



# **The Dialogue of Continents Forum Drifts or Connectivity?**

## ***Leaders' Discussion: Port Authority Roundtable***

**A new centrality of the Mediterranean:  
impact on Ports and Logistics**

**Massimo DEANDREIS  
General Manager SRM**

Paris, 4th September 2018



**The growth of maritime traffic in the World**



**A new centrality of the Mediterranean**



**China as a key player in the Area: the BRI**



**The key role of New Suez Canal**

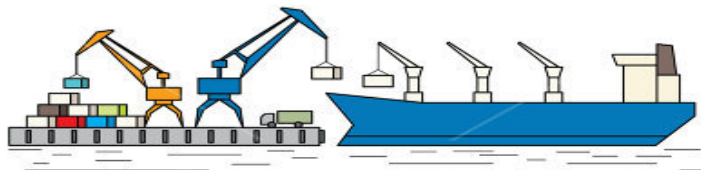


**International competitiveness and case studies**

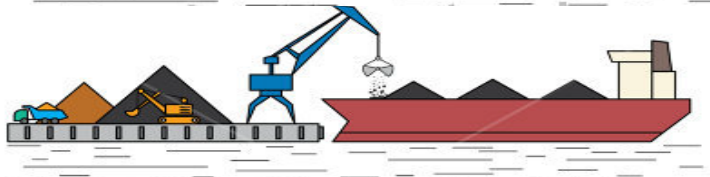


**The role of Italy**

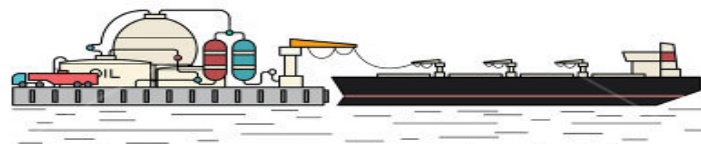
# Growth in maritime trade foreseen 2017-2022 (yearly rates)



■ Containerized trade volumes: **+5%**



■ Five major bulks: **+5.6%**



■ Crude oil: **+1.2%**

■ Refined petroleum products and gas: **+1.7%**



■ Global seaborne trade: **+3.2%**

# Trade of goods is predominantly by containers

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Source: SRM on Unctad & Alphaliner

- The 110 busiest container ports in the world handled a combined throughput of **600 Mteu in 2017 (+6.1%)**.
- **Asia** accounted for **64%**.
- **China** accounted for **35%** of world container port volumes.
- **60%** of Chinese traffic is carried out by sea.

# In this scenario a new centrality of the Mediterranean is emerging thanks... *to three key factors:*



## **The New Suez Canal:**

reduction in time, no limits in ship dimensions, logistic facilities



## **The growing role of China**

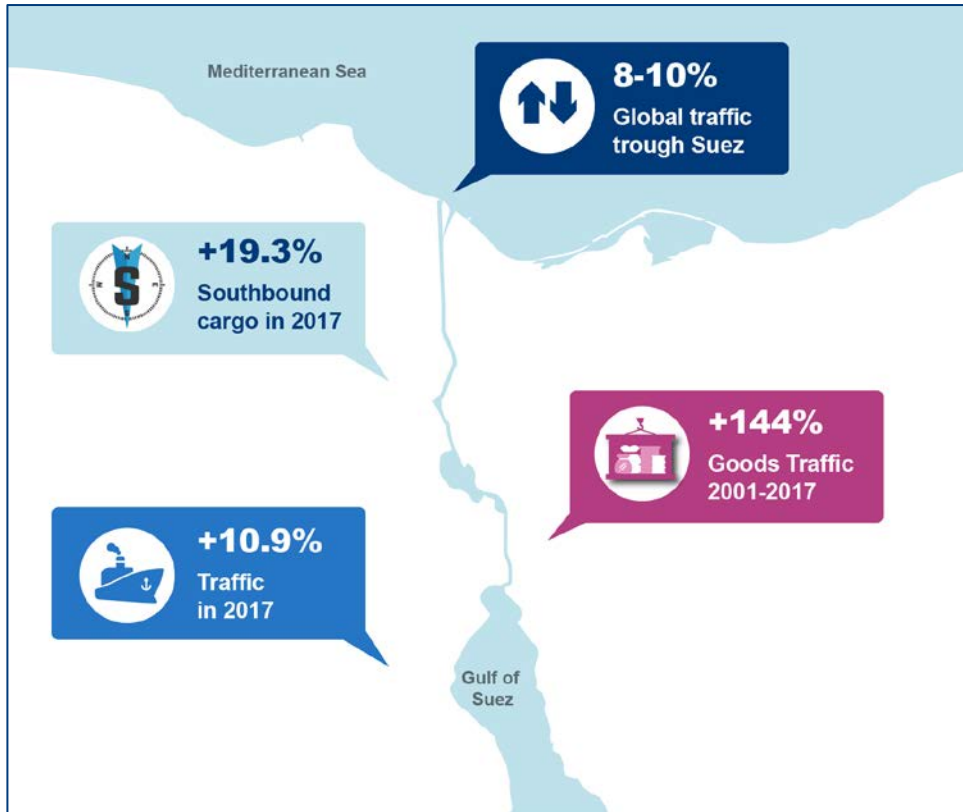
in the Mediterranean / Belt and Road Initiative



**The evolutions in shipping industry:** growing ship size and mergers between carriers involves the generation of economies of scale and the need of routes with many stop where to load and download

# The new Suez Canal (traffic pivot) has grown by double digit

6

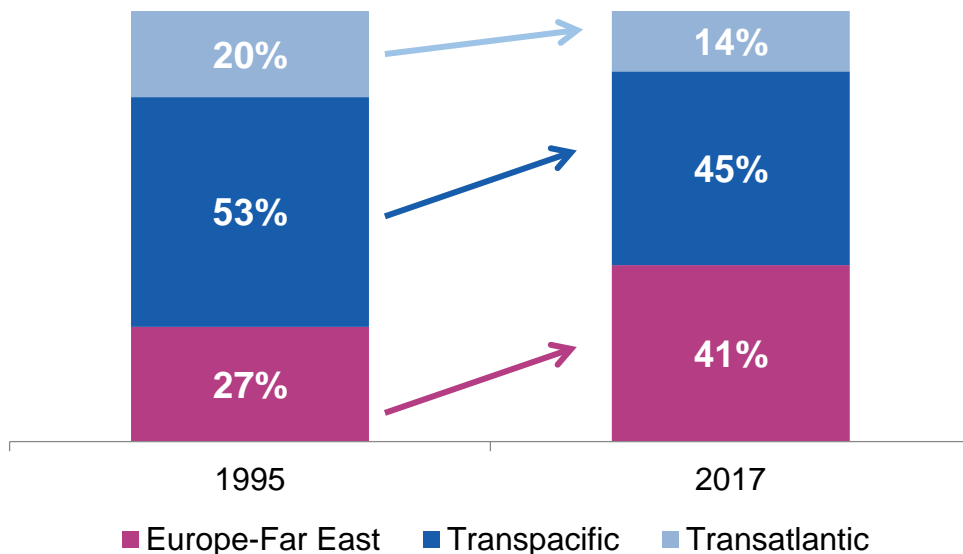


- Transit goods account for **8-10%** of the entire globe. In 2017, **910 million tonnes of goods** and **more than 17,550 ships** passed through the Canal.
- Between 2001 and 2017 the Canal's traffic trends recorded a **144% increase** in transit goods.
- Remarkable was the growth of the Southbound cargo **(+20%)**.
- In 2017 the traffic increased approximately by **11%** on the previous year.

# New Centrality of the Mediterranean:

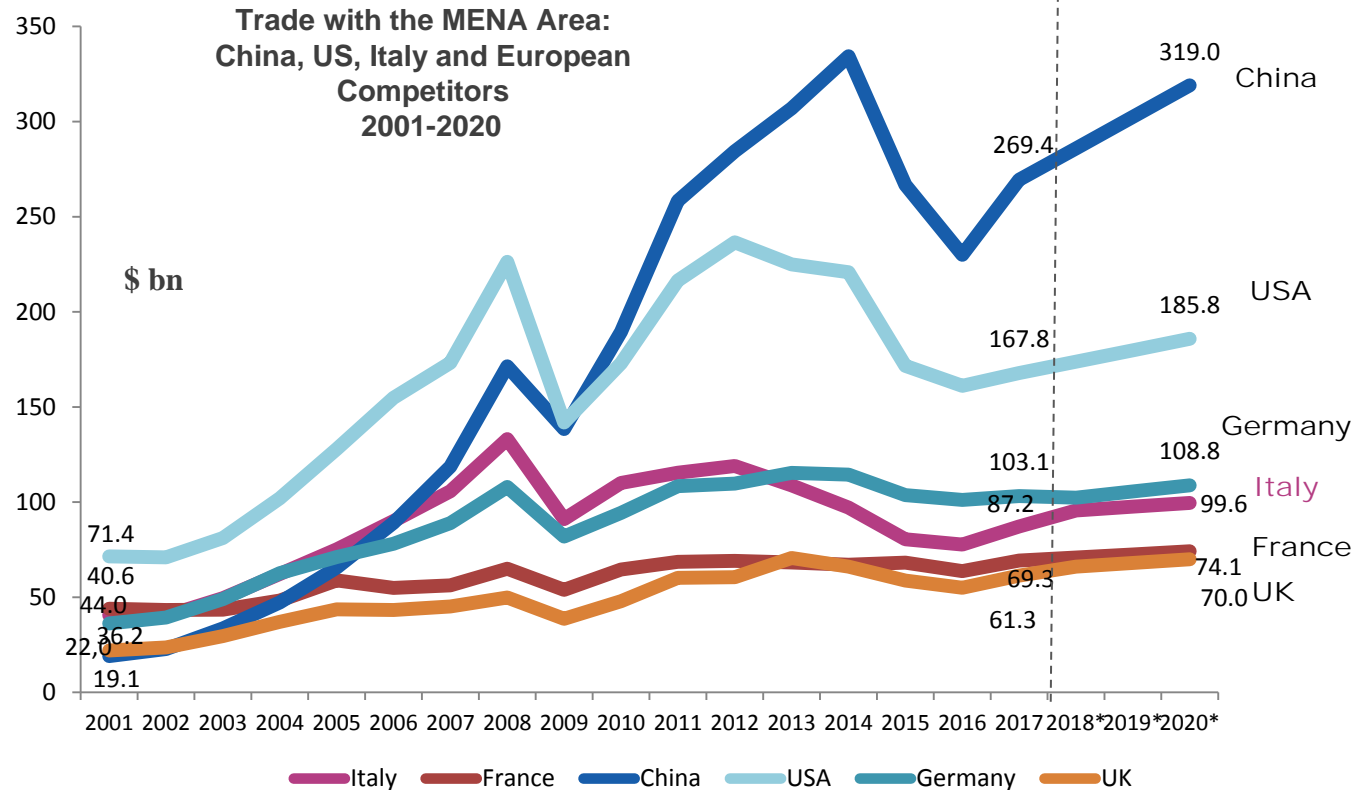
## The growth of shares on the Europe-Far East Route

Estimated containerized cargo flows on major East–West container trade routes, 1995–2017 (% TEU)



- In 2017, the **Europe-Far East** and the **Transpacific** were by far the two biggest trade routes, accounting to 23 and 26 mln TEUs of traffic respectively.
- **Europe-Far East**: from 27% in 1995 to 41% in 2017.
- As a result of this growth, **the Mediterranean recovers its centrality**

# A steady increase in trade relation towards the MENA area: China is the largest partner



Source: SRM on UNCTAD

- **China is the largest trade partner of MENA countries (\$269.4 bn import-export).**
- **Italy's trade with MENA Area: \$87 bn (+70.4% on 2001).** According to SRM forecast, this trade will reach **\$99.6 bn in 2020.**
- **Italy follows Germany but shows a better performance than France and the UK.**



# For China the Mediterranean is the crossing where to meet European markets, North Africa and Middle East with option to reach East Coast of US

## EU's GDP

€ 15,566 bn

## MENA's GDP

€ 3,591 bn

## TOTAL

€ 19,157 bn

## CHINA-EU TOTAL TRADE

€ 536.3 bn

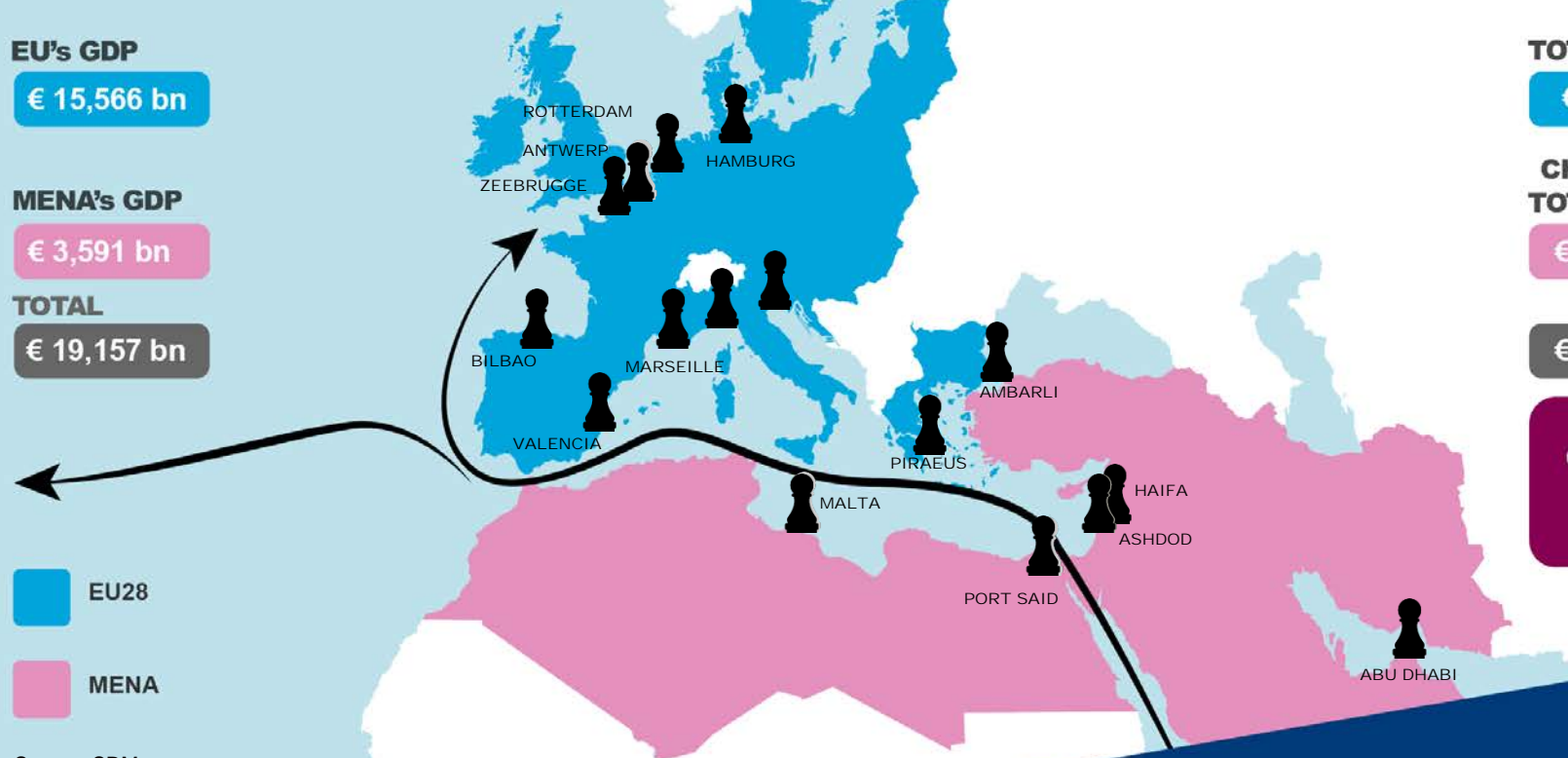
## CHINA-MENA TOTAL TRADE

€ 214.9 bn

## TOTAL

€ 751.2 bn

% OF  
CHINA'S  
GDP  
**7.1%**



# In this scenario logistic efficiency and connectivity are the new challenges in international maritime competitiveness

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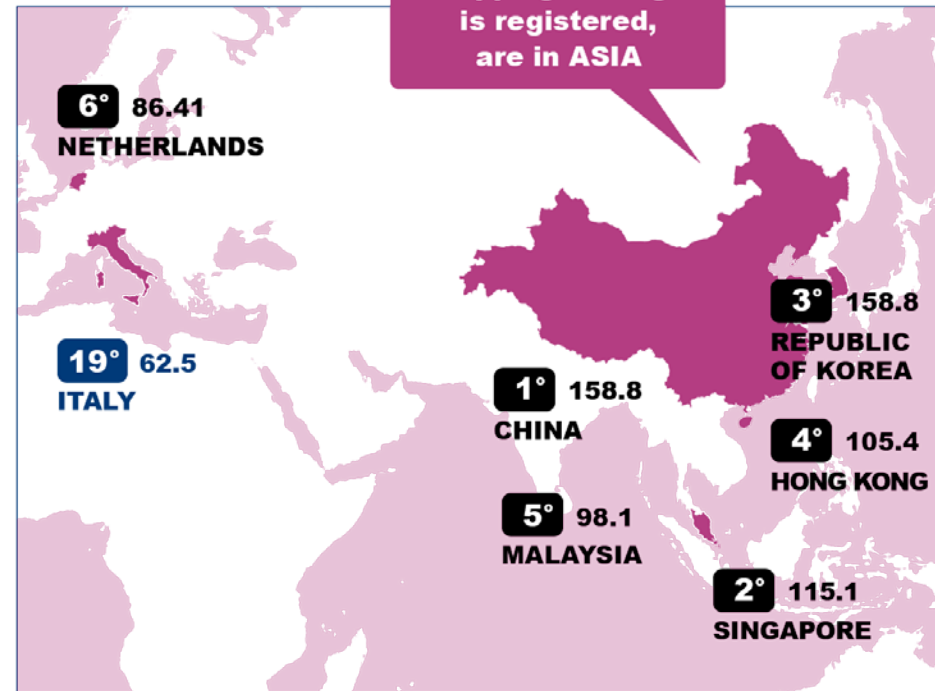
## LSCI



# In this scenario logistic efficiency and connectivity are the new challenges in international maritime competitiveness

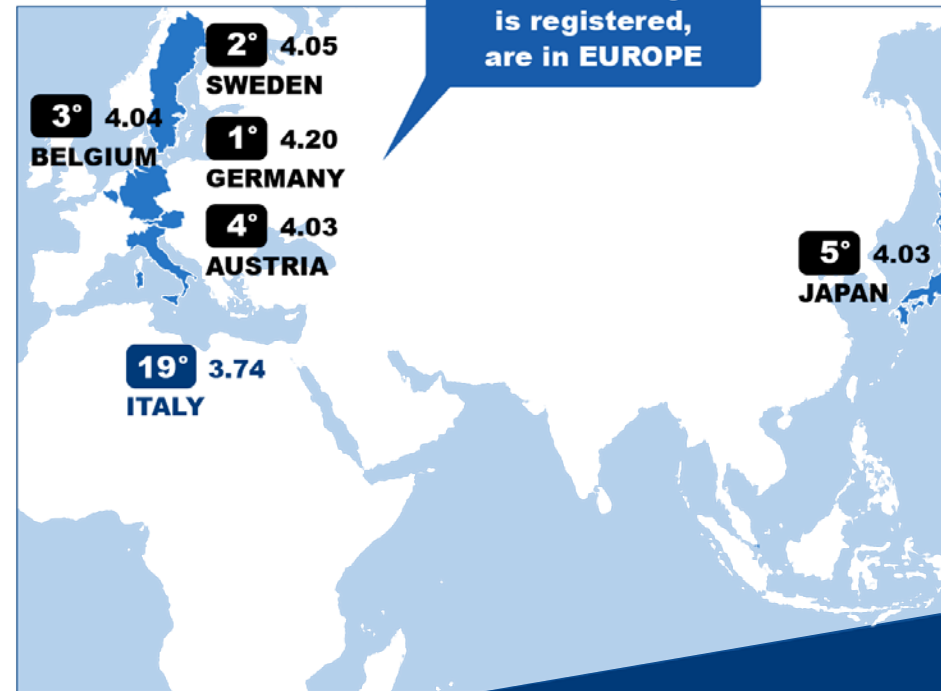
## LSCI

The top 5 countries, where the world shipping tonnage is registered, are in ASIA



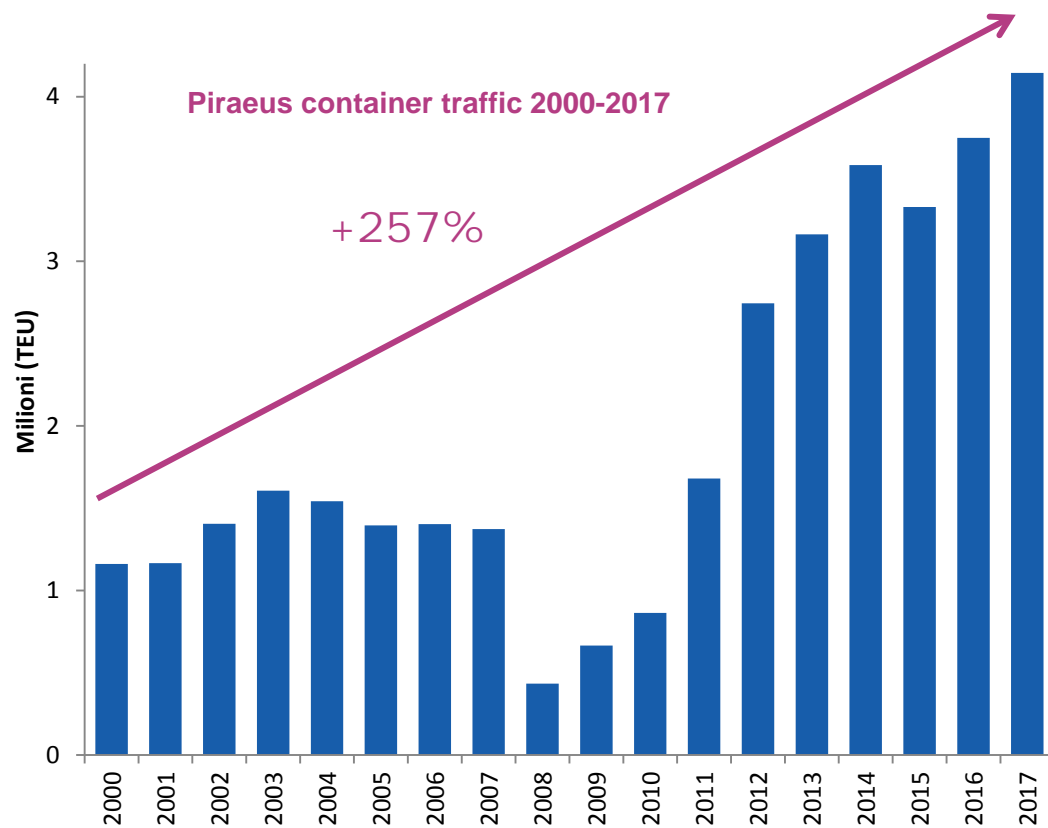
## LPI

The top 4 countries, where the logistics connectivity is registered, are in EUROPE



# Case study: the Piraeus

12



Source: SRM on Port Authority

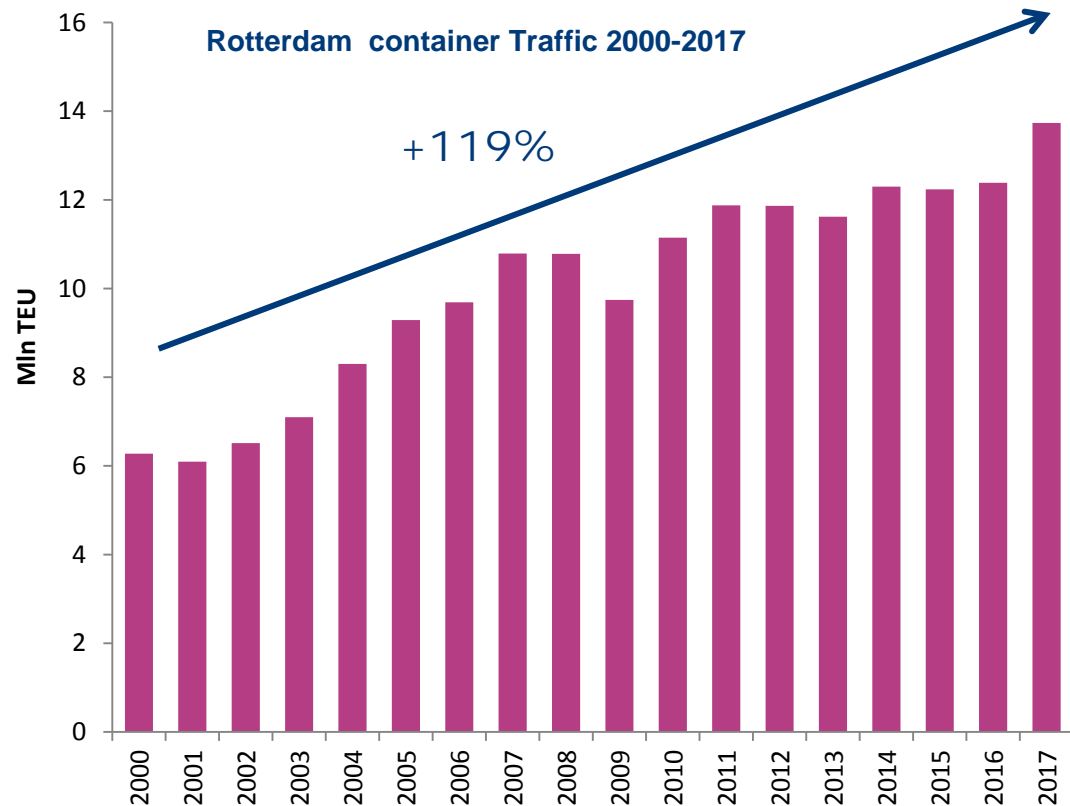
- **3° container port** in the Mediterranean with **4.1 mln TEU** (**+10.5% on 2016** and **+257% on 2000**).

Target: **10 mln TEU** in the next 10 years.

- In January 2016, COSCO bought a 67% share of Piraeus Port Authority for €368.5 mln. COSCO plans to pour another 500 million euros in new facilities at Piraeus.
- Projects include building a cruise ship terminal and developing ship repair facilities.

# Case study: Rotterdam

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- **1° port in Europe**, with 13.7 mln TEU (+11% on 2016 and +119% on 2000).
- In May 2016, **COSCO acquired 35% of Euromax Terminal Rotterdam (ETR)** in the port of Rotterdam for over €125 million. The traffic capacity is 2.5 mln TEU (target: 3.2 mln).
- **China Rail Link Service Europe:** Chengdu-Tilburg-Rotterdam-Express from September 2016 connects the Chinese metropolis Chengdu to Rotterdam (8 thousand Km in 15 days).

# Other investments...in Israel



**Year:** 2014

**Investment:** China Harbour Engineering Company (CHEC) to build a **new container terminal in Ashdod**.

**Total amount of investment:** €558 mln + €858 mln by TIL (improvement of infrastructure).

**Operational Target:** October 2021

Source: SRM on Port Authority



**Year:** 2015

**Investment:** Shanghai International Port Group Co. (SIPG) concession of Bayport terminal, port of Haifa, Israel operations for 25 years from 2021.

**Total amount of investment:** €1.7 bn of which €850 mln by SIPG (improvement of infrastructure)

**Operational Target:** January 2021

Source: SRM on Port Authority



## Khalifa Port



**Year:** 2016

**Investment:** COSCO signed a concession agreement with the UAE port operator to **develop and operate the port of Khalifa's second container terminal.**

**Total amount of investment:** \$738 mln for a **35-year concession agreement.**

The new **container terminal** will be **operational in 2018.** After completion of all phases the **total annual capacity** of the port will increase to **6 million containers yearly.**

This contributes to the **economic diversification** by developing non-oil sectors. In addition, China will have a strategic position in the Gulf.

Year 2012

Container ships – daily movement report (7000-13000)

Year 2017

TEU portacontainer range

- TEU < 7.000
- 7.000 <= TEU < 13.000
- TEU >= 13.000



Year 2012

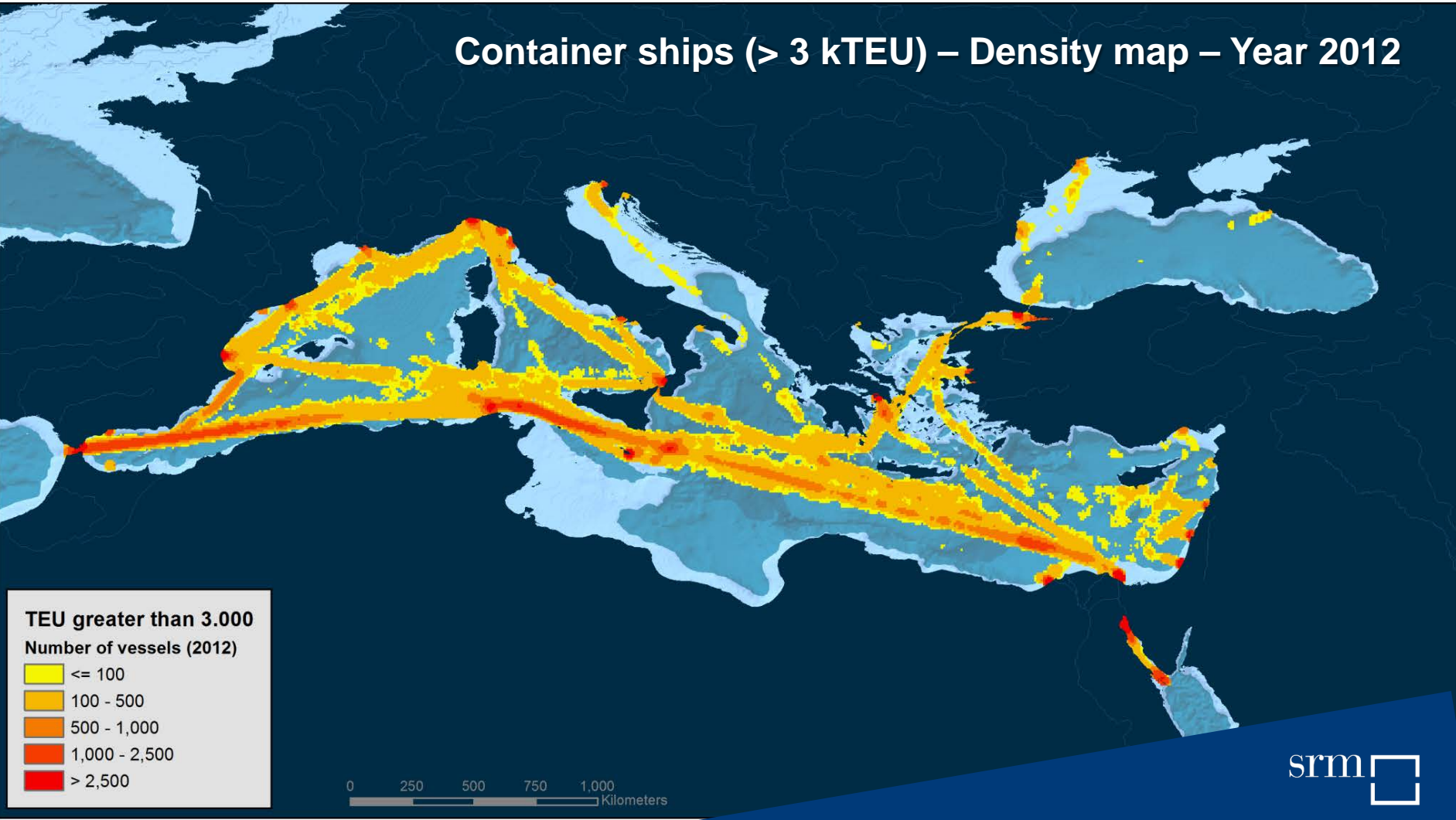
Container ships – daily movement report ( $\geq 13000$ )

Year 2017

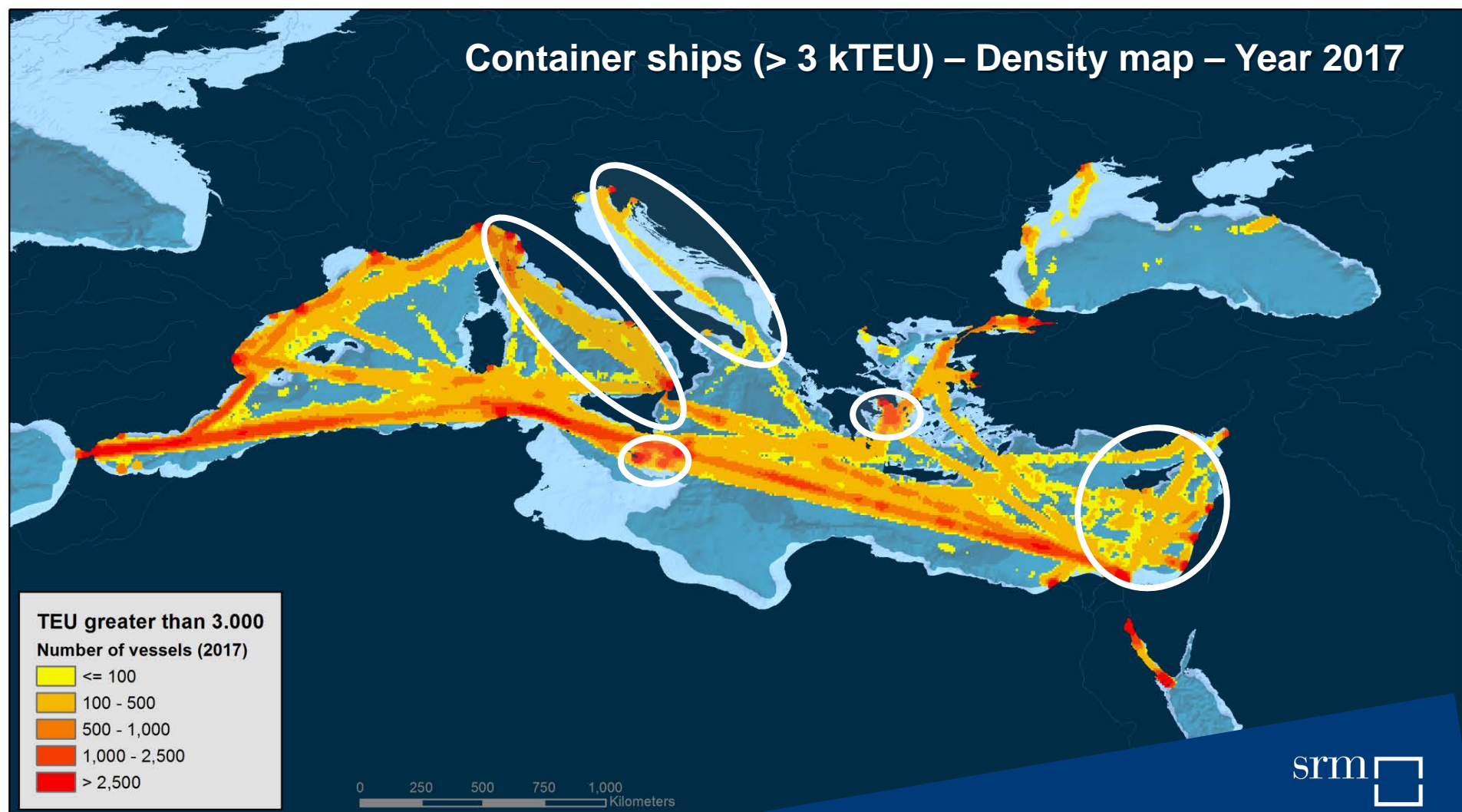
TEU portacontainer range

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# Container ships (> 3 kTEU) – Density map – Year 2012



# Container ships (> 3 kTEU) – Density map – Year 2017





# Italy a pivotal country in the middle of the Mediterranean

Italy as logistic and energetic bridge  
between Europe, Mediterranean and Asia



15 Port Network Authorities and  
at least 5 strategic ports



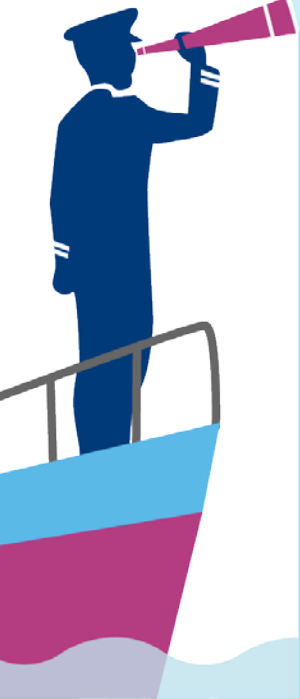
Strategic gas pipelines from  
North Africa and Asia



Trade leader vs Med and BRI



# What we need? To move toward a portuality 5.0



1



## INTERNATIONALISATION

- Dedicated department for the international development of the port
- Regular monitoring of routes and international trade

2



## INTERMODALITY

- Dedicated department for the development of intermodal traffic
- Local transport networks
- Monitoring of local and global transport phenomena

3



## TRAINING & ACADEMY

- Regular and consolidated relations with universities and Centres of Research
- Study rooms for students
- Heritage of publications and databases

4



## INNOVATION & START-UP

- The Port XL model
- Support from port managers with specialised expertise and incentives

5



## FREE ZONE AND TERRITORIAL MARKETING

- Plan for territorial development and attraction of investments (foreign and Italian)
- Promotional plan for the Free Zones with financial and bureaucratic incentives



**Thank you for your attention!**

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