Ministero delle Infrastrutture e dei Trasporti

RAM S.p.a.
Logistica · Infrastrutture · Trasporti

Italy-China

Outlook on trades, transport and logistics

Meeting Prof. Rong Zhang – RAM Logistica, Infrastrutture Trasporti

Rome, 20.07.2018

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1. RAM in a nutshell

RAM IN A NUTSHELL

COMPANY'S EVOLUTION

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2008 — ReteAutostrade Mediterranee S.p.a.

SHARE CAPITAL	100% IT Ministry of Finances
OPERATIONAL	In house company IT Ministry of Infrastructures and Transport
MISSION	Motorways of the Sea Development

2017 — RAM S.p.a. Logistica · Infrastrutture · Trasporti

SHARE CAPITAL	100% IT Ministry of Finances
OPERATIONAL	In house company IT Ministry of Infrastructures and Transport
MISSION	Technical support for Transport and Logistics planning and programming

NEW NAME – NEW MISSION

In November 2017 the company modified its Statute, converting its name in **RAM Logistica Infrastrutture e Trasporti Spa** and expanding its functions in the **strategic planning and operational support in transport, infrastructural and logistics sector**, in conjunction with the **Italian Ministry of Infrastructure and Transport.**

RAM IN A NUTSHELL
MAIN ACTIVITIES

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Ports and Logistics

- Data analysis, studies, development and design of specific initiatives on ports and logistics
- Studies and Researches
- Technical secretariat at the «Partenariato della logistica e dei trasporti»
- Technical support at the National Coordination Conference of Port System Authorities

EU and National Projects

- Techncial, administrative and financial management of 11 current EU projects

Incentives for intermodality

- Operational management of intermodality incentives:
  - Marebonus
  - Ferrobonus
  - Training
  - Investments

EU and National Programs

- TEN-T CNC’s
- CEF Actions monitoring
- EUSAIR: support at the Focal Point
- Maritime Spatial Planning
- SPC Italy

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2. National Transport Scenario

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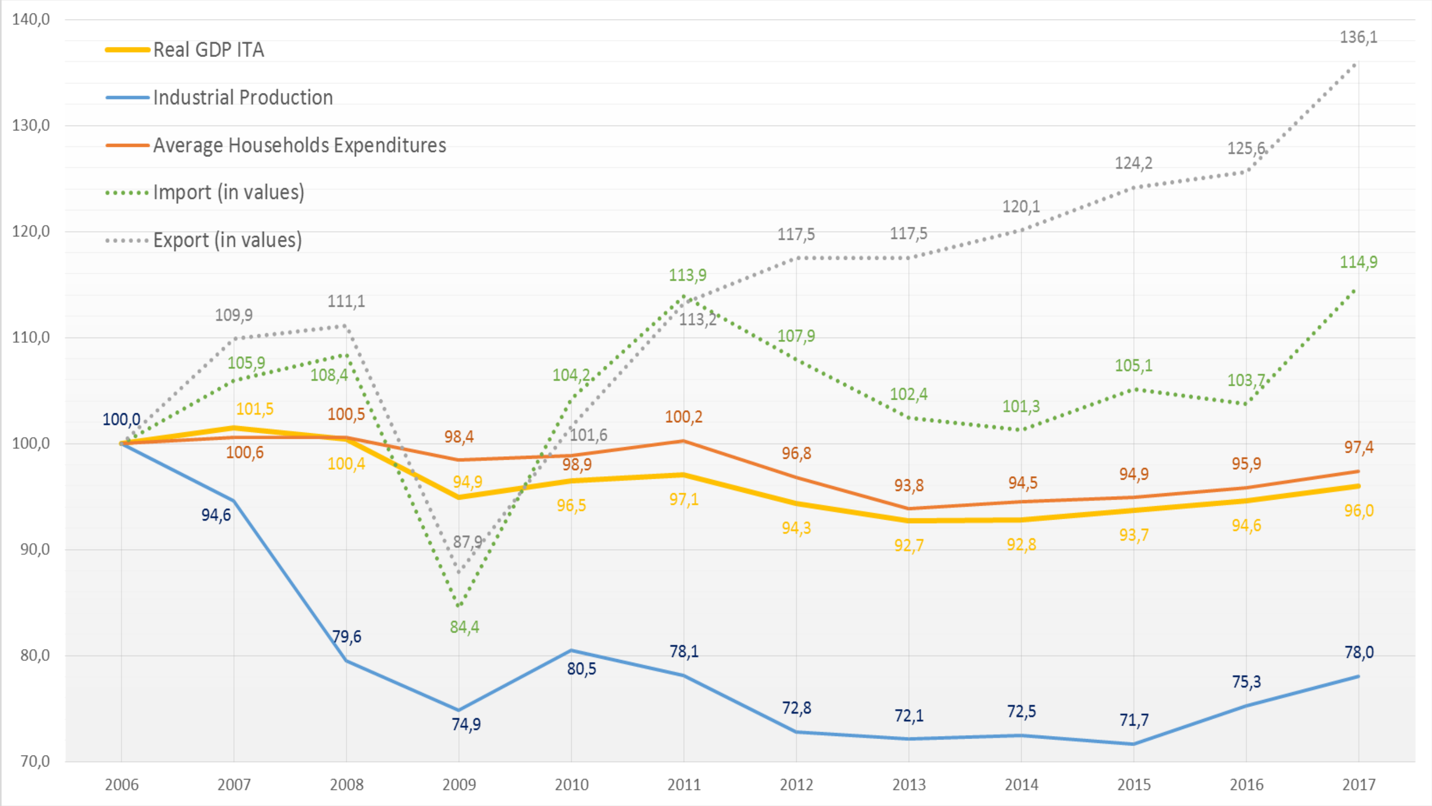

- **severe impact of the 2008/2012 crisis on the national economy structure**
- in 2017 GDP still less than 4% compared to 2006
- industrial production and household expenditures at lower level than the pre-downturn period values
- **2017 vs. 2006: export +36.1%, import +14.9%**

RAM elaborations on ISTAT data; index values with baseline 2006=100

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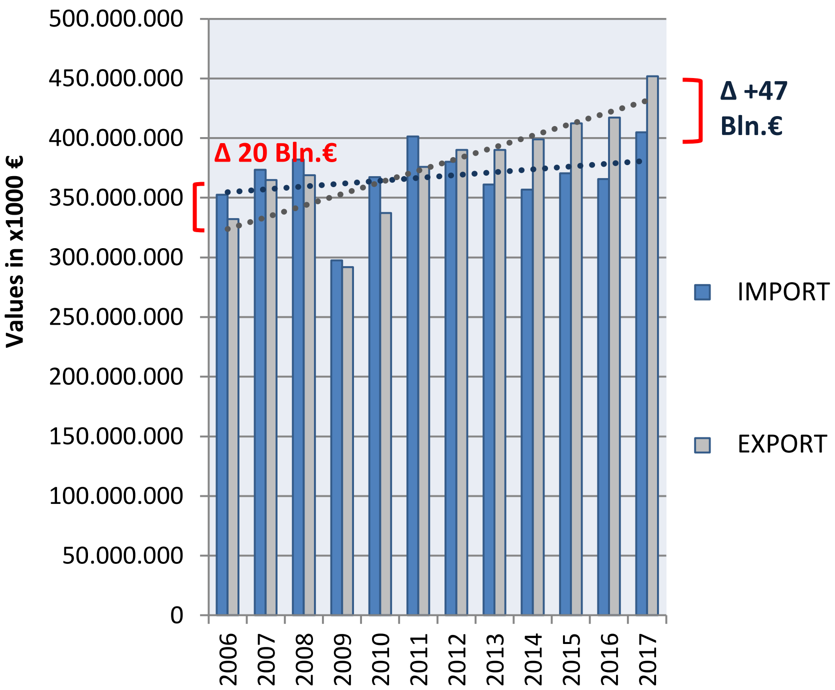
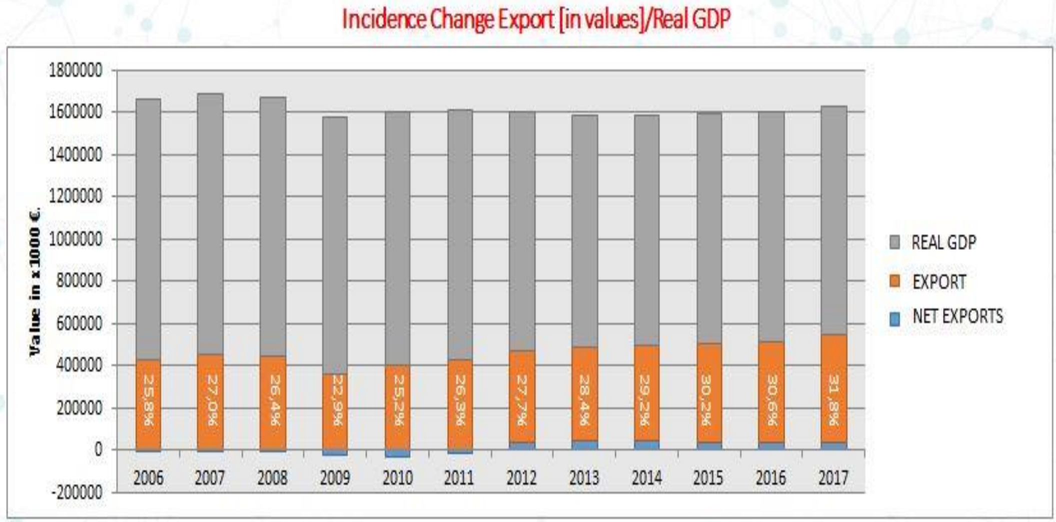
Import Export 2006-2017



Export raise quicker than import with a trade balance shifting from –20 Bln.€ in 2006 to +47Bln.€ in 2017 and +12% 2014 vs. 2017



Value of export compared to GDP in continuous raise since 2009. In 2017, the value of export is equal to 31.8% of the value of the IT GDP

Elaboration RAM S.p.A on ISTAT data

GDP: gradual recovery and overperformance from the South

	Italy GDP Change	South Italy GDP Change
2014-2015	+0,9%	+1,7%
2015-2016	+1,1%	+0,9%
2016-2017	+1,6%	+1,3%
2017-2014	**+3,7%**	**+3,9%**
I°Q 2018-I°Q 2017	**+0,3%**	n.d.
Forecast 2025	+17%	n.d.
Forecast 2030	+30%	n.d.

Export as the main driver of the economic recovery

Index	Change 2017-2014
Industrial production	+ 7,6%
Av. Household Expenditures	+ 3,1%
Import + Export [values]	+ 12,3%
Import	*+ 12,2%*
Export	***+ 12,3%***
Import + Export [volumes]	+ 12,6%
Import	*+ 12,1%*
Export	***+ 13,6%***

RAM calculations on ISTAT data; GDP Forecast 2025 e 2030 OECD

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IT Freight Traffic

Modes	Change% 2017-2014
Air Cargo (tonn)	+24.2%
Maritime (tonn)	+9.0%
Ro-Ro	*+24.2%*
Container	*+6.3%*
Rail (train*km)	+10,1%
Motorways (veh*km**)**	+12.8%
Roads (HDV's)	+10.3%

Source: elaboration RAM Logistica Infrastrutture e Trasporti on Assoporti, Assoaeroporti, AISCAT, ISTAT and Eurostat

Limited modal share but highest increase in 2014-2017 time frame, with expectation to grow up considering the huge planned investments on land-side infrastructures.

MoS segment in expansion, representing 20% of the Italian maritime traffic throghput in 2017; expectation of increasing trend for next years due to entry into force of Marebonus

Important rise of railway traffic with homogenous growth between North and South Italy, benefitting by the implementation of incentive schemes such as Ferrobonus and Paths Subsidy

INTERNATIONAL FREIGHT DEMAND
ITALIAN TRADE PARTNERS

REGION	Volume [Mtonn and %]								Values [Bln€. and %]							
	Import	%Area/ Import	Export	%Area/ Export	Tot	%Area/ Tot	Import+Export		Import	%Area/ Import	Export	%Area/ Export	Tot	% Area/ Tot	Import+Export	
							17/14	17/10							17/14	17/10
EU 28	111,6	35,00%	92	60,20%	**203,6**	**43,20%**	12,30%	5,80%	240,9	60,10%	249,1	55,60%	490	**57,70%**	15,90%	23,00%
EU 28 (North)**	50,9	16,00%	34,2	22,40%	85,1	18,05%			123,6	30,80%	99,2	22,10%	222,7	26,24%		
EU 28 (East)***	29,7	9,30%	21,7	14,20%	51,4	10,91%			43,9	11,00%	50,9	11,40%	94,9	11,18%		
EU 28 (West)****	31	9,70%	36,1	23,60%	67,1	14,22%			73,4	18,30%	99	22,10%	172,4	20,31%		
European Countries (no EU and Turkey)	56,5	17,70%	11,6	7,60%	**68,1**	**14,40%**	4,80%	9,50%	31	7,70%	37,7	8,40%	68,7	**8,10%**	-5,10%	11,40%
MENA*	39,2	12,30%	18,6	12,20%	**57,8**	12,30%	20,80%	-29,10%	22	5,50%	27,2	6,10%	49,2	**5,80%**	2,30%	-12,50%
Africa (no MENA countries)	10	3,10%	3	2,00%	**13**	**2,80%**	-11,20%	-14,20%	5,8	1,40%	5,2	1,20%	11	**1,30%**	-20,70%	8,00%
North America	11,7	3,70%	7,8	5,10%	**19,5**	**4,10%**	-11,40%	2,20%	16,6	4,10%	44,4	9,90%	61	**7,20%**	27,60%	72,60%
Central– South America	18,4	5,80%	3,4	2,20%	**21,8**	**4,60%**	-0,40%	-6,60%	9,3	2,30%	14,3	3,20%	23,6	**2,80%**	0,40%	11,90%
China	6,2	**1,90%**	3,5	2,10%	**9,7**	**2,10%**	12,50%	-10,10%	28,7	7,20%	19,7	4,40%	48,4	**5,70%**	16,90%	16,80%
Asia (no China e Middle East)	14,5	4,60%	6,5	4,50%	**21**	**4,50%**	-3,20%	-12,60%	26,7	6,70%	26,7	6,00%	53,4	**6,30%**	17,20%	30,90%
Middle East (no MENA countries)	49,5	15,50%	4,3	2,80%	**53,8**	**11,40%**	65,30%	10,00%	17,9	4,50%	15,3	3,40%	33,2	**3,90%**	5,60%	1,90%
Oceania & others	1	0,30%	2,2	1,40%	**3,2**	**0,70%**	-2,20%	-36,10%	1,9	0,50%	8,4	1,90%	10,3	**1,20%**	14,10%	44,30%
TOTAL	318,7	100%	152,9	100%	**471,6**	**100%**	**12,60%**	**-2,30%**	400,7	100%	448,1	100%	**848,8**	**100%**	**12,30%**	**20,40%**

*Area MENA: Morocco, Algeria, Tunisia, Lybia, Egypt, Jordany, Israel, Lebanon, Turkey
RAM calculations on COEWEB 2017 data (not consolidate data)

**UE28North: Paesi Bassi, Germany, Denmark, Belgium, Luxembourg, Sweden, Finland, Austria
***UE28 East: Greece, Malta, Estonia, Latvia, Lithuania, Poland, Rep. Ceca, Slovakia, Hungary, Romania, Bulgaria, Slovenia, Croatia, Cyprus
****UE28 West: France, UK, Ireland, Portugal, Spain

INTERNATIONAL FREIGHT DEMAND
TRADES TRANSPORT MODES

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	VOLUMES [Mln T]										VALUES [Bln €]									
	IMPORT										IMPORT									
MACRO REGION	Maritime		Alpine Crossings (Rail+Road)		Air		Others (pipelines)		Tot		Maritime		Alpine Crossings (Rail+Road)		Air		Others (pipelines)		Tot	
	Qnt	%	Qnt	%	Qnt	%	Qnt	%	Qnt	%	Qnt	%	Qnt	%	Qnt	%	Qnt	%	Qnt	%
EU 28	19,2	17,2%	82,0	73,5%	0,1	0,1%	10,2	9,2%	111,6	35,0%	20,4	8,5%	208	86,3%	6	2,5%	6,5	2,7%	240,9	60,1%
European Countries (no EU and Turkey)	31,3	55,3%	3,6	6,5%	0,0	0,0%	21,6	38,3%	56,5	17,7%	10,5	33,8%	13,7	44,4%	1	3,2%	5,8	18,6%	31	7,7%
MENA*	21,9	55,9%	0,2	0,5%	0,0	0,0%	17,1	43,6%	39,2	12,3%	16	72,5%	1,3	5,7%	0,5	2,1%	4,3	19,6%	22	5,5%
Africa (no MENA countries)	10,0	99,7%	0,0	0,2%	0,0	0,1%	0,0	0,0%	10,0	3,1%	5,3	92,6%	0,1	1,1%	0,4	6,3%	0	0,0%	5,8	1,4%
North America	11,7	99,5%	0,0	0,1%	0,0	0,4%	0,0	0,0%	11,7	3,7%	7,6	46,1%	0,7	4,2%	8,2	49,7%	0	0,0%	16,5	4,1%
Central – South America	18,4	99,8%	0,0	0,1%	0,0	0,1%	0,0	0,0%	18,4	5,8%	8,6	92,5%	0,1	1,1%	0,6	6,5%	0	0,0%	9,3	2,3%
China	6,0	97,2%	0,1	1,2%	0,1	1,6%	0,0	0,0%	6,2	1,9%	21,2	73,7%	1,5	5,2%	6	21,0%	0	0,0%	28,7	7,2%
Asia (no China and Middle East)	14,2	98,0%	0,1	0,7%	0,1	0,5%	0,1	0,7%	14,5	4,6%	20,8	77,7%	0,9	3,2%	4,8	17,8%	0,3	1,3%	26,7	6,7%
Middle East (no MENA countries)	49,5	99,9%	0,0	0,1%	0,0	0,0%	0,0	0,0%	49,5	15,5%	17,6	98,5%	0,1	0,7%	0,1	0,6%	0	0,2%	17,9	4,5%
Oceania & others	1,0	99,8%	0,0	0,1%	0,0	0,1%	0,0	0,0%	1,0	0,3%	1,8	90,8%	0	0,6%	0,2	8,0%	0	0,6%	1,9	0,5%
TOTAL	**183,2**	**57,5%**	**86,1**	**27%**	**0,4**	**0,1%**	**49,1**	**15,4%**	**318,7**	**100,0%**	**129,7**	**32,4%**	**226,3**	**56,5%**	**27,7**	**6,9%**	**17**	**4,2%**	**400,7**	**100,0%**

*MENA: Morocco, Algeria, Tunisia, Lybia, Egypt, Jordanie, Israel, Lebanon, Turkey
RAM calculations on COEWEB 2017 data (not consolidated data);

INTERNATIONAL FREIGHT DEMAND
TRADES TRANSPORT MODES

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MACRO REGION	VOLUMES [Mln T] EXPORT Maritime		Alpine Crossings (Rail+Road)		Air		Others (pipelines)		Tot		VALUES [Bln €] EXPORT Maritime		Alpine Crossings (Rail+Road)		Air		Others (pipelines)		Tot	
	Qnt	%	Qnt	%	Qnt	%	Qnt	%	Qnt.	%	Qnt	%	Qnt	%	Qnt	%	Qnt	%	Qnt.	%
EU 28	24,3	26,4%	66,4	72,1%	1,2	1,3%	0,1	0,1%	92,0	60,2%	14,5	5,8%	228,7	91,8%	4,8	1,9%	1	0,4%	249,1	55,6%
European Countries (no Eu and Turkey)	4,1	35,7%	7,3	62,8%	0,0	0,1%	0,2	1,5%	11,6	7,6%	3,8	10,1%	31,6	83,8%	1,4	3,7%	0,9	2,4%	37,7	8,4%
MENA*	18,1	97,2%	0,5	2,8%	0,0	0,1%	0,0	0,0%	18,6	12,2%	21,1	77,7%	4,1	14,9%	2	7,3%	0	0,1%	27,2	6,1%
Africa (no MENA countries)	3,0	97,9%	0,0	0,8%	0,0	0,4%	0,0	0,9%	3,0	2,0%	4,3	82,9%	0,2	3,2%	0,7	13,3%	0	0,5%	5,2	1,2%
North America	7,6	96,9%	0,1	0,9%	0,1	1,5%	0,1	0,8%	7,8	5,1%	28,3	63,7%	1,9	4,3%	13,6	30,6%	0,6	1,4%	44,4	9,9%
Center – South America	3,3	98,1%	0,0	1,0%	0,0	0,9%	0,0	0,0%	3,4	2,2%	11,2	78,3%	0,5	3,5%	2,6	18,2%	0	0,0%	14,3	3,2%
China	3,4	95,8%	0,1	1,7%	0,1	2,6%	0,0	0,0%	3,5	2,3%	9,8	49,9%	0,9	4,7%	8,9	45,3%	0	0,0%	19,7	4,4%
Asia (no China and Middle East)	6,2	95,9%	0,1	2,0%	0,1	2,1%	0,0	0,0%	6,5	4,2%	14,7	55,1%	1,5	5,4%	10,5	39,4%	0	0,1%	26,7	6,0%
Middle East (no MENA countries)	4,1	95,6%	0,1	3,4%	0,0	1,0%	0,0	0,0%	4,3	2,8%	10,2	66,7%	1,5	9,9%	3,6	23,4%	0	0,0%	15,3	3,4%
Oceania & others	1,7	77,6%	0,0	0,4%	0,5	22,0%	0,0	0,0%	2,2	1,4%	6,8	80,5%	0,1	1,3%	1,3	16,0%	0,2	2,2%	8,4	1,9%
TOTAL	**75,7**	**49,5%**	**74,7**	**49%**	**2,1**	**1,4%**	**0,4**	**0,2%**	**152,9**	**100,0%**	**124,8**	**27,8%**	**271**	**60,5%**	**49,5**	**11,1%**	**2,8**	**0,6%**	**448**	**100,0%**

*MENA: Morocco, Algeria, Tunisia, Lybia, Egypt, Jordanie, Israel, Lebanon, Turkey
RAM calculations on COEWEB 2017 data (not consolidated data);

IT-CHINA TRADES FEATURES

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EU 28 - China Trades

- China 20% of European imports (1st non-EU partner) and 11% EU export 28 (2nd non-EU partner);
- Netherlands main importer (83 Bln€)
- Germany main exporter (87 Bln€)

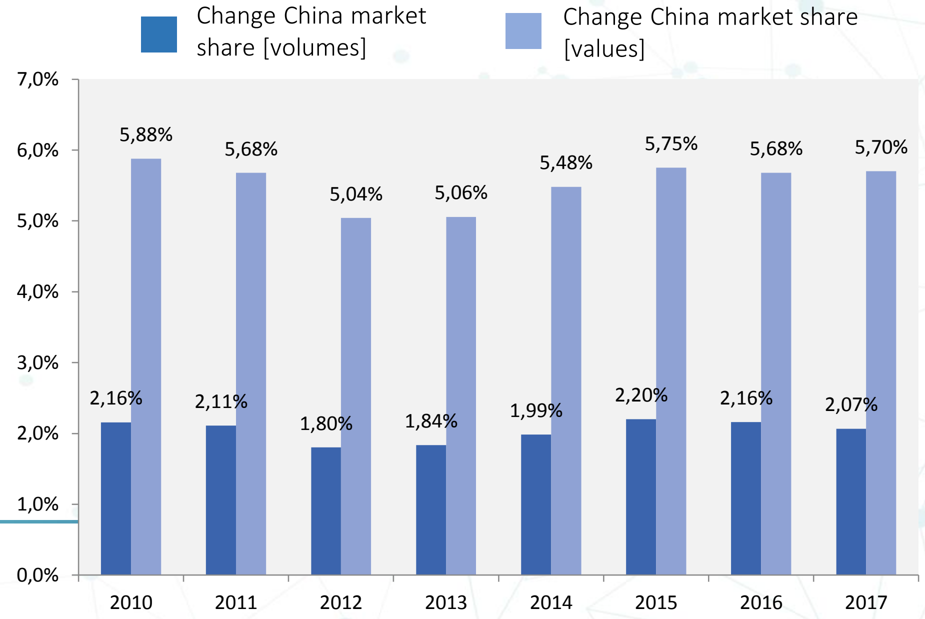
Bln €.	2014	2015	2016	2017		Change 2017-2014
				EU 28	IT Share	
IMPORT	302,5	350,8	344,9	**374,6**	7,7%	**23,8%**
EXPORT	164,6	170,4	169,7	**198,2**	9,9%	**20,4%**

Italy-China Trades

- increase, in values and volumes, of the **Chinese market share on IT trades** in 2014/2017 but slight decline in 2010/2017 (volumes from 2.16% to 2.07% and values from 5.88% to 5.7%)
- goods exchanged:

- **volumes:** 17.5% metals and metal products, 15% mechanical machines and devices (ICT systems, electrical machines, radio and TV equipment, medical devices), 13.5% chemicals and fibers

- **values:** 37.4% mechanical machines and devices; 22.3% textile products; 11% chemicals and fibers



RAM calculations on COEWEB 2017 data (not consolidated data);

3. Focus on IT-China transport connections

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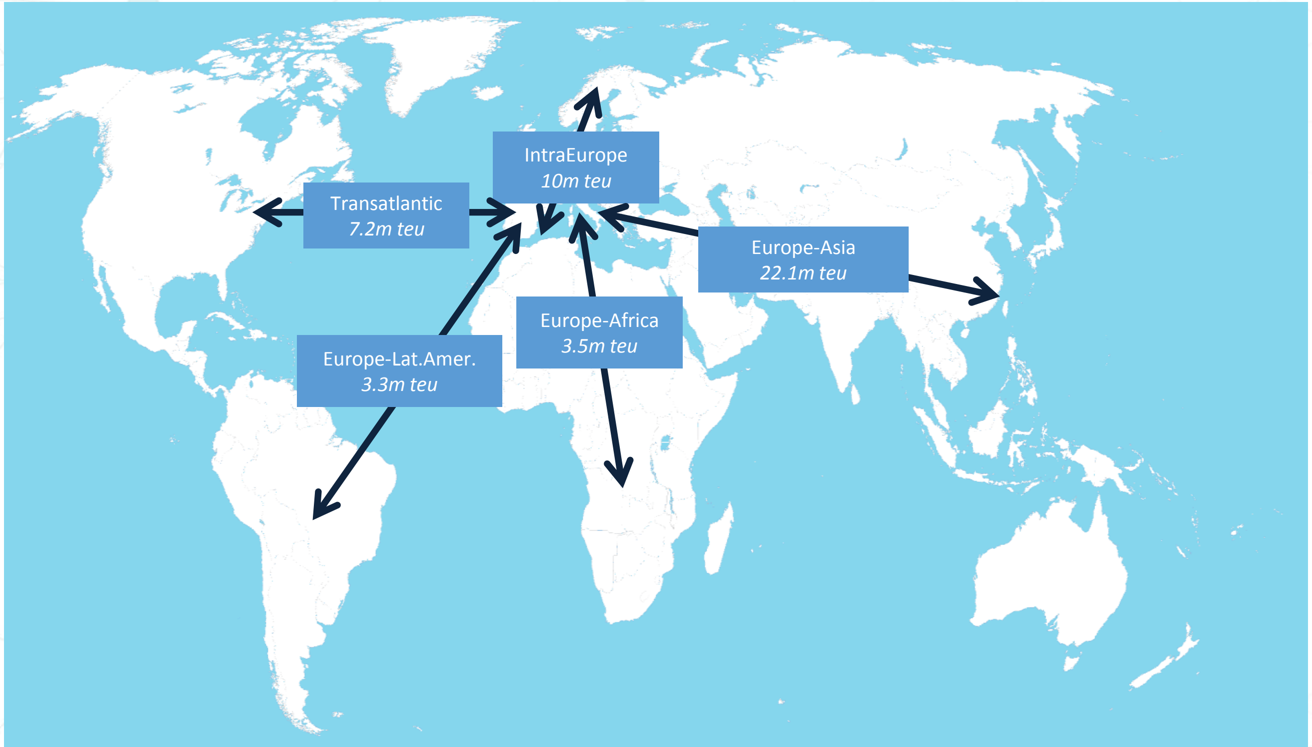

Source: RAM calculations on Drewry datas

- 2016 TEU's transported (not considering transshipped and empty containers) to/from Europe: 46.1 MTEUs

  - Europe-Asia route counts 22.1 MTEUs, 48% of total;
  - 21,7% Intra-Europe
  - 15,6% North America
  - 7,6% Africa
  - 7,1% Latin America

STATE OF ART AND PERSPECTIVES ON MARITIME CONNECTIONS

EU-ASIA CONTAINER TRADE LANE DEMAND TRENDS

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'000 TEU	2013	2014	2015	2016	2017	2018	2019	2020	2021	Change 13-17	Change 17-21
ASIA	343.758	362.468	367.623	377.571	399.383	415.051	433.952	454.789	475.966	16,20%	19,20%
Overall market share	53,50%	53,70%	53,70%	54,00%	54,10%	54,30%	54,50%	54,90%	55,10%		
EUROPE	115.413	120.577	118.338	121.762	127.100	130.586	134.590	138.743	142.920	10,10%	12,40%
Overall market share	18,00%	17,90%	17,30%	17,40%	17,20%	17,10%	16,90%	16,70%	16,60%		
NORTH-WEST EUROPE	53.713	56.465	56.478	57.055	58.704	59.956	61.512	63.112	64.689	9,30%	10,20%
Overall market share	8,40%	8,40%	8,30%	8,20%	8,00%	7,80%	7,70%	7,60%	7,50%		
WEST MEDITERRANEAN	25.355	26.015	26.334	27.447	28.230	28.727	29.353	29.994	30.619	11,30%	8,50%
Overall market share	3,90%	3,90%	3,80%	3,90%	3,80%	3,80%	3,70%	3,60%	3,50%		
EAST MED AND BLACK SEA	25.788	27.372	26.073	27.291	29.364	30.531	31.929	33.423	34.978	13,90%	19,10%
Overall market share	4,00%	4,10%	3,80%	3,90%	4,00%	4,00%	4,00%	4,00%	4,10%		
SCANDINAVIA AND BALTIC SEA	10.557	10.725	9.453	9.969	10.802	11.373	11.796	12.214	12.634	2,30%	17,00%
Overall market share	1,60%	1,60%	1,40%	1,40%	1,50%	1,50%	1,50%	1,50%	1,50%		
NORTH AMERICA	53.489	55.696	58.343	59.126	62.793	64.286	66.092	67.774	69.535	17,40%	10,70%
Overall market share	8,30%	8,30%	8,50%	8,50%	8,50%	8,40%	8,30%	8,20%	8,10%		
LATIN AMERICA	42.303	42.540	42.796	42.098	44.557	46.140	47.561	49.123	50.737	5,30%	13,90%
Overall market share	6,60%	6,30%	6,30%	6,00%	6,00%	6,00%	6,00%	5,90%	5,90%		
MIDDLE EAST	34.584	36.857	38.680	38.574	39.915	41.490	43,189	44.839	46.600	15,40%	16,70%
Overall market share	5,40%	5,50%	5,70%	5,50%	5,40%	5,40%	0,00%	5,40%	5,40%		
SOUTH ASIA	18.581	20.834	21.944	24.393	26.233	27.873	29.712	31.718	33.905	41,20%	29,20%
Overall market share	2,90%	3,10%	3,20%	3,50%	3,60%	3,60%	3,70%	3,80%	3,90%		
AFRICA	23.392	24.364	25.058	24.183	25.231	25.989	27.039	28.180	29.395	7,90%	16,50%
Overall market share	3,60%	3,60%	3,70%	3,50%	3,40%	3,40%	3,40%	3,40%	3,40%		
OCEANIA	10.826	11.308	11.589	11.834	12.555	12.967	13.435	13.896	14.366	16,00%	14,40%
Overall market share	1,70%	1,70%	1,70%	1,70%	1,70%	1,70%	1,70%	1,70%	1,70%		
TOTAL	642.346	674.644	684.371	699.541	737.767	764.382	752.424	829.062	863.424	14,86%	17,03%

RAM calculations on Drewry Data

- 2013-2017: EU container traffic has increased, but less than other major partners
- Europe container traffic forecasts foreseen an increase in short-medium term (2021 vs. 2017 +12.4%), a slower growth than the world average (+ 17%), penultimate world area (before North America);
- Among macro-areas, West Med (including Italy) is the one that will raise at the slowest rate '17-'21

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Company	Nationality	EU-FE Liner Capacity– TEU/week	Market share %	Vessels deployed on MED-FE route					Vessels deployed on NE-FE route					Containership orders to be deployed trade lane UE-FE					
				<10	10-12,5	12,5-15	15-18	> 18	<10	10-12,5	12,5-15	15-18	> 18	<10	10-12,5	12,5-15	15-18	>18	Tot
MSC	Switzerland	85.840	20,8%	15		30	5		0	0	4	1	20		7			11	18
Maersk	Denmark	75.387	18,3%	1		9	2		0	0	2	8	32	6			4	1	11
CMA CGM	France	47.247	11,4%	5	12				8	0	13	9	2	7				10	17
COSCO	China	44.480	10,8%	11		4			0	0	11	0	10			9		12	21
ONE	Singapore	42.125	10,2%	4		9			12	0	4	0	6			7			7
Hapag-Lloyd	Germany	35.478	8,6%	5		2			2	4	11	0	6						
Evergreen	Taiwan	32.809	7,9%	7		4			7	0	14	0	2	12	20			10	42
Yang Ming	Taiwan	24.848	6,0%	1		9			0	1	6	0	0	10	10	5			25
OOCL	China	14.973	3,6%	3		2			0	0	0	0	6						
Hyundai M.M.	Korea	4.898	1,2%						10	0	0	0	0			8		12	20
Zim	Israel	4.654	1,1%	15					0	0	0	0	0						
TOTALE		**412.739**	**100%**	**67**	**12**	**69**	**7**	**0**	**39**	**5**	**65**	**18**	**84**	**35**	**37**	**29**	**4**	**56**	**161**
% Vessel size				**43%**	**8%**	**45%**	**4%**	**0%**	**18%**	**2%**	**31%**	**9%**	**40%**						
Total vessels nr.				**155**					**211**										
% EU-Asia trade				**42,3%**					**57,7%**										
Services				**14**					**22**										
Average Vessel per Service				**11**					**10**										

Source: *Alphaliner*; Vessels with a capacity of less than 10,000 TEU used on the NE-FE route are mainly with Japan as origin/destination

- 59.1% of the weekly capacity on the EU-Asia route deployed by European operators of which 96% with ships less then 15K TEU towards the Mediterranean ports (no linear connection with 18K TEU's vessels);
- >15K TEU vessels are used for 49% of the fleet towards Northern Range ports;
- Orderbook containerships to be used on the EU-Asia route for 62,7% less than or equal to 15K TEU's

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Container Trade Lane - Allocated Capacity	Change 2010-2018
Europe - North America	-1%
Far East - North America	+10%
Far East - Europe	+4%
Intra-Far East	+16%
Intra-Europe	+6%

- EU- Far East trade lane is the one is growing slower compared to other connections, only performing better than Europe-North America route
- Considering that the demand on the EU-Asia trade lane won't grow so fast, liners will allocate >18K TEU's vessels on the Northern Range without, however, significantly increasing the capacity offered; most of the 15-18k TEU's that are now deployed on FE- Northern Range will be deployed on the Mediterranean lanes

STATE OF ART AND PERSPECTIVES ON LAND AND AIR CONNECTIONS

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IT-CHINA TRADES [Bln €]	Maritime		Land (road+railway)		Air Cargo		Others (pipelines)		TOT
	Value	%	Value	%	Value	%	Value	%	Value
IMPORT [Bln €]	21,2	73,7%	1,5	**5,2%**	6	**21,0%**	0	0,0%	28,7
EXPORT [Bln €]	9,8	49,9%	0,9	**4,7%**	8,9	**45,3%**	0	0,0%	19,7

- **Railway transport has been characterized by several** new routes directly connecting the main industrial cities/logistic nodes of Western China with EU, such as:
  - Chongqing-Duisburg (2011)
  - Chengdu-Lodz (2012)
  - Zhengzhou-Hamburg (2013)
  - Suzhou-Warsaw (2014)
  - Zhengzhou-Munich (2017)
- From 0 trains/year in 2010 to **about 1,700 trains/year in 2016**
- **Main European destinations:** Germany (28%), Russia (14%), Poland (12%), France (9%)
- **In December 2017 1st block train from Mortara RRT and Chengdu**

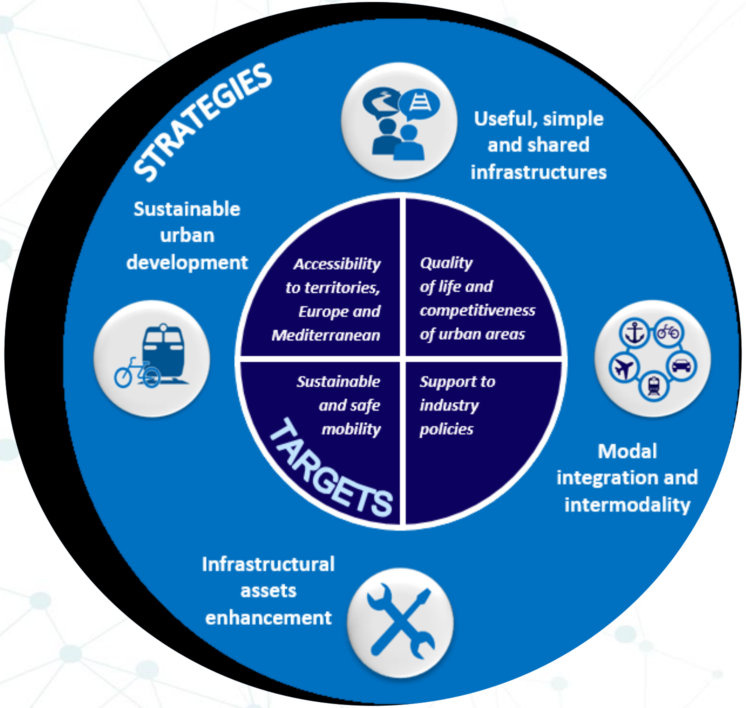
- Air Cargo relevant transport mode for import and export for **high value-added and perishable goods**
- **Challenge:** enhance the market share through selective airport infrastructural investments land side and digital simplification on custom clearances

ONE BELT ONE ROAD INITIATIVE
A POTENTIAL GAME CHANGER

- One Belt-One Road initiative has been launched in 2013 by Chinese Government to connect China and Europe by land and sea, passing through the Eurasian countries with **a 2050 horizon**;
- it involves **65 countries** representing about 60% of the world's population and over 1/3 of worldwide GDP;
- estimated **$ 1,400 billion** of Chinese Investments in **transport infrastructures**;
- support of the initiative through several financial undertakings such as:
  - **Silk Road Fund**, sovereign investment fund of 40 billion US dollars
  - **Asian Infrastructure Investment Bank**, created in 2014 by 57 founding partners (including Italy), with share capital of 100 billion US dollars
  - Shanghai-based **New Development Bank**, with 50 billion US dollars
- 1700 projects started between 2013 and 2016
- participations of Chinese companies in the **ports** of Haifa and Ashdod (Israel) - Ambarli (Turkey) - Bilbao (Portugal) - Valencia (Spain) - Piraeus (Greece) - Savona-Vado (Italy) - Rotterdam (Holland) - Antwerp (Belgium) - Hamburg (Germany);
- Preliminary interest in the **ports of Genoa** (breakwater) **and Trieste** (rail accessibility) submitted under EU-China Connectivity Platform;

4. National Plan on transport and logistics infrastructures

Connecting Italy: a new season for the Italian transport and logistics system



A new Vision:

- Environmental sustainability
- Social sustainability
- Economic sustainability
- Resilient Infrastructures

The implementing tools:


Infrastructures


Simplifications


Incentives

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- **15 Port System Authorities (PSA) 58 ports vs. 24 Port Authorities**

  Management Committee vs. Port Committee

  "Sea resource partnership" organization
- **PSA national coordination Conference**

  Chaired by the Minister

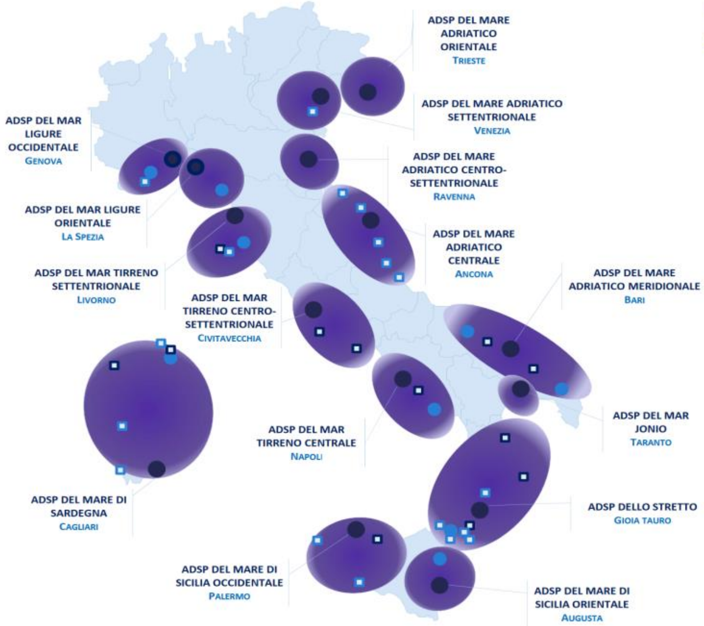
  Centralization of strategic planning related to relevant port infrastructure investments

  Support activities by Directorate General of Ports and RAM
- **Partnership for Logistics and Transport (Article 1 c.585 L.205/ 2017)**

  Composed of representatives of the competent Ministries and trade associations

  Analyses, studies, monitoring and consultancy for the definition of policies and actions in transport and logistics sectors

  Technical Secretariat of RAM



MARITIME SECTOR

PORT INFRASTRUCTURES

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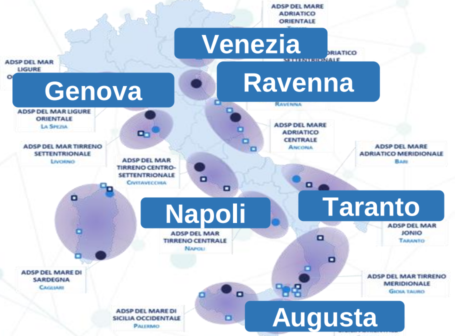
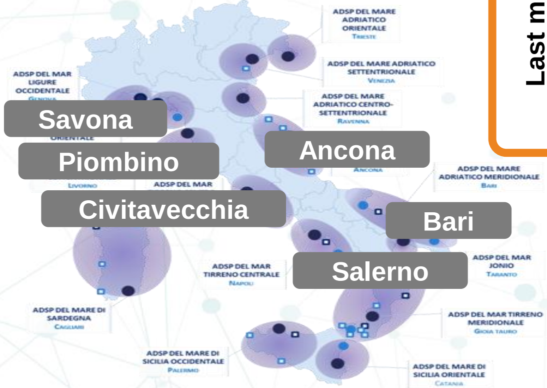
Maritime accessibilty improvement



Last mile (road)



Last mile (railway)

9 infrastructural programs in the 2017 EFF (National Economic and Financial Document):

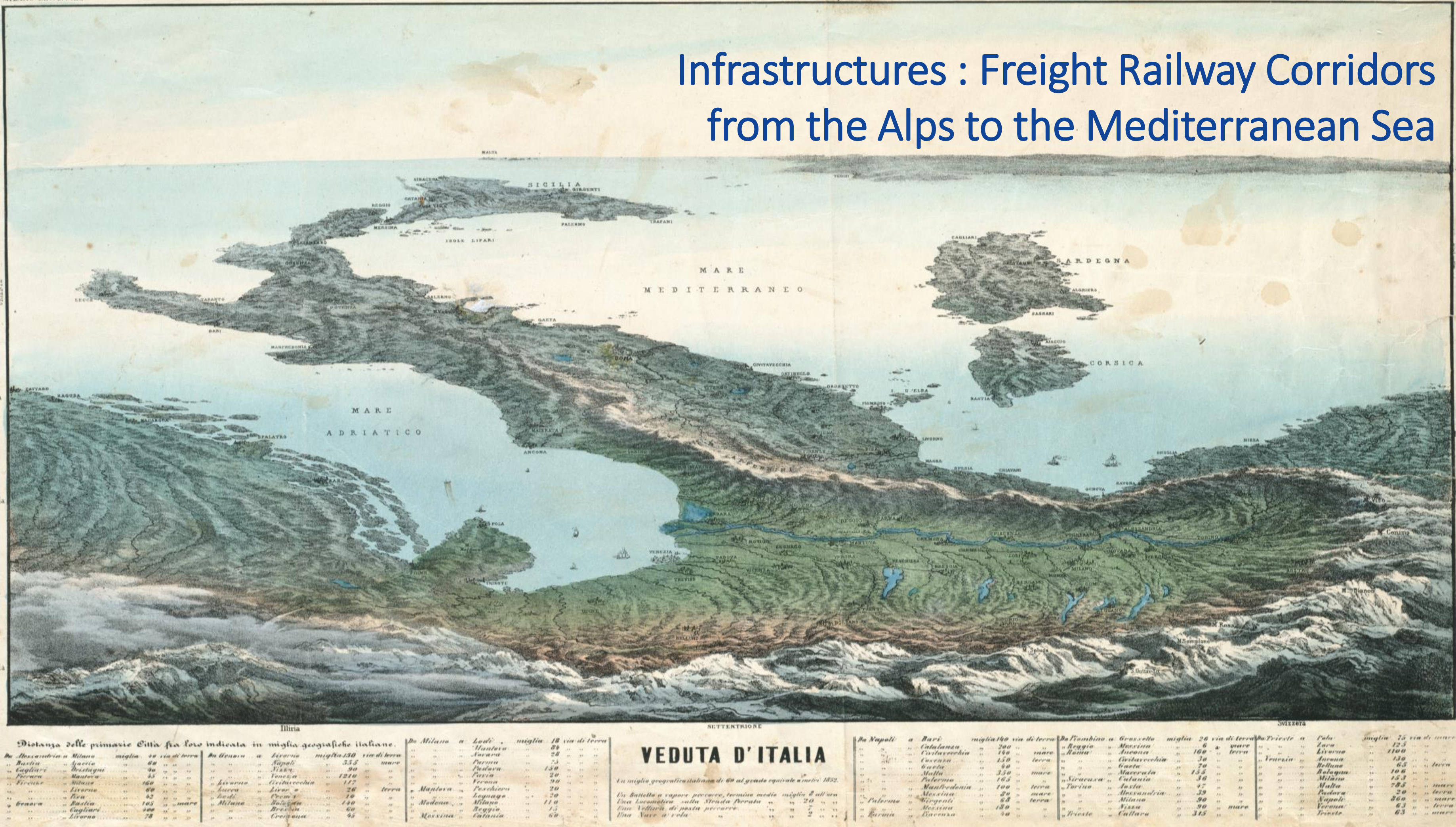
- maintenance
- digitalisation
- rail and road last mile
- maritime accessibility
- energy and environment
- waterfront and cruise services
- industrial activities in ports
- selective increase in capacity

2018 EEF: 2,36 Bln. €. for current investments; 25 interventions in project review; 63 projects (30 Mln.€ allocated) for technical and economic feasibility studies

500 Mln€/year in port projects

514 Mln € in the «last mile ports» chapters in RFI CdP for financed works in progress (+ 219 Mln€ on the 2016 CdP)

Infrastructures : Freight Railway Corridors from the Alps to the Mediterranean Sea



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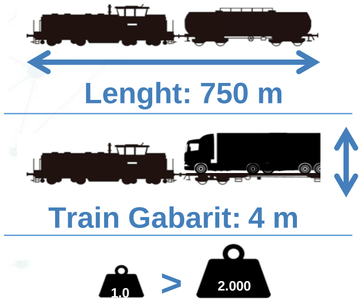
EUROPEAN RAIL FREIGHT STANDARD



2.200 Tons

In 2027 the European standard freight train will run from the Brenner to Gioia Tauro both on the Adriatic and on the Tyrrhenian axis.

Budget allocation for Alpine cross-border railway sections: more than 21 Bln. €

Brenner: the base tunnel 150 years after the inauguration of the historic railway (1867)

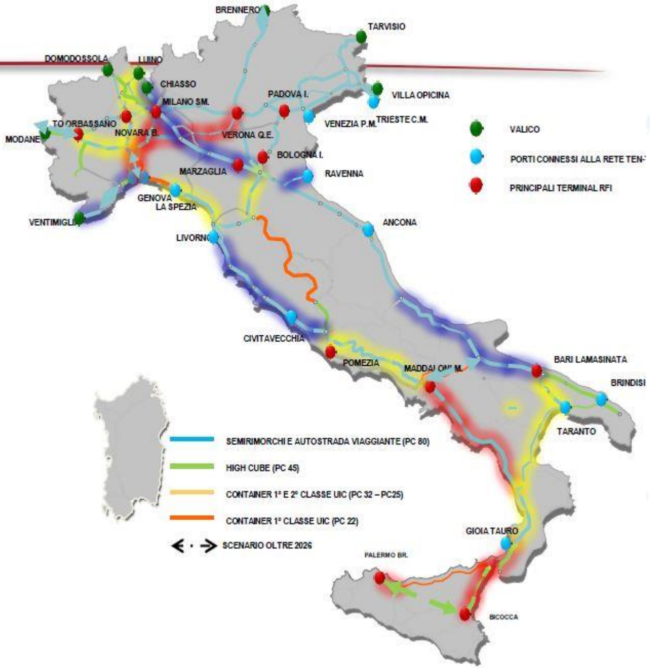
FREJUS: from the historical tunnel (1871) to nowaday's tunnel

From the Succursale dei Giovi (1889) to the Terzo Valico

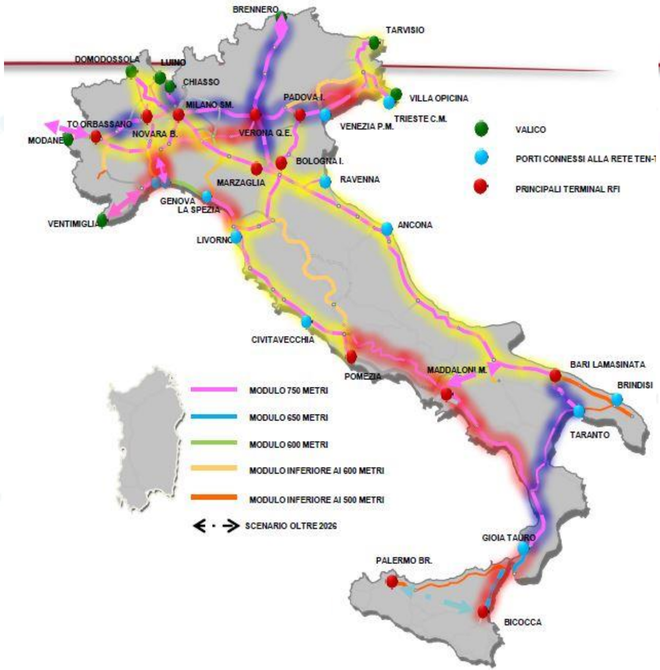
Framework Contract (Contratto di Programma) 2017-2021 between MIT and RFI:
66 Bln €. over 101 Bln.€ already financed

RAILWAY SECTOR
RFI DEPLOYMENT PLAN

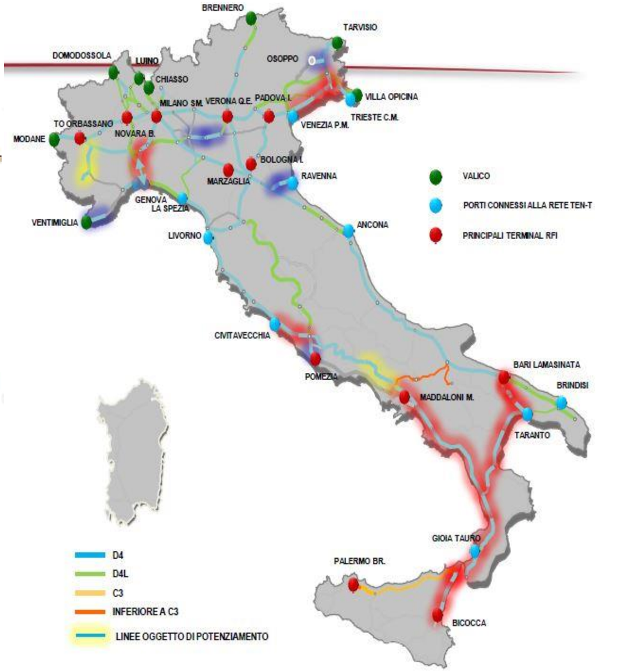
Gabarit



Train Lenght



Axle Load



Scenarios: 2018 | 2021 | 2026

ROADS AND MOTORWAYS
INFRASTRUCTURES AND SMART ROADS

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On-going investments

Project Review and Feasibility Projects

Smart Roads Initiative

D.M. 28/02/2018 foreseen by Budget Law 2018

- Extension of the Smart Roads to the entire IT Road and Motorway Core Network
- Definition of authorization procedures for autonomous driving vehicles

Total Investments 40.4 Bln. €

- Roads: 20.3 Bln. € (15.9 billion available)
- Motorways under concession: 20.1 Bln. € (14.5 billion available)

5. Conclusions and open issues

CONCLUSIONS

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- **China plays an important role as Italian trade partner**, exchanging freight principally by **seaborne transport** with a relevant share of **air cargo** for specific goods;
- **Seaborne connections:** the current picture on demand and offer of container segment on the trade Lane EU – Asia (Far East) draws no huge expectations on traffic forecasts and on containerships capacity allocation increase; consequently the infrastructural port’s investments are more focused on improving land accessibility (rail connections in order to enlarge the catchment areas of national ports and enhancing time-price ratios) rather than on maritime accessibility for new ULCV vessels;
- **Railway connections and air cargo:** freight transport modes to be further developed on trade lane IT-China, investing in infrastructures and procedures digitalization;
- Italy offers to Chinese goods with destination EU an already **performing transport and logistics network**, integrated and connected with the Trans European Transport Corridors (TEN-T); other major infrastructural investments, by 2027, are foreseen in ports, RRT, railway lines and Motorway network in order to improve accessibility and freight mobility between MED area and Central and Northern Europe;
- A potential game changer could modify the perspective: **OBOR**

........SOME QUESTIONS.........

- Do you have an idea of the volumes and values of the freight trades exchanged along the IT-China route, not directly or indirectly traceable by Custom Agencies? *i.e. goods exported from China with destination a macro-regional warehouse in Rotterdam and than transported to Italy*

- Is China and its logistics operators satisfied with the port's investments deployed in Piraeus and Valencia? Do the connectivity of those ports with the rest of Europe answer to the expected needs?

- Are there any specific country risks that China detect towards Italy?

Thank You for Your Attention!

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