



Marseilles Genoa
Barcelona

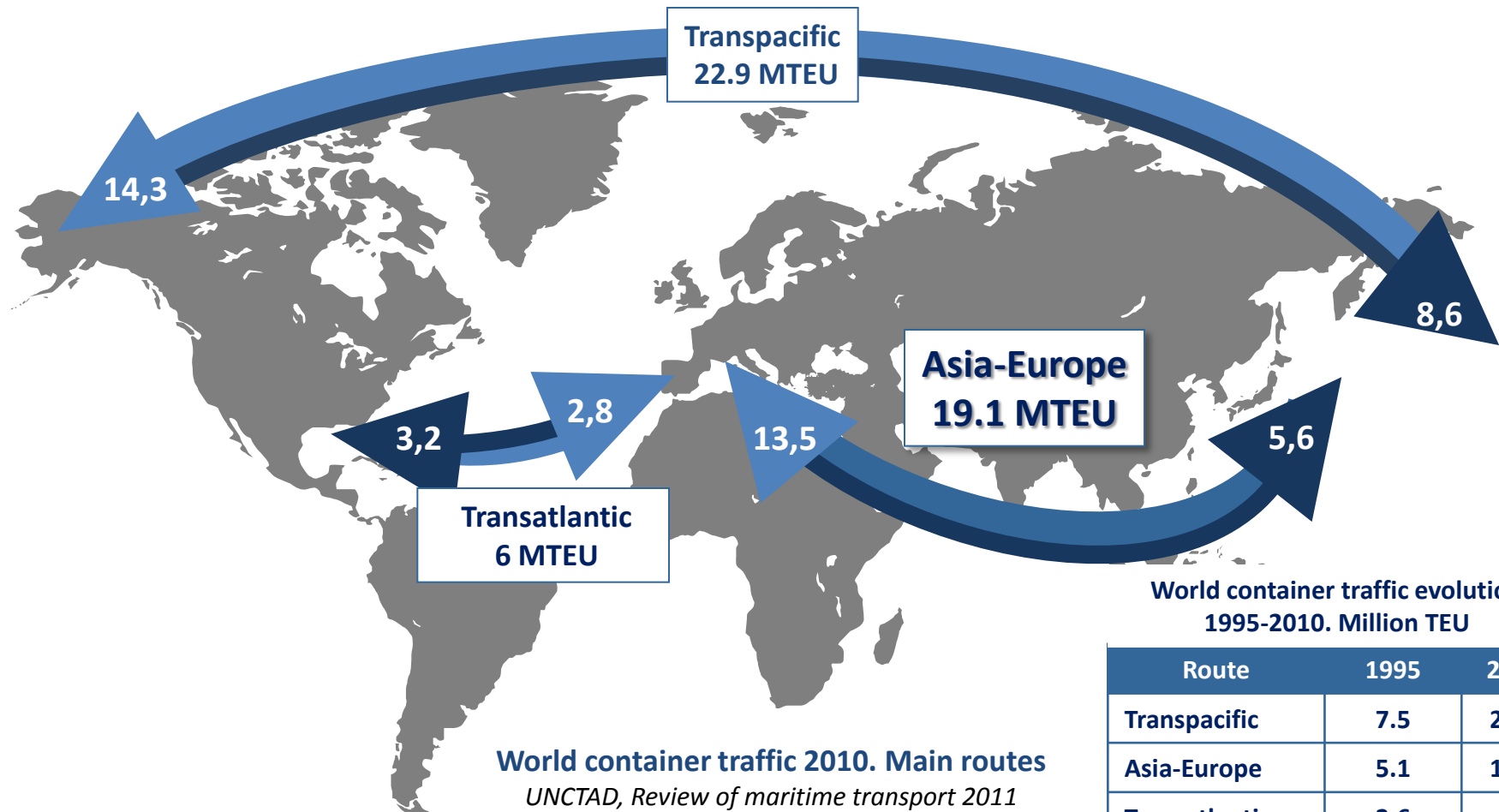
The role of Mediterranean ports in achieving a more sustainable and efficient European logistics and transport network

Brussels, 12 November 2012

1. Relevance of the Europe-Far East route and the Mediterranean
2. European transport & logistics system imbalance
3. Efficiency, sustainability & competitiveness of the European economy
4. Today Mediterranean Ports are ready
 - Port capacity
 - Transport connectivity
 - Efficient services
5. TEN-T: an opportunity to improve Europe's competitiveness

1. Relevance of the Europe-Far East route

The last few years have witnessed a notable increase in container traffic on the Far East - Europe route. In 1995 this route transported 5 million TEU that rose to 19 million TEU in 2010. This is more than three times the quantity of containers of the Transatlantic route.

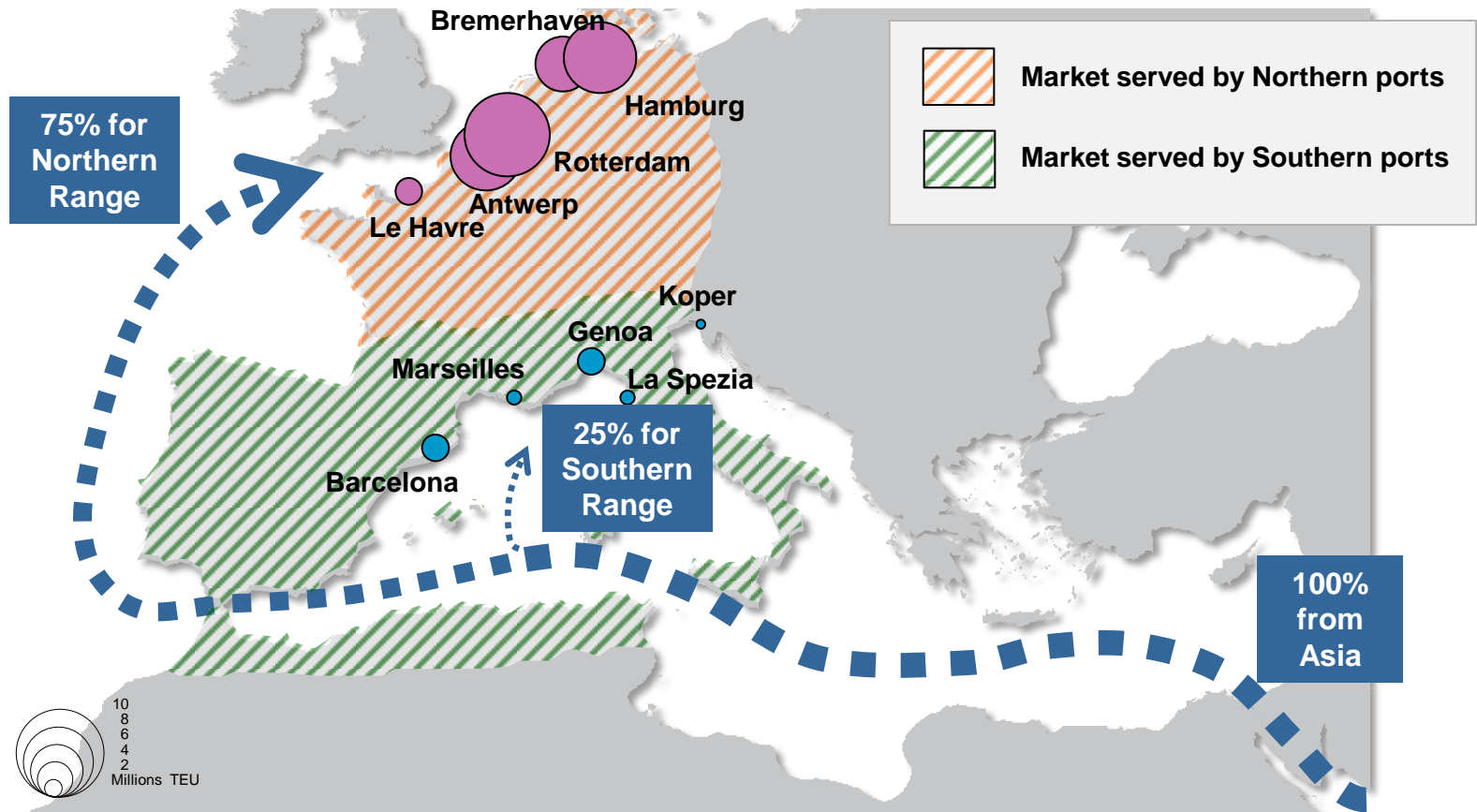


World container traffic evolution
1995-2010. Million TEU

Route	1995	2010
Transpacific	7.5	22.9
Asia-Europe	5.1	19.1
Transatlantic	2.6	6

2. European transport & logistics system imbalance

Although Mediterranean ports are better positioned geographically on the Far East - Europe route for distribution of goods to Central and Southern Europe **today Northern European ports handle about 75% of this traffic, while the remaining 25% goes through Southern ports.**



2. European transport & logistics system imbalance



This is due to a combination of economic, maritime and connectivity factors of the current European transport and logistics system that have its origin on the mid-XXth century

- **Tradition: Old predominance of trade flows USA/Europe**
- **Logistics investments: Concentration of logistics centers and continental distribution facilities in the North developed in the XXth century**
- **Price: Scale economies resulting of large container vessels calling at northern ports**
- **Geography: Natural barriers (Pyrenees & Alps)**
- **Infrastructures: Low level of rail connectivity from Southern ports to central Europe**

These old factors should not be a reason for maintaining today's inefficient and unsustainable European logistics and transport system

3. Efficiency, sustainability & competitiveness of the European economy



Current situation reduces the efficiency and sustainability of the European logistics system and undermines the long-term competitiveness of the European economy. This should be changed.

■ **Present and future European cargo flows should be taken into account**

- Relevance of the MED in the Europe-Far East route and Europe-America trade. Great market with high economic potential. New North-South axis.
- New logistics trends:
 - Flexibility: Combination of different ports and transport chains
 - Logistic differentiation depending on products, markets,...
 - Unsustainability of large vessels trend
 -

■ **Congestion in the North transport system and underutilisation of Southern European Ports.**

Validity of the first White Paper Transport diagnosis “ Europe suffers from central congestion and extremity paraplegia”

■ **Reduces European economic and social cohesion**

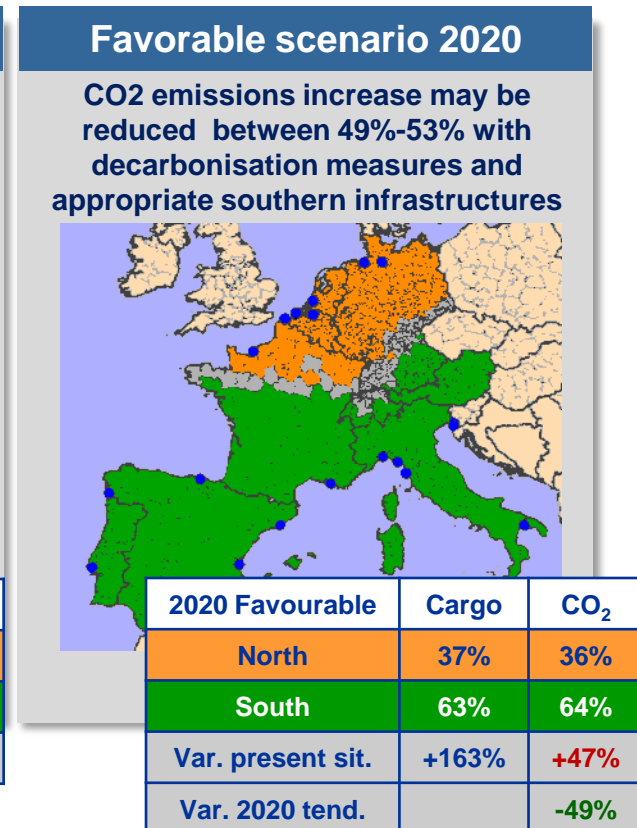
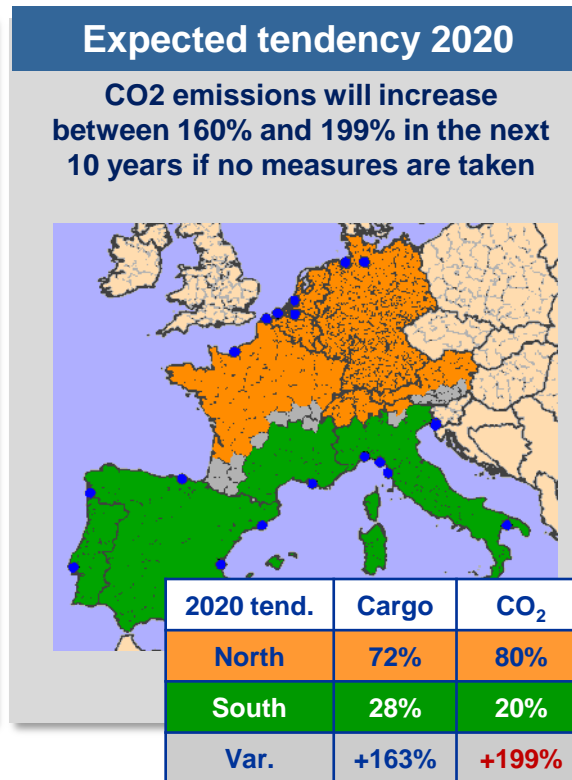
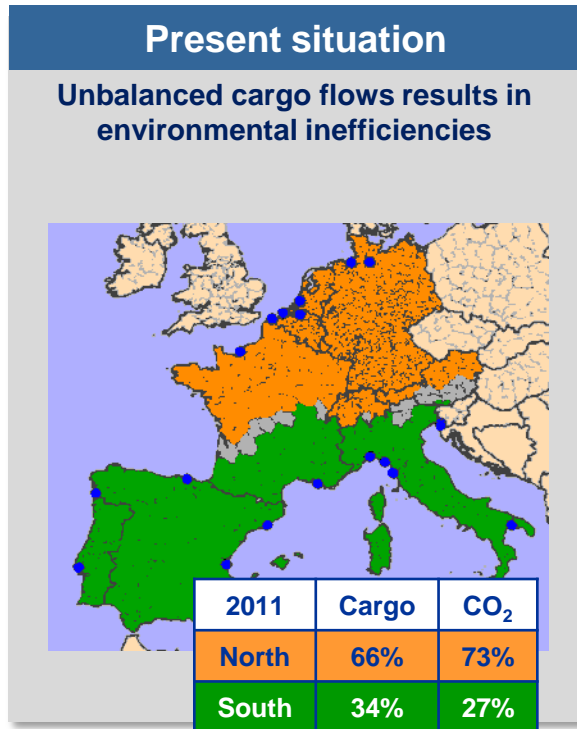
■ **Instability of the maritime business...the MED is the best option**

- Extra super-slow steaming
- Fuel price increase
- Freight rates volatility
- New vessels on order. 18.000-20.000 TEU

3. Efficiency, sustainability & competitiveness of the European economy

Failure to correct this imbalance will most likely prevent the EU from meeting the 60% emission reduction target established in the White Paper.

Simulation studies show that CO2 emissions due to Asia-Europe cargo traffic will increase between 160% and 199% in the next 10 years if no measure is taken. Nevertheless, this increase may be potentially reduced between 49% and 53% if decarbonisation measures (internalisation of external costs,...etc) become a priority and Southern infrastructures are a real alternative for cargo flows.



3. Efficiency, sustainability & competitiveness of the European economy



Some multinationals companies have understood the enormous possibilities of the MED and invested here

Manufacturers and distributors

Terminal operators

Barcelona

MANGO

Schneider Electric

SEAT

NISSAN

HPH

Marseilles

DECATHLON

IKEA

MATTEL

CMA CGM

DP WORLD

Genoa

Other examples of companies using MED ports to distribute all over Europe. From Koper:

LIDL

SONY

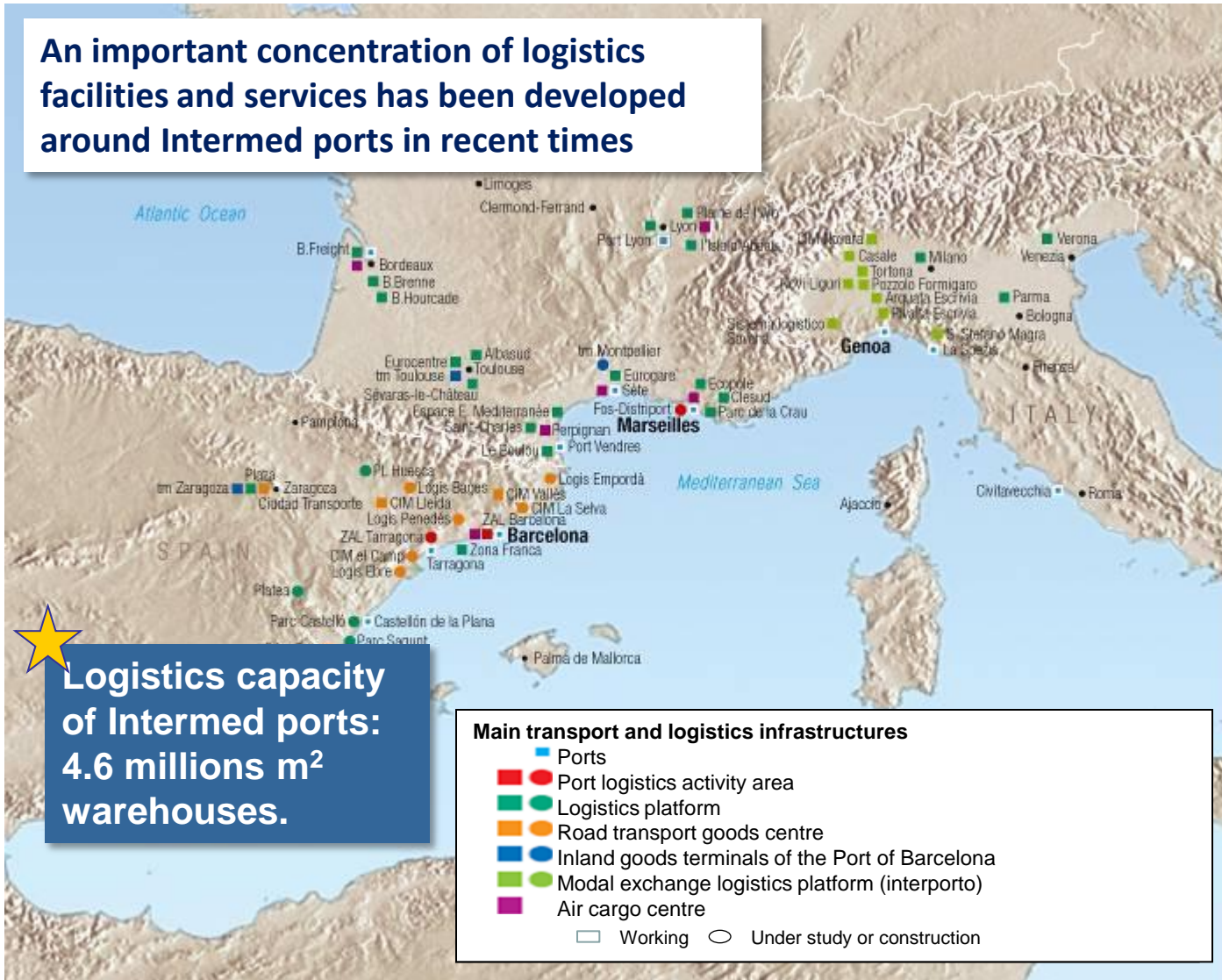
PSA

To ensure its competitiveness, the companies that have chosen Southern Europe for Euromediterranean distribution REQUIRE good connectivity – infrastructures & services - to the rest of Europe

3. Efficiency, sustainability & competitiveness of the European economy



An important concentration of logistics facilities and services has been developed around Intermed ports in recent times



★ Logistics capacity of Intermed ports: 4.6 millions m² warehouses.

Transport, Logistics & Added Value services to the cargo



Transport



Logistics

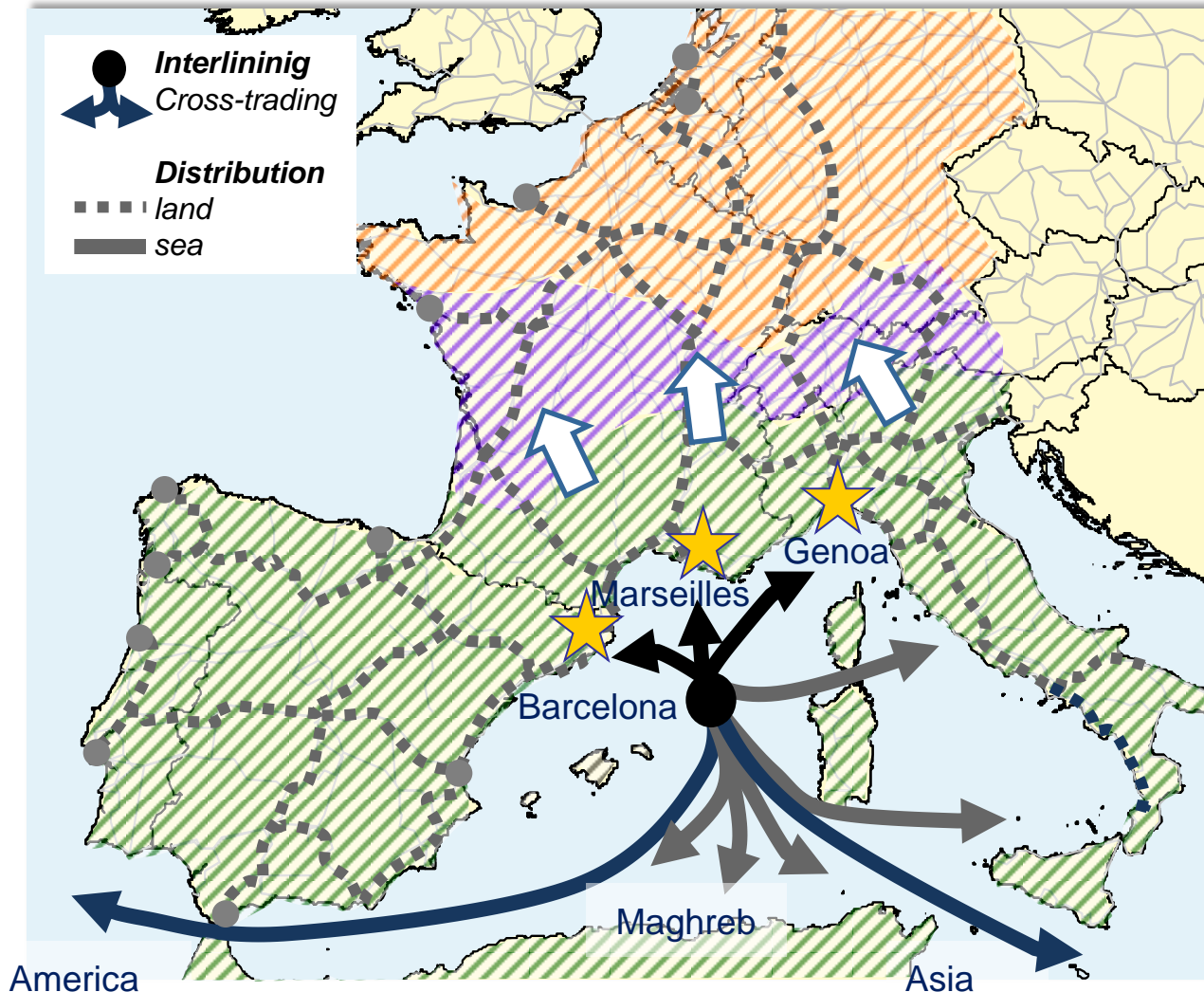


Added value



4. Today Mediterranean Ports are ready

Intermed Ports have done their job and have today equivalent levels of service than their competitors



Increased port capacity



Efficient services

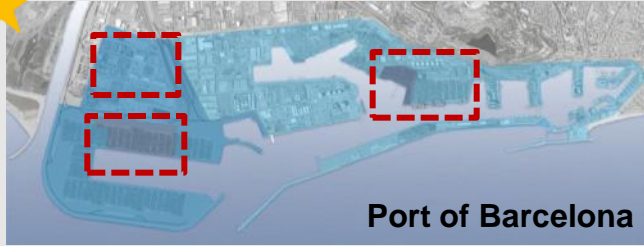


Connectivity services
Sea & Land

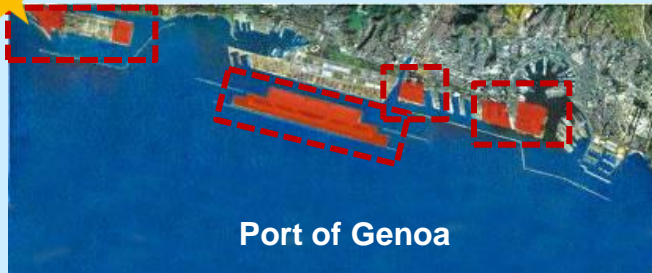
4. Today Mediterranean ports are ready

Port capacity for massive trade and distribution

Enlargement processes to increase port & logistics areas and loading capacities



- Seawalls enlargement completed
- New land areas. Port area x 2.3 times
- Expansion of the two container terminals 2012 & 2013.
- Increase of capacity: from 2.6 MTEU to 4.5 MTEU. 10 MTEU in 2020
- Extension of Logistics Area ZAL. From 65 ha to 145 ha
- New road and rail infrastructures



- Reclaiming of Bettolo Pier: 18 ha. Capacity 550,000 TEU
- Reclaiming of Ronco Pier: 6.4 ha
- Construction of new breakwaters
- New road and Rail infrastructure



- 2012 Fos 2xl. Capacity 1.4 MTEU
- 2017 Fos 4xl. Capacity 1.2 MTEU
- After 2017 capacity to a new container terminal (Fos 3xl: 0.8MTEU)
- 2012-2015: extension of logistic capacities: +100 ha
- New rail connections and river shuttles

In 2015, Barcelona, Marseilles and Genoa will have a total capacity of more than 17 million TEU

4. Today Mediterranean ports are ready Maritime connectivity

Intermed ports cover the main global routes, East-West and South-North



More than 150 regular shipping lines operated by 200 shipowners connecting Intermed Gateways with more than 1,000 ports in the five continents

- ★ Call for large container ships and major shipping lines
- ★ Connections with the main home ports: frequent & direct services
- ★ Reduction of transit time: 1st ports of call in the MED (depending on export&import)
- ★ Direct lines with Asia & South America
- ★ Gate, spoke & hub port operations
- ★ Several terminal options in each port
- ★ Competitive costs: Disbursement account

4. Today Mediterranean ports are ready

Land connectivity

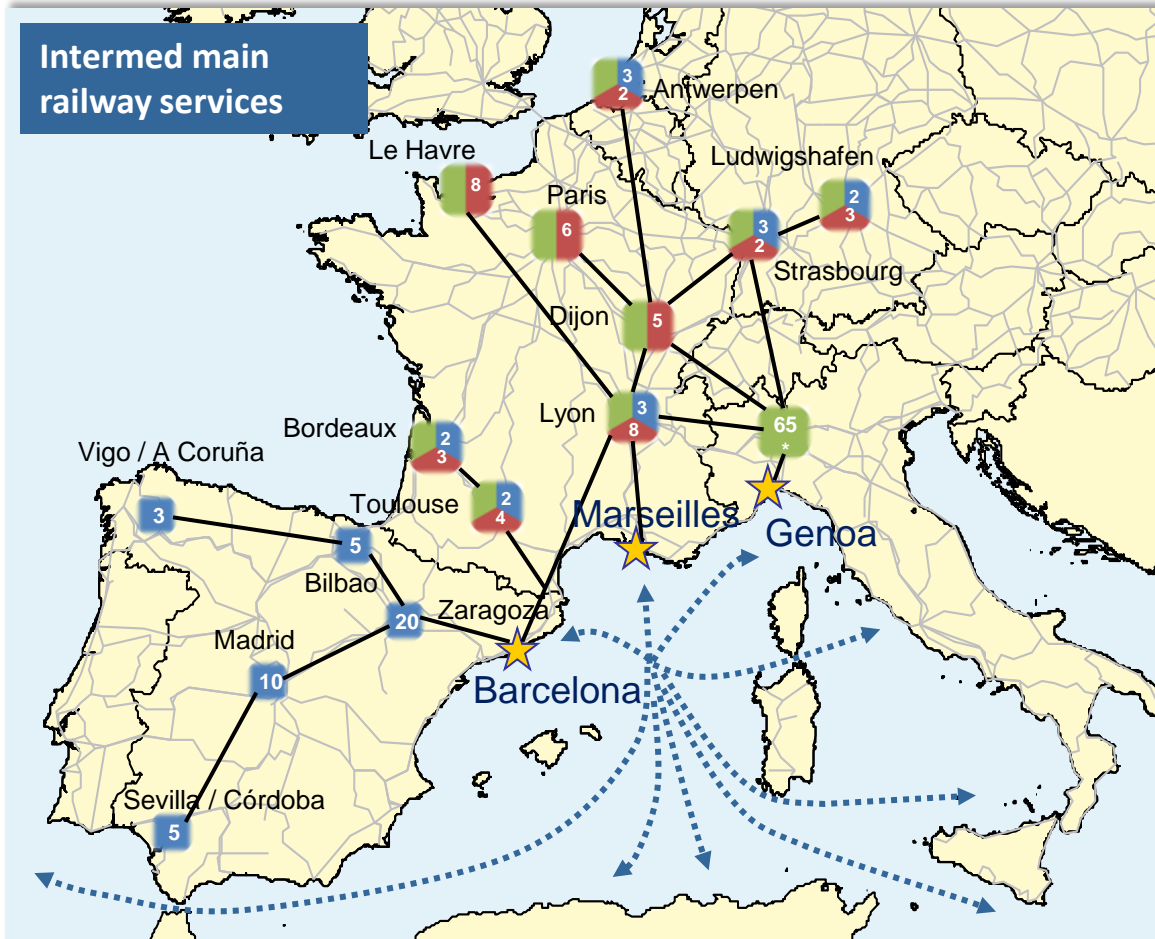
Road transport distribution from the Mediterranean: the best option for saving time, costs and avoiding congestion.



Time by truck to the main European cities and consumption centres (considering the following conditions: one single driver, respecting speed limits and compulsory stops according to EU regulations)

4. Today Mediterranean ports are ready Rail connectivity

A commitment to railways despite limited infrastructures



★ Rail traffic at Intermed Ports has increased considerably over the last years, due to:

- Investments in rail infrastructures made by ports
- Growing supply of services from private sector

★ Although % market share of rail in Intermed Ports has reached 10/12%, volumes by rail are still far from volumes in Northern Europe.

Nº weekly services in each direction from the Intermed ports

Barcelona

Marseilles

Genoa

* Shuttle Rail Services from Genoa to Milano

4. Today Mediterranean ports are ready

Efficient services



Key features of an efficient port:

- **Reliability:** clients and logistics operators need to know their planning (lead time, etc) is going to be respected and fulfilled. And this despite inspections, etc.
- **Speed:** Reduce as much as possible time of stay of merchandises in the port due to port procedures.
- **Transparency:** clients need to know always what is happening to their cargo and why.
- **Productivity:** in terms of net productivity of the cranes for load / unload of vessels, in number of movements per hectare in the container terminals, etc.
- **And competitive price !**



4. Today Mediterranean ports are ready

Efficient port performance

- ★ Port performance in Southern Europe (e.g. in terms of crane and terminal productivity, transparency, THC cost, etc.) is equivalent and in some cases even better than performance in leading world ports.

E.g. of recent developments:

- Port of Barcelona BEST terminal automatisation
- Marseilles Port / Crane drivers reform

- ★ Investments by Southern European Ports Authorities and global private operators were key elements of this transformation.

E.g: PSA, MSC, Hutchison, Lukoil, Meroil, Grimaldi, CMA-CGM, Shell, ELENGY, IKEA.. are investing in Intermed ports

- ★ Container terminals operate on a highly competitive market and are under constant pressure on costs and efficiency.



4. Today Mediterranean ports are ready

Efficient port performance





Intermed ports added value services. Some examples:




Barcelona

	Quality brand of the Port of Barcelona.
	Port Community System of the Port of Barcelona. Technological platform that provides an easier interaction
	Logistics consultancy for customers that want to improve their logistics, proposing more competitive alternatives.

Marseilles

	Port community system “AP+”. Access to AP could be done directly or via a network of port, river, inland platforms.
	Network of multimodal transport platforms established . Partnership agreement Port of Marseille Fos & 9 inland Ports
BIP	New Border Inspection Post (2012) in the eastern harbor of the port of Marseille-Fos. A better fluidity and a better inspection are guaranteed as it is already the case in the western harbor (Fos).

Genoa

	The Energetic and Environmental Port Plan (PEAP) is a tool aimed at orienting and promoting the use of renewable sources at the improvement of energetic efficiency within the port.
	Genoa Port Authority is in the process of completing a comprehensive port information system (using the acronym E-port) developed with the valuable assistance of all the Operators’ Associations.
	Genoa Fast Corridor is a rail transport service operating between the Voltri Container Terminal and the Rivalta Scrivia freight village located midway between Genoa and Milan.

5. TEN-T, an opportunity to improve Europe's competitiveness



The role of Intermed and Mediterranean ports on a sustainable and more efficient logistics

- ★ **Reduction of logistics cost resulting from the reduction of number of ships, fuel consumption, distance and land haulage. Improvement of lead time**
- ★ **Reduction of environmental costs due to the shorter distance of MED ports to the Far East. Consequently less fuel consumption and CO2 emissions**
- ★ **Reduction of congestion in Northern infrastructures**
- ★ **European economic and social cohesion as a result of better infrastructures and connections**
- ★ **Taking advantage of economic potential of Mediterranean and Northern Africa**

5. TEN-T, an opportunity to improve Europe's competitiveness

- Logistics has to be one of the main sectors helping to overcome the current crisis in Southern European countries
- Consumers and companies located in central Europe will be the main beneficiaries from new and competitive corridors to the South of the continent
- Need to reduce the carbon footprint in Europe
- Help to overcome geographical barriers (Pyrenees & Alps)
- Take into account current but more importantly, future trends and trade flows
- Develop connectivity with the Southern shore of the Mediterranean (Maghreb & Mashrek)

Rebalance of the European Transports System



Network map: EU Commission proposal on TEN-T Corenetwork 2030

Developing competitive corridors of transport to the MED for a sustainable and efficient European Transport Network



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Barcelona

Thank you