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Unione Industriali Napoli

maritime indicators campania

maritime economy

2015

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The data provided in this publication has been updated at different dates.
Source consultation updated in February 2015.

The economic framework of the Maritime Economy in Campania

2014 saw an improvement, although slight, in the macro-economic conditions at a global level, making the prospects of an actual growth of maritime transport more optimistic.

World Trade Organization's (WTO) forecast estimates of growth in worldwide trades amounts to 4.7% in 2014 and 5.3% in 2015; an increase compared to the average growth of the last two years, which was 2.2%. WTO found that in 2013 the slow pace of trade growth was determined by a combination of flat demand for imports in developed economies (+0.2%) and a modest import growth in developing economies (+4.4%), whereas, in terms of exports, both developed and developing economies recorded only slight increases.

The more mature economies seem to be driving the recovery, while the emerging countries' growth rates slowed as a result of both cyclical factors and enduring structural problems.

The latest outlook from the International Monetary Fund (IMF) for 2014 confirms a performance which is similar to that of 2013 in terms of GDP (+3.3%) and foresees only a slight increase for 2015 (+3.5%).

According to Bimco, an international shipping association, the global economic recovery will drive the performance of bulk carriers, tankers and containers, but the risks associated with tonnage oversupply which can lower freight rates, especially in the container segment persist.

The demand for tankers and container vessels will be mainly sustained by the United States which should meet the considerable consumers' demand and the high oil production.

The dynamics of the world routes of oil tankers and tankers will be the American shale oil and the relocation of the major refining centers in the Middle East. It will be interesting to see – 2014 Bimco's Reflection report highlights – what will be the strategy for the differentiation of supply initiated by China, which turns to Western Africa and to South America increasingly by extending its routes.

In 2014, dry bulk tonnage supply grew by 4.4%, while the demand still increased by 4.5-6% thanks to China, driven by major bulks (especially iron ore, coal and grain). However, in this segment, the new ships ordered in recent years are close to delivery and could slow down this recovery trend.

As for the container segment, uncertainty in freight rates, economies of scale and alliances were again the key words of 2014; in this segment tonnage supply grew by 5.7%, although small size vessels are gradually leaving the stage. Again for the container segment, Drewry Shipping Consultants foresees an average annual growth of 5.6% until 2018, compared to 3.4% in 2013, which will focus mainly in Africa and China.

2014 was the year in which the alliances between carriers imposed.

After the P3 Network comprised of the first three liners (Maersk Line, Mediterranean Shipping Company and CMA-CGM) had already outlined strategies to change the structure of the world market for containers and later blocked by the Chinese antitrust authority, another 2 alliances were signed: the 2M (Maersk and MSC) and last chronologically, the Ocean Three (CMA CGM, China Shipping Container Lines and United Arab Shipping Company). This latter is based on a combination of agreements of vessel sharing, slot exchange and slot charter related to the Asia-Europe, Asia-Mediterranean, transatlantic, transpacific, and Asia-USA East Coast services.

The container market also features two already operating alliances: the G6 (Hapag Lloyd, NYK Line, OOCL, APL, Hyundai Marine and Mitsui Osk Lines) and CKYHE (Cosco, K Line, Yang Ming, Hanjin and Evergreen).

Recourse to the alliances and naval gigantism is explained by carriers' need for cost containment which can thus rationalize scheduled services and achieve greater economies of scale.

The phenomenon of alliances between the major carriers, which concentrates almost entirely on the massive flow of containerized goods between the Far East and Europe and the North of the Mediterranean, is an important issue to be considered in the assessments of the estimated growth of the segment.

Economically, they are able to influence the routes where the most significant growth trends will take place and the directions along which they will move. Obviously, the carriers will outline their routes also taking into account the ports which will be able to host the 18,000 TEUs mega vessels which make up their fleet.

Based on the latest Alphaliner report, to December 31st 2014 there were already 96 vessels exceeding 13,300 TEUs with a capacity of more than 1.4 million TEUs. To the same date, in the orderbook another 102 units appear with a total capacity of more than 1.6 million TEUs.

In the meanwhile, according to the Ocean Shipping Consultants' forecast, the Korean shipyards are now ready to build 24,000 TEUs-vessels, that is 5,000 TEUs larger than the 19,000 TEUs-vessels just come into operation.

To estimate what impact the economic and maritime transport trend may have at a regional level, it should be stressed that the Blue economy in Campania is significant. The maritime cluster, as a matter of fact, is well structured and includes several players and different businesses.

Among the elements that characterize the fabric of maritime sector in the region there is, on the one hand the coexistence of many shipping companies and on the other hand of ports and shipyards for the building and repair of the vessels.

In particular, Campania counts 162 operating companies in the maritime transport sector, corresponding to 49.2% of the maritime transport companies of the Mezzogiorno and 13.3% of the national ones. The impact on employment is relevant too. The latest data available shows 32,000 people employed in this sector in the Mezzogiorno, equal to 36.3% of the national amount.

Many are the companies operating in both the passenger and cargo segment, although on an international level it is the cargo segment which records the highest number of large companies.

Many big shipping groups hold, then, relations with the region, and use, among other things, the skills that the area offers in shipbuilding and actively invest in the improvement of the port facilities already existing.

As for the regional shipowning fabric, it should be added that there are some distinctive elements which influence to some extent its strategies and, therefore, the activities carried out. As a matter of fact it is characterized, on the one hand by a mainly familiar ownership and, on the other hand by a high degree of flexibility in the management models, in particular with reference to the composition of the fleet.

In fact, besides the owned vessels, the ship owners of Campania often use chartered vessels and this allows them to modify the composition and dimension of their fleet according to the different needs and prospects of traffic. It should be added that Campania's shipping companies hold a significant position at a national level thanks to the special services they offer such as tugging in ports, maritime operations, laying of submarine cables or installation of oil platforms.

The composition of the regional ship owning fleet and the structure of the entrepreneurial fabric are two of the key factors that give Campania a prominent position in the national context. In other words, the contribution that Campania's maritime economy brings about to the national one is significant and also affects development dynamics.

As regards regional traffic, the prevailing mode continues to be the Ro-Ro which absorbs 38.4% of the total tonnage handled in 2013 by the ports of Naples and Salerno and which amounts to 31.4 million and is on the rise compared to 2012 (+3.8%). By contrast, the amount of TEUs decreases reaching 740,426 unit (-2%).

The values for the regional passenger transport also fell: -5.9% overall and -3.4% for the cruise segment. However, the single port analysis shows higher values for the Neapolitan port, only partly balanced by the positive performance of Salerno's port. Nevertheless, Napoli's port remains one of the main points of reference in the cruise segment at a national level being the 1st port in the Mezzogiorno and the 3rd Italian port.

Good and Bad

+2.1%

Campania's maritime trade at third quarter 2014

+3.8%

tonnage of goods handled by regional ports in 2013

+26.3%

cargo transport (in TEUs) in the port of Salerno in 2013

-2%

TEUs handled in the ports of Campania in 2013

-15.5%

decline in the turnover of Campania's maritime transport companies in 2013

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

1

indicators

INTERNATIONAL TRADE RELATIONS

Campania's trades

This panel of indicators groups short-term statistics and trends of Campania's maritime trades. Data refers to the third quarter of 2014.

In the first 9 months of 2014 Campania's trade amounted to nearly €15.2 billion, rising by 2.1% compared to the same period of 2013. More in detail; the import of almost €8.1 billion grew by 4.8% whereas the exports amounting to almost €7.1 billion saw a drop of 0.8%.

Figure 1 shows that more than 45% of Campania's trades are seaborne.

Trades amount to nearly €7 million which weigh by 4.2% on the total amount of the national maritime trades and by 16.7% on the correspondent overall amount of the regions of Mezzogiorno.

As figure 2 shows, already in 2013 Campania's maritime trades recorded a recovery after a two-year contraction with a +5.2% compared to 2012. This trend is mainly due to exports which, with an annual increase of 8.2%, have always recorded positive performances.

In addition, it should also be noted a recovery of imports which with +2.9% is increasing after two years with a minus sign.

Figures for the first nine months of 2014 confirm the positive trend of imports with a +6.8% compared to the same period of 2013; exports, by contrast, is falling (-4%).

The entire maritime regional trade is gaining ground; +2.1% compared to the first 9 months of 2013.

Mode of transport in Campania's trades (data in mln €). January-September 2014

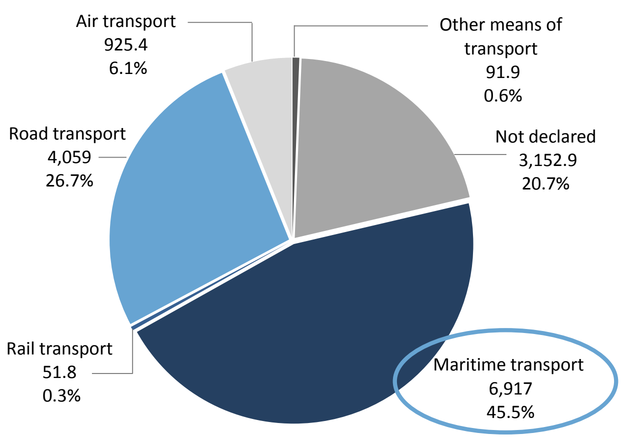


Figure 1 - Source: SRM on Coeweb data

Campanian maritime import-export trend

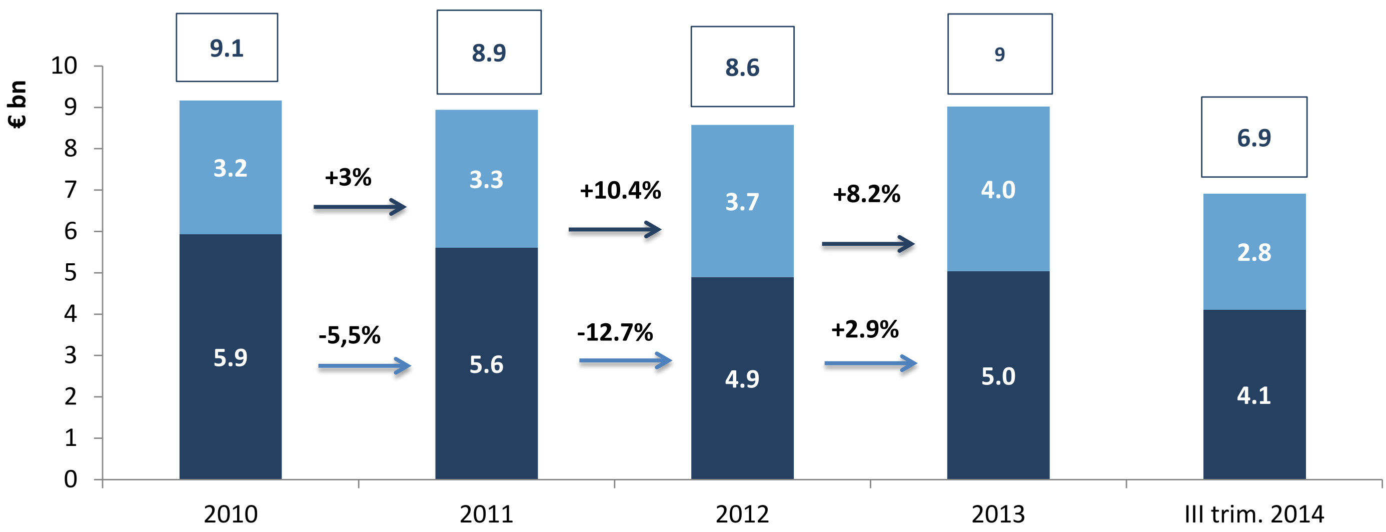


Figure 2 - Source: SRM on Coeweb data

Major geographical reference areas in Campania's maritime trades. January - September 2014

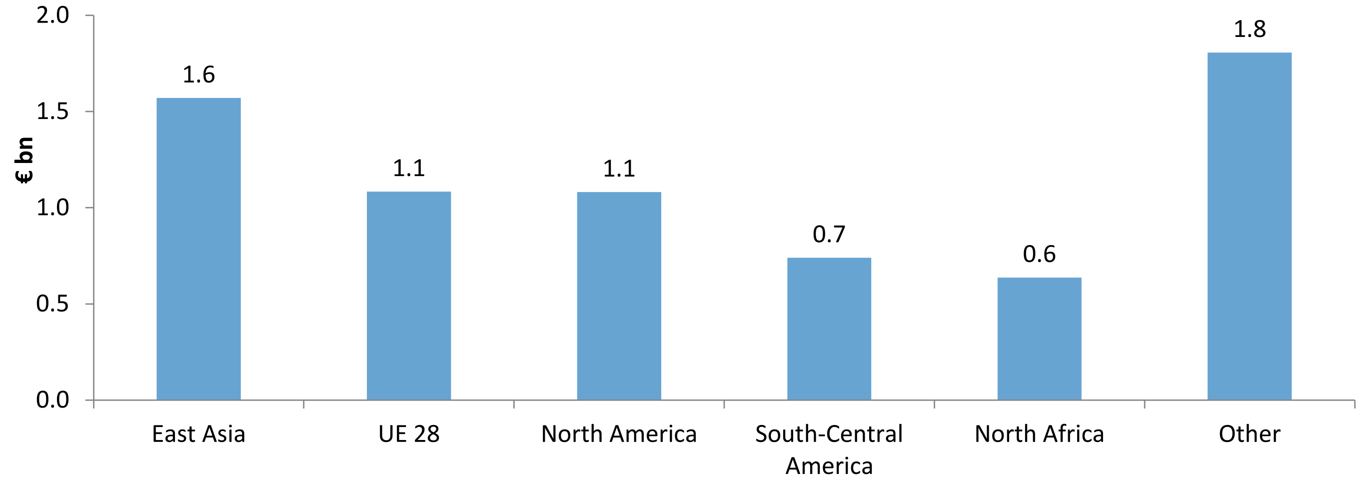


Figure 3 - Source: SRM on Coeweb data

The East Asian countries represent the area with which Campania trades most of its seaborne import-export with 22.7% of the regional total, followed by UE-28 countries with 15.7% and North America with 15.6%.

Between 2010 and 2013 sea trades with North Africa, North America and EU-28 intensified recording a growth ranging from +2% in the former case to +5% latters. On the contrary, the weight of the other two areas over the total amount of the regional exchanges with East Asian countries decreases from 37% in 2010 to 22% in 2013 (-15%). Data referring to the first three quarters of 2014 show a recovery in the share of East Asian countries of Eu-28 and Centre-South America while the shares of the remaining areas drop.

Analyzing the goods which are most frequently exchanged, there is the prevalence of metals and metal products, which takes 19.8% of the value of the total traffic; the category of food, beverages and tobacco follow with 17.3%.

Trend of the main geographical reference areas in Campania's maritime trades

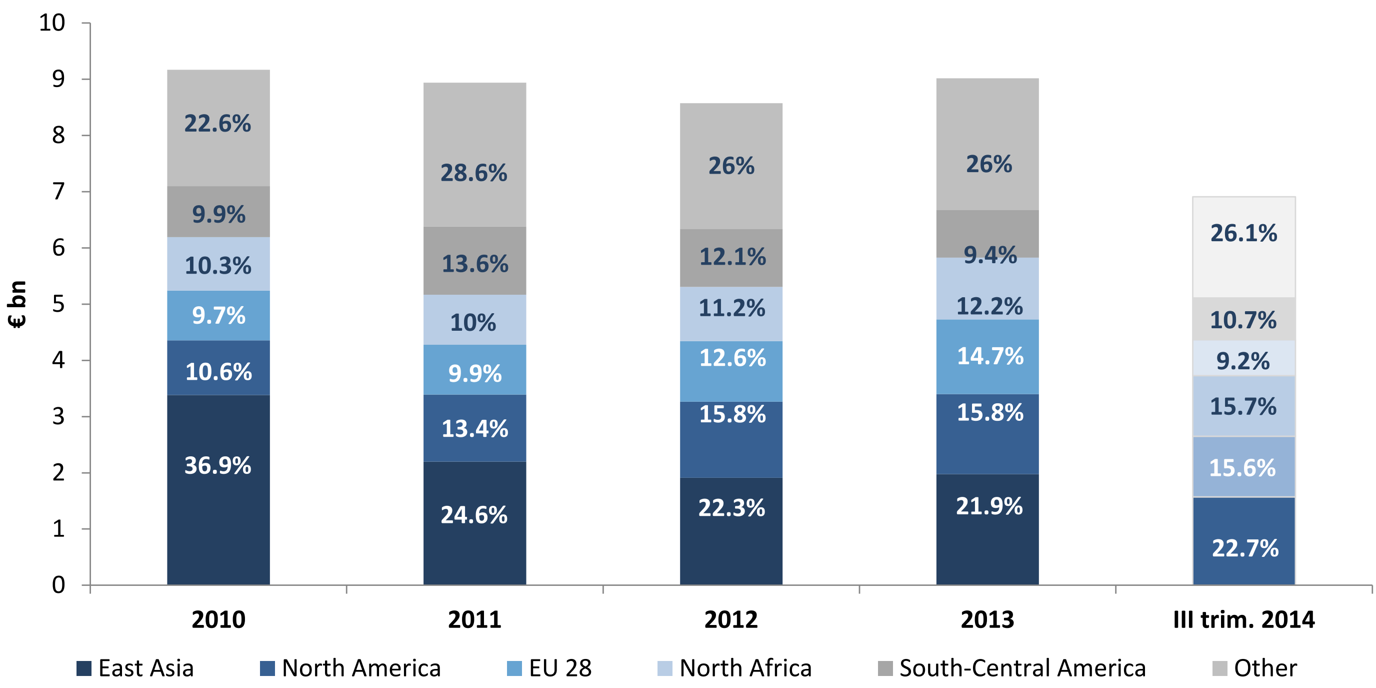


Figure 4 - Source: SRM on Coeweb data

Main commodity categories of Campania's maritime trades. January - September 2014

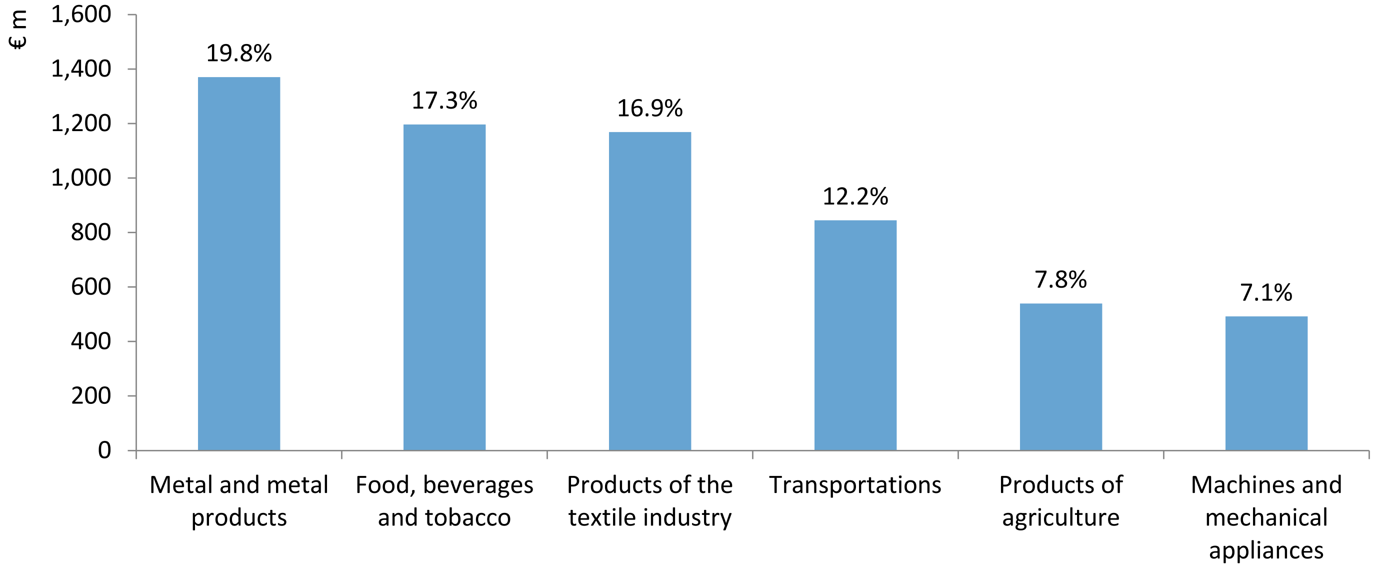


Figure 5 - Source: SRM on Coeweb data

The data contained in this set of parameters detects an increase in Campania's maritime trades, mostly driven by imports. Maritime mode represents an important stimulus for the entire regional trade which shows a recovery compared to the analogue period of the previous year.

2

indicators

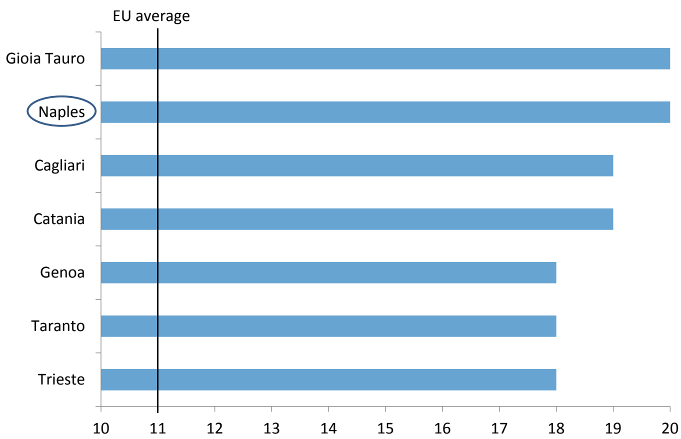
COMPETITIVENESS

Indicatori Doing Business World Bank

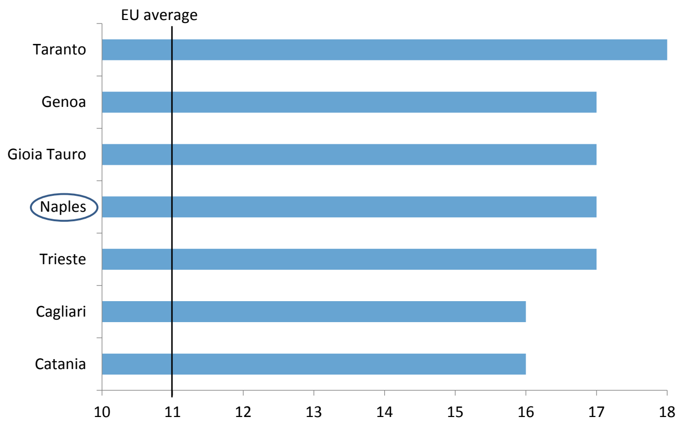
In this case the parameter chosen refers to the port of Naples alone examined by the World Bank together with the gateway ports of Genoa and Trieste and transhipment and regional ports of Cagliari, Catania, Gioia Tauro and Taranto.
The indicators are designed to measure the time and cost (fees excluded) relating to the export and import of a standard 20 foot container by sea, and the number of documents needed to complete the operation.
The indicators include obligations relating to documentation, customs procedures, including procedures of other agencies and port authorities, and logistical aspects, such as the time and cost of internal transport from the warehouses of the company to the ports where the merchant ships are located.
The ports under the World Bank's analysis are divided into two categories: gateway ports, transhipment and regional ports.
Gateways, or hubs, normally handle high load volumes and serve the international long supply chain.
The gateway ports also provide trade-related services, such as distribution centers, warehouses, insurance and financial services.
In all the ports under analysis four documents are required for import/export activities.
The documents for import are: bill of lading, certificate of origin, commercial invoice and customs import declaration; for export: bill of lading, commercial invoice, customs export declaration and a standard technical certificate.

Time and cost for the import/export of a container

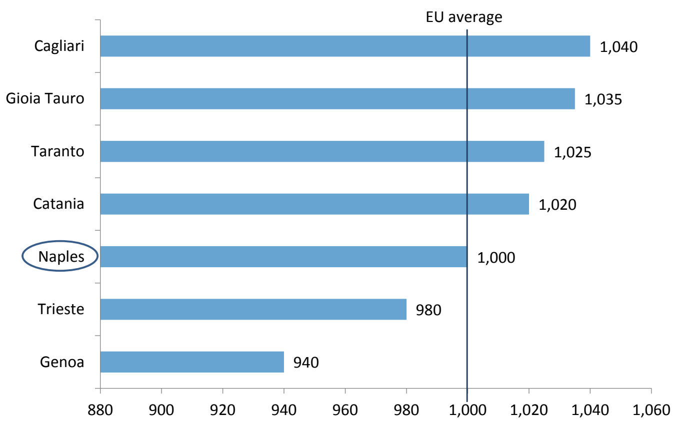
TIME FOR THE EXPORT (DAYS)



TIME FOR THE IMPORT (DAYS)



COST FOR THE EXPORT (US$ - CONTAINER)



COST FOR THE IMPORT (US$ - CONTAINER)

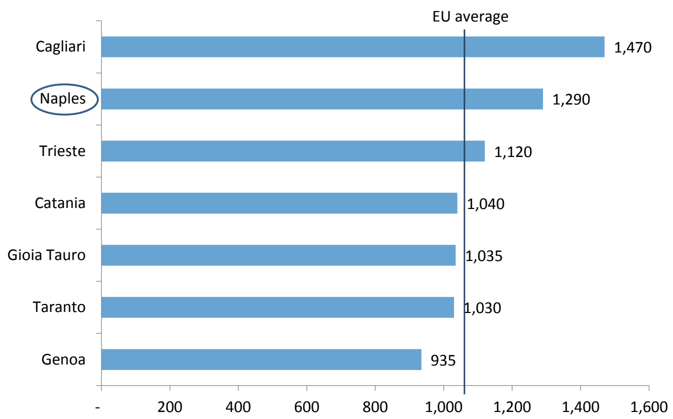


Figure 6 - Source: SRM on World Bank

The analysis of competitiveness in the transboundary maritime trade highlights some critical issues for the port of Naples, not only compared to the average of OECD countries, but also in reference to Italian ports that are its direct competitors, and it shows the delays in import/export times and higher costs for exports.

Campania's port traffic

The goal of this in-depth examination is the evaluation of the regional port system performance in terms of volume of both transported goods and passengers/cruisers. Furthermore, there is another examination about the cargo segment regarding the different categories involved. The following data refers to 2013.

TEUs handled in Campania's ports. 2013 data

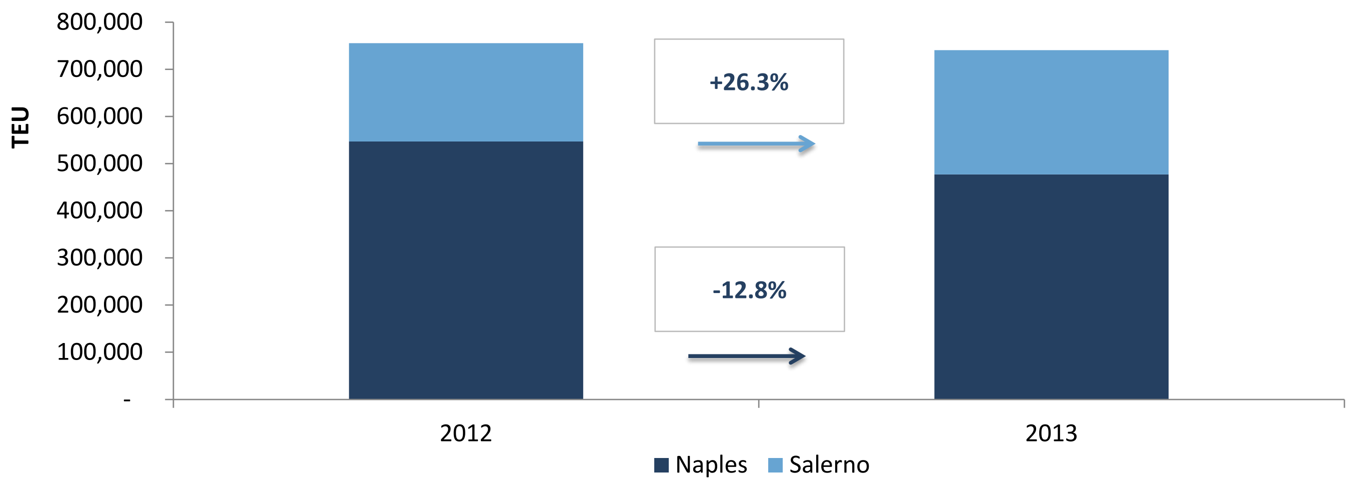


Figure 7 - Source: SRM on Port Authority data

In 2013 the ports of Campania handled 740,426 TEUs, slightly decreasing compared to 2012 (-2%) and about the 2/3 of them were attributable to the port of Naples. In particular, the container segment showed different performances for the two different ports; Salerno is growing (+26.3%) while Naples is dropping (-12.8%).

Data from the first semester 2014 confirms this trend.

The port of Naples records -14.2% having handled 209,390 TEUs while in the first semester of 2013 it handled 244,043. Salerno confirms its positive performance in the sector with its +24.4%; in fact it passed from 120,090 TEUs in the first semester 2013 to 149,369 in the same period of 2014.

In terms of tonnage, instead, the regional ports record nearly 31.4 million tonnes in 2013 with an increase of 3.8% compared to the previous year.

The prevailing type is, as in the past, the RO-RO which accounts for 38.4% of the overall tonnage.

With respect to bulk goods, the regional handling is exclusively attributable to the port of Naples, which, compared to 2012 records an increase in both liquid bulk (+23.2%) and solid bulk (+14.8%).

Bulk goods handling in the port of Naples. 2013 data

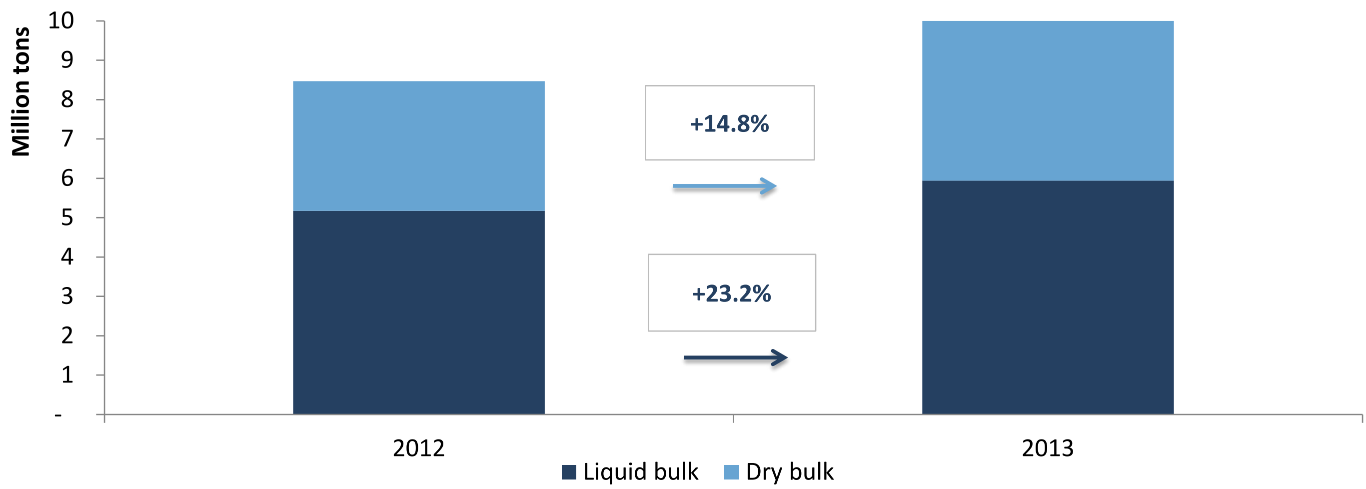


Figure 8 - Source: SRM on Port Authority data

As regards passengers, in 2013 over 7.5 million people transited through the ports of Campania recording a drop of nearly 6% compared to 2012. Over 90% of the traffic in regards the port of Naples, which sees a drop slightly higher than the regional average (-6.8%) against the positive performance of Salerno's port (+6.8%).

About 17% of the regional passenger traffic refers to cruiser passengers which with almost 1.3 million units record -3% compared to 2012. Naples prevails in this segment too, with more than 1.17 million cruiser passengers.

The data of the first semester 2014 concerning the cruise sector shows a new shrinkage in the number of passengers for Naples (-8.1%) with more than 684,000 units but on the rise for Salerno by 4.9% with 35,000 units.

Number of passengers transited in Campania's ports. 2013 data

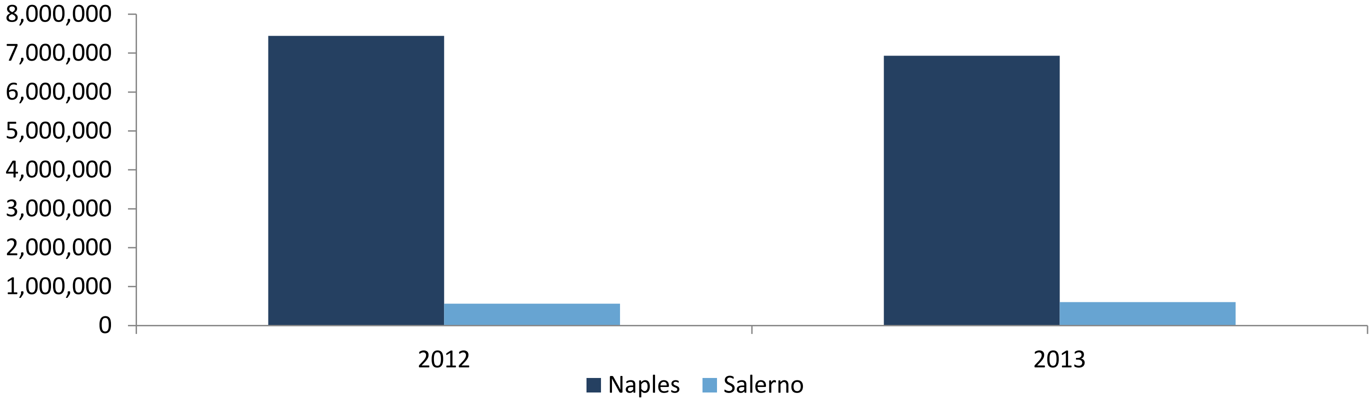


Figure 9 - Source: SRM on Port Authority data

Number of cruiser passengers transited in Campania's ports. 2013 data

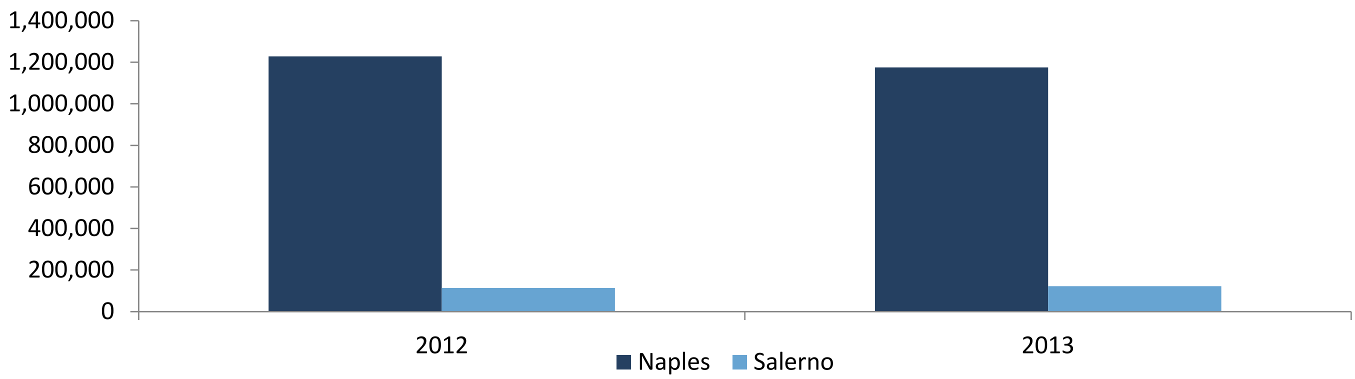


Figure 10 - Source: SRM on Port Authority data

The focus on the performance of the Campanian port system up to 2013 proved steady compared to 2012, as regards cargo transport, but showed a slight decline for the passengers and cruiser passengers.

3

indicators

COMPANIES

Companies of the maritime cluster

This group of indicators refers to the data relating to the number of companies belonging to the maritime cluster, sorted by type. Data refers to the first semester of 2014.

During this period the companies of the maritime cluster in Campania amouned to 995 and over a third of them deals with services related to maritime and inland waterways transport. The naval maintenance and repair companies follow (18.7%), accompanied by those concerning the hiring of means of sea and river transport (17.3%).

The companies of the maritime cluster of Campania represent 37.4% of the Mezzogiorno total amount and 14.5% of the total national amount of companies.

In terms of importance, the rental companies which amount to ¼ of the national amount and the shipbreaking yards (22.2%) are particularly considerable.

Distribution of Campania's maritime cluster companies by type of business – I semester 2014

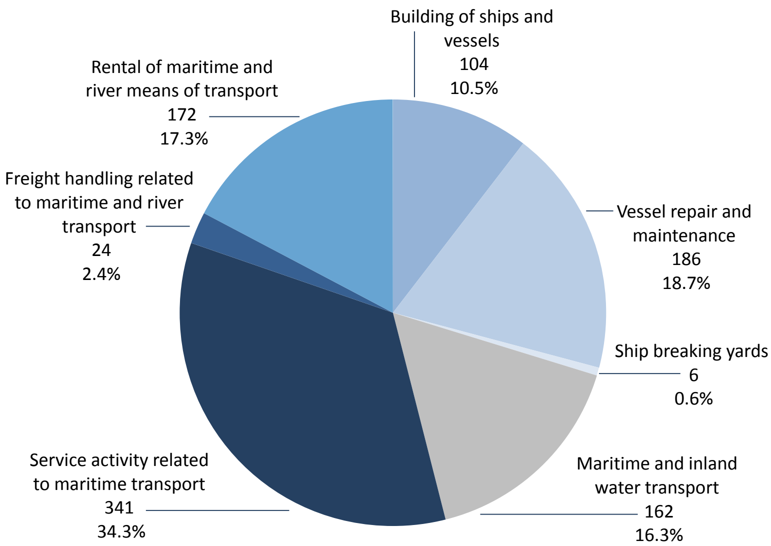


Figure 11 - Source: SRM on Unioncamere data

The weight of Campania's maritime cluster companies over the national total amount – I semester 2014

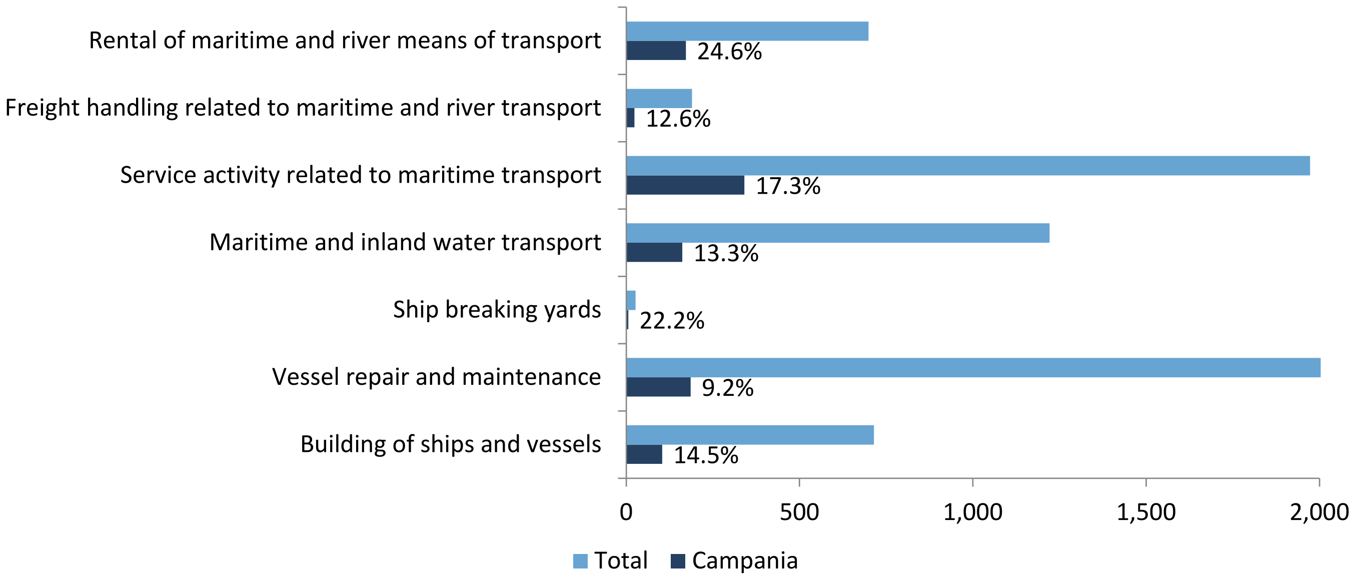


Figure 12 - Source: SRM on Unioncamere data

Compared to the 2011 data, the maritime companies of the region recorded a drop of 5.8% (-2.5% for Italy and -1.8% for the Mezzogiorno) reaching -20.6% if you consider the shipbuilding companies and -16.9% of the transport companies. The segment repair/maintenance instead, is on the rise (+13.4%).

The trend of Campania's maritime cluster companies – 2001/I semester 2014

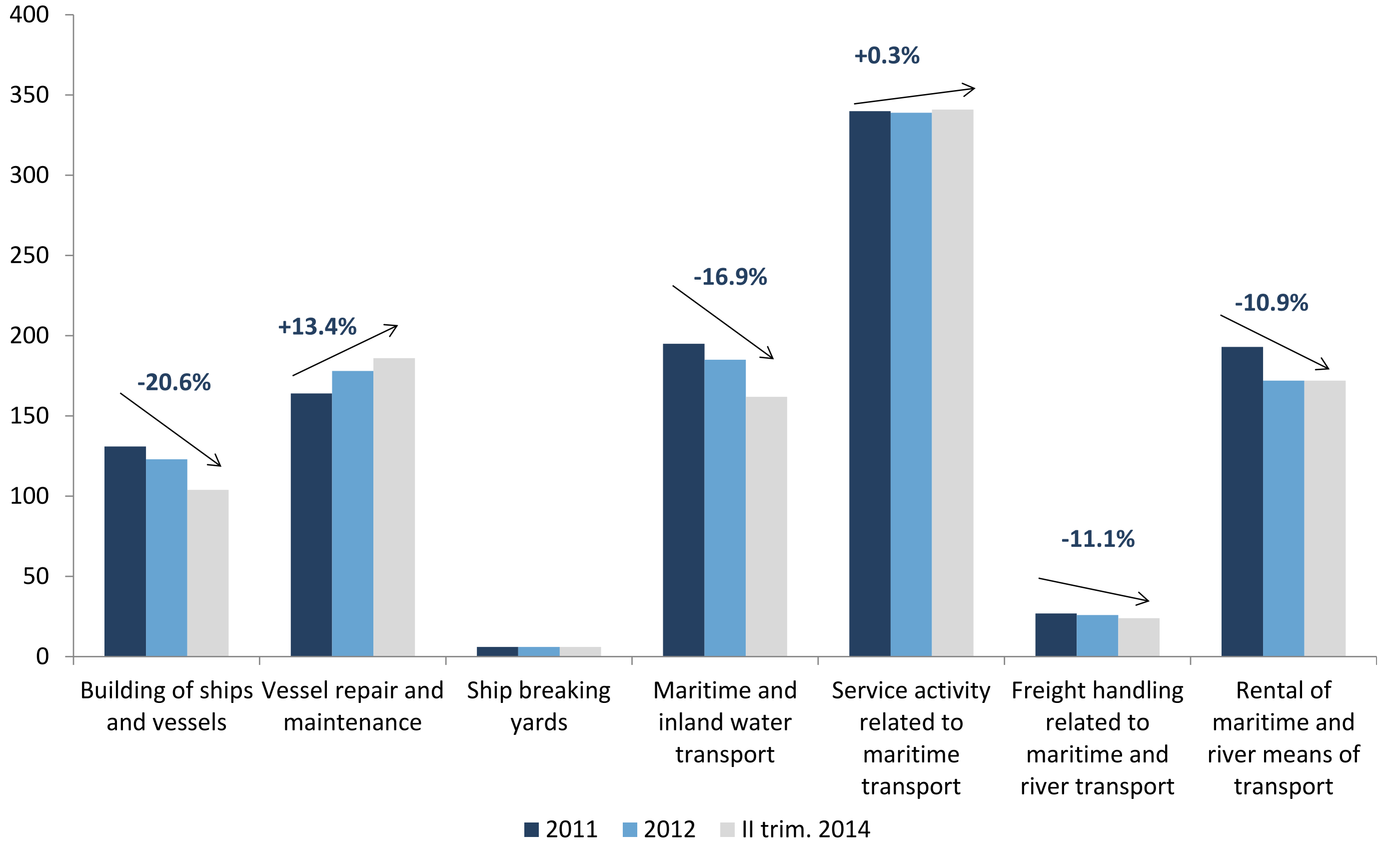


Figure 13 - Source: SRM on Unioncamere data

The data referring to companies affected by the difficulties of the Italian economy, in fact they show a reduction in the number of companies and this fact marks not only the regional context but also the national one.

Turnover of the maritime industries

This set of indicators, calculated based on the queries of the SRM databases, allows us to perform analysis on the turnover of companies in the maritime transport (freight and passenger), with detailed information on their territorial concentration, their legal nature and the trends.

The following findings result from the query of the AIDA Bureau van Dijk database and extrapolating Campania's maritime companies with an available budget (and revenues at least equal to zero) for the years 2011, 2012 and 2013.

Turnover of companies in the maritime transport (freight and passenger). Years 2011 - 2013

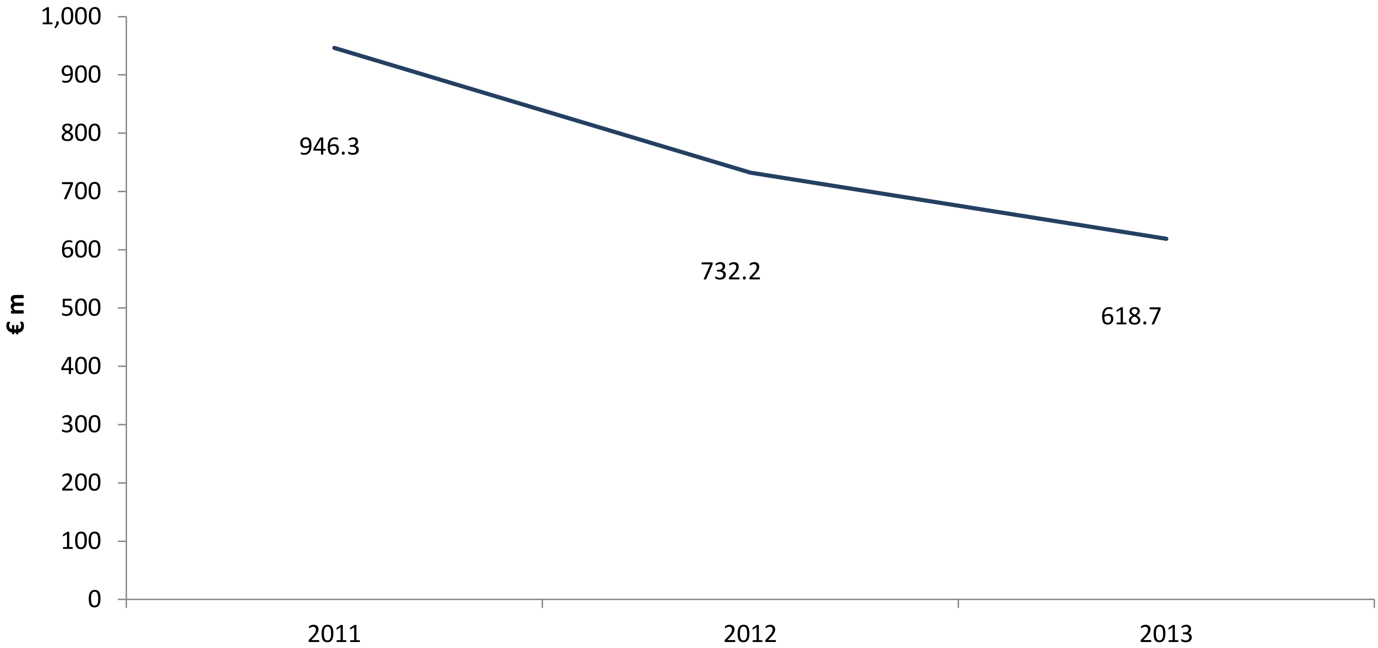


Figure 14 - Source: SRM on AIDA Bureau van Dijk data

The trend analysis of the total turnover of these companies in the three-year period shows a steady decline in revenues, a decrease of 22.6% in 2012 over the previous year and a drop of 15.5% in 2013, the year in which the total amount reaches almost €620 million.

This value represents the 25.2% of the overall turnover of the the Mezzogiorno's maritime companies and 11.4% of the national amount. In addition, almost all of the regional turnover (99.1%) can be attributed to companies incorporated in the form of joint-stock companies.

The distribution of sales at a regional level shows that almost all of the value relates to companies located in the province of Naples.

The data drawn by the AIDA Bureau van Dijk database and referring to the revenues of maritime transport companies show that 2013 is down compared to the previous year.

A Global View

The indicators that the SRM Observatory considered show an increase in the value of Campanian maritime trade driven mostly by imports which, in the third quarter of 2014, recorded +6.8% compared to the same period of 2013. However the export is in slight decline (-4%).

In terms of total tonnage of goods transported the two regional ports registered an increase of 3.8%.

The Campania region as well as the wider area of Mezzogiorno demonstrates a strong asset in terms of infrastructure and businesses.

Notice on Methodology

"Maritime Indicators Campania" is a publication of SRM and Unioni Industriali Napoli; a periodical report which analyse the maritime economy through a series of indicators whose purpose is to provide an interpretative key of the dynamics and the various phenomena which characterize the maritime sector in Campania.

Then the analysis focuses on the port of Naples with the primary objective to identify the parameters which determine its competitivness.

The aim of SRM's publication, in particular, is to offer a new and unique tool to the business operators in the region – whose relevance to the economy of Campania is well-established – with detailed and constantly updated analysis at a territorial level. The news contained in the publication regards both the infrastructures and the companies.

In the issue, in particular, there is a first part which offers an examination of the sector and a key to understanding the contents that it anticipates.

The second section contains some reference parameter – indicators – which represent a first step towards the creation of a Transport/Maritime economy cruscotto in Campania and to offer an interpretation of its dynamics and to the various phenomena which characterize it. Therefore they can be considered as instruments capable to identify the possible ways for the development of the sea economy in the Campania region starting from its ports.

The parameters which have been chosen aim at investigating the economic trends in sea transport from an economic, infrastructural and entrepreneurial point of view.

The indicators are grouped into 3 categories: International trade relations, competitiveness and companies. Each series of indicators includes tables, graphs and figures which are considered to be particularly representative for analyzing the regional context and, if possible, to evaluate the placement of Campania in the competitive national context and in that of the Mezzogiorno.

The analysis originates from an evaluation with an international scope of the trend of the international trade by sea, which highlights the weight over the total amount of the national trades, the imports-exports trend, the main reference areas and the most frequently traded goods.

As for the competitiveness of the region, the parameter for analysis chosen regards, instead, the port traffic by type. Since the competitiveness of a port is affected by several exogenous phenomena some infrastructural and entrepreneurial projects or various arrangements of different kinds which can affect the achieved and future results illustrated. Such parameters can be used to identify the initiatives aimed at supporting the development of Campania's ports and, in particular, that of Naples.

Lastly, the analysis of the entrepreneurial fabric focuses on the sector of the regional maritime transport in terms of figures and turnover.

In the first case, information about the type of companies and their three-year trend are reported to better show the "health" conditions of the sector.

In the second case, instead, the attention is put on the companies' turnover with in depth-analysis concerning the trends and the companies' legal status.

The data that the Observatory contains are gathered and processed by SRM based on different national and international databases; for this reason, it may have a different date of updating that is specified from time to time.

To accompany the statistical analysis a focus group of entrepreneurs was organized to detect the 'sentiment' of the main players on the current economic situation.

The Focus Group: the entrepreneurs' point of view and proposals

To better explain the dynamics and the main features of the maritime industry in Campania, the statistical analysis is enriched by the results of a focus group of entrepreneurs, which had the aim of recording the sentiment of the major players in the industry on issues relevant to the current situation.
In particular, the voice of the entrepreneurs (selected among the members the Unione Industriali) was analyzed from two points of view. On the one hand, as one of the starting points to urge on the formulation of considerations, analysis and assessments relevant to the definition of a shared policy in the Association about the future of logistics in Campania and the port of Naples, over the medium-long term.
On the other hand, as a further key to interpreting the dynamics and phenomena taking place or that may occur in the next five years.
To better analyze the reflections that emerged during the meeting, it was decided to expose them based on three questions which, being comprehensive, allowed a state of the art picture to be drawn:

What is the current situation in the sector?

What are the main issues?

What to do for the future?

The meeting was attended by representatives of various sectors, represented as follows.

Sectors	Companies
Shipbuilding	• Cantieri del Mediterraneo • Idal Group
Terminal operators	• Terminal Flavio Gioia S.p.A.
Freight Forwarding Companies	• Temi S.p.A. • ASSOAGENTI
Oil companies	• Kuwait Petroleum S.p.A. • Italcost S.r.l.
Liquid products storage	• Garolla S.r.l.

Analysis of the economic situation

One of the assumptions is that an efficient port infrastructure can definitely help to attract traffic, but in the case of the Mezzogiorno regions of Italy, this traffic is taken away from neighboring competitor ports and is not additional traffic. Accordingly, the ports in this area are mostly focused on the management of the traffic related to the same area, with a sort of direct competition, unlike other national ports (such as, for example Genoa), which can aspire to compete for the traffic to the ports of Northern Europe.

In any case, this reasoning is valid in so far as the international scene remains unchanged, and if it is true in the short term, it does not necessarily mean that it will be the same in the medium/long term. Consider, for example, the expansion (in progress) of the Suez Canal that will inevitably lead to an intensification of traffic in the Mediterranean basin. In this regard, recent data from Ocean Shipping Consultants foresee, for the next 15 years, a 50% increase in container traffic in the area and, therefore, presumably a part of it will also affect our national ports and, particularly, those in the South.

With such a scenario and with the appropriate infrastructure, the port of Naples could intercept traffic destined to other markets.

In other words, the port industry in the Mezzogiorno is "anomalous": the ports are in competition for a determined share of traffic without the chance to create, in the immediate future, additional traffic. This would be possible through large external initiatives of exceptional nature, for example, the creation of a free industrial or logistics zone which would allow an increase in the wealth of the whole territory.

It should, however, be specified that the individual segments have different evolutionary dynamics and, therefore, if the above is valid in a mercantile view it may not be valid for passenger traffic, characterized by different commercial logics.

Similarly, if the efficiency of the port infrastructure is relevant to the container traffic, it does not necessarily mean that it is the same for the other types of goods. This is the case, for example, of liquid bulk for which the context plays a crucial role and, specifically, for the reference to the industrial area that, in the case of Naples and the Mezzogiorno, besides being less important than those in other areas of the country in recent years, saw a significant reduction of the production with the consequent reduction in demand for raw materials. This, not only led to the natural decline in the incoming traffic, but in some cases, even to a change in the mode of transport, in favor of the road, where the quantities are no longer sufficient to justify the transport by ship, despite the lower cost.

The market trend, therefore, is not only related to the port infrastructure, but also to a number of other elements such as the dry port and the industrialization of the surrounding territory. In this sense, Naples suffers for a series of inefficiencies not only of business and infrastructure, but also of administrative, managerial and customs nature. In addition there is the fact that the port of Naples is a SIN area, i.e. a site of national interest, and this implies the presence of additional constraints.

As for the segment "oils", at least for the short term, it doesn't necessarily mean that a general improvement of the infrastructures corresponds to an increase in demand, but it is certain that this can be induced. The energy market, in fact, lives from the needs of other sectors and, therefore, being in a growing market is a positive lever because it implies an increase in demand.

The ship repairs' sector finally is worth a different discourse: trades are not related to the port's business activities and compete, without intermediation, in an international context where companies tackle directly on the management efficiency and on the system that revolves around the industry.

However, it should be said that the port of Naples has a long tradition, with specialized and flexible satellite activities a good organization, professionalism and a special closeness to the territory. These are key elements, competitive factors which allow Naples not only to meet the market's demand, but also to overcome the natural selection which took place in the industry over time.

Principal issues in the Neapolitan port

One of the main problems of Italian ports is connected to naval gigantism and to the fact that, unlike what happened elsewhere, Italian ports have not promptly adapted with the result to be, today, cut out from a phenomenon increasing in scope and more and more influential on the economy of the sector.

Another great phenomenon underway is that of the alliances between operators which despite being seen as a real strategic choice, it can also be seen as a direct result of an industry that is not in its optimal conditions. If, in fact, it is true that they can achieve economies of scale for the benefit of all the stakeholders, it is also true that through them the risk connected to the non-completion of the load is reduced and distributed.

As regard the territory, first of all it must be said that there's a lack of industrial support to port traffic and, at the same time, of policies that permit investment in this regard. In fact, the regional industrial system fell apart, depriving the regional ports of an important reference point.

For many entrepreneurs the port of Naples and infrastructure related to it are not competitive, with the result that often they prefer other ports. This is connected to many factors that influence more or less significantly corporate strategies and which concerns, among other things, customs controls and the related timing.

The days required to perform those activities may be, in fact, a great discriminant in choosing a port and, for Naples, they are above the national average so as to justify, in some cases, the preference of another port of landing and the subsequent transfer by road.

Two additional factors of inefficiency of the Neapolitan context concern dredging and customs controls.

The first, in particular, is a growing problem perceived by the port operators of Naples; ship owners, however, increasingly use large ships and this means that the problem of the seabed is more and more relevant to their operational choices.

Another weak point is in fact linked to private investment. Private initiative, in fact, found space after the 84/94 law but, in the port of Naples, it failed to find either a full application or full and equal competition compared to the other national ports. Actually, infrastructures in excess of those required by the market have been planned due to a distortion of the reasonong underlying investments. In fact, instead of planning the infrastructures according to the real needs and perspectives, thus following careful market analysis, they planned oversized investments with the hope of attracting, at a later time, operators willing to manage the infrastructure in place. Consequently, in many Italian ports, the offer of some infrastructure sectors is by far exceeding the possible demand. Following the example of other countries, the rationale of the management of public property should be changed and, in this case, a program that would allow individual operators to develop and manage the terminal needed should be implemented.

To summarize, what has just been illustrated raises two main issues closely related: the absence of an accurate market analysis that highlights the state of art and the fact that there is an infrastructural surplus.

[Some proposals for the future]

The meeting with some of the leading exponents of Campania in the sector, as well as the collection of reflections on the current situation and the issues to be addressed with particular attention, focused on what could be done in the future.

From a comprehensive point of view, the need for a competitiveness recovery plan emerged, so that the port and the related infrastructure will become a model of efficiency.

The recovery plan is not just about the port infrastructure in the strict sense, but also about its connections with the surrounding area. If, in fact, in the first case it would be appropriate to intervene with dredging works and a rethinking of the customs system, in the second, it would be desirable to intervene on the road network to make the operations of input and output of goods from the port more efficient. Taking actions in this context also means thinking about the business fabric composing it and, therefore, the possible measures to facilitate the recovery and development and to provide the market with new and valid elements of attraction.

In other words, we need a social and administrative context characterized by the cohesion of all the elements that compose it, and by a common activity addressed to a common goal; behind this there must be a clear vision of the future, a vision that looks to the port of Naples with a newer and better perspective.

[A synthetic vision]

Finally, in order to provide an immediate perception of what emerged from the meeting with the entrepreneurs in the industry, it seems useful to provide some sort of schematic representation of the results of the meeting.

In particular, we will, once again, shed light on the deepest needs and most urgent demands putting in direct relation the main strengths and weaknesses not only of the port infrastructure, but also of the context to which the port belongs.

[A short analysis on the Port of Naples]

- Multipurpose port among the leading ports in Italy
- Reference point of the freight market for the regions of the South
- Favorable geographic positioning in view of the increase in traffic in the Mediterranean
- Third cruise port in the country
- Long tradition in shipbuilding

STRENGTHS

- Inefficient context
- Reference industrial system getting weaker
- Difficult access to the port
- Dredgings and service facilities
- Procedures and customs controls
- Difficult attraction of private investment

WEAKNESS

APPENDIX

THE TOPICS OF DISCUSSION

1 - The eastern terminal and the development of container traffic

The construction project of the eastern Terminal represents a significant opportunity for the development of the port of Naples.

What are the critical success factors (technical, organizational and managerial) in the dealing of the container terminal capable to let logistics operators from Campania compete with other port systems in the Mediterranean segment of container transport?

What are the competitive elements of businesses operating in the port of Naples? Will these factors still be competitive? Who are the direct competitors and what are their competitive advantages?

What actions could be taken to enable the companies to strengthen their competitive position?

What are the predictions / expectations for the next five years (best-case scenario, worst case scenario)?

2 - The development of the port-railway intermodal connection

The intermodal integration between the port of Naples, the rail system and the interports has been an issue for some time, regarded as crucial for the development of freight traffic, especially in the container segment.

What is the organizational and business model for the management of rail services?

3 - The business model of the terminal operators

The extension of the area devoted to terminal operators and deriving from the eastern Terminal and the availability (for now theoretical and potential) of the interports to be connected through the rail systems with the port could cause a change in the business model of the company managing the terminal port of Naples.

What are the factors or combination of factors on which to focus in order to increase the profitability of the granted terminal (rents, rates, transport technologies, types of maritime traffic, etc.)?

4 - Ship Repair Industry

Le imprese del settore delle riparazioni navali del porto di Napoli si trovano ad operare in un mercato in crescita ma estremamente volatile e competitivo, avendo come propri concorrenti operatori localizzati nel Mar Nero, nel nord Africa, nella penisola balcanica, in Spagna, Portogallo e Francia, a Malta, Cipro e nella stessa Italia.

Quali sono i fattori di competitività (organizzativi, tecnologico e commerciali) significativi per lo sviluppo delle imprese della cantieristica nel bacino del Mediterraneo?

Quali sono le azioni di sistema che potrebbero consentire alle aziende del settore di rafforzare la propria posizione competitiva?

Quali sono le previsioni/aspettative per i prossimi cinque anni (scenario migliore o peggiore)?

5 - The role of the Port Authority

Which of the following roles appears more appropriate or more desirable for the Port Authority of Naples and what actions should be taken to strengthen its orientation in the desired direction?

A "conservative" Port Authority conveys its forces to become a good "housekeeper" and essentially implements passively and mechanically the traditional functions of the Port Authority at a local level.

A "facilitator" Port Authority model is configured as a mediator and promoter of economic and corporate interests. It also looks beyond the port perimeter and tries to involve stakeholders in regional strategic partnerships.

Finally, an "entrepreneurial" Port Authority combines the key features of the "facilitator" with a more explicit commercial attitude as an investor, service provider and consultant both locally and internationally.

6 - The business model of Naples' port system

What is the business model towards which the port of Naples should/could tend over the next few years? Is the power and the current role of the Port Authority consistent with the hypothetical new business model?

Which port has the most successful business model which is most suitable/appropriate to the port of Naples taking into account its history, skills, prospects?

7 - The competitive gap in the port of Naples

In recent years the port of Naples, also due to the slowdown of the investment plan, has seen its competitive capacity progressively weaken, in relation to both other Italian ports and European ports; this also affected the businesses turnover. Can we discuss the future scenarios and the routes to follow; can the South Mediterranean be the way to go? Will the project of doubling the Suez Canal which has just started benefit the port or only its competitors?

What are the strategic priorities for the port of Naples? Is the investment plan sufficient/adequate or are other decisions/choices to be taken as quickly as possible?

What have been up to now the main obstacles/ reasons which made the investments delay? What are the biggest mistakes?

The latest data from the World Bank recounts that:

1. in Naples the time to export a container amounts to 20 days compared with the EU average of 11 and 9 for Holland. For imports, the time is 17 days in Naples whilst the EU average is only 11.
2. In Naples the cost to import a container amounts to $ 1,290 against 1,100 as an EU average (for export casts are in line with the EU average).

What are the reasons which determine this phenomenon?

Which are the European Italian and the southern Mediterranean ports which strengthened their market positions more?

Which ones have taken away market shares from the port of Naples?

Which are the competitors that have to be feared the most in the future?

8 - I progetti futuri del porto

In case of a further slowdown in the investment program, what will be the “role” of the port of Naples in 2020?

What are the extensive projects on which the programming of structural funds for 2014-2020 could be set?

What policies could be implemented in order to make the port more competitive in terms of attracting Italian and foreign investments?

What should be the basis of the ongoing reform?

maritime
economy