

WATERMODE PROJECT FINAL EVENT

**Maritime Transport as a Driver of Development and Cohesion for
the Integration of South Eastern Europe and Mediterranean Basin**

THE ROLE OF SOUTH-EAST EUROPE: FUTURE SCENARIOS

***Marco SPINEDI, MULTILOG coordinator
Venice Port Authority (IT)***

February 2nd, 2012, Venice

AGENDA

- 1. Looking inside the “*magic ball*”**
- 2. SEE & East Med ports scenarios**
- 3. Concluding remarks**

Looking inside the “*magic ball*”

The Watermode/SEE region in Europe and in the Mediterranean contest

- Different speed in GDP in West Europe, SEE and Medit
- Exports, main engine of growth for many countries
- Turkey, Egypt & Ukraine “big outsiders” nearby
- SEE ports: can they compete with other port systems?

Looking inside the “magic ball”

SEE GDP = 2/3 Germany = ~ France

**SEE GDP growth = 6,4 times Italy
= 3,6 times Germany = 2,1 times France**

Countries/Indicators	GDP 2009 (bill. US\$)	GDP Annual Growth Rate 2000-2009	Population (mil.) (2009)
South East Europe - SEE	2.463	3,2	123
Watermode countries	2.275	3,0	102
Egypt, Turkey, Ukraine	919	5,1	204
France	2.649	1,5	63
Germany	3.347	0,9	82
Italy	2.113	0,5	61
Spain	1.460	2,8	46

IMF Economic Outlook 2011:

Regions:	2011	2012	2016
SEE	2,8	3,1	3,8
Watermode	2,1	2,9	3,7
EU area	1,6	1,1	1,7
Centr/East E.	4,3	3,7	2,9
EG, TU, UK	4,2	2,9	4,9

How important are exports over GDP (%)?

Germany:	33
SEE:	24
Watermode:	23
EG, TU, UK	18

Intra-trade and FDI help the process of regional integration within SEE

- **Recently, Italian firms buying company shares in Eastern & Central Europe increased by 31%, more than in Russia & in Turkey**

- **In 2010 Italian export volumes to Balkans equal to 12bill. US\$, larger than those to China, Russia, Brazil and India**
- **In the first 9 months of 2011 Italian exports to European non-EU countries increased by 26%, to Turkey by 24%, to Middle East 16%**

Do transport infrastructures & logistics services support efficiently economic integration among SEE country economies?

Looking inside the “magic ball”

n.	Indicators	Time to start a business (days)	Number of Documents to Export (2010)	Ease of doing business index	Logistics Performance Index (da 1 a 5)
SEE South East Europe:					
1	Albania	5	7	82	2.46
2	Austria	28	4	32	3.76
3	Bosnia & H	40	8	125	2.66
4	Bulgaria	18	5	59	2.83
5	Croatia	7	7	80	2.77
6	Greece	10	5	100	2.96
7	Hungary	4	6	51	2.99
8	Italy	6	4	87	3.64
9	Kosovo	58	8	117	n.d.
10	Macedonia FYR	3	6	22	2.77
11	Moldova	9	6	81	2.57
12	Montenegro	10	6	56	2.43
13	Romania	14	5	72	2.84
14	Serbia	13	6	92	2.69
15	Slovak Rep.	18	6	48	3.24
16	Slovenia	6	6	37	2.87
The “Big Outsider”:					
1	Egypt	7	6	94	2.61
2	Turkey	6	7	71	3.22
3	Ukraine	24	6	152	2.57
	Germany	15	4	19	4.10

Poor performance in both indexes for:

- Albania
- Bosnia H.
- Croatia
- Egypt
- Moldova
- Serbia
- Ukraine

Easy of doing business & logistics in the same direction for:

- Germany
- Austria
- Slovak rep.
- Hungary
- Slovenia

Source: World Bank, various issues

Shall we learn from each other’s experience?

Will the Mediterranean remain central to East-West freight flows?

Most likely Yes, but it will not be the only route

- China investing in S.- Sahara Africa, buying raw materials and energy, selling consumer goods; major ports of western S-S. Africa involved
- Between 2002 and 2010 China- S-S. Africa trade grew by +33% per year

- China trade with Latin America is expanding at double digit
- Flows balanced between exports and imports

- Enlargement of the Panama channel will modify the maritime company strategies and the ranking among US ports alike, with important implications for the Mediterranean region, too

Maersk line is redesigning its major routes taking all this in serious consideration

The SEE & East Med ports scenarios

The SEE & East Med ports scenario

- 28 major ports in SEE and East Med regions for a total of 18mil.TEU
- 6 Transshipment ports for a total of 9,1mil. TEU

- Competition in transshipment is very strong, the future is uncertain
- In 2010 Egyptian and Malta ports has taken the lead, while Costantza, Taranto and Piraeus are lagging behind

Between 2006 and 2010 NAPA ports: +45% > Turkish & Egyptian ports

But, at present none of the major SEE & East Med container ports is playing a combined transshipment + gateway role as that played by the main Northern Range ports

Is a more clear-cut ranking among SEE ports needed ?

One good example from North Europe

The new Felixstowe container terminal



- The only UK terminal that can handle next generation container ships
- Facility operational on time in 2011
- 56% from Far East, 18% from Medit

- Dredging from -16m. to -18m.
- Berths 8 & 9 handling > 3mil TEUs
- >40% of all UK containerized trade
- >30% of container traffic by rail



Concluding remarks

- The economic crisis has dramatically reduced resources for public investments and does not allow for a “*wait and see*” kind of attitude or, worse, errors in long term planning
- The lack of public resources calls for the participation of private capitals, but their actual involvement is “*easier said than done*”

The importance of economies of scale and traffic concentration in transport infrastructure and services is particularly enhanced during recessions; examples come from the shipping industry

The development of the “Core Regional Transport (& Logistics) Network” in SEE should take place first where market opportunities are, either because aggregate demand is large and/or because it grows at high pace

Concluding remarks

SEE ports can become a real gateway to Central & Eastern Europe only if they guarantee economies of scale and land infrastructure adequate for vessels at least from 8.000 to 10.000 TEU

Public resources should go to a highly selected number of multimodal transport projects clearly addressed to improve the quality of services of both intra-regional and international transit flows

Proximity fosters the exchange of experience among regions with different levels of transport & logistics services, allowing them to learn from each other's trials and errors

Should MULTILOG go in this direction ?

Thank you for your attention!

www.watermode.eu

..... Marco Spinedi

Multilog Network Coordinator

StudioSpinedi , Bologna, Italy

spinedim@libero.it