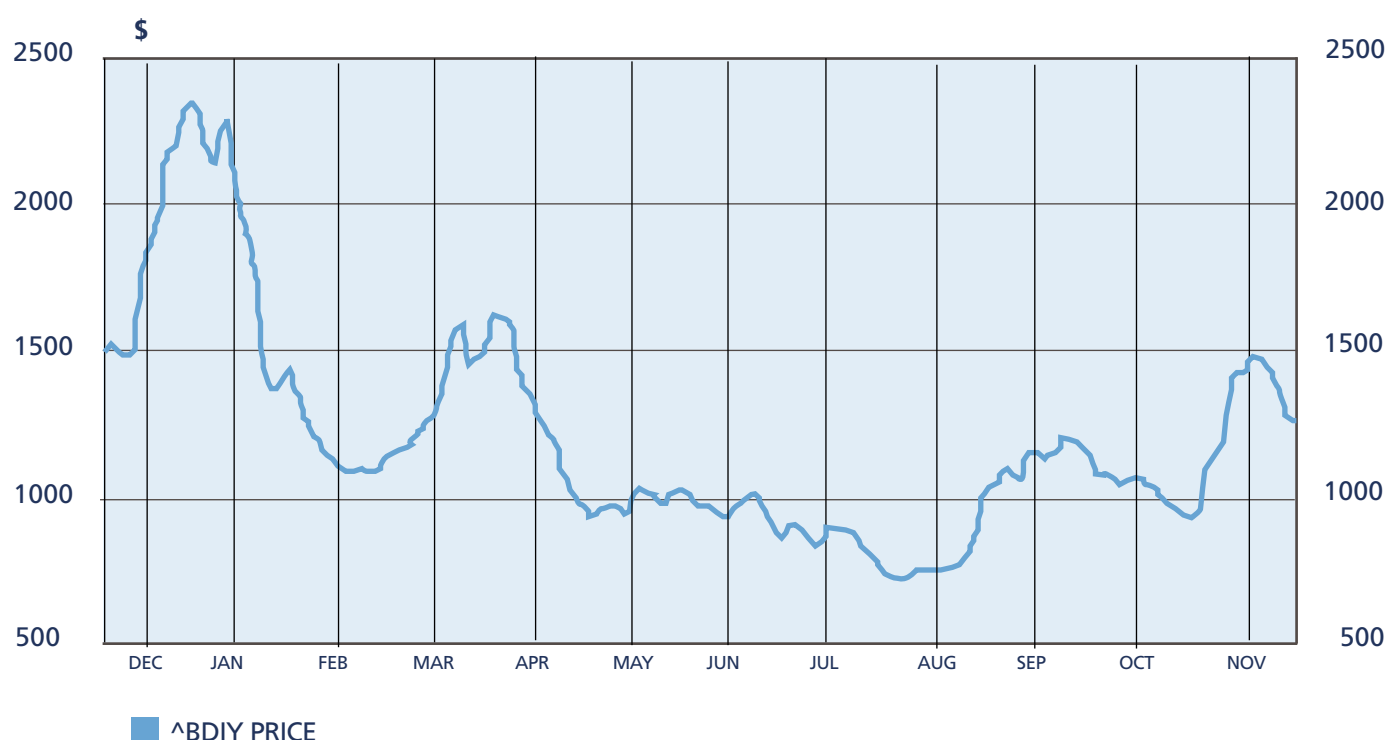
ECONOMIC TREND

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

Baltic Dry Index

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 2014



Source: SRM on Bloomberg

The analysis of the above graph on the dry bulk freight rates over the last year shows a fluctuating trend to November 24th 2014 worth 1,317 down by 44% compared to the most recent peak in December 2013, but

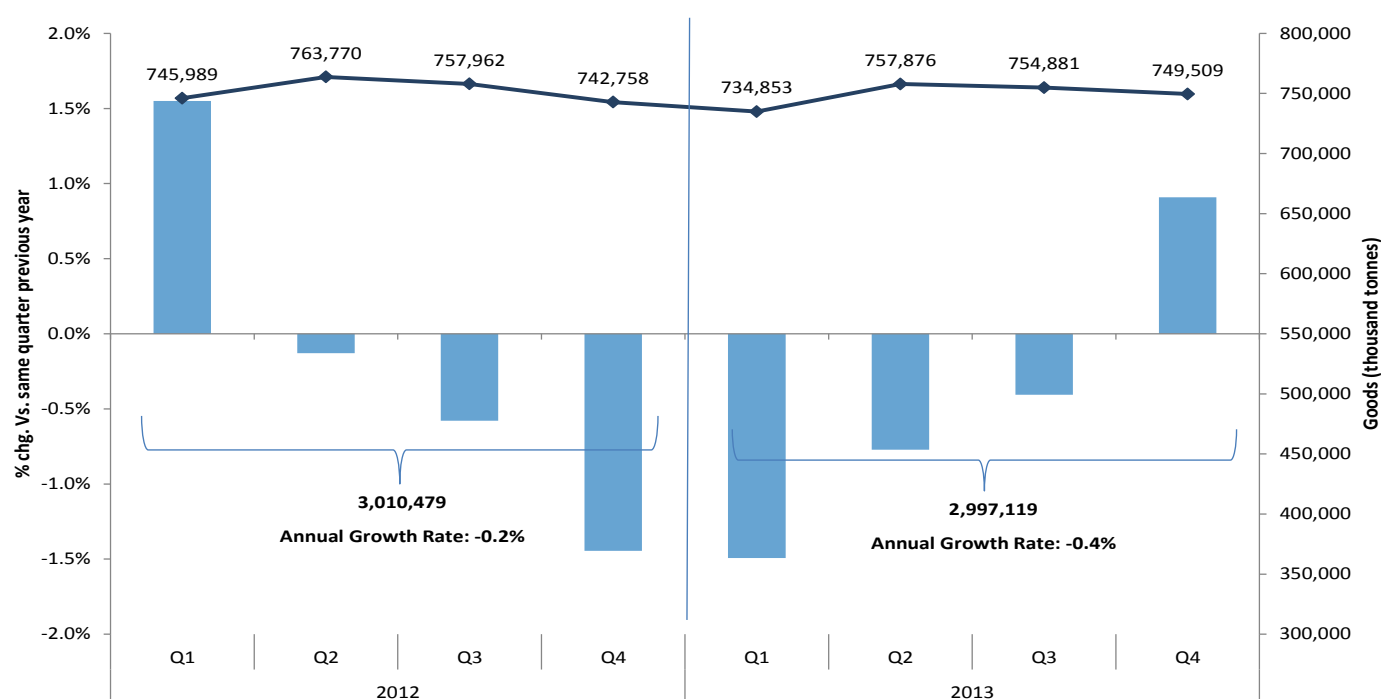
doubled compared to the low of the end of July (723). Therefore, BDI is in a growth phase and this upturn linked, among other things, to the import of steel products.

The main iron companies in the country have, in fact, announced an increase in production, and this suggests a growing trend for the index in the coming months.

Maritime Transport of Goods in the EU 28

This parameter describes the quarterly trend of maritime cargo transport in the EU-28 countries and allows the understanding of the European trade dynamics.

Goods handled in the main ports of the EU-28



Source: SRM on Eurostat data

The figures for 2013 reflect the resurgence of a downward trend in the activity of the EU-28 ports, however it seems to be recovering in the last quarter with an increase of 0.9%. Altogether, EU ports have

handled nearly 3 million tons of cargo; slightly down (-0.4%) compared to the previous year. Focusing on the analysis on each port situation, four of the top five ports in Europe increased their

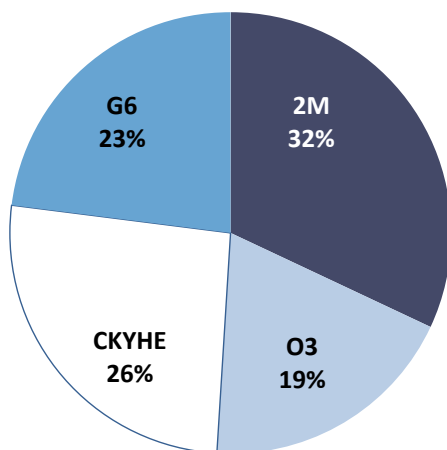
activity in 2013 compared to the previous year; only Rotterdam, the largest port in Europe, has remained essentially stable recording a drop of 0.2% in the amount of goods handled.

Alliances between carriers

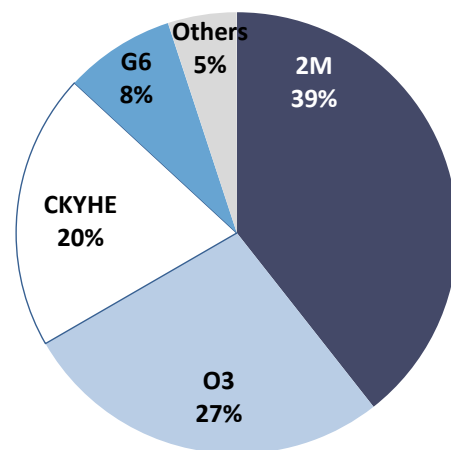
The analysis of the strategies pursued by the carrier in order to reduce costs by streamlining the services and resorting to alliances, allows you to identify what are the routes where, presumably, there will be a higher concentration of goods.

Partition of the alliances' market shares on the major shipping routes

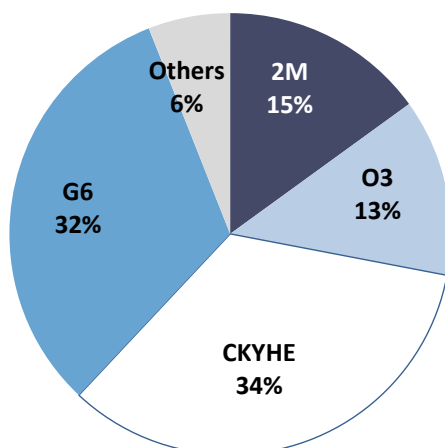
Asia - North Europe



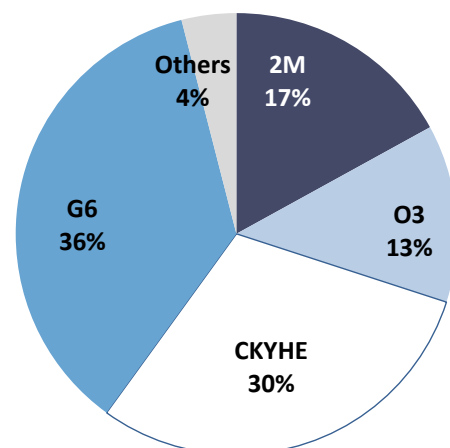
Asia - Med



Asia - West Coast North America



Asia - East Coast North America



Source: SRM on Drewry Shipping Consultants data

The Drewry Shipping Consultants forecasts for 2015 estimate an increase in the volumes transported on the main shipping routes by 5.5%; the Asia-Northern Europe

route alone should grow by 3.5%. This will have an immediate effect on the strategies of the carriers which are moving toward the accommodation of the dynamics

of the market and, at the same time, meets the need for cost containment, with recourse to both the naval gigantism and the alliances.

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's ranking of shipowning companies in the container segment

| Rnk | Operator | TEU | Share | Existing fleet | Orderbook |
|-----|---------------------------------|-----------|-------|----------------|-----------|
| 1 | APM-Maersk | 2,890,249 | 15.4% | | |
| 2 | Mediterranean Shg co | 2,530,961 | 13.5% | | |
| 3 | CMA CGM Group | 1,647,060 | 8.8% | | |
| 4 | Evergreen Line | 948,473 | 5.1% | | |
| 5 | COSCO Container L. | 812,911 | 4.3% | | |
| 6 | Hapag-Lloyd | 732,612 | 3.9% | | |
| 7 | CSCL | 660,870 | 3.5% | | |
| 8 | Hanjin Shipping | 600,486 | 3.2% | | |
| 9 | MOL | 600,434 | 3.2% | | |
| 10 | APL | 562,303 | 3.0% | | |
| 11 | Hamburg Sud Group | 539,962 | 2.9% | | |
| 12 | OOCL | 537,987 | 2.9% | | |
| 13 | NYK Line | 492,995 | 2.6% | | |
| 14 | Yang Ming MarineTransport Corp. | 411,073 | 2.2% | | |
| 15 | Hyundai M.M. | 382,757 | 2.0% | | |
| 16 | PIL (Pacific Int. Line) | 371,901 | 2.0% | | |
| 17 | K Line | 355,362 | 1.9% | | |
| 18 | UASC | 338,872 | 1.8% | | |
| 19 | Zim | 335,831 | 1.8% | | |
| 20 | CSAV Group | 216,602 | 1.2% | | |
| 21 | Wan Hai Lines | 200,425 | 1.1% | | |
| 22 | X-Press Feeders Group | 111,963 | 0.6% | | |
| 23 | HDS Lines | 88,608 | 0.5% | | |
| 24 | KMTC | 83,568 | 0.4% | | |
| 25 | NileDutch | 81,570 | 0.4% | | |
| 26 | SITC | 81,565 | 0.4% | | |
| 27 | TS Lines | 68,899 | 0.4% | | |
| 28 | Arkas Line / EMES | 54,753 | 0.3% | | |
| 29 | UniFeeder | 53,442 | 0.3% | | |
| 30 | RCL (Regional Container L.) | 53,340 | 0.3% | | |

Source: Alphaliner

The graph displays the top 30 carriers of the ranking compiled by Alphaliner. To date, the ships engaged in scheduled services around the world are 5,985, with a total capacity of 18,749,172 TEUs and 236,879,196 DTWs.

The figure shows that the largest companies specialized in the container transport keep strengthening

their fleets, accentuating and widening the differences in the ship owner's international ranking. The sector is becoming increasingly concentrated in the hands of a few companies, in fact the "top five" ones hold 47% of the world carrying capacity and continue to invest. The first, the Danish Maersk, commissioned for the coming

years, 14 vessels featuring a hold capacity of almost 205 thousand TEUs. Also, in a recent announcement the company informed about its intention to invest \$ 3 billion a year for the period 2015-2019 to finance its shipbuilding projects, in an effort to further consolidate its leadership in the industry, in response to the growth strategy of

its carrier competitors. In particular, according to the orders placed, the Mediterranean Shipping Company, with an order book counting 48 vessels and a combined capacity of almost 570 thousand TEUs, should become the first company in the world. The strategies of both carriers seem to be focusing on extra large 18 thousand TEUs ships.

The third group in the world, the French CMA-CGM, commissioned orders for another 38 units, as well as the fourth largest company, the Taiwanese Evergreen, which owns Italia Marittima (formerly Lloyd Triestino) and ordered another 14 ships thus aiming at strengthening its capacity with over 174 thousand TEUs.

The first of the Italian in the ranking (globally they represent the 3%), the Neapolitan Grimaldi Lines, places 35th with an asset of 36 container ships and another 10 in the orderbook. The company maintains a strong importance on the world stage as its fleet ranges from the Ro/Ro to the motorways of the sea.

Evolution of the container ship's fleet to 2017

| Fleet as at: | 31 Dec 2014 | | 31 Dec 2017 | | "Rise p.a. (3 years)" |
|---------------|--------------|-------------------|--------------|-------------------|-----------------------|
| TEU nominal | ships | teu | ships | teu | teu terms |
| 13,300-19,000 | 96 | 1,422,176 | 183 | 2,782,058 | 40.4% |
| 10,000-13,300 | 163 | 1,957,768 | 194 | 2,285,496 | 12.8% |
| 7,500-9,999 | 414 | 3,621,845 | 511 | 4,502,932 | 11.1% |
| 5,100-7,499 | 501 | 3,084,225 | 516 | 3,180,270 | 1.8% |
| 4,000-5,099 | 748 | 3,393,352 | 757 | 3,436,672 | -0.2% |
| 3,000-3,999 | 262 | 904,884 | 276 | 956,928 | 2.4% |
| 2,000-2,999 | 656 | 1,667,374 | 729 | 1,840,808 | 2.5% |
| 1,500-1,999 | 576 | 983,405 | 629 | 1,076,138 | 3.7% |
| 1,000-1,499 | 683 | 795,361 | 720 | 836,603 | 1.5% |
| 500-999 | 778 | 573,167 | 786 | 578,569 | -0.5% |
| 100-499 | 200 | 62,940 | 200 | 62,940 | -2.2% |
| TOTAL | 5,077 | 18,466,497 | 5,501 | 21,539,414 | 7.3% |

Source: Alphaliner

The future increases in traffic forecast will have immediate and significant effects on the dimension of the container ships. Alphaliner data relating to orders as at 1 Oc-

tober 2014 shows that, for the next three years, the fleet is expected to increase at an average annual rate of 7.3% (5.8% in 2014, 8% in 2015 and 4.6% in 2016).

The most significant of which is concentrated in the category of giant ships: as much as 40% of the orderbook refers to a capacity exceeding 13,300 TEUs.

The analysis of the data provided by the Alphaliner ranking offers a very dynamic picture of the segment of container ships, in which the leading shipping companies continue to implement and plan increasingly significant investments which are contributing to make the sector very concentrated.

The indicators considered in the first group show a period of difficulty which is affecting the maritime transport both at international and European level, and which reflects the slowdown in global trade. This situation, together with a generalized situation of oversupply, is troubling the ocean carriers which are more and more frequently implementing strategies to reduce costs, such as the use of larger ships, or the rationalization of services, such as the use of alliances.

2

indicators

INTERNATIONAL TRADE RELATIONS

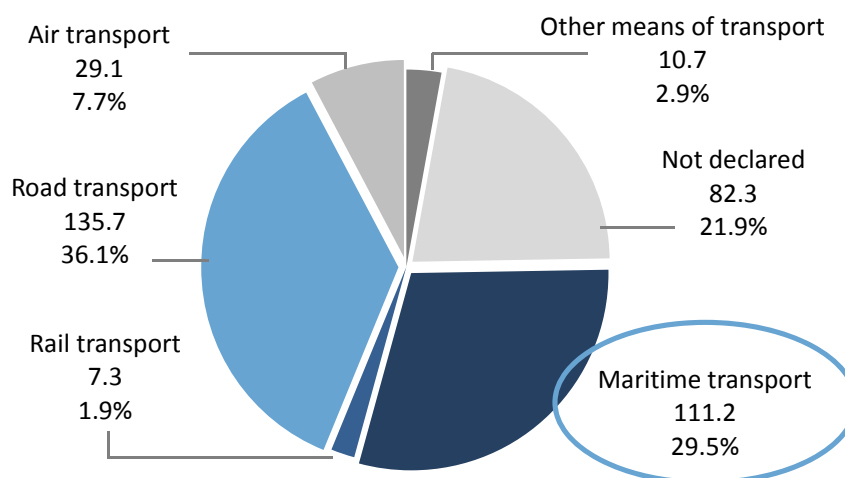
The second set of parameters aims to draw a picture of maritime trade relations in Italy, and in particular to provide updates and statistics on short sea shipping.

Italy's import-export trade

This panel includes indicators of short-term statistics and trends relating to commercial trade of our country, with the detail of the maritime mode.

The data refer to the first half of 2014.

Italy's import-export trade by mean of transport (data in € millions). 1st sem. 2014



Source: SRM su Coeweb

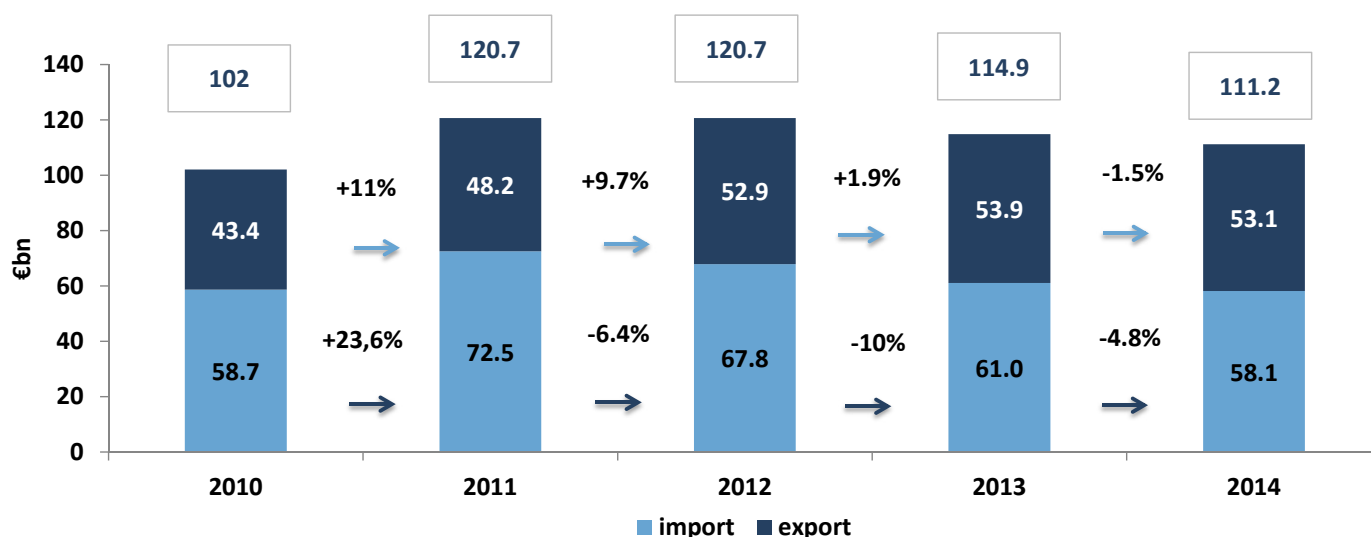
In the first 6 months of 2014 Italy's foreign trade amounted to 376.5 billion euro; almost stable compared to the same period of 2013 (-0.2%). In detail: the exports amounted to €197 billion increased by 1.3%, while imports with a va-

lue of € 179.6 billion were down by 1.7%.

The figure above shows that nearly 30% of Italy's trading travels by sea. In the first six months of 2014, the Italian maritime exchange recorded, for the second consecutive year, a

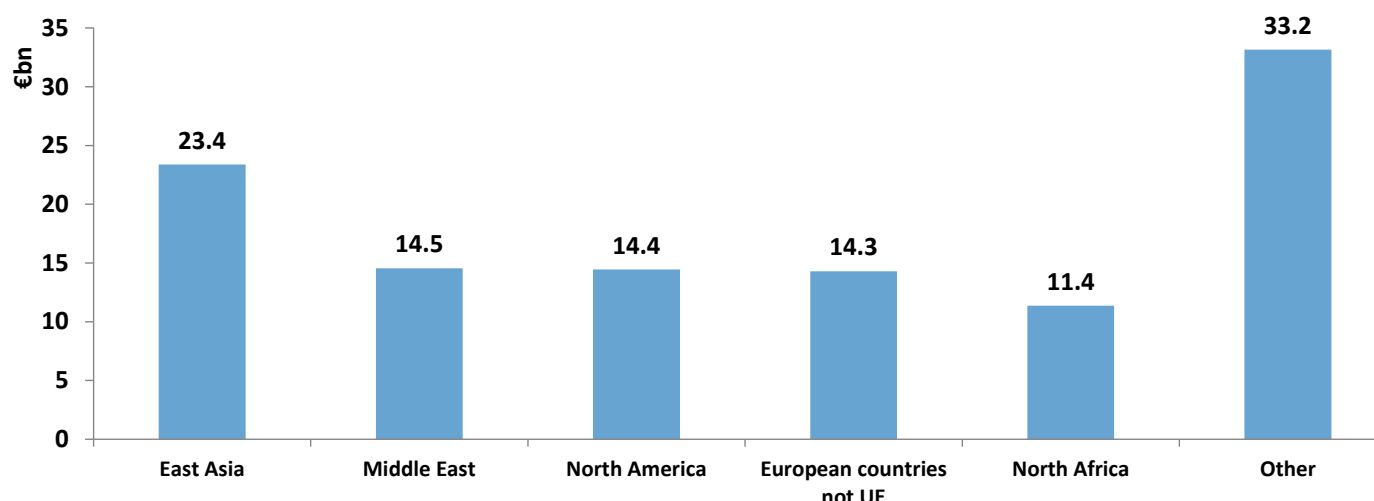
drop of 3.2% (after the -4.8% in the first half of 2013). The contraction is attributable both to the import and the export which amount, respectively, to -4.8% in the first case and -1.5% in the second.

Maritime import-export trend – 1st sem 2010/1st sem 2014



Source: SRM on Coeweb data

Geographical areas targeted by Italian maritime import-export. 1st sem 2014



Source: SRM on Coeweb data

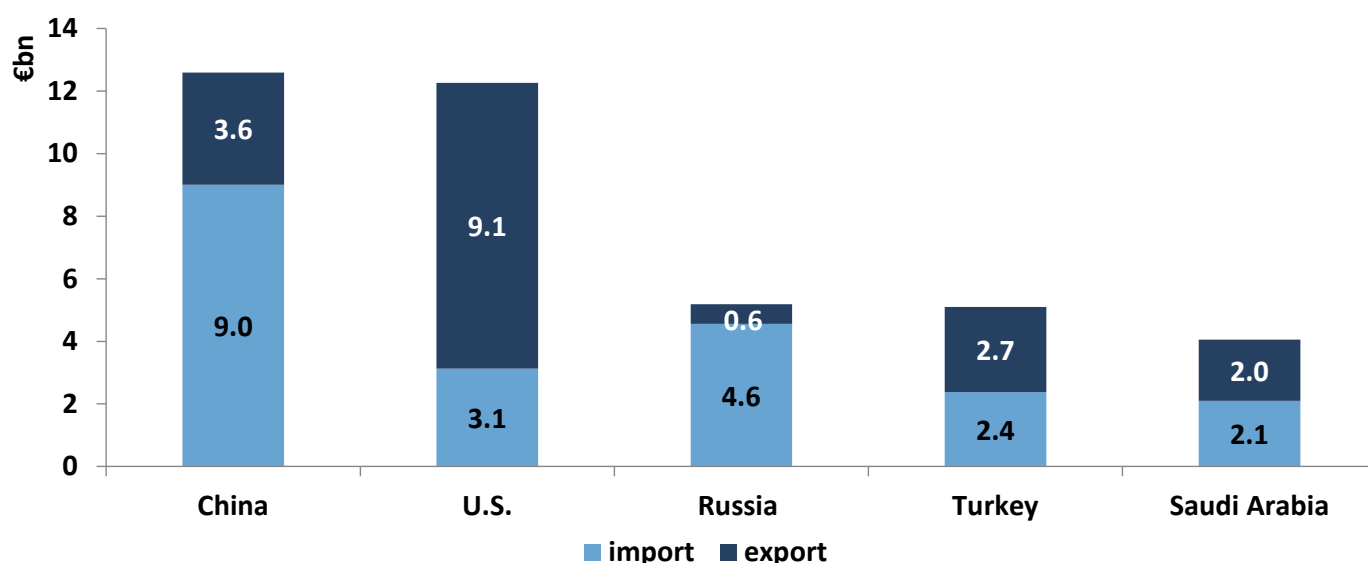
Asia is the region where most of the sea import-export of Italy concentrates: the Far and Middle East together reach 37.9%. The following countries are North America (14.4% of the total), the non-EU European

countries (14.3%) and North Africa (11.4%).

Entrando nel dettaglio dei singoli Paesi partner, i dati mostrano la predominanza della Cina, seguita dagli Stati Uniti, dalla Russia e da

un Paesi dell'Area Med, la Turchia. La figura evidenzia come con Cina e Russia prevale nettamente l'import via mare; per contro, con Stati Uniti e Turchia, le relazioni commerciali sono legate per lo più all'export.

Main target countries of Italy (%). The sea import-export. 1st sem 2014



Source: SRM on Coeweb data

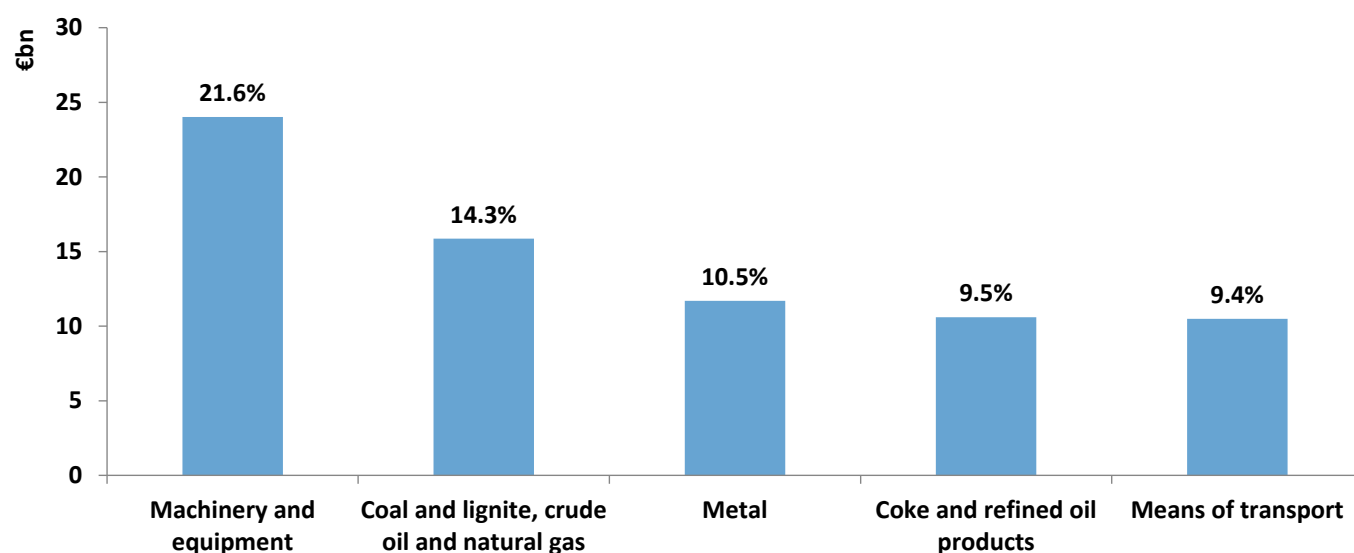
More in detail, as regards each single partner country, data show a predominance of China, followed by United States, Russia, and from a country in the Med area; Turkey. The figure highlights that maritime

import prevails in the case of China and Russia but, on the contrary, the trade with U.S. and Turkey is more related to export.

The analysis of the commodities most frequently traded by sea

shows the prevalence of machinery and equipment representing over a fifth of the global amount, followed by oil commodities which is, on the whole 24.4%.

Main commodity categories in Italian maritime trade. 1st sem. 2014



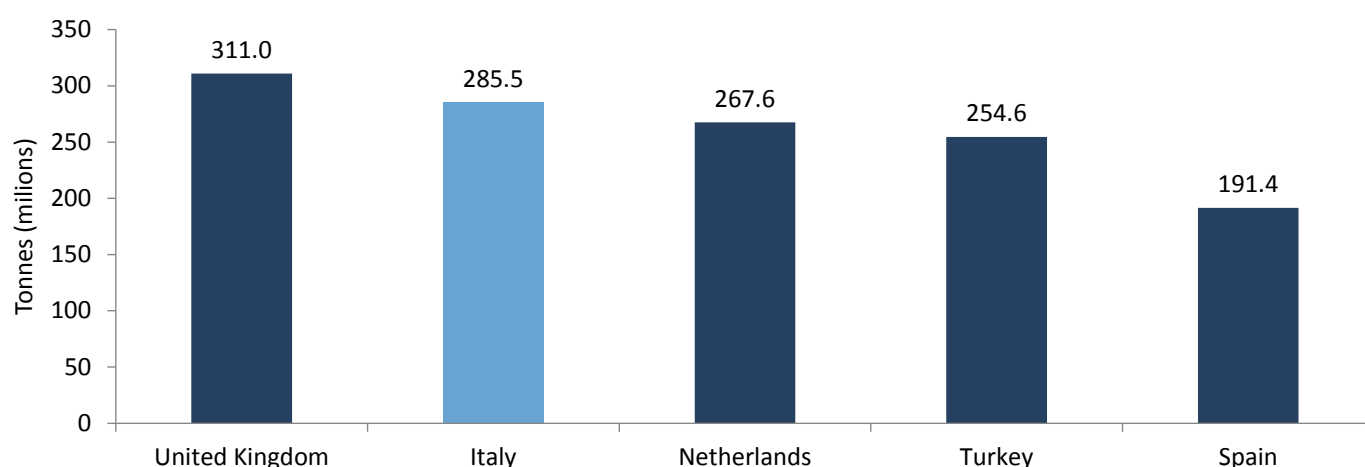
Source: SRM on Coeweb data

The data contained in this set of parameters reveal a certain stability in the overall Italian trade due to an increase in exports which compensate the reduction in the flow of imports. However, it turns out that maritime transportation is declining despite being one of the most important ways in which Italy exchanges goods; in fact, it sees a decrease in both inflows and outflows.

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.

SSS goods handled in by the first 5 EU-28 countries



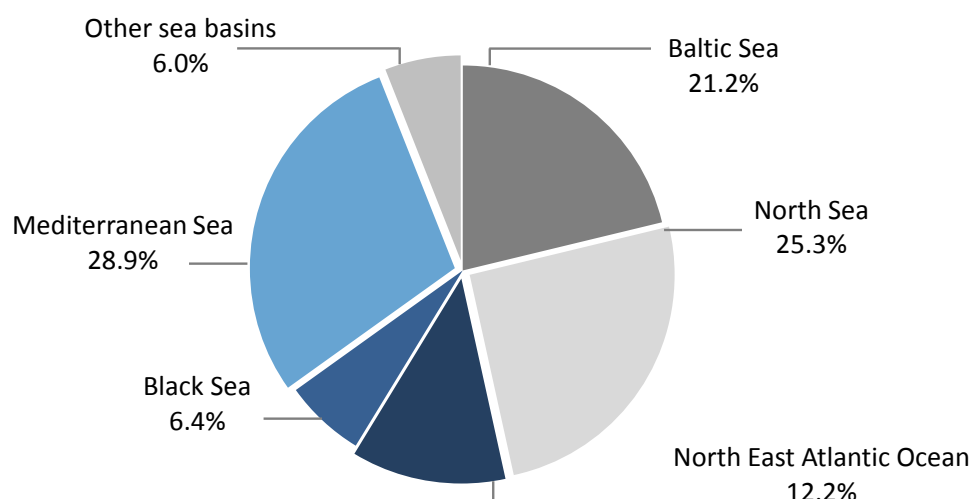
Source: SRM on Eurostat data

Short Sea Shipping (SSS) is a maritime transportation mode very significant to the European Union: in 2012, the goods transported by SSS amounted to over 1.78 billions of tonnes, 60% of the overall EU-28 maritime traffic. Among the EU-28 countries, the highest share of traffic in SSS is recorded for the ports of Great Britain, which, in 2012, handled 311 million tonnes of cargo equal to 17.5% of the total. The ports of Italy and the Netherlands follow with 16.1% and 15.5%, respectively. As regards the type of goods transported, the largest share is held by the liquid bulk (the category for which Italy is first among the EU-28 countries) with 46% amounting to 816.4 million tonnes; followed by the dry bulk with 20% (356 million tonnes).

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Target areas of SSS cargo in EU-28



Source: SRM on Eurostat data

European SSS is mainly concentrated in the Mediterranean with 577.7 million tonnes in 2012, almost 29% of the total, followed by

the North Sea area with 506 million tonnes (25.3%) and the area of the Baltic Sea, with 424.5 million (21.2%).

Within the Mediterranean area, Italy is the leading country in the SSS transport with its 213.3 million tonnes.

SSS is a maritime mode of transport already essential in the EU, and whose importance will probably increase in the future due to naval gigantism and the rationalization of the services of the big carriers. With the proliferation of alliances and with the increasing size of ships, an increase in transshipment traffic can presumably also be expected. The economic recovery of the countries of the southern shores, hindered by political and social tensions in recent years, may contribute to the increase in short sea traffic in the Mediterranean.

3

indicators

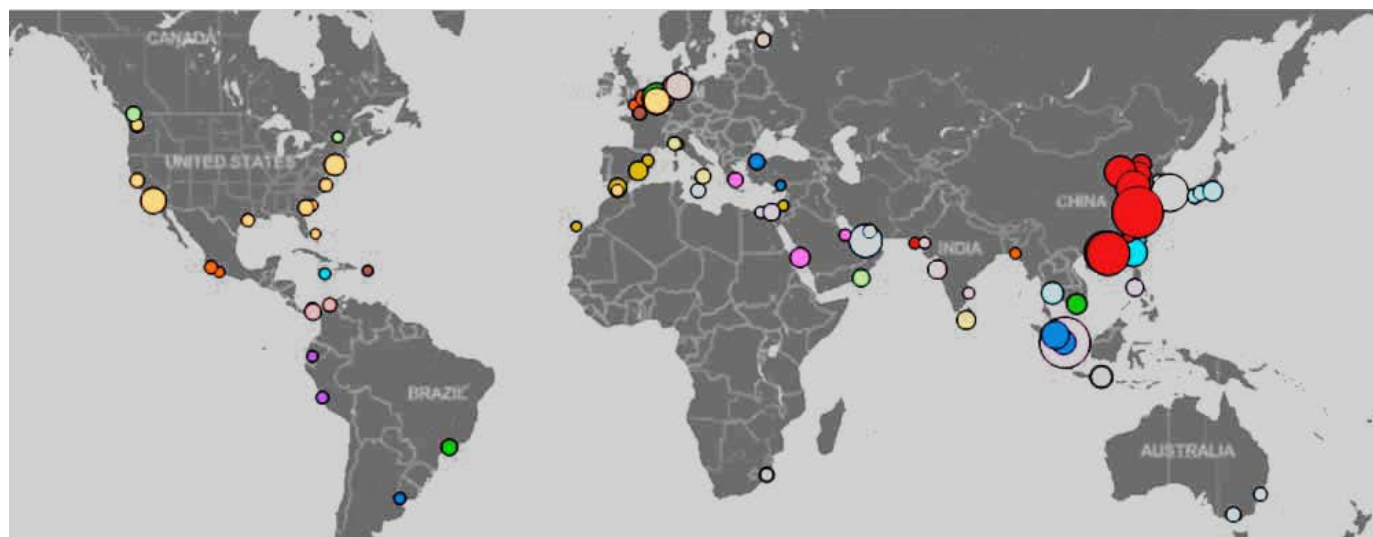
COMPETITIVENESS

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

In the map the increasing size of the spheres indicates the increasing domain of the ports in container traffic. The figure shows, in the first place, the rule of the

Chinese ports; in 2013, the port of Shanghai takes the highest position on the world podium. China is followed, but far ahead, by the ports of northern Europe;

among the direct competitors of the Italian ports there are also Spanish ports whose performance is reported too.

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

| Port | Country | Teus (million) | | Var. |
|-------------|-------------|----------------|-------|-----------|
| | | 2013 | 2012 | 2012/2013 |
| Shanghai | China | 33.8 | 32.53 | 3.9% |
| Singapore | Singapore | 32.6 | 31.66 | 3.0% |
| Shenzhen | China | 23.28 | 22.35 | 4.2% |
| Hong Kong | China | 22.3 | 23.12 | -3.5% |
| Rotterdam | Netherlands | 11.62 | 11.87 | -2.1% |
| Hamburg | Germany | 9.3 | 8.9 | 4.5% |
| Antwerp | Belgium | 8.58 | 8.64 | -0.7% |
| Bremen | Germany | 5.81 | 6.1 | -4.8% |
| Algeciras | Spain | 4.34 | 4.11 | 5.6% |
| Valencia | Spain | 4.33 | 4.47 | -3.1% |
| Barcelona | Spain | 1.72 | 1.75 | -1.7% |
| 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 above table shows the steady growth of Chinese ports, with the exception of Hong Kong, while the ports of northern Europe, excluding Hamburg have slowed down. In this regard, the Port Authority of Rotterdam identified the main reasons for the decline in

the low demand of consumer and other products, resulting from the difficult economic situation and in the displacement of some traffic to the German port of Hamburg. In Spain, Algeciras increased by more than 5% its traffic surpassing Valencia and becoming the

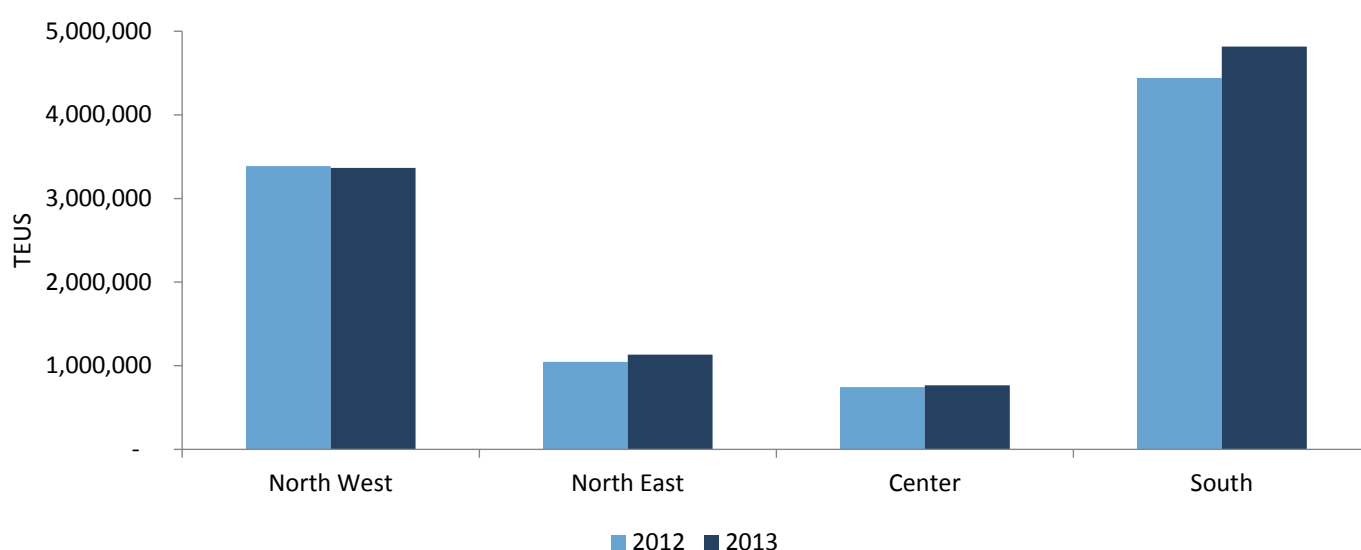
first Mediterranean port in container handling. In Italy the excellent performance of Gioia Tauro must be highlighted, which being up by 13.6% compared to 2012, exceeded again the threshold of 3 million TEUs.

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 analyzed, 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 refers to 2013.

TEUs handled by macro area. Year 2013



Source: SRM on Assoporti data

During 2013, the Italian port system handled a total of 461 million tonnes, a slight decrease compared to 2012.

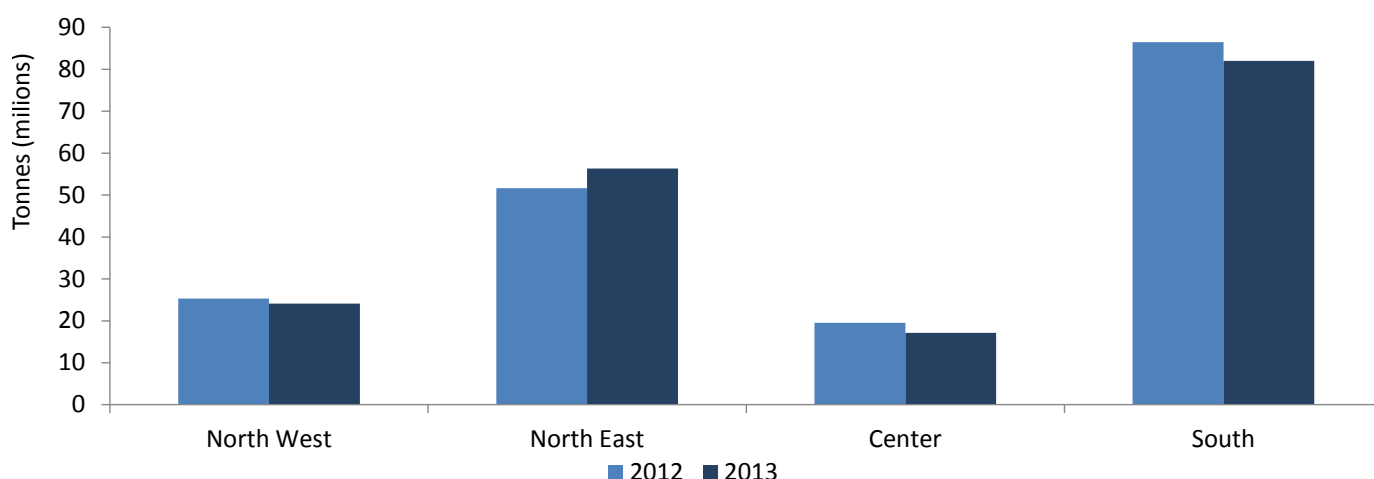
The analysis of the traffic by single category, shows a growth of 4.8% in the container segment with an absolute value equal to more than 10 million TEUs, and a passenger segment counting over 11 million cruise passengers (+5.2 %). Bulk traffic, instead, dropped with a contraction of 1.8% for liquid bulk (which amounted to nearly 180 million tonnes) and 6.7% for the dry

bulk a share of 74 million tons).

With reference to the container segment, the South is the area in which this type of traffic is more concentrated; around 4.8 million TEUs handled, for the most part, in the hub ports. This performance (+8.4%) is largely due to the results obtained by Gioia Tauro which, with a growth of 13.7%, exceeded 3 million TEUs. Then, the north-western ports follow, although their slight decline – compared to 2012 (-0.6%) – attributable to the performance of Genoa which

dropped below 2 million TEUs and recorded a -3.7% against the ports of La Spezia and Savona which recorded, respectively, +4.3% and +3.4%. However, the traffic in the north east is on the rise, they recorded + 8.2% compared to 2012 due to the improvement of the performances of all the ports of the area, in particular that of Trieste which, with almost 460,000 TEUs recorded +12.4%. Finally, the ports of the central area achieved positive changes too, allowing the area to reach almost 766,000 TEUs (+3.2%).

Handling of liquid bulk by macro area. Year 2013



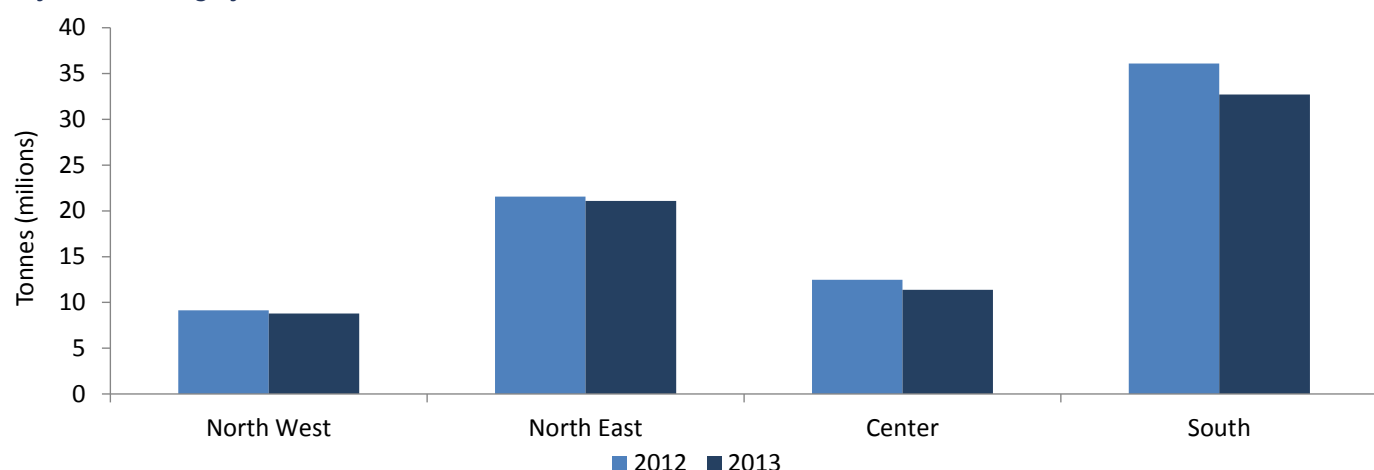
Source: SRM on Assoporti data

The Mezzogiorno is the area where the traffic of liquid bulk is more concentrated with nearly 82 million tonnes. Compared to 2012 it recorded a reduction of 5.2% which reflects a decline in the handling of liquid goods in most of the ports of the area; among the exceptions, Naples with about 6 million tonnes (+14.8%), Brindisi (+4%), Catania (+23.5%) and Messina (+0.7%). The

North East is the only macro area which saw a growth in the segment of liquid goods (+9.1%) during 2013, surpassing the 56 million tonnes. This result is attributable to the significant performance of Trieste which increased its traffic by 16.7% reaching nearly 42 million tonnes. The north western area follows in the ranking having lost 4.8% compared to 2012, because of the re-

duction recorded in the all ports of the area and in particular in La Spezia which almost saw its traffic volume halved (-45.4%). Finally, the central ports of Italy recorded a decrease of 12.2% due to the reduction of handling in all ports, with the exception of Civitavecchia (+5.8%) and Livorno (+0.7%).

Dry bulk handling by macro area. Year 2013



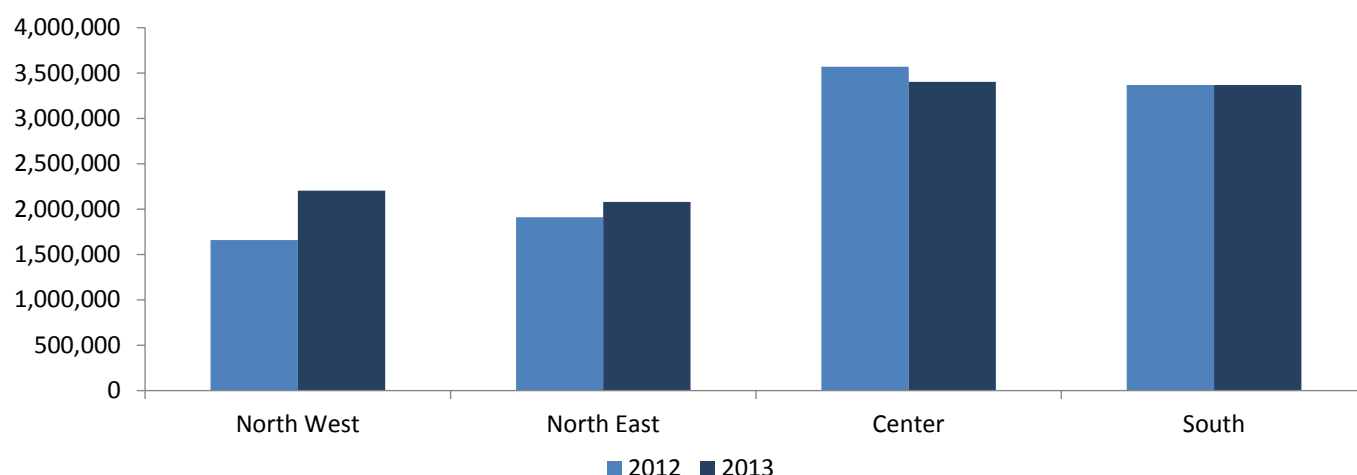
Source: SRM on Assoporti data

The dry bulk segment recorded a contraction in all the main areas. The main decline to point out is that of the Mezzogiorno (-9.4%), where this type of traffic is higher. The ports of Taranto (-18.7% or nearly 4 million tons lost) and Brindisi (-15.1%, about 1 million tons lost) are those which underwent

the most significant reduction which was nevertheless partly balanced by the increase recorded from the port of Naples (+23.2%, equal to about 800 thousand tonnes). Afterwards, the north eastern ports which essentially withstood, allowing a minimum contraction (-2.2%) and those in

the Centre with a -8.8% compared to 2012. For this area, all the ports recorded negative performances, except for Livorno that shows a +17.4%. Finally, the north western ports, which are also in regression with -3.8%, resulting from a decline in traffic in all the relevant ports.

Handling of cruise-goers by macro area. Year 2013



Source: SRM on Assoporti data

The analysis of the Italian port system is completed by an in-depth analysis of the cruise passengers as this type of tourism has direct and significant implications for the economy of the territories concerned. In 2013, the cruise segment registered a growth of 5.2% with significantly different scenarios in the single partitions. In particular, the Centre – with the port of Civitavecchia which is a leader in Italy in this segment – is the macro area with the largest number of cruise passengers. Nevertheless, compared to 2012, there was a decline of 4.7% due mainly to the negative perfor-

mance of the port of Livorno (-29% equal to over 300,000 units) and only partly offset by the growth of 5.8% (equal to 40 units) recorded for Civitavecchia. The Mezzogiorno follows and remains stable with almost 3.4 million cruise passengers transited and representing a share of 35% (almost 1.2 million passengers) in the port of Naples, which from the previous year, loses 4.4% of its traffic. The ports of Bari (-2.3% with the loss of more than 14,000 units), Brindisi (-65.7% with nearly 9,000 cruise passengers less) and Olbia (-25.6% about 70,000 units less) are in decline. Despite

their lower absolute values, the remaining two macro areas showed the best performance with a growth of 33% for the North West and 8.9% for the North East. In the first case, the highest increase was recorded for La Spezia that, with almost 214,000 cruisers, reported +325% compared to 2012; while Genoa, with +31.7%, exceeded one million units. In the second case, instead, Trieste recorded the best result with +103%.

The focus on the performance of the national port system to 2013 showed a good performance of the Italian ports in reference to cruisers traffic and container handling.

4

indicators

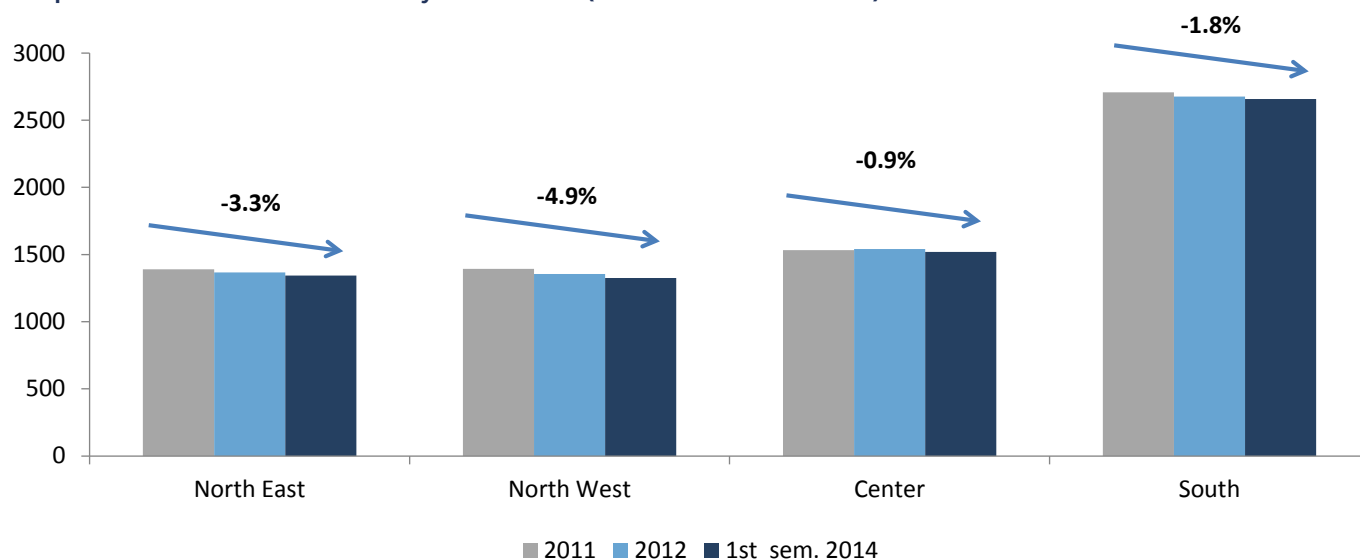
COMPANY ANALYSIS

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

Companies of the maritime cluster

This set of indicators is aimed at displaying the data relating to the numerosity of companies in the Italian maritime cluster, divided by geographical area and by type. There are also reported (annual) statistics related to the national fleet, with the detail by type.

Companies of the maritime cluster by macro areas (2011-2012 - 1st sem 2014)



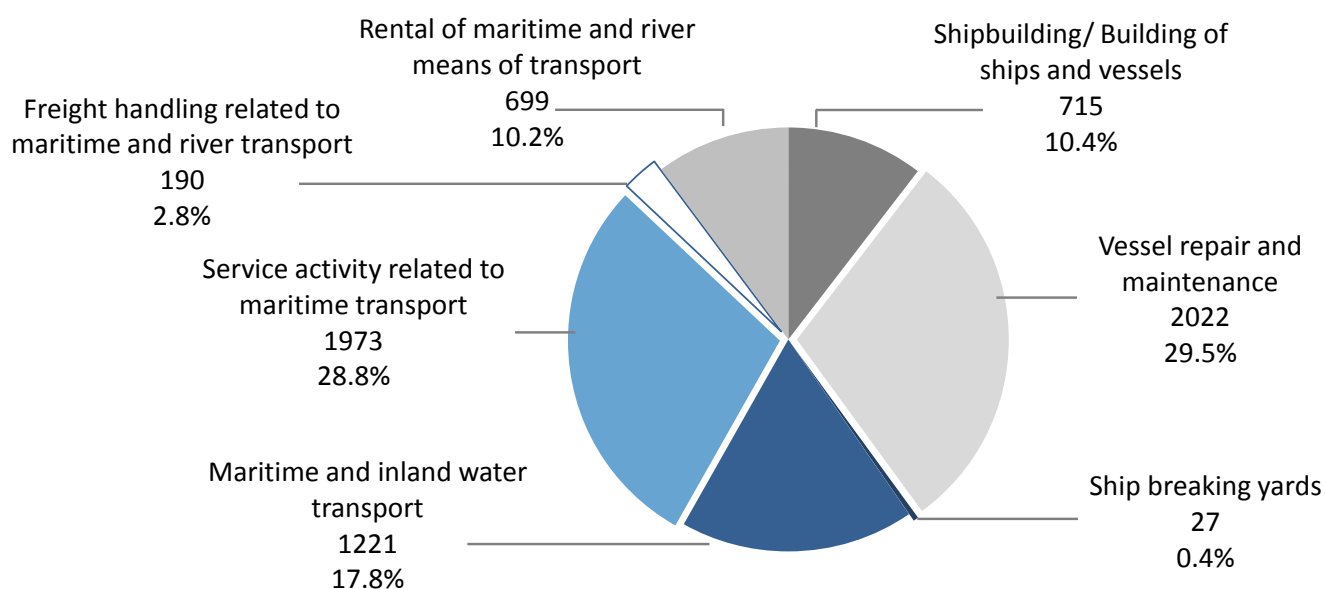
Source: SRM on Unioncamere data

The period under consideration is witnessing a gradual reduction in the number of companies of the maritime cluster in all the macro areas of the Italian territory. In June 2014 they totaled 6,847, and are present in greater numbers in the

South, where there are about 2,658. In terms of single regions, Campania is the area with the largest number of units with 14.5% of the national total, followed by Veneto (13.3%), Liguria (12.1%) and Sicily (10.5%). Analyzing the data by business sec-

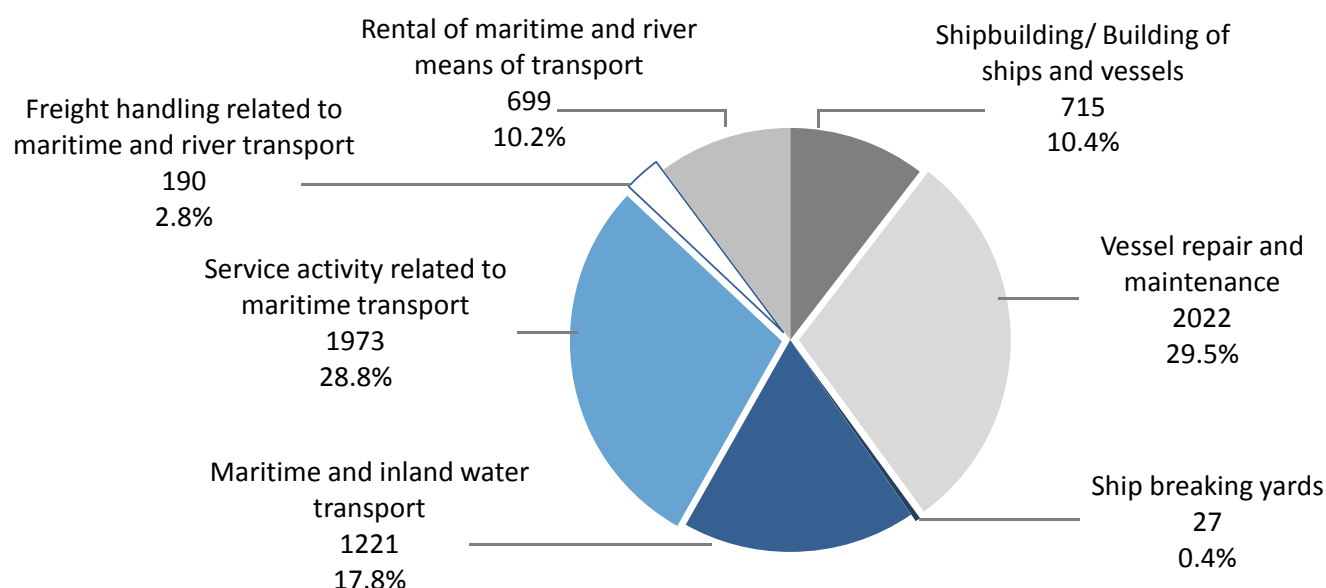
tors, it emerges the prevalence of repair and maintenance companies which absorb 29.5% of the national total, followed by those relating to service activities connected with maritime transport (28.8%).

Companies of the maritime cluster by region. 1st semester 2014



Source: SRM on Unioncamere data

Partition of companies in the maritime cluster by business. 1st semester 2014



Source: SRM on Unioncamere data

Also the data regarding the companies affected by the difficulties of the Italian economy show a steady reduction in the number of units across the country.

Going into the details of the shipping companies, the Italian fleet is made up of 1,564 ships for a total of over 18.6 million gross tonnes. Compared to 2012, there was a decline of 2% in gross registered tonnage (after a decade of steady

growth: +2% between 2011 and 2012 and +8% between 2010 and 2011) and by 1% in terms of number of ships, largely due to the demolition of the older units. The Italian fleet is, in fact, very young considering that 62% of the vessels

are under 10 years and 40% are less than 5. Essentially this is because of the choices of ship owners to invest in increasingly advanced and environmental friendly vessels.

Italian merchant fleet (2012-2013)

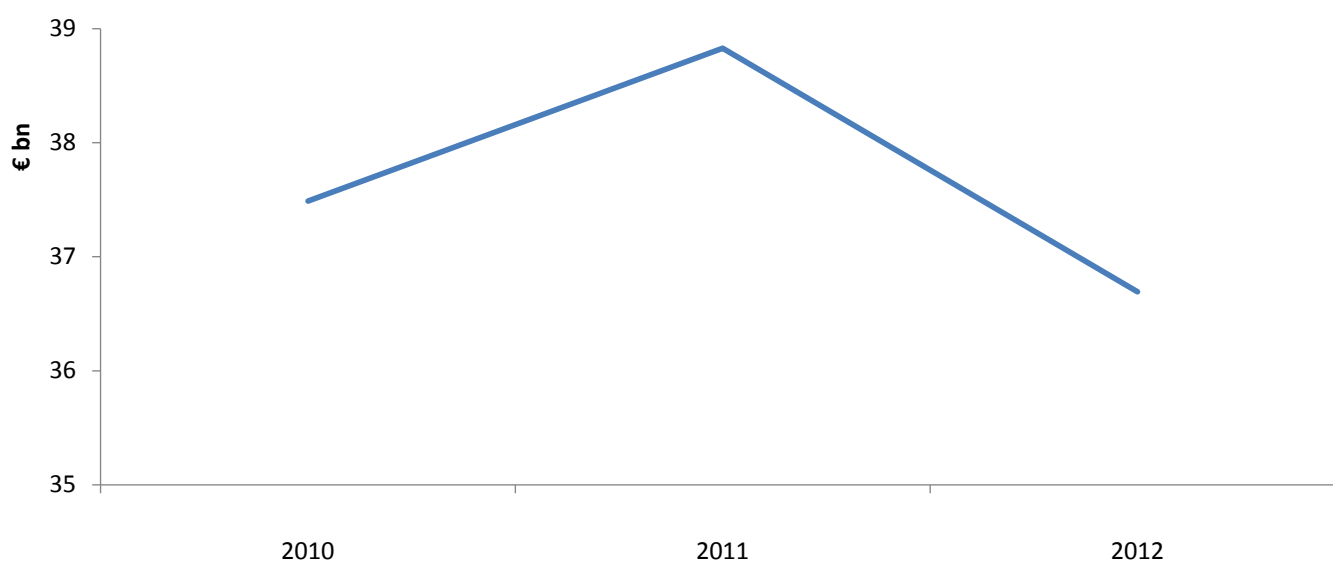
| Ships of 100 gt and over | 31.12.2013 | | 31.12.2012 | | Var. 2013/2012 | |
|---------------------------|--------------|---------------|--------------|---------------|----------------|------------|
| | N. | 000 gt | N. | 000 gt | N. | gt |
| Liquid cargo ships | 286 | 5,319 | 299 | 5,611 | -4% | -5% |
| Dry cargo ships | 232 | 8,135 | 240 | 8,262 | -3% | -2% |
| Mixed and passenger ships | 444 | 4,476 | 444 | 4,536 | 0% | -1% |
| Obo Carriers | 1 | 33 | 1 | 33 | 0% | 0% |
| Auxiliary services ships | 601 | 696 | 597 | 683 | 1% | 2% |
| Total | 1,564 | 18,657 | 1,581 | 19,124 | -1% | -2% |

Source: Confitarma

Revenues of the Top 100 Companies of the logistics/maritime sector

This set of indicators, calculated on the basis of the data deriving from SRM's databases, allows the analysis of the revenues of the relevant companies also exploring their trends, territorial concentrations and legal status.

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 shown above derive from the query of the AIDA bureau van Dijk database and by our selection, amongst the Italian companies in the logistics and transport sector, of the top 100 companies in terms of revenues for the years 2010, 2011 and 2012.

The analysis of the trend of the total turnover of these companies in the three-year period that shows a fluctuating trend characterized by an increase in 2011 by 3.6% over the previous year, followed by a drop of 5.5% in 2012, reaching a

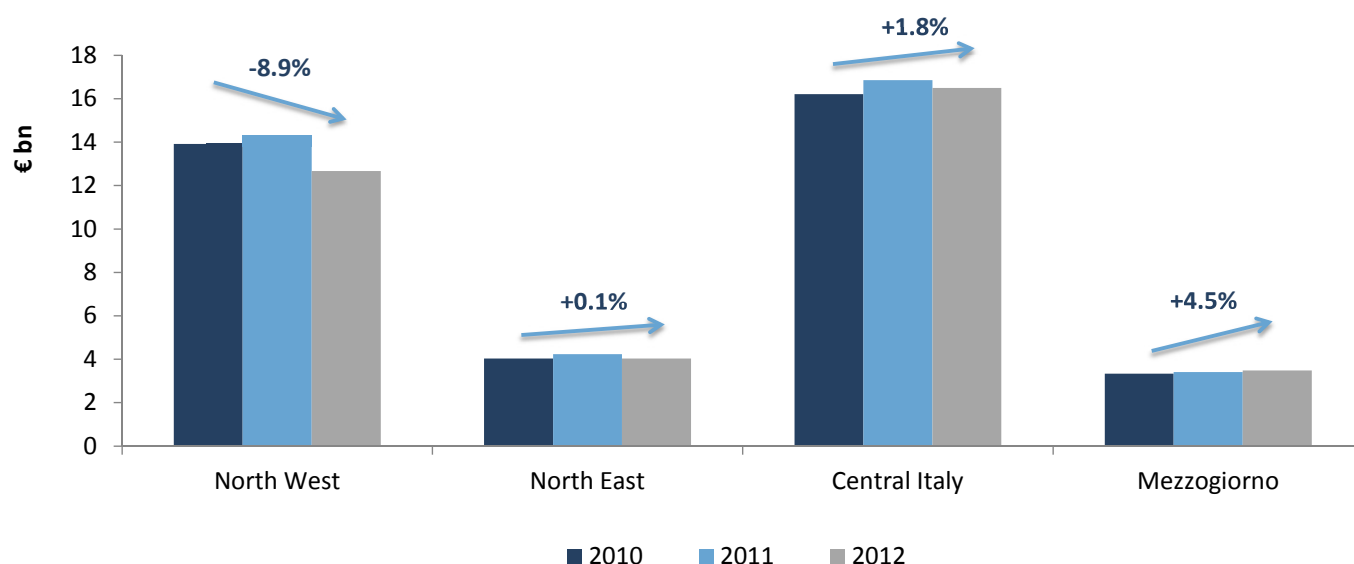
total value of € 36.7 billion.

In order to evaluate the geographical concentration of the revenues of transport and logistics companies, it has been considered the province where the registered office of each company under analysis is. The figure below shows the Centre as the macro area where the revenues of transport and logistics companies is concentrated the most and which, between 2010 and 2012, recorded an increase of 1.8%. The north western regions follow although they represent the

only macro area to have recorded, in the period considered, a contraction of 8.9%, while the central and southern regions recorded the largest growth, of 4.5%.

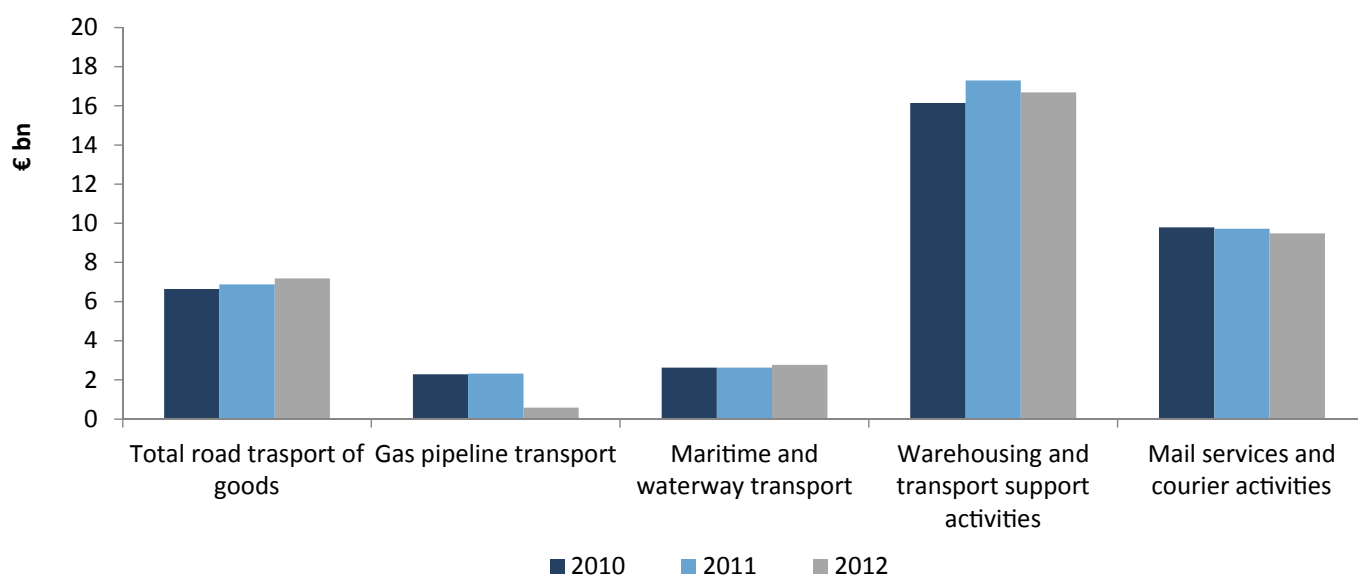
Finally, by examining the distribution of revenues by type of activity, the figure below shows the concentration in the field of storage and postal services, followed by road transport. The companies belonging to this sector, together with those of maritime transport, had a growth in turnover during the three-year period 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

The data relating to the revenues of transport and logistics companies, deriving from the Aida bureau van Dijk database, shows a drop in 2012 compared to the previous year, although the businesses which mainly suffered from this reduction were those located in the North West. Furthermore, the analysis by business segment for Italy shows greater revenues for the companies that provide support activities to those of transport, while between these latter the companies which continue to prevail are that of road transport.

5

indicators

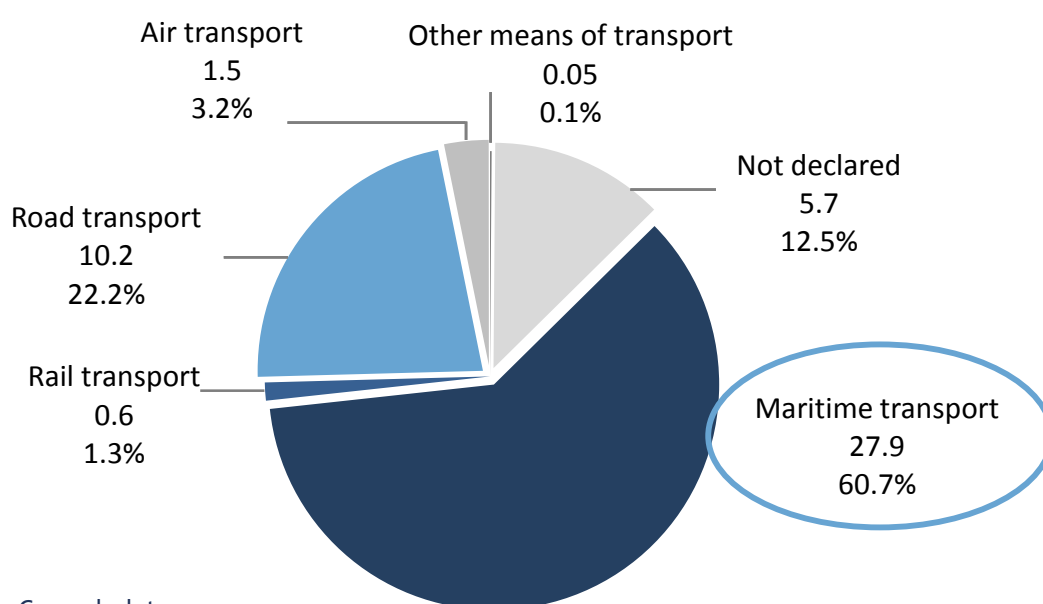
FOCUS ON THE MEZZOGIORNO

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.

Mode of transport in Mezzogiorno's import-export (in bn €). 1st sem 2014



Source: SRM on Coeweb data

In the first half of 2014, the foreign trade of the South amounted to €46 billion that is 12.2% of Italian imports-exports compared to the same period of 2013, which was down by 3%. In detail, the exports amounted to €20.3 billion, recorded a reduction of 2.8%, while imports, with a value of €25.7 bil-

lion, were down by 3.2%. The analysis of the figure above shows that for the Mezzogiorno, the predominant mode for the exchange of goods is maritime transport, with a share of 60.7%. This value is considerably higher than the significant national figure of 29.5%. In absolute terms,

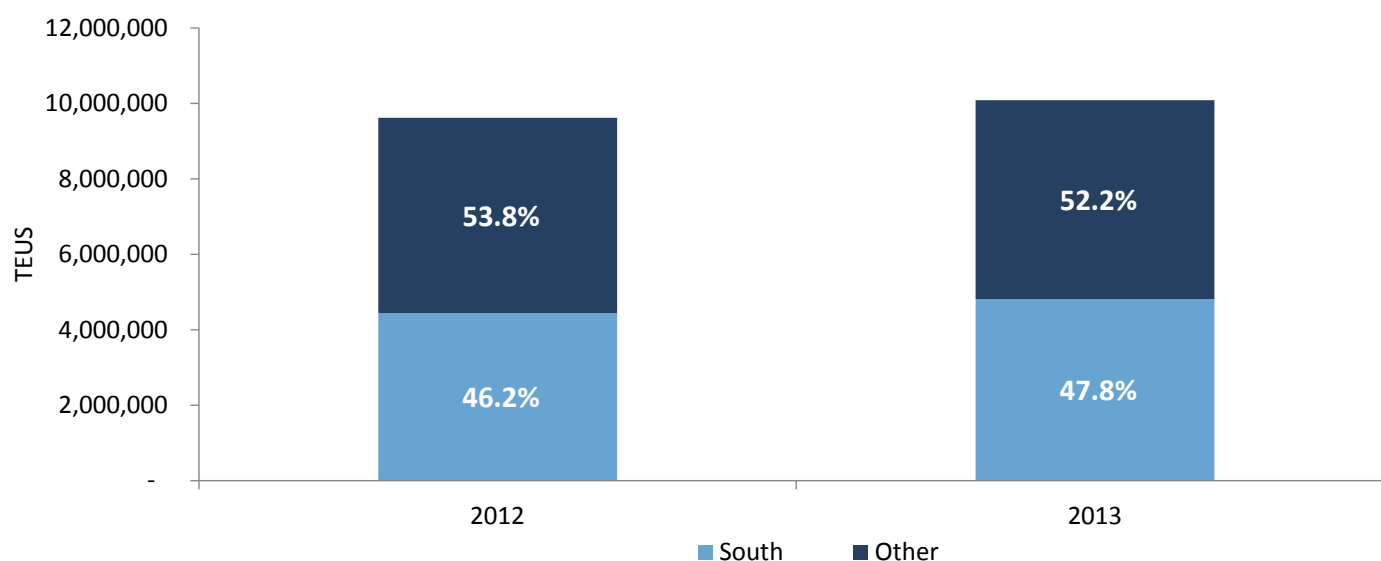
the value of Mezzogiorno's maritime trade in the first six months of 2014 amounted to almost €28 billion, or 25.1% of the country's datum and it was affected by the general contraction of trading in the area, recording 6.1% compared to the same period of 2013.

The evaluation of the commercial trade shows, for the first 6 months of 2014, a slowdown in the Mezzogiorno affecting both imports and exports; a fact that testifies the braking of production and that is extended to the maritime transport of goods. It should be noted, however, the relevance of such procedures for the trade of Mezzogiorno: nearly two out of three goods are imported/exported by ship.

Port Traffic

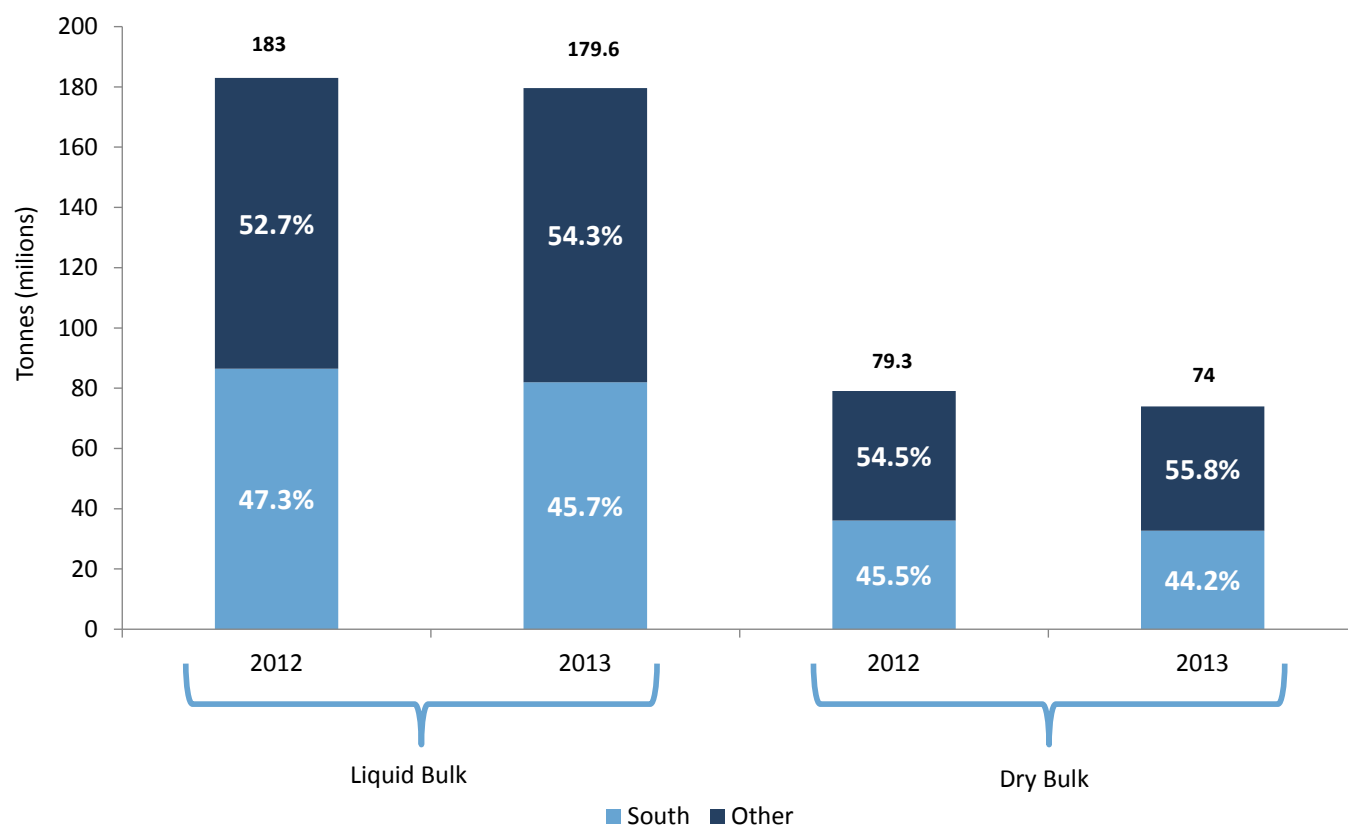
These statistics on the ports of Southern Italy, in terms of TEUs and of the tonnes of goods handled, are useful in completing the picture of the maritime economy of the Mezzogiorno, as they allow an assessment of the trend of the area's main facilities, and their weight on the Italian national total.

TEUs handled by the ports of Southern Italy compared to Italian total. Year 2013



Source: SRM on Assoporti data

Liquid and dry bulk handled by the ports of the Mezzogiorno compared to the Italian total. Year 2013



Source: SRM on Assoporti data

The Mezzogiorno concentrates 47.8% of TEUs handled by Italy during 2013 for a total that amounts to more than 4.8 million and an increase of 8.4% compared to 2012. These figures are explained by the presence in the area of the three major Italian transshipment ports. In particular, the positive performance reflects the excellent achievements of Gioia Tauro which handled over 370,000 TEUs more than in 2012 (+13.7%). Ca-

gliari's traffic raised too with over 702,000 TEUs handled, meaning +11.9%. However, a sore point was Taranto's port which with just over 197,000 TEUs lost 25.1% of the traffic recorded in 2012.

In the handling of liquid cargo too the Mezzogiorno has an important weight: 45.7% of the Italian total in 2013, down from 5.2% in 2012. This result is attributable to the decline of the traffic of the most crucial ports in this seg-

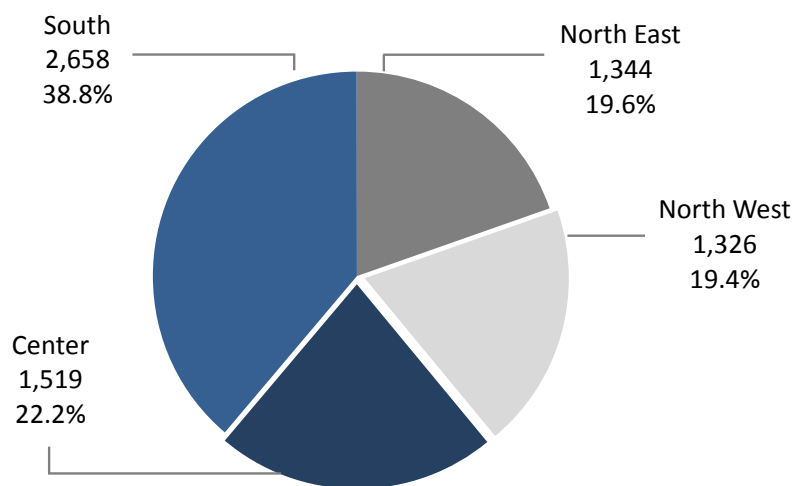
ment: Augusta (3.4 million tonnes less, equal to -11.8%) and Cagliari (nearly one million tonnes less, equal to -3.7%). For the dry bulk, the weight of the Mezzogiorno amounted to 44.2%, another drop compared to 2012 (-9.4%). In particular, the ports affected by the decline in traffic were the Apulian ports of Taranto which over the period, lost 3.8 million tonnes (-18.7%), and Brindisi down by a million tonnes, equal to -15.1%.

Looking at the statistics of the ports, the role played by the major ports of the Mezzogiorno in all traffic segments appears clear. The general drop of liquid and solid bulk, instead, is accompanied by a good performance in the segment of containerized cargo.

Weight of the maritime cluster companies

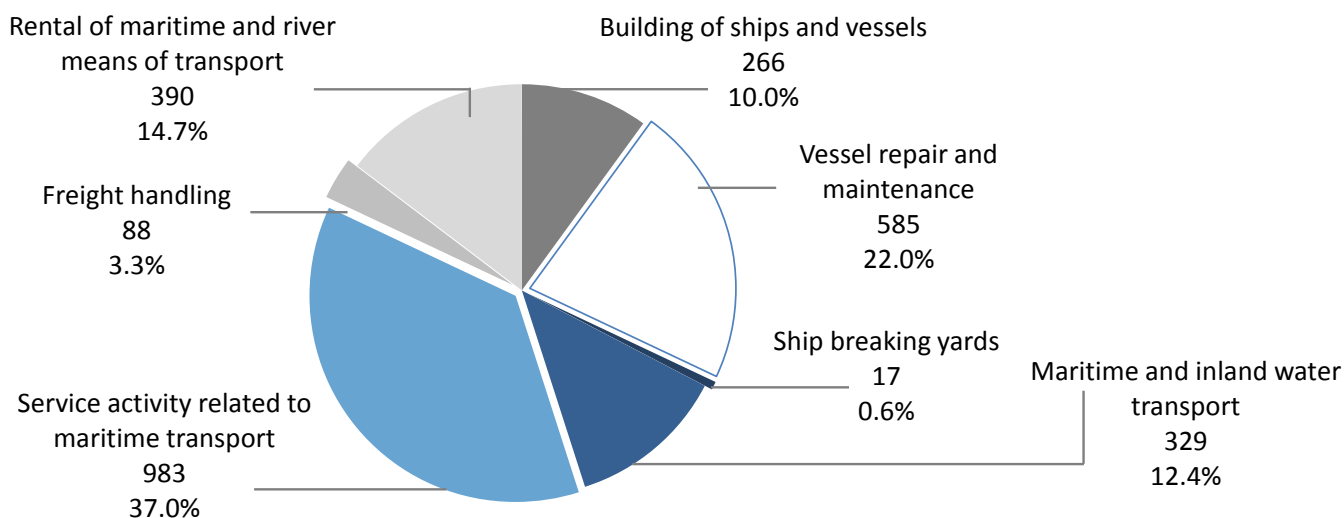
This section reports some data on the presence of companies associated to the maritime sector in the southern regions of Italy, with an indication on the main reference activities and with an analysis of the revenues of the leading companies on an annual basis.

Partition of companies in the maritime cluster by macro areas. 1st sem 2014



Source: SRM on Unioncamere data

Partition of the maritime cluster companies in the Mezzogiorno by sector. 1st sem 2014



Source: SRM on Unioncamere data

The Mezzogiorno is the macro area which has the highest concentration of shipping companies with 38.8% of the national value (the absolute is 2,658 out of 6,847). Compared to

the values of 2011, they registered a decrease of 1.8%.

The sector with the highest presence is that of service activities for maritime transport with 983 units

(37% of the total), followed by the segment of repair and maintenance (22%) and that of hiring of means of transport (14.7%).

The Data on the companies confirm the important entrepreneurial heritage of the Mezzogiorno and since shipping is an important driver for its economy.

A Global View

At both international and national level, the indicators considered by SRM's Observatory for maritime transport show a slow recovery that reflects the trend of the world trade which has started to grow again, although at a moderate rate. Such a trend, coupled with a generalized oversupply situation is troubling the various maritime carriers which are increasingly implementing strategies aimed at reducing costs, like the slow steaming, the naval gigantism or at streamlining their services, like the alliances between carriers. It is quite obvious to expect that, the strategies used by the various carriers may affect the geography of ports – whose selection from carriers will be therefore choosier – which should be able to provide complex services at ever larger vessels. Presumably, the trend towards naval gigantism will affect Short Sea Shipping which is, for its part, a crucial mode of maritime transport in the EU whose importance could even grow as a result of the increase in the transshipment traffic.

The analysis of the data drawn from the Alphaliner ranking outlines the picture of a very dynamic container ships sector in which the leading ship owning companies keep planning and implementing ever increasing investments which are contributing to the concentration of the sector. Indeed the biggest carriers are those achieving positive financial results (Maersk Line, CMA CGM, OOCL).

Then, we should consider Italy. The data contained in the Observatory's report show, for the first semester 2014, a certain overall stability, due to a decrease in imports which was, however, offset by an increase in exports. This trend is

not reflected by the performance of sea transport, one of the most important ways for the exchange of goods in Italy, which recorded, for the second year running a drop. The analysis focusing on the trend on the national port system in 2013 pointed out a good performance for Italian ports in terms of container ships which grew despite a slowdown in the world trade and in the maritime transport sector.

The particular moment of difficulty also emerges from the data referred to the maritime cluster companies which show a halt all over the country. They are suffering from the adversity of the Italian economy as inferred from the data – drawn from the Aida bureau van Dijk database – regarding the revenues of the logistics and transport companies. The data shows that 2012 was in contraction compared to the previous year although it regarded essentially the companies located in the north-west. Moreover, the analysis by sector of activity shows a larger gap between the companies that provide support and transport companies, while among these latter those which prevail are the ones dealing with road transport.

The Mezzogiorno confirms its solid logistics asset, in terms of infrastructures and companies, however the economic situation is not particularly favorable and it is also affecting the commercial relations in the area. The evaluation of the commercial interchange for the first 6 months of 2014 shows a slowdown regarding both the imports and the exports and the data bears witness to the production slowdown which also extended to the cargo maritime transport.

However, the importance of this mode of transport for the trade in the Mezzogiorno should also be pointed out; 2 out of 3 cargoes are imported/exported by ship.

Having a look at ports statistics it appears clear that the ports of Mezzogiorno play a key role in all the traffic segments. As a matter of fact, the generalized drop in the liquid and dry bulk segment is coupled with the positive trend of containerized goods which is a trend commonly used to compare the performances of ports worldwide as it is closely linked to the world trade trend.

In particular, it is impossible not to mention Gioia Tauro, the main transshipment hub in Italy, which after having suffered the effects of the economic crisis recorded decreases in cargo handling, at the end of 2013 started a brilliant recovery with +13.7% compared to the previous year.

[Notice on Methodology]

SRM's "**Maritime Indicators**" is a half-yearly publication dealing with the analysis of the sea economy in which a series of indicators presented intends to offer an interpretive key to the dynamics and the various national and international phenomena that characterize the industry in the Mezzogiorno.

The parameters chosen aim at analyzing the current trend of maritime transport from an economic, infrastructural and entrepreneurial point of view. These indicators are grouped in five categories: **economic trends, international trade relations, competitiveness, companies' analysis, and focus on the Mezzogiorno.**

Each set of indicators contains tables, graphs or figures believed to be particularly representative to evaluate Italy's position in the competitive international context, both in European and the Mediterranean.

The analysis stems from an assessment of international scope of the situation of the sea economy of for which observations on the freight market as well as on the maritime transport of goods in the European Union (for which the trend is also indicated) are reported.

Information is also given on the economic structure of the container fleet and of the services operated by major carriers, with details on the alliances in place and of the orderbook by ship size.

As part of the economic picture so outlined, an analysis is carried out on international trade by sea, with the territorial detail – a focus on our country that highlights the trend of imports-exports, main destinations and traded goods – and sector – with the focus on Short Sea Shipping transport and especially on its size, trend, type and geographic area in which it is concentrated.

Once traced the economic borders of the sector, we can analyze how the competitiveness in each country has adjusted in order to fit the changes which took place during the period under consideration.

The parameter chosen in this part of the study regards the ports traffic and allows an in-depth analysis by geographical area (Asia, Europe and the Mediterranean), it highlights the trend and offers an update about national ports traffic. Since the competitiveness of a port is influenced by several

exogenous factors such as projects in infrastructure and business, legislative concessions or agreements of various types that occurred during the examined period and may have affected the results, all of which have been pointed out.

By focusing on the Italian maritime cluster, the research has identified the business trends which characterize it, both in terms of numbers and in terms of revenues, thus providing information on the developments in the different geographical areas.

The economic research ends with a focus on the Mezzogiorno, where the information previously given is contextualized at a national level. Therefore, the maritime trade in the southern regions, the traffic of the ports in the area and, finally, maritime companies in the Mezzogiorno will be inquired. All of these statistics are provided with their percentage weight on the national data.

The data contained in the Observatory is collected from different national and international databases and elaborated by SRM, therefore the updating dates can be different.