# The New Challenges for the Mediterranean Ports: Geopolitics and Sustainability

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# AGENDA

## INVESTMENTS

1. Red Sea crisis
2. Megaships/Alternative fuels
3. New Alliances
4. ETS
5. Short Sea Shipping
6. China
7. Intermodal transport
8. Logistic efficiency
9. Green model

INVESTMENTS



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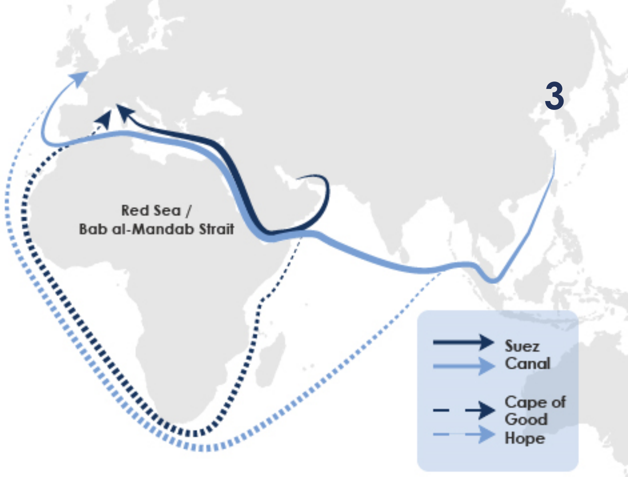
# Impact to global trade of disruption of shipping routes in the Red Sea




## Average daily transits in the Suez Canal

1 Jan 2023
24 May 2023

71

1 Jan 2024
24 May 2024

38

## Impact of rerouting on the Cape of Good Hope

on sailing distance, total sailing time and emissions for a typical weekly Asia-North Europe liner service.

| | Unit | Red Sea/ Suez | Cape route | Increase (%) |
|---|---|---|---|---|
| **Total roundvoyage sailing distance** | **Nm** | **24.000** | **31.000** | **29,2** |
| Average sailing speed | Kn | 16 | 17 | 6,3 |
| Average total port time per call | Days | 1,7 | 1,7 | |
| Number of Asian port calls | No. | 5 | 5 | |
| Number of North European port calls | No. | 4 | 4 | |
| **Total sailing time** | **Days** | **62,5** | **76,0** | **21,6** |
| Total port time | Days | 15,3 | 15,3 | |
| **Total roundvoyage time** | **Days** | **77,8** | **91,3** | **17,3** |
| Required number of vessels for weekly service | No. | 11 | 13 | 17,3 |

An increase in ship speed from 16 to 17 knots typically results in a 10% increase in **bunker consumption** per day for a mega container ship

## Drewry Container Index: Shanghai - Genoa

**April 2023**
**$ 2,236**

+61.4%

**April 2024**
**$ 3,610**

-11.7%

**March 2024**
**$ 4,090**

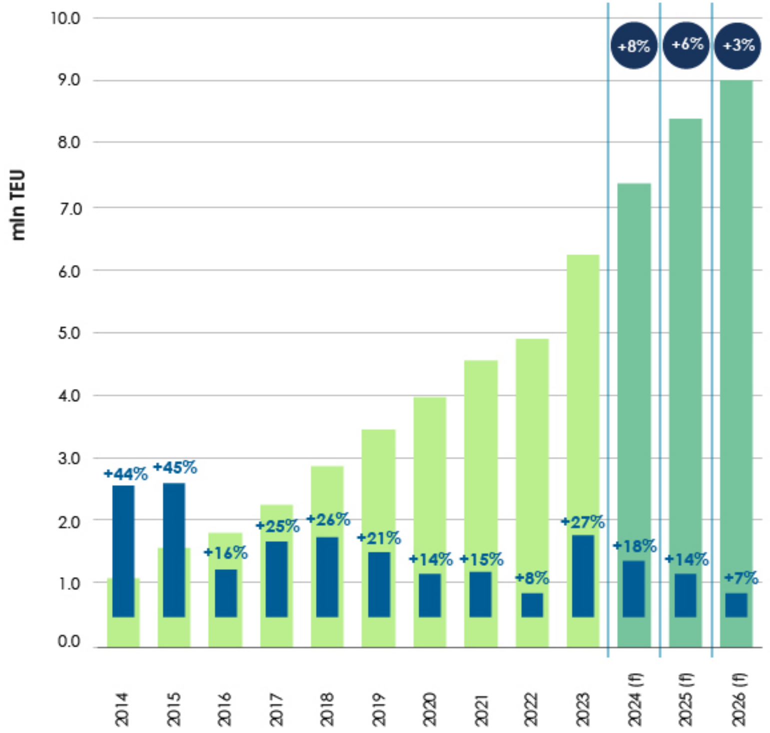
Source: SRM on Porteconomics, Drewry Maritime Research, Clarksons

# Shipping strategies: naval gigantism and alternative fuels



## Projected ultra large containership fleet growth

Apr 2024; only units over 15,000 TEU; in mln TEU; after assuming slippage and demo

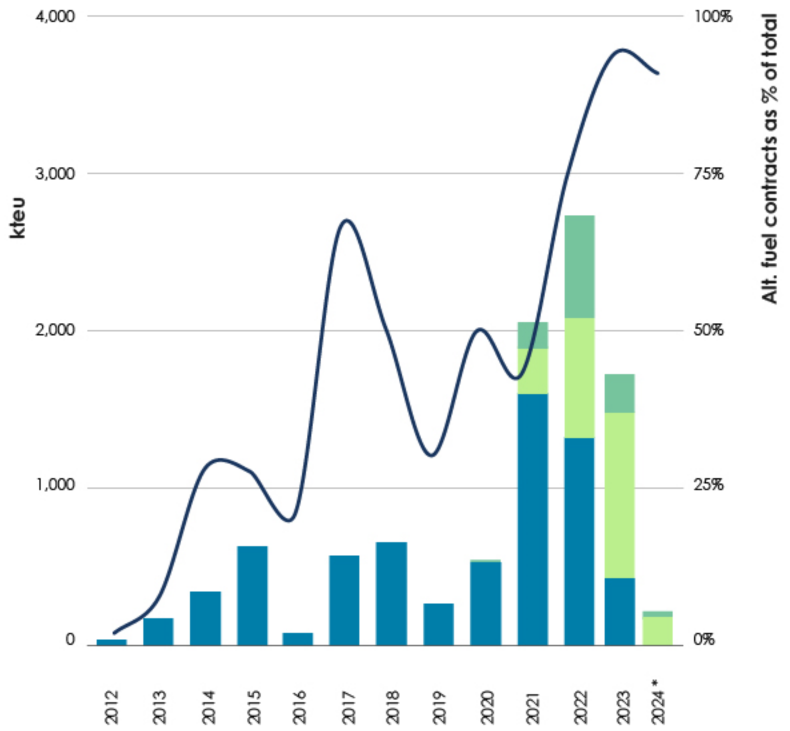



15,000+ TEU Fleet size (in mln TEU)
Y-o-Y growth
Total containership fleet growth

Source: SRM on Banchero Costa

## Contracting for alternative fuel containerships

Capable and ready




LNG
Methanol
Other Alt. fuels
Alt. fuel % of contracts (right axis)

Note: Data is subject to change. Includes both capable and ready ships; some double counting as some units are ready for more than one alternative fuel type; Other Alt. fuels includes ammonia and hydrogen; *2024 is up to 19 Mar.

Source: SRM on Drewry Maritime Research

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# Shipping strategies: new alliances



| 2M (expiry date Jan'25) | | THE ALLIANCE (expiry date 2030, or 12 months notice period after Apr'23) | | | | OCEAN ALLIANCE (expiry date Feb'27 with 12 months notice period) | | | |
|---|---|---|---|---|---|---|---|---|---|
| MSC | Maersk Line | Hapag-Lloyd | ONE | Yang Ming | HMM (since Apr '20) | OOCL | CMA CGM | COSCO Shipping | Evergreen |

| MSC | GEMINI COOPERATION (Feb '25 Jan'27) | | THE ALLIANCE | | | OCEAN ALLIANCE | | | |
|---|---|---|---|---|---|---|---|---|---|
| MSC | Maersk Line | Hapag-Lloyd | ONE | Yang Ming | HMM (since Apr '20) | OOCL | CMA CGM | COSCO Shipping | Evergreen |

## Capacity market shares, Jan 24

### Asia-WCNA

- 13% 2M+ZIM
- 34% Ocean Alliance
- 20% THE Alliance
- 33% Altro

### Asia-Med

- 33% 2M
- 29% Ocean Alliance
- 23% THE Alliance
- 15% Altro

### Transatlantic

- 16% 2M
- 18% Ocean Alliance
- 26% THE Alliance
- 40% Altro

Source: DHL, Drewry Maritime Research

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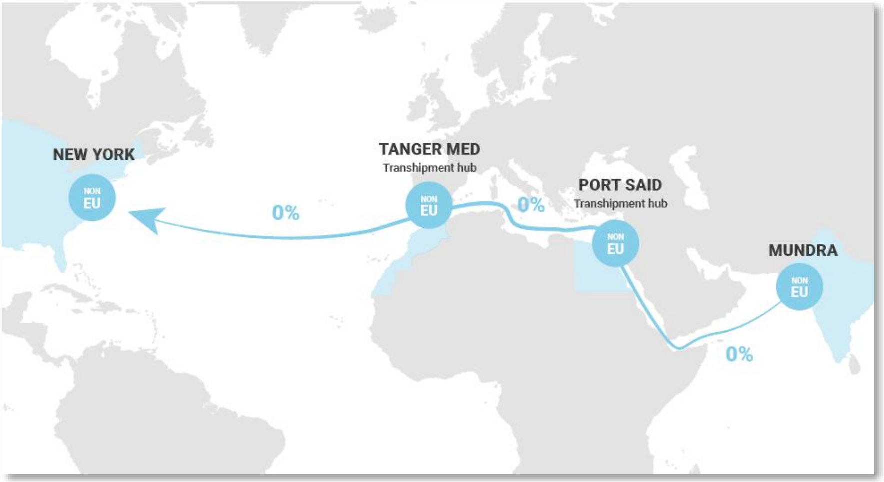
# ETS: The EU path towards sustainability. Port competitiveness at issue




Source: SRM. Italian Maritime Economy Report. 2024

## Very different ETS surcharges among carriers

| CARRIER | CMA CGM | | MAERSK | | MSC | | COSCO | |
|---|---|---|---|---|---|---|---|---|
| Trade Bound | Dry (in EUR) per TEU | Reefer (in EUR) per TEU | Dry (in EUR) per TEU | Reefer (in EUR) per TEU | Dry (in EUR) per TEU | Reefer (in EUR) per TEU | Dry (in EUR) per TEU | Reefer (in EUR) per TEU |
| North Europe to Far East | - | - | 46 | 69 | 12 | 19 | 19 | 29 |
| Far East to North Europe | 25 | 38 | 70 | 105 | 21 | 31 | 28 | 42 |
| Intra Mediterranean Black Sea & North Africa | 25 | 38 | 45 | 68 | 16 | 24 | 13 | 20 |

Source: SRM on companies's websites

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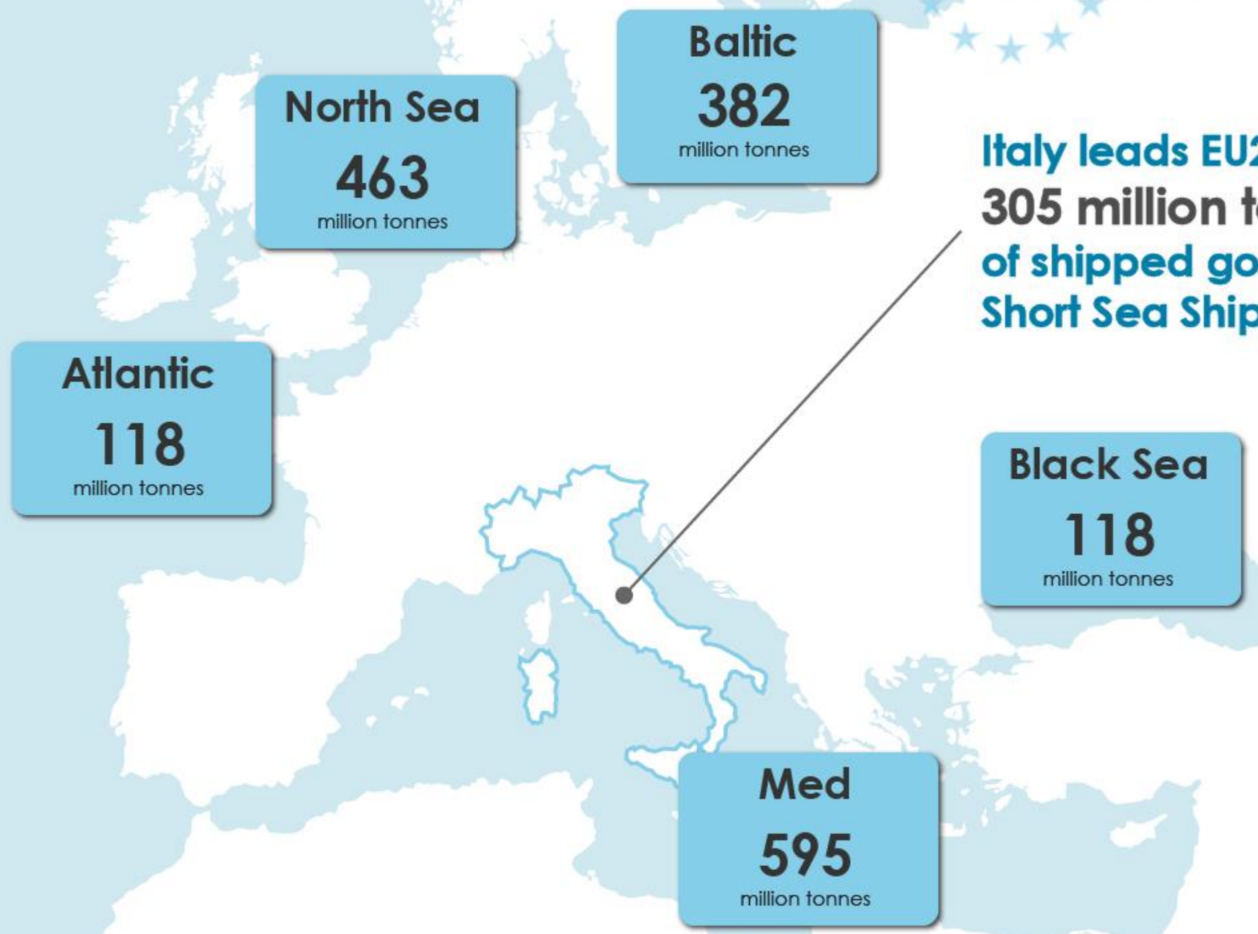
# Short Sea Shipping. Italy leader in EU



**Short Sea Shipping in EU27:**
**1.7 million tonnes**

**Italy leads EU27 with 305 million tonnes of shipped goods in Short Sea Shipping**




**Data on 2022.**
Source: SRM on EUROSTAT

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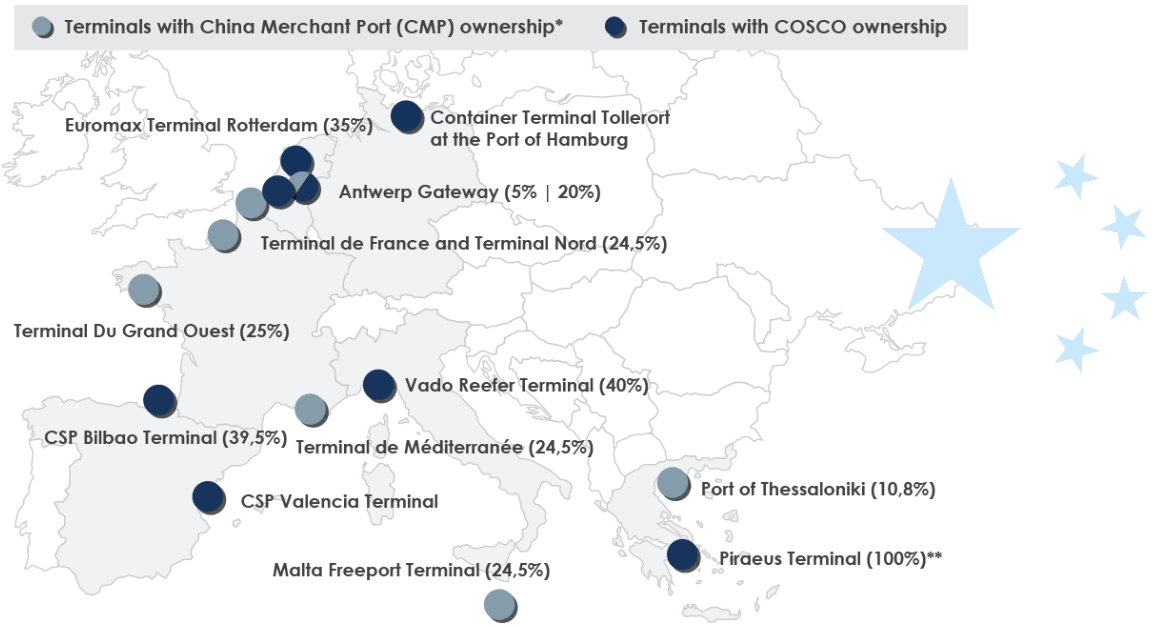
# EU: "de-coupling" from China?



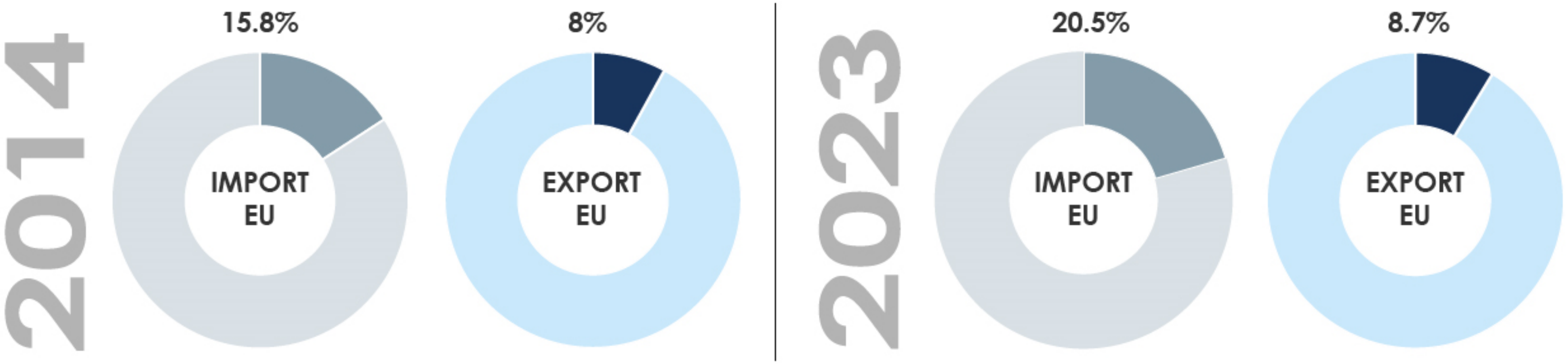
## Chinese ownership of container terminal in EU

*CMP owns shares in European ports through its 49% stake inTerminal Link.

**Additionally, to full ownership PCT, COSCO owns a 67% stake in Piraeus Port Authority.




## China's weight for EU import-export




Source: SRM on PWC, Eurostat

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7 Intermodal transport
8 Logistic efficiency
9 Green model

# Intermodal transport: key driver for port competitiveness

## Road-Rail mix

| | 13% | 20% |
|---|---|---|
| | Average 19-23 | 2023 |

## TOP 5 ports by rail traffic (2023)

| Port | Rail traffic |
|---|---|
| Trieste and Monfalcone | 12,379 |
| Genoa | 9,640 |
| La Spezia | 7,118 |
| Ravenna | 7,098 |
| Venice | 4,404 |

## Intermodal driving factors

| 31% | 28% | 26% |
|---|---|---|
| Competitive cost | Delivery reliability | Frequency |

## 20 ports linked to the National Railway Infrastructure

Port linked to the NRI

Port to be connected

Source: SRM, Contship and RFI

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# Logistic efficiency: key driver for port competitiveness

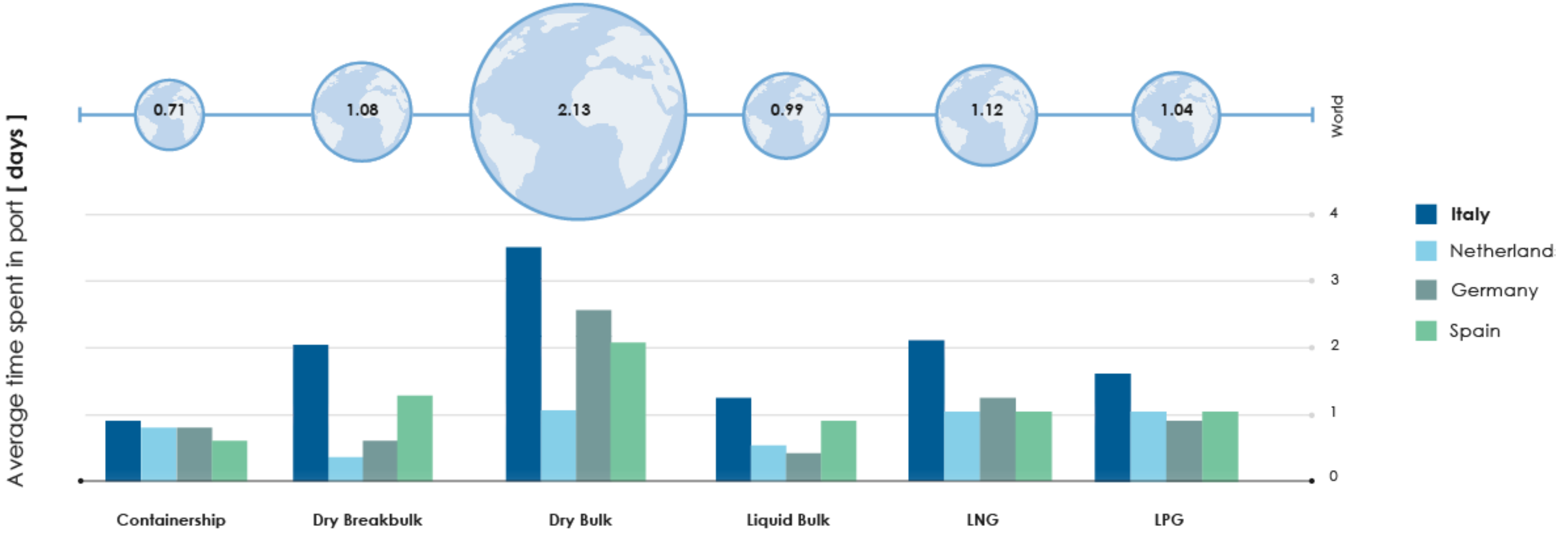
## Logistics Performance Index (LPI)

Italy
19th =

| | RANK |
|---|---|
| Customs | 24 ▼ |
| Infrastructure | 19 ▼ |
| International Shipments | 26 ▲ |
| Logistics competence | 20 ▼ |
| Tracking & Tracing | 21 ▼ |
| Timeliness | 20 ▼ |

LPI comparaison 2023-2018

## Time spent in ports by vessel (2023)




Source: SRM on WorldBank and UNCTAD

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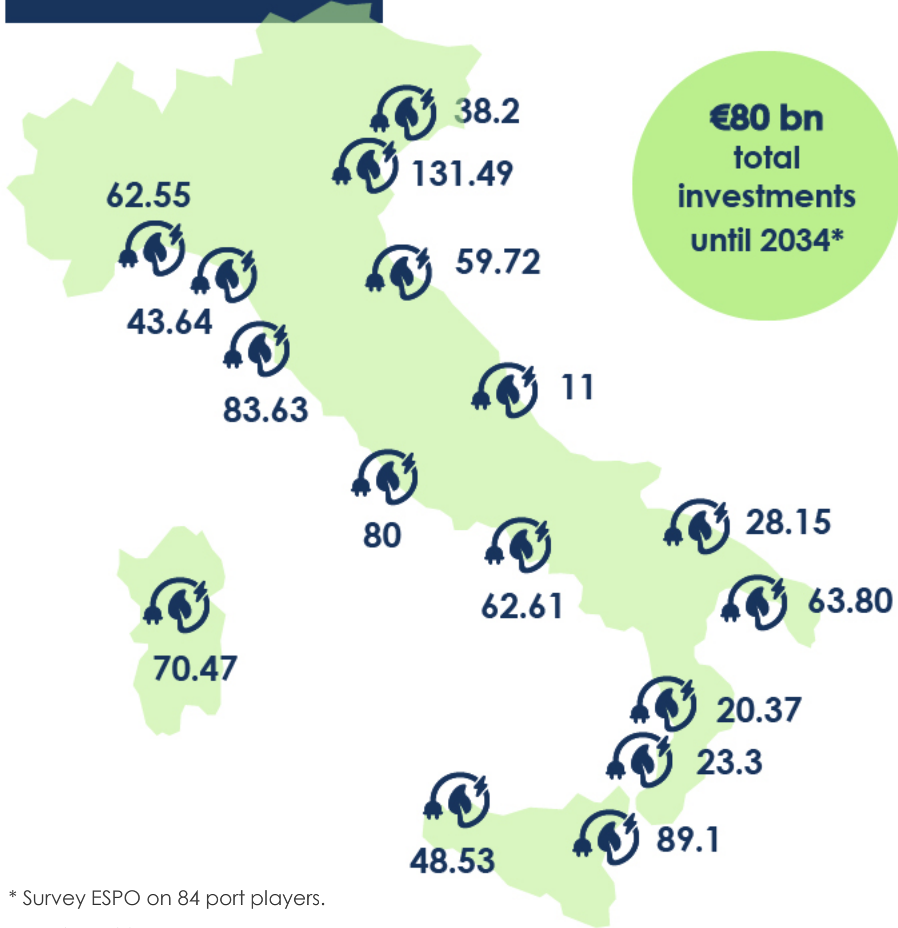
# The *Green Port model* as part of the new strategic role of ports



## Allocated funds (NRRP and national) for «Energy and environmental efficiency – Cold Ironing"

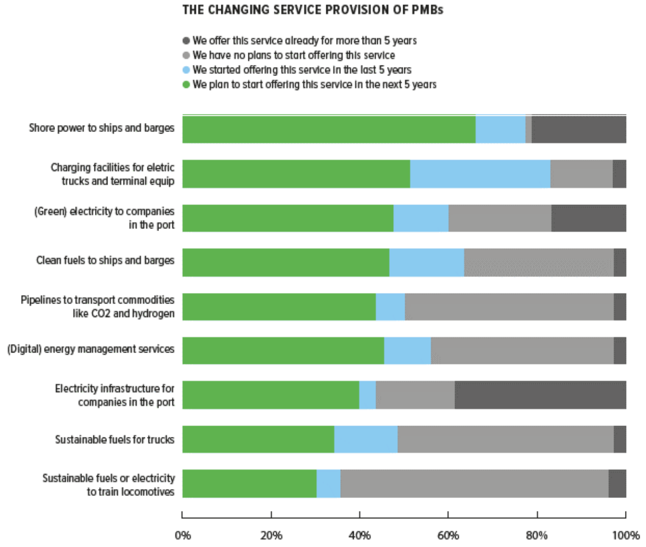
**€916.15 million**

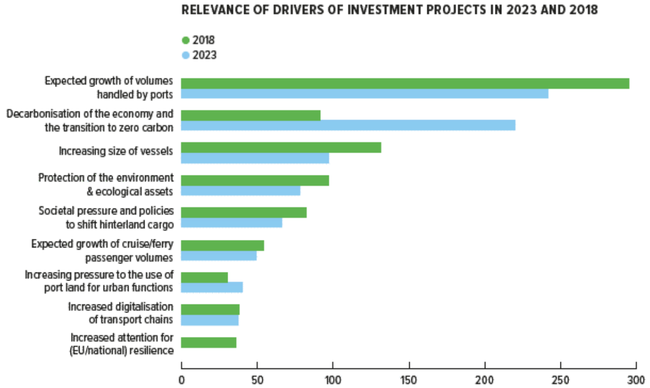



**€80 bn total investments until 2034***

* Survey ESPO on 84 port players.

Data in €million | Source: SRM on MIT and ESPO




Source: ESPO, Port Investments Study 2024

# Public funds for growth by program



ITALIAN PRIORITY PROGRAMMES: **PORTS**
Projects: **233**
Allocated funds (NRRP and national): **€8,592.95 million**

**Most of these funds are activated through calls for tenders**

**million**

1. **Maintenance** of public state property: **298.31**
2. **Digitization** of logistics and ICT: **32.18**
3. **Last**/second-to-last **mile rail** and port network connections: **587.6**
4. **Last road mile**: **718.3**
5. Maritime **accessibility**: **2,146.61**
6. **Resilience** of infrastructure to climate change: **586.4**
7. Energy and environmental efficiency – **Cold Ironing**: **916.15**
8. **Waterfront** and cruise and **passenger services**: **239.4**
9. **Industrial** activities in ports: **1,078.21**
10. Selective increase in **port capacity**: **1,989.79**

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Source: SRM on Ministry of Economy and Finance, 2024

# Save the date

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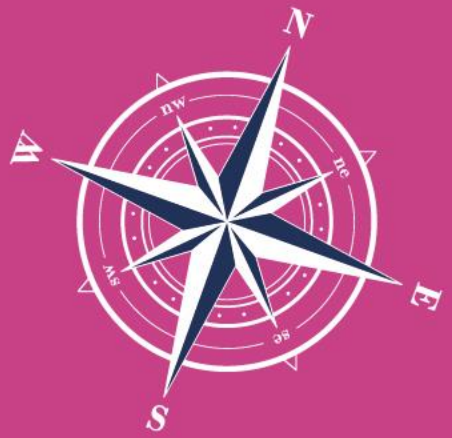
Italian Maritime Economy Conference **2024**

**Naples**
Gallerie d'Italia
**19 July 2024**

**The new challenges for ports in the Euro-Mediterranean region: the Red Sea crisis and the transformations driven by green models**

**sr-m.it**



**Thank you for your attention**