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ADRIATIC-IONIAN AREA
2007 Report – traffic flows and infrastructure policies

Ida Simonella

Portonovo, 29 May 2007

- **Traffic flows as of 2006: movement of passengers and cargo**
- **EU policies and opportunities for the development of the highways of the sea**

STARTING THIS YEAR….

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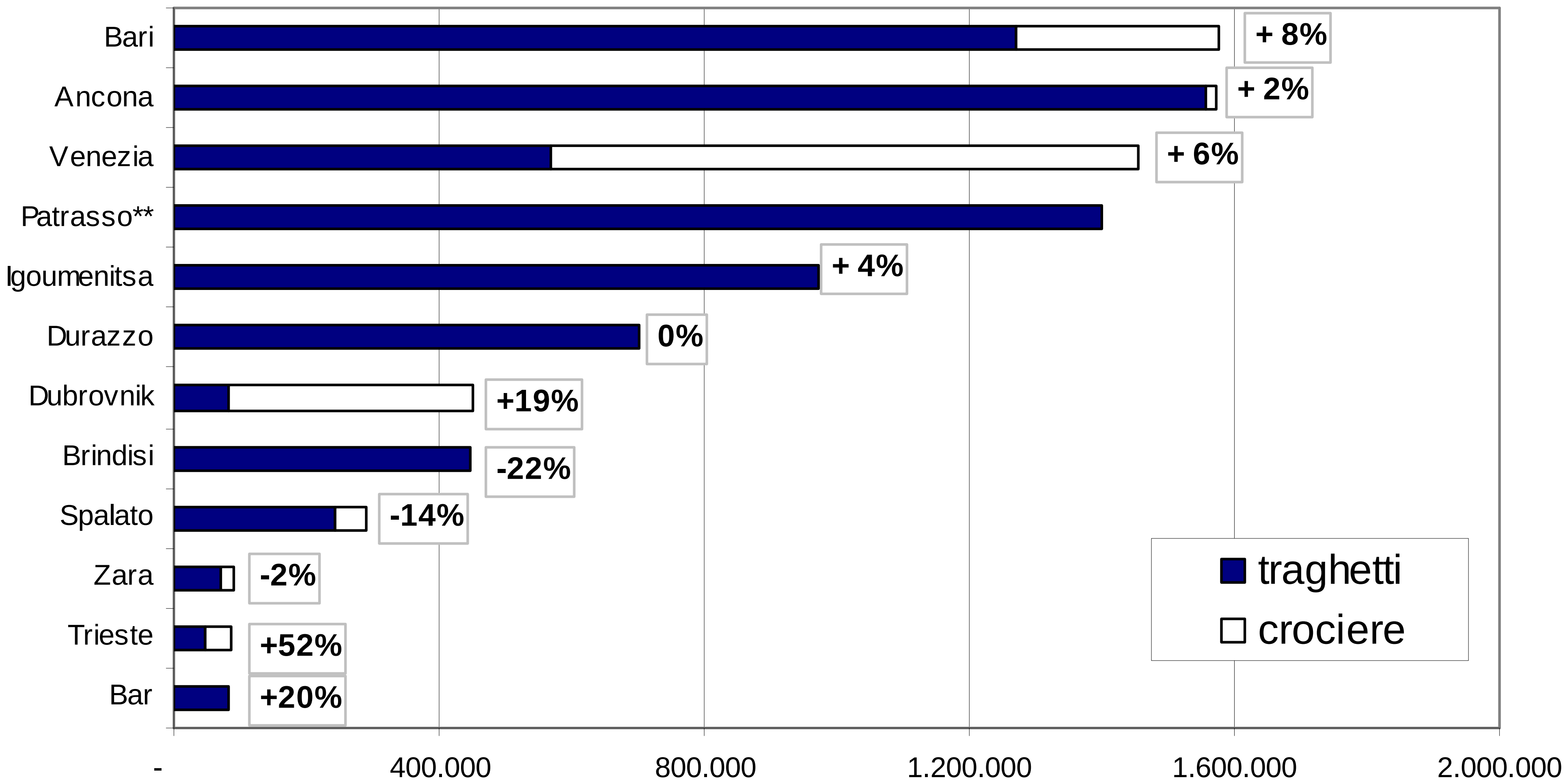
PORTS: MOVEMENT OF PAX IN AI AREA



Source: Istao 2007 analysis of Port Authorities' statistics

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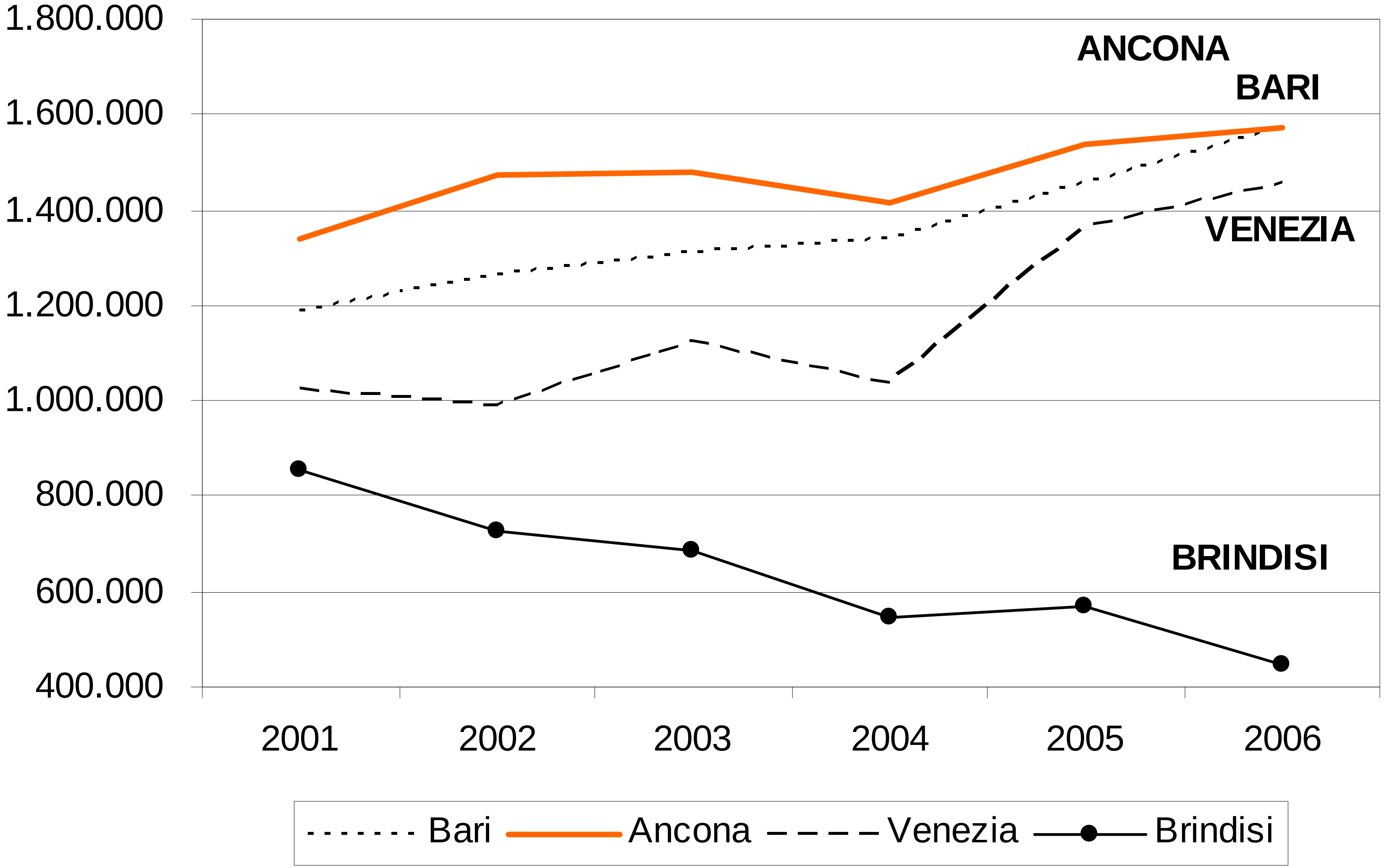
PORTS: PAX TRENDS MAIN ITALIAN PORTS



Source: Istao 2007 analysis of Port Authorities' statistics

TRUCKS/TRAILER in the ADRIATIC and IONIAN (1)

ADRIATIC PORTS: TRUCK/TRAILER MOVEMENTS AND MARKET SHARES

	2001	2002	2003	2004	2005	2006
Trieste	27%	26%	29%	32%	27%	27%
Ancona	28%	28%	27%	27%	27%	26%
Bari	15%	16%	16%	17%	21%	25%
Brindisi	11%	10%	15%	13%	11%	8%
Ravenna	5%	5%	5%	5%	5%	5%
Venice	14%	14%	8%	6%	10%	9%
TOT (%)	100%	100%	100%	100%	100%	100%
Tot. ADR	**706,808**	**740,878**	**746,476**	**719,266**	**736,620**	**756,019**

Source: Istao 2007 analysis of Port Authorities' statistics

- Movements to and from Greece account for 56% of the market, Turkey 27%, Albania (8%), The remainder consists of traffic with Croatia and Montenegro and the Ravenna-Catania line.

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TRUCKS/TRAILERS in the ADRIATIC and IONIAN (2)

ADRIATIC PORTS: TRUCK/TRAILER MOVEMENT AND MARKET SHARES BY MARKET

	Greece	Turkey	Albania
Ancona	**39%**		4%
Bari	33%		**70%**
Brindisi	12%		**14%**
Venice	17%		
Trieste		**100%**	12%
Tot %	100%	100%	100%
Tot. A.V.	**423,355**	**207,000**	**60,555**

Source: Istao 2007 analysis of Port Authorities' statistics

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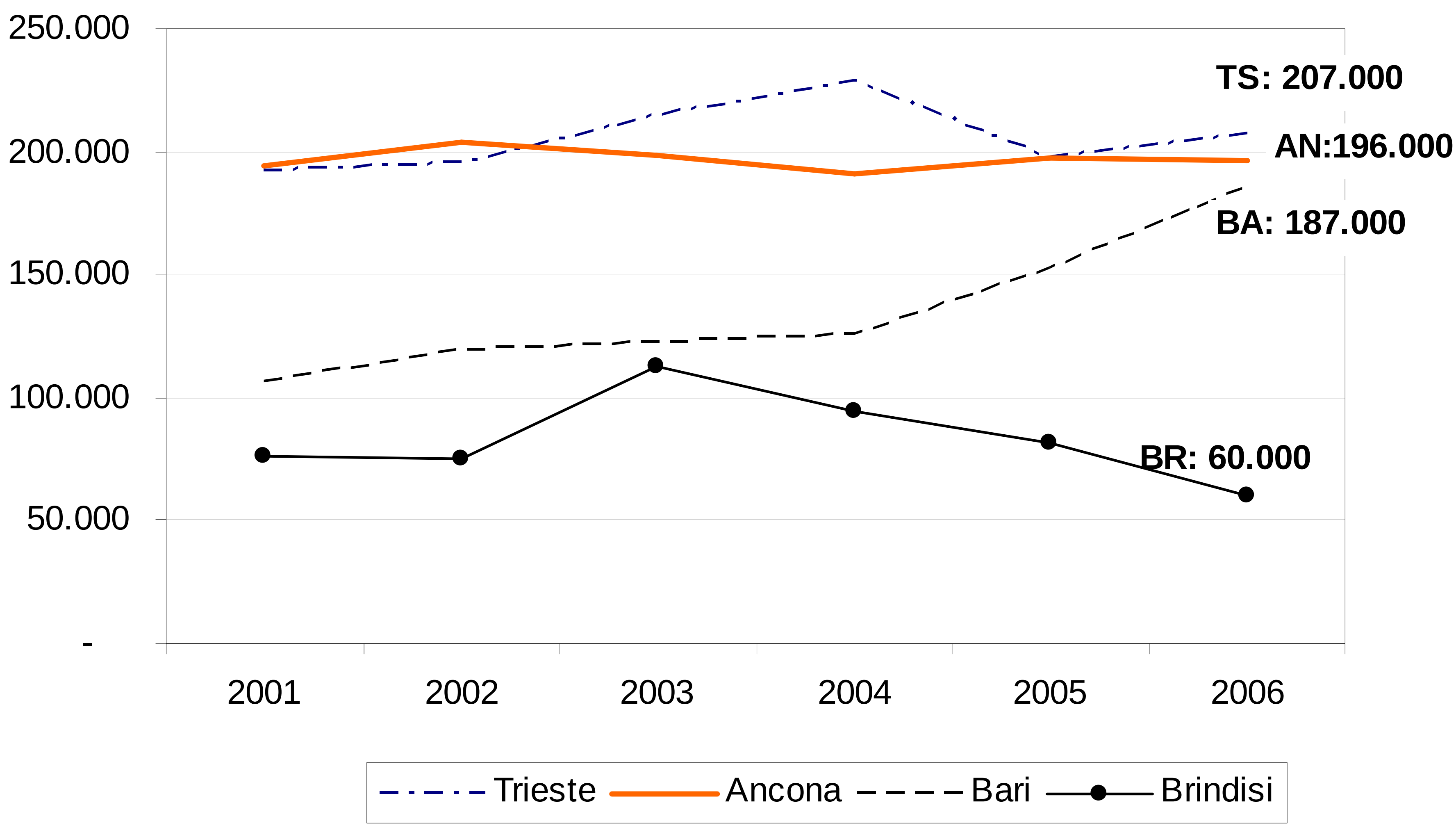
TRUCK/TRAILER MOVEMENT : 2001-2006 TRENDS FOR MAIN ITALIAN PORTS



Fonte: rilevazioni Istao 2006 su dati Autorità Portuali

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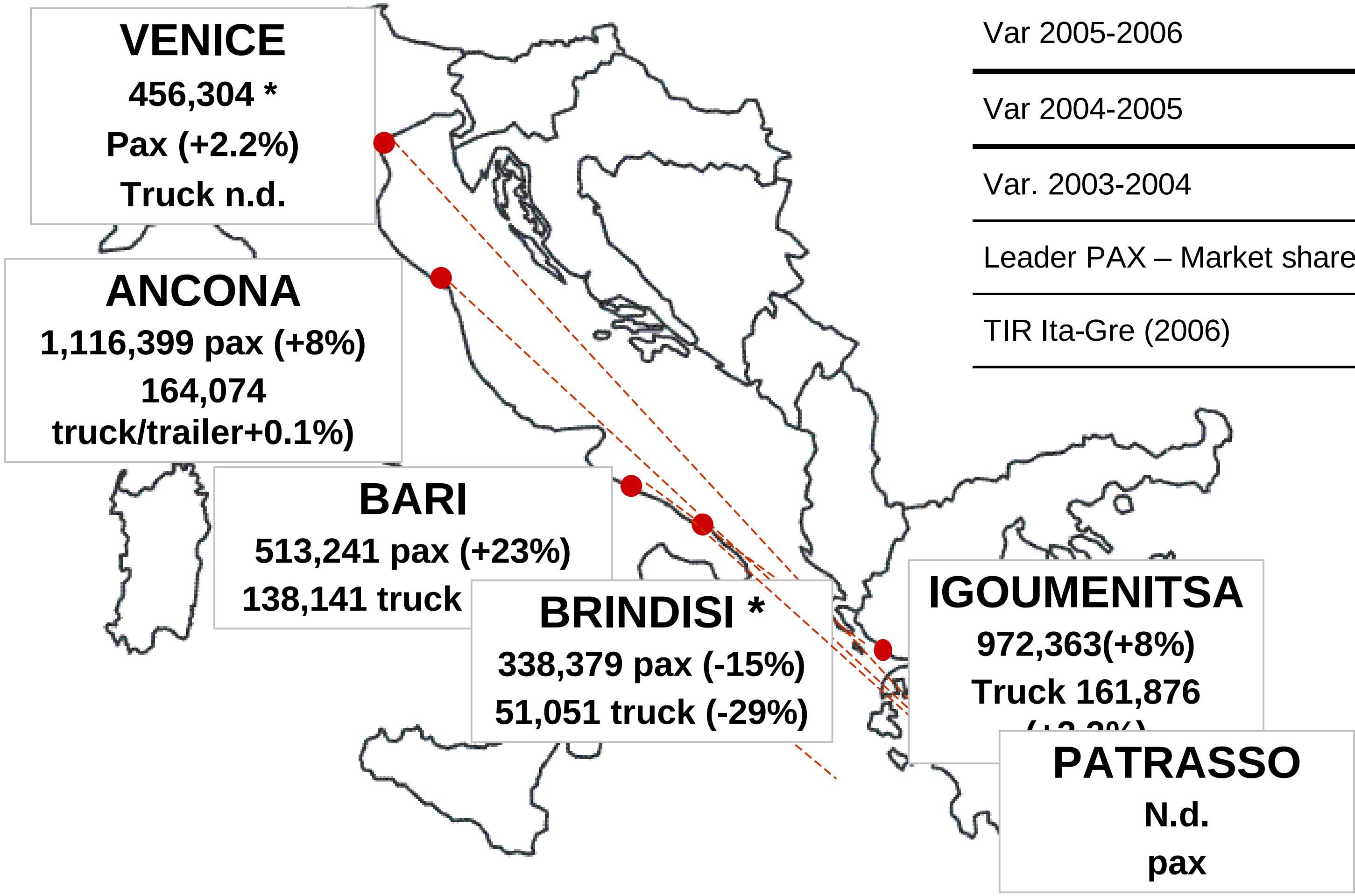
Source: Istao 2007 analysis of Port Authorities' statistics

INTERNATIONAL MOVEMENTS WITH GREECE – 2006 -

Pax Ita-Gre	**2,4 million**
Var 2005-2006	+4,8%
Var 2004-2005	-
Var. 2003-2004	-12%
Leader PAX – Market share	Ancona 46%
TIR Ita-Gre (2006)	nd



Source: Istao 2007 analysis of Port Authorities' statistics

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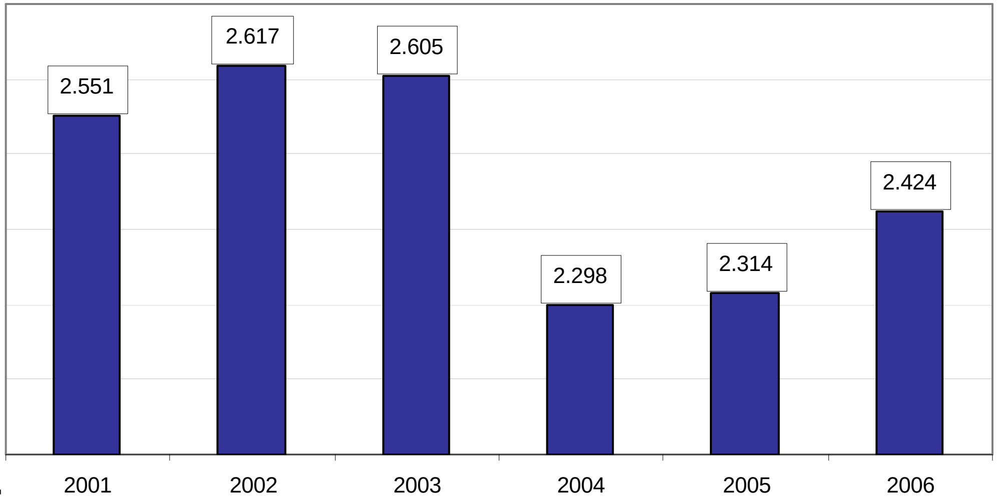
INTERNATIONAL MOVEMENTS WITH GREECE

ADRIATIC PORTS:
MOVEMENT OF PAX TO and FROM GREECE



PAX TRAFFIC TO and FROM GREECE
Market share Adriatic ports

	2001	2006
Ancona	**38%**	**46%**
Bari	17%	21%
Brindisi	21%	14%
Venice	15%	19%
Trieste	9%	0%
ADR- ITA	100%	100%

- In recent years market essentially stable.
- But strong growth in Ancona's market share

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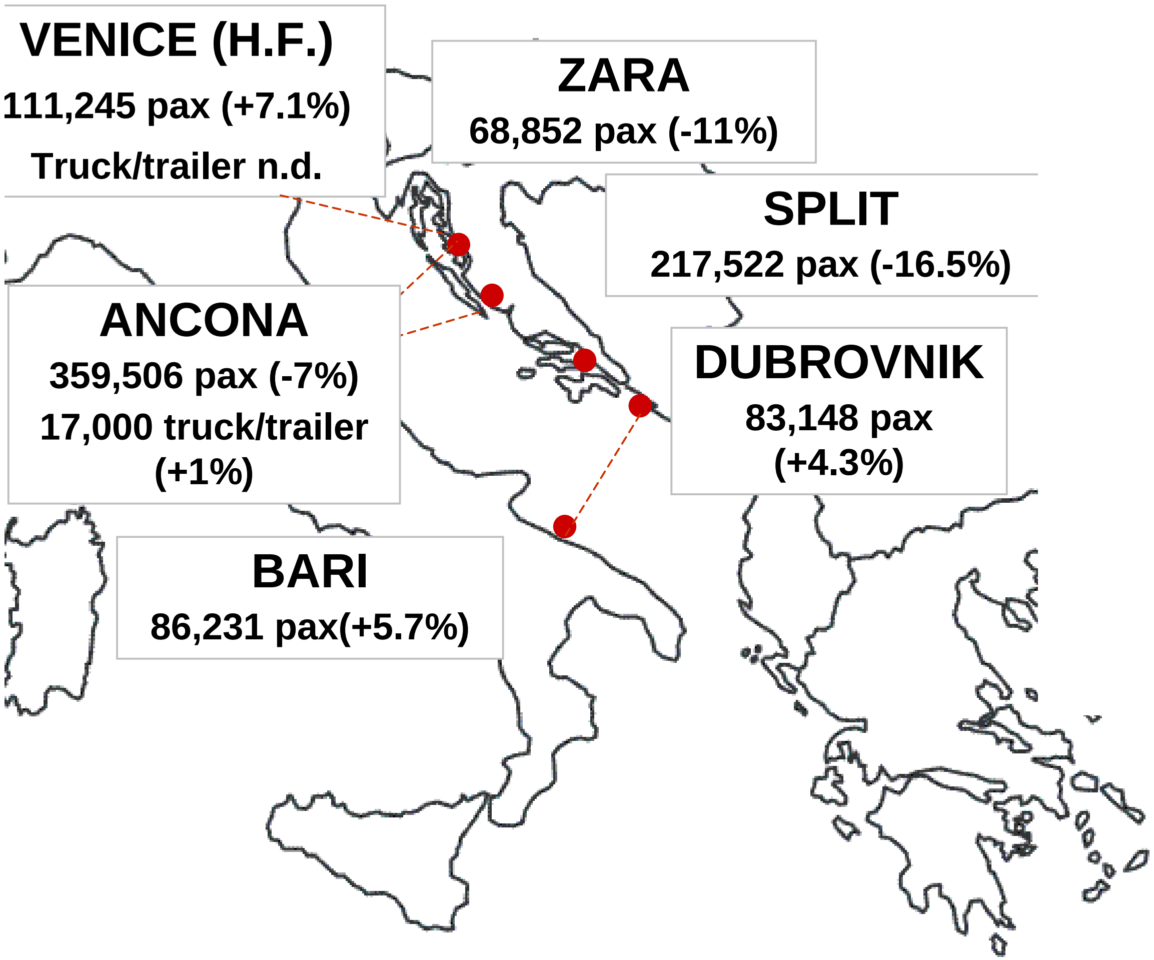
Source: Istao 2007 analysis of Port Authorities' statistics

INTERNATIONAL MOVEMENTS WITH CROATIA – 2006



Pax Ita-Cro	**446,0(+Hydrofoi**
Var 2005-2006	-3
Var. 2004-2005	+2
Var. 2003-2004	+10
TRUCK ITA-CRO	**17,4(**
Var 2005-2006	-1
Leader PAX – Market share	Ancona 81
Leader TIR – Market share	Ancona 100

Source: Istao 2007 analysis of Port Authorities' statistics

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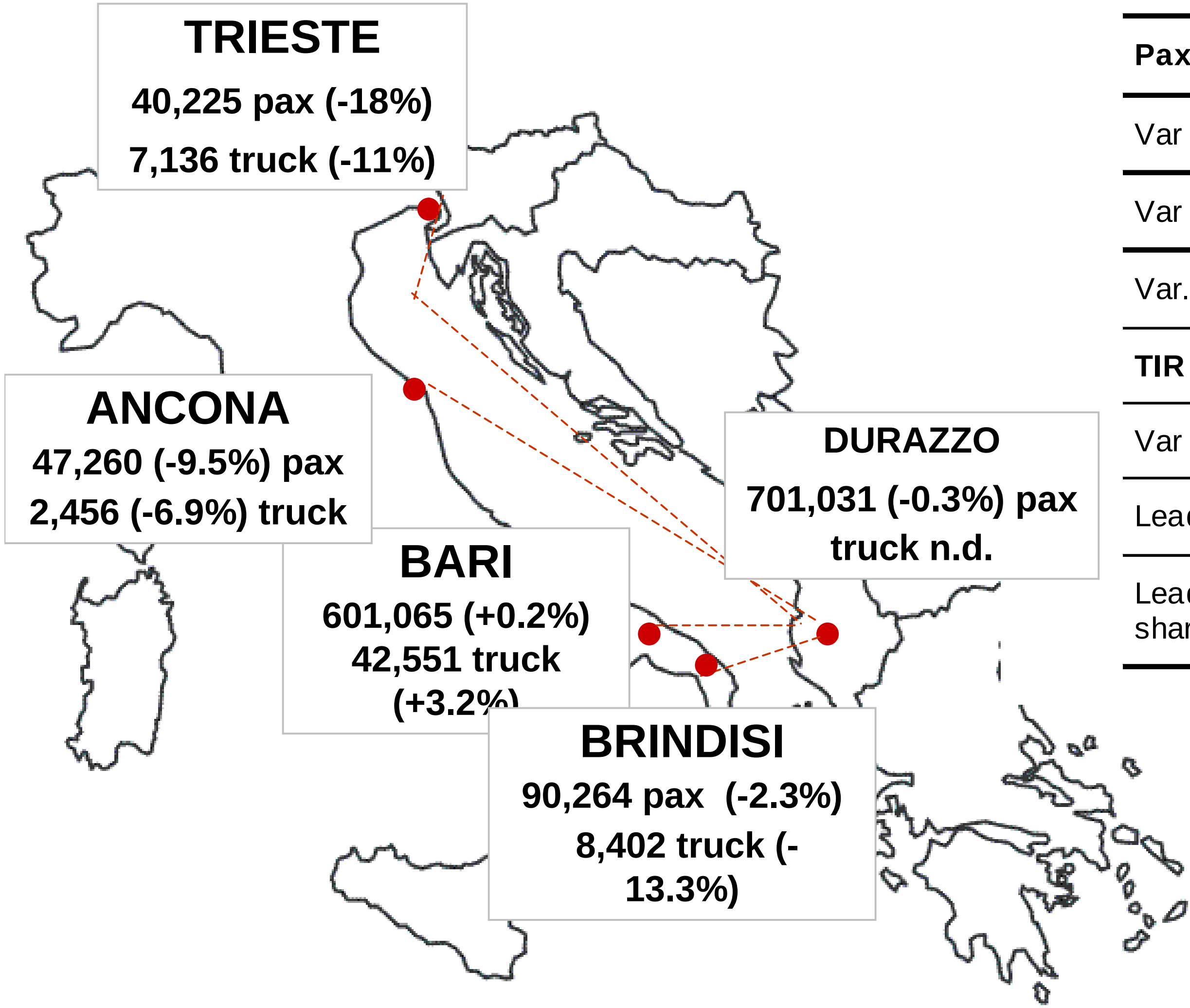
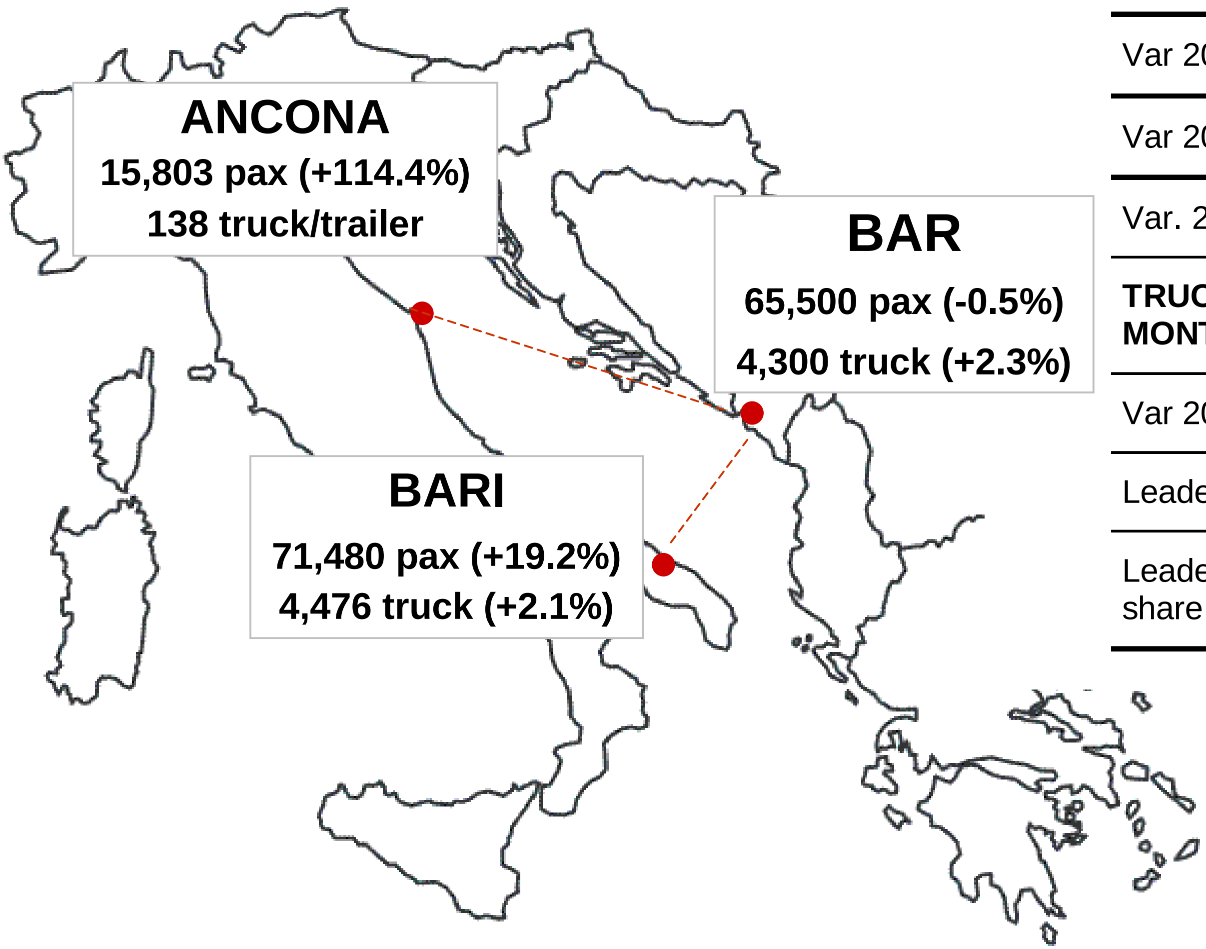
INTERNATIONAL MOVEMENTS WITH ALBANIA - 2006



Pax ITA-ALB	**778,814**
Var 2005-2006	-0.3
Var 2004-2005	-3%
Var. 2003-2004	+4%
TIR ITA-ALB	**60,545**
Var 2005-2006	-1.1%
Leader PAX – Market share	Bari-Brindisi 89%
Leader TRUCK – Market share	Bari.Brindisi 84%

Source: Istao 2007 analysis of Port Authorities' statistics

INTERNATIONAL MOVEMENTS MONTENEGRO -2006 -



Pax ITA-MONTENEGRO	**87,000**
Var 2005-2006	+30%
Var 2004-2005	+3,9%
Var. 2003-2004	-19%
TRUCKS ITA-MONTENEGRO	**4,614**
Var 2005-2006	+3,9%
Leader PAX – Market share	Bari 82%
Leader TRUCK – Market share	Bari 97%

Source: Istao 2007 analysis of Port Authorities' statistics

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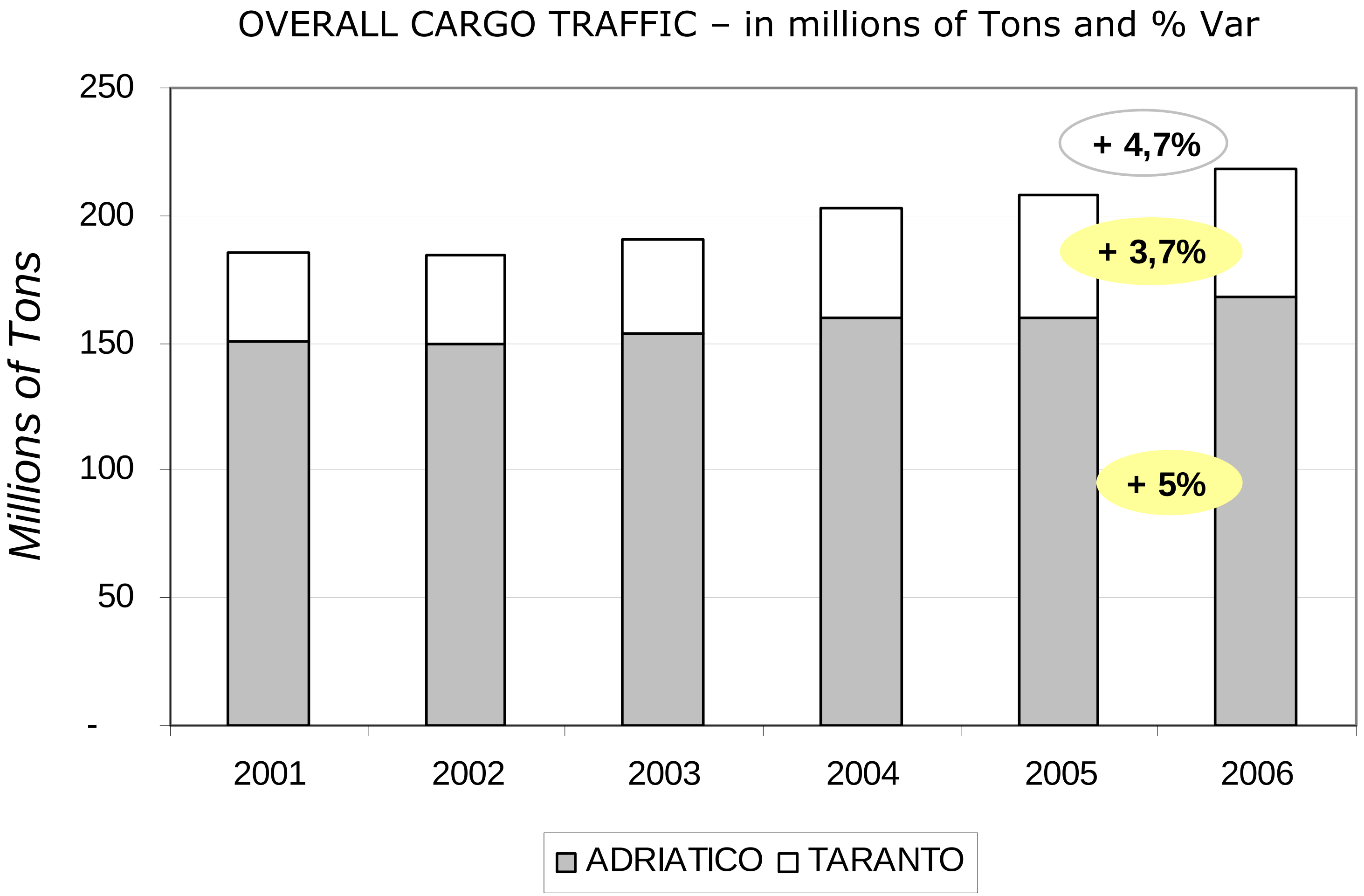
CRUISE TRAFFIC

Port	2005	% Var	2006	% Var
Venice	815,153	20%	885,664	9%
Dubrovnik	297,466	14%	367,321	23%
Bari	277,979	6%	303,388	9%
Trieste			50,000	ns
Spalato	47,315	39%	46,999	-1%
Zara	13,180	88%	19,739	50%
Ancona	39,638	701%	18,916	-52%

Source: Istao 2007 analysis of Port Authorities' statistics

OVERALL CARGO MOVEMENTS

218 million tons in 2006



Source: Istao 2007 analysis of Port Authorities' statistics

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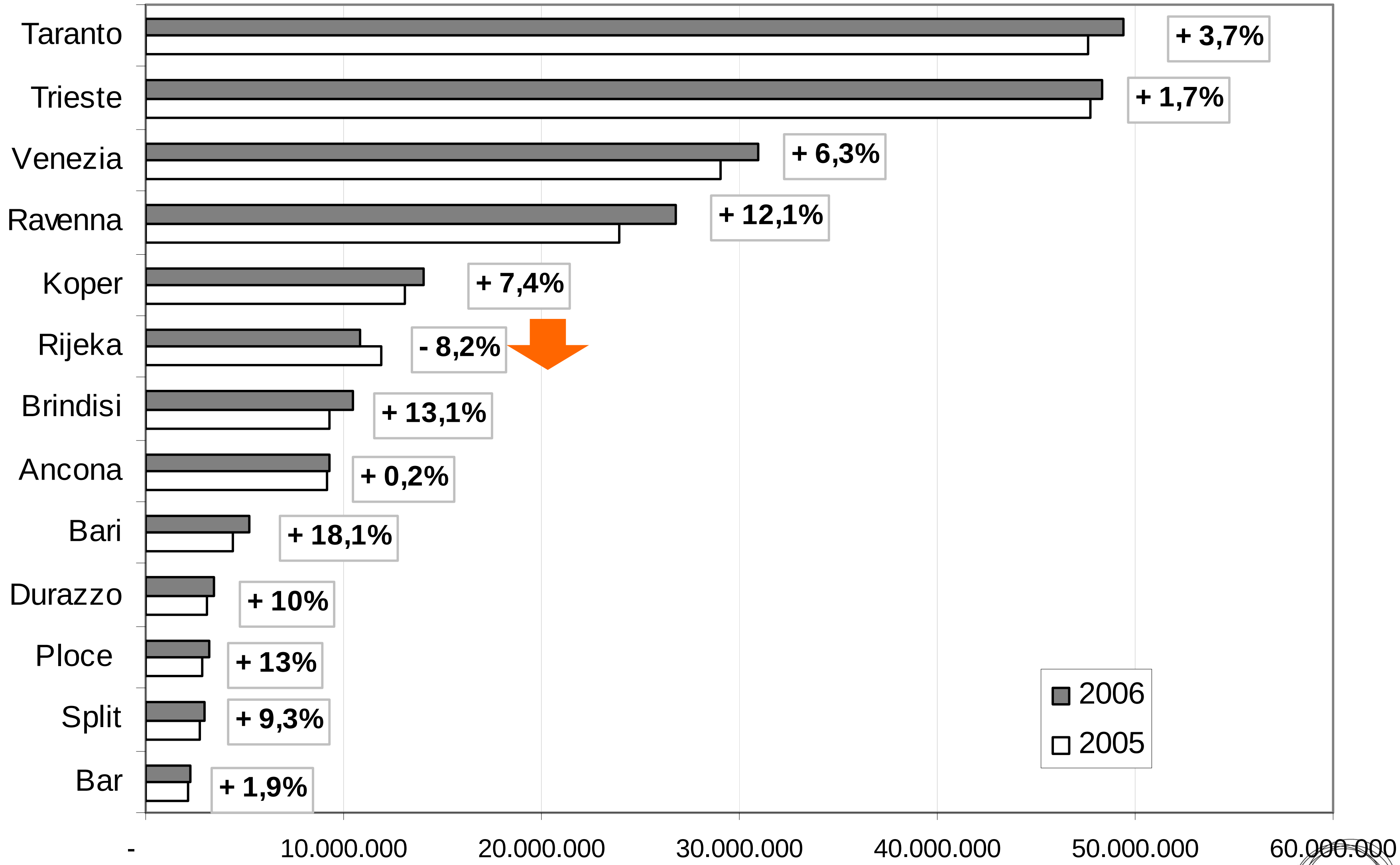
OVERALL CARGO MOVEMENTS: PORTS



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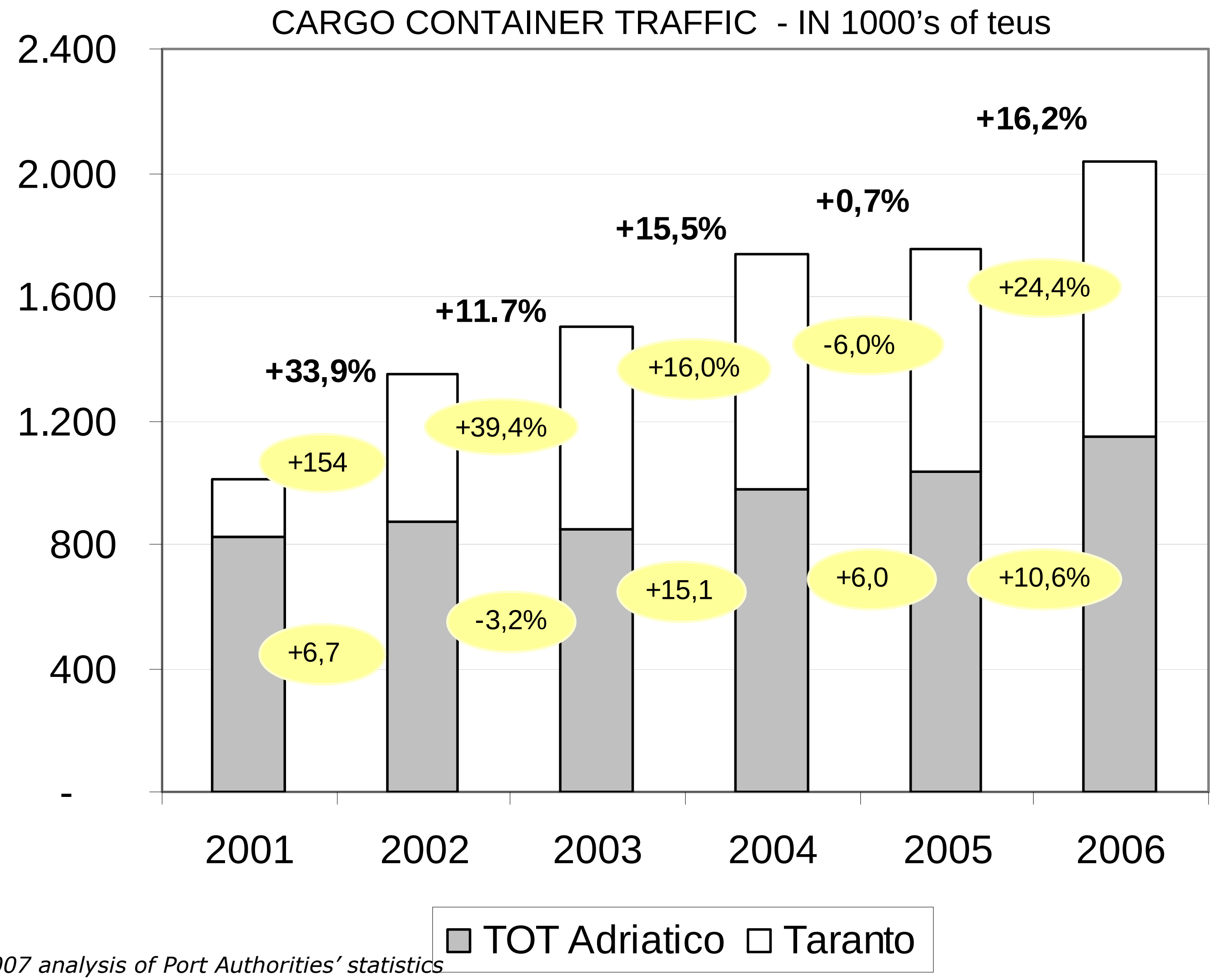
Source: Istao 2007 analysis of Port Authorities' statistics

CONTAINER MOVEMENTS 2006 – ADRIATIC-IONIAN

Adriatic (1,147,000 teus) + Taranto (892,000 teus)



Source: Istao 2007 analysis of Port Authorities' statistics

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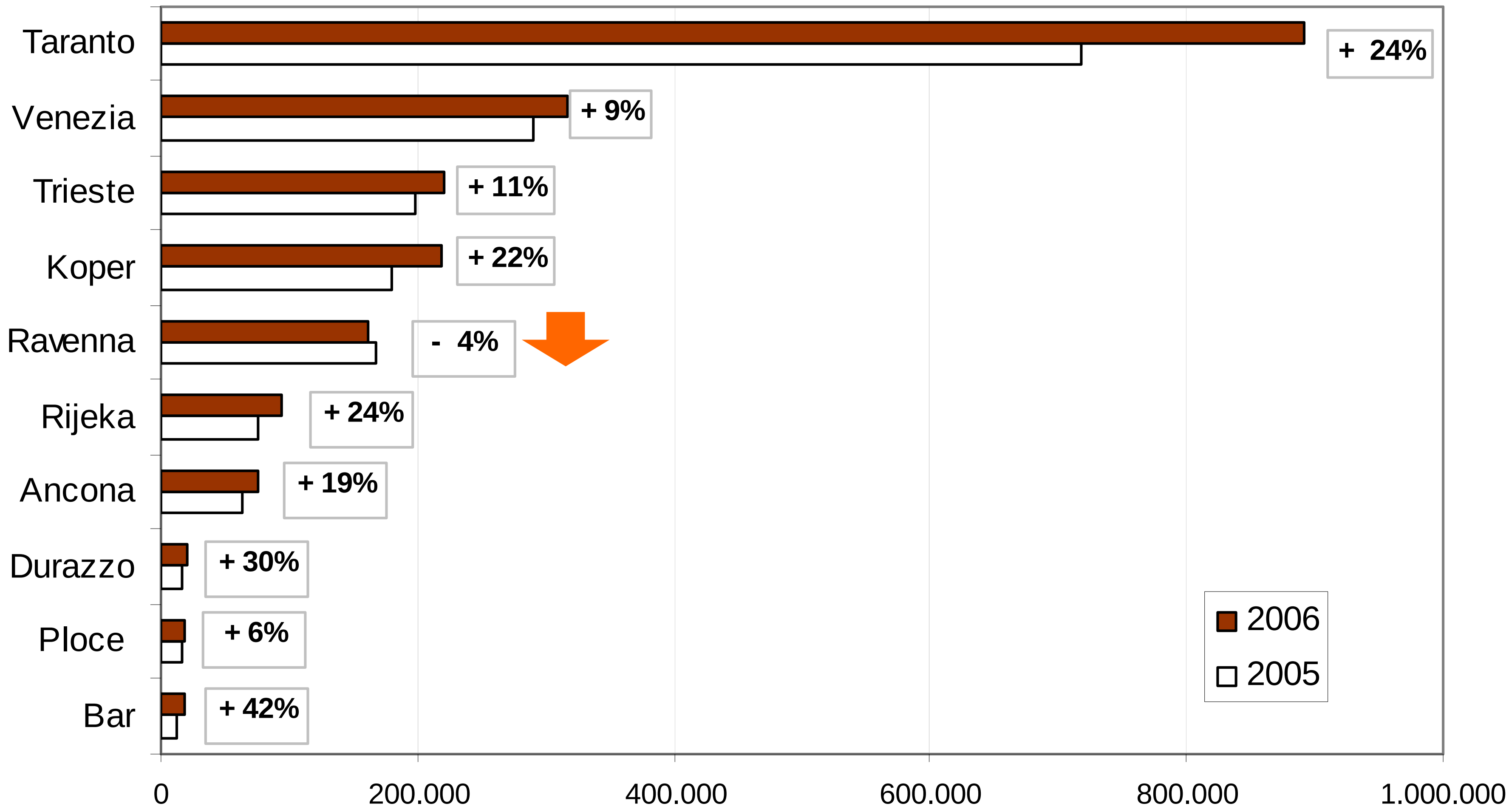
PORTS - CONTAINER MOVEMENTS 2006



Fonte: elaborazioni Istao 2007 su dati AP

Source: Istao 2007 analysis of Port Authorities' statistics

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DYNAMICS OF CONTAINER TRAFFIC

CONTAINER TRAFFIC IN TEU
IN THE MAIN ADRIATIC-IONIAN PORTS

	2002	*2003*	*2004*	*2005*	*2006*	***% var 2002/06***
TARANTO	472	658	763	717	892	**89%**
VENICE	262	284	291	290	317	**21%**
TRIESTE	185	120	175	198	220	**19%**
KOPER	115	126	153	180	219	**91%**
RAVENNA	161	160	169	169	162	**1%**
RIJEKA	17	29	61	76	94	**466%**
ANCONA*	94	76	65	64	97	**3%**

** including railway transit*

Fonte: elaborazioni Istao 2007 su dati AP

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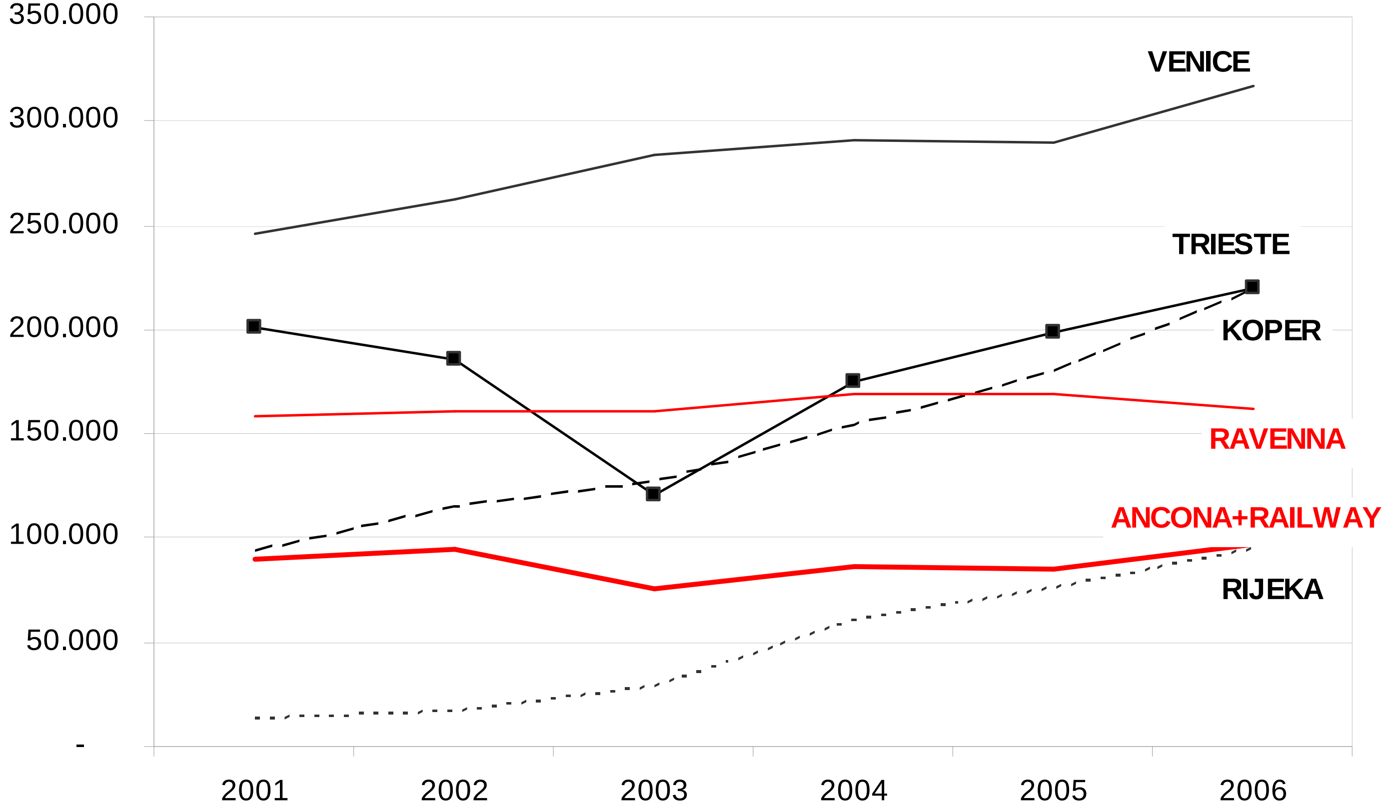
TRENDS 2001-2006 – CONTAINER MOVEMENTS



Market share

67%	**UPPER ADRIATIC (VE, TR, KO, RI)**	**73%**
11%	**ANCONA**	**8%**
19%	**RAVENNA**	**14%**

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Source: Istao 2007 analysis of Port Authorities' statistics

NEW LOGISTICS AREAS

THE BLUE BANANA IN TRANSITION

Source: Cushman & Wakefield, Healey & Baker

- Ongoing decentralisation of manufacturing activities towards East, with centre of gravity of European logistics shifting from centre to Eastern Europe
- New impetus to transport via the Danube, railway network plus ports in Baltic and Adriatic less important to date

SUMMARY CONSIDERATIONS: PASSENGERS

- Bari is the new basin leader in terms of traffic, thanks to reinforcement of the ferry and cruise sectors. Ancona remains the leader in ferry traffic.
- Ancona loses its leadership position in truck/trailer traffic, falling behind Trieste as well.
- The market shares of the different ports are being specialised and reinforced along specific routes:
  - Ancona reinforces its leadership with Greece, a market showing a general revival in 2006. It also remains the leader in traffic with Croatia, though a slight decrease was registered in the ferry segment, due in part to the proliferation of competitors and hydrofoil offerings.
  - Bari shows noteworthy growth in traffic with Greece (gaining share from Brindisi) and reinforces its leadership on the Albanian market (whose overall trend is downward). Though Bari is also the leader in traffic with Montenegro, in 2006 operations out of Ancona eroded its market share.
  - Venice reinforces its leadership on the cruise market, which shows constant growth, with especially strong results turned in by Bari and Dubrovnik.

SUMMARY CONSIDERATIONS: CARGO

- There was noteworthy growth in the A-I area in 2006, in terms of both overall movements and container traffic.
- Ancona showed positive results in all the main segments, though the situation of marginality persisted, and was even reinforced.
- In terms of container movement for 2006, the basin registered the largest increase since 2002, thanks to the driving role of the hub port of Taranto (+24.4%). The Adriatic alone accounted for movement of 1.1 million Teus (as much as La Spezia alone).
- The Adriatic area shows growth of 42% over the last five years, characterised by a gradual concentration of traffic in the Upper Adriatic (Trieste, Venice, Koper, Rijeka), whose market share has gone from 67% in 2001 to 73% in 2006.
- Ravenna and Ancona (taking into consideration railway movement as well) maintain roughly the same absolute values in terms of container movements, though their market shares in the area have gradually decreased.

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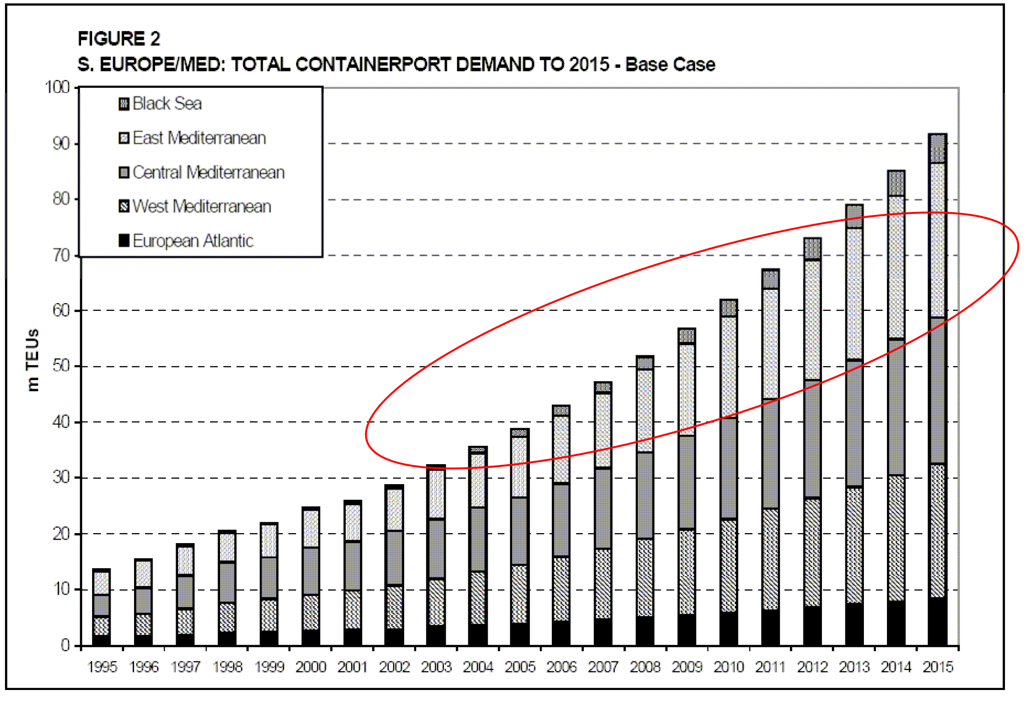
OPPORTUNITIES: GROWTH IN BLACK SEA AND EAST MED.



Source: Ocean Shipping Consultants

Forecast: growth rates by geographic area

		2005	2010	2015
East Med /Black Sea	Non-transhipment Handling Demand	9.64	16.2	24.48
	Container transhipment Demand	2.66	5.10	8.34
Italy	Non-transhipment Handling Demand	4.78	6.33	8.24
	Container transhipment Demand	4.94	7.69	11.60

- Traffic as of 2006: passenger and cargo movement
- EU policies and opportunities for development of the highways of the sea

TEN-T: THE ITALIAN OUTLOOK

Corridor V:

Railway axis east area can be completed by end of 2020

VR-PD (2009-2015)

PD-Mestre (new parallel tracks) – in operation 2008

Mestre-Trieste (already being planned)

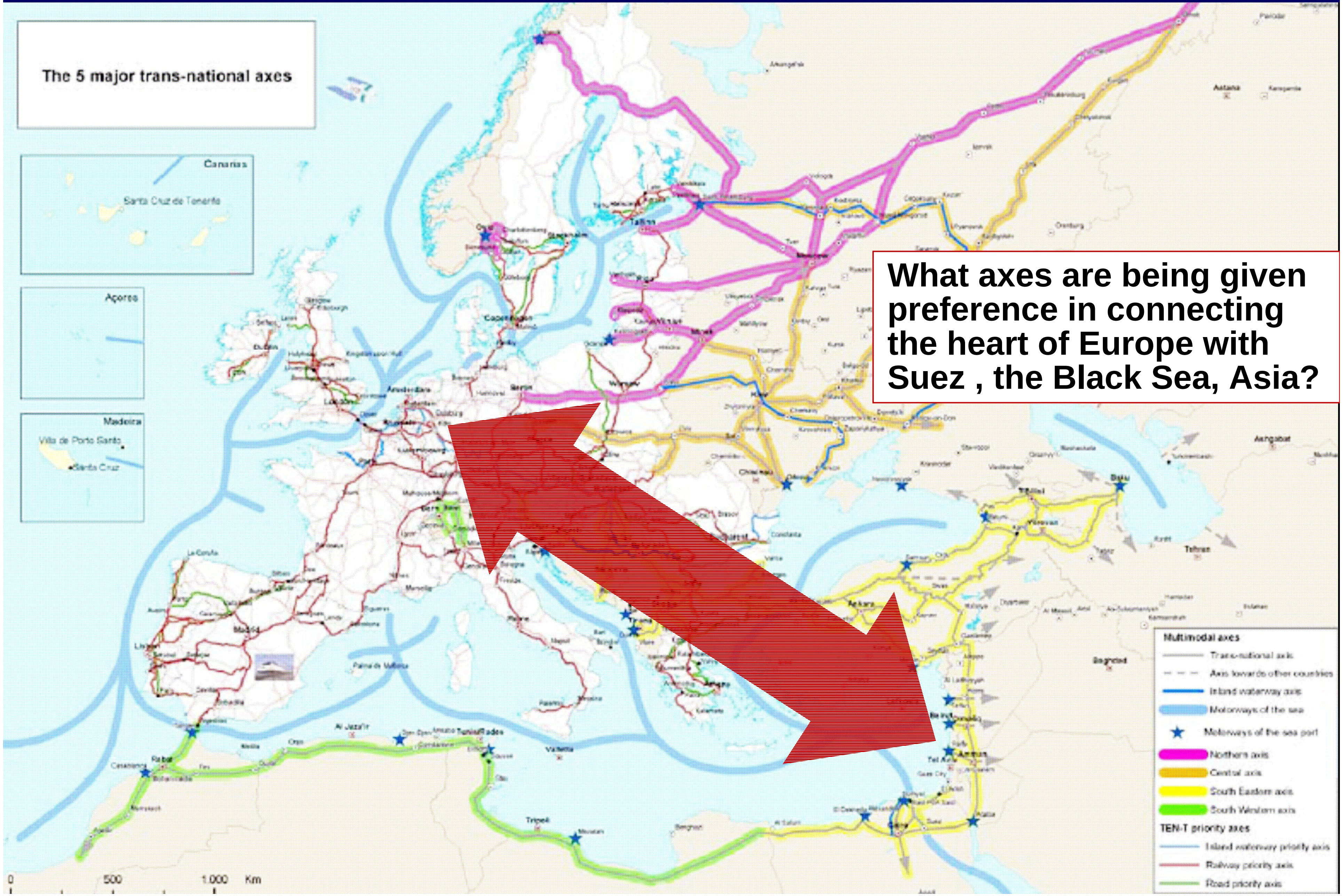
Trieste-Koper-Divaca – start-up 2012-2013

Divaca-Lubiana-Hungarian border

A4 Highway – Turin-Trieste

Given top priority by the government

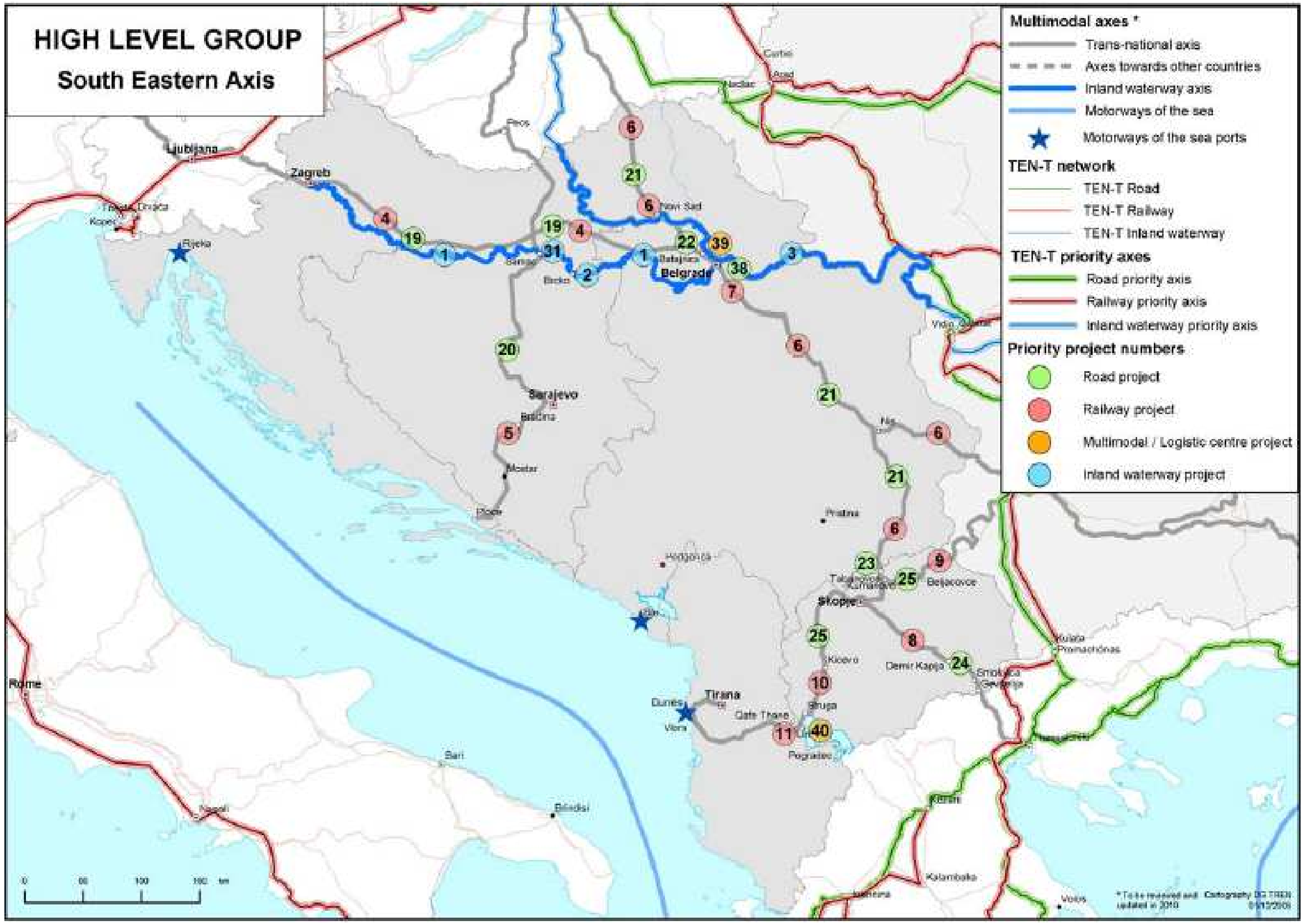
TRANSPORT NETWORKS AND EUROPEAN PRIORITIES: AN OVERVIEW



What axes are being given preference in connecting the heart of Europe with Suez , the Black Sea, Asia?

PROGRAM TEN-T EXTENSION TO BORDERING COUNTRIES

46 projects given priority, with 30 ready for start-up by the end of 2010

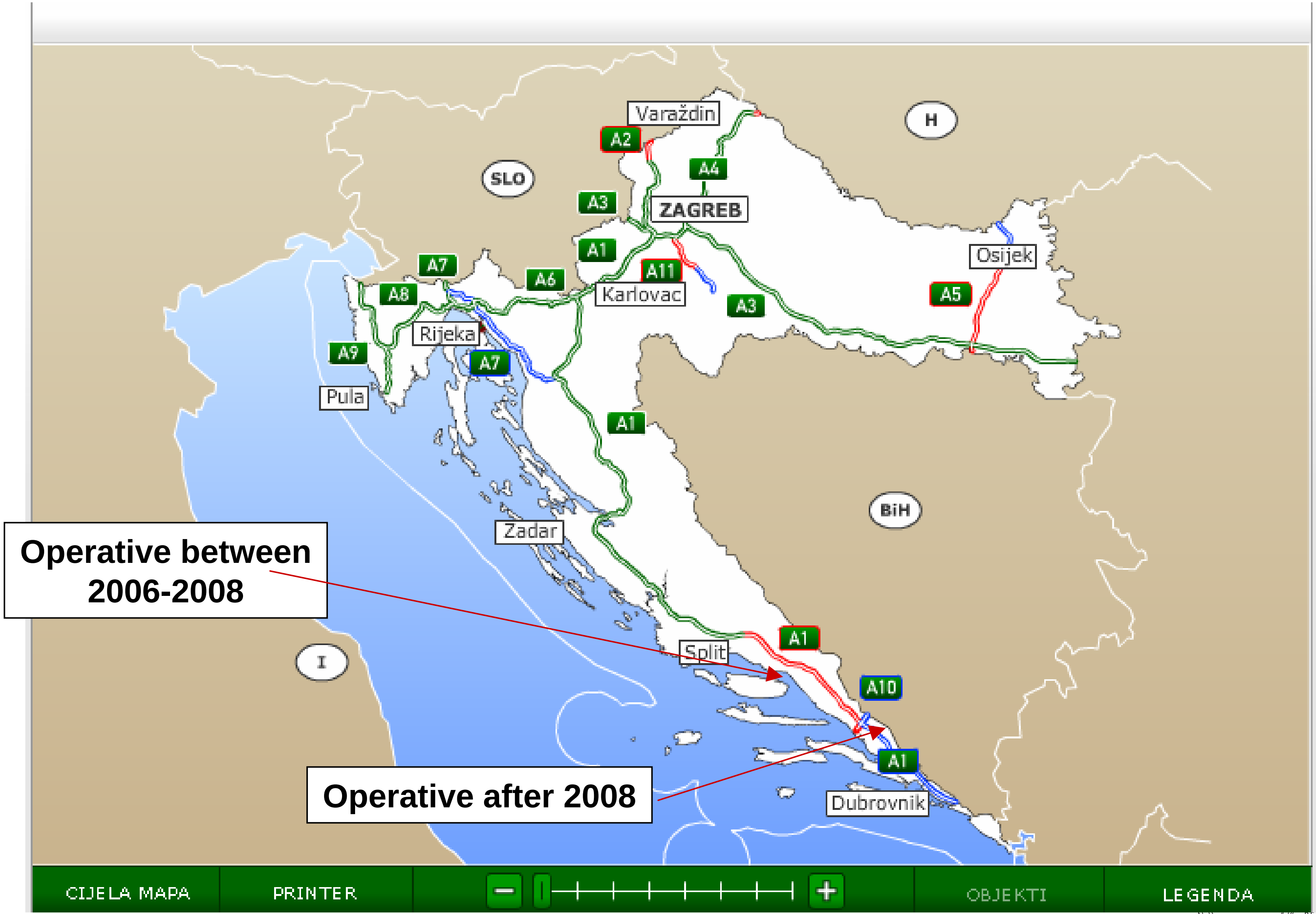


They would be part of axis C – Corridor V

Corridor VIII

Corridor X

NATIONAL INITIATIVES: CROATIAN HIGHWAY



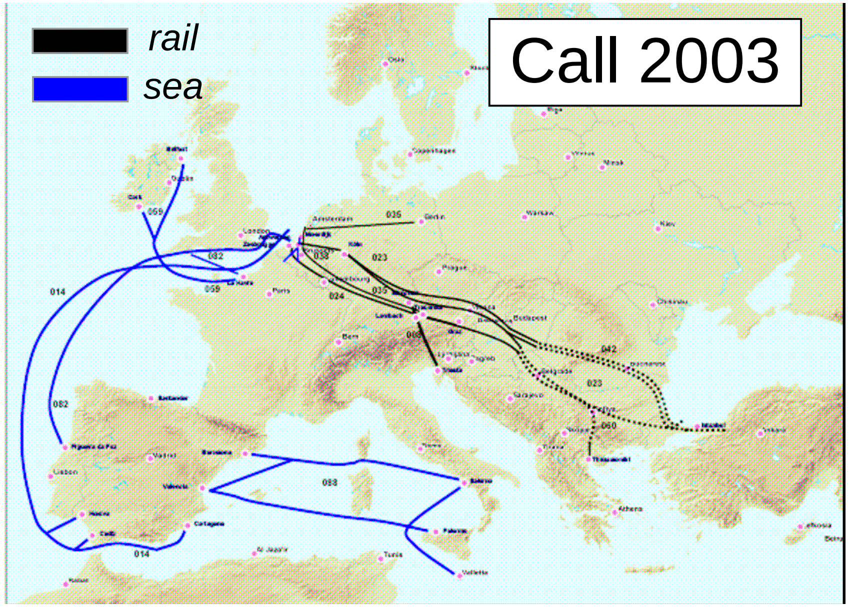
MARCO POLO II (2007-2013)

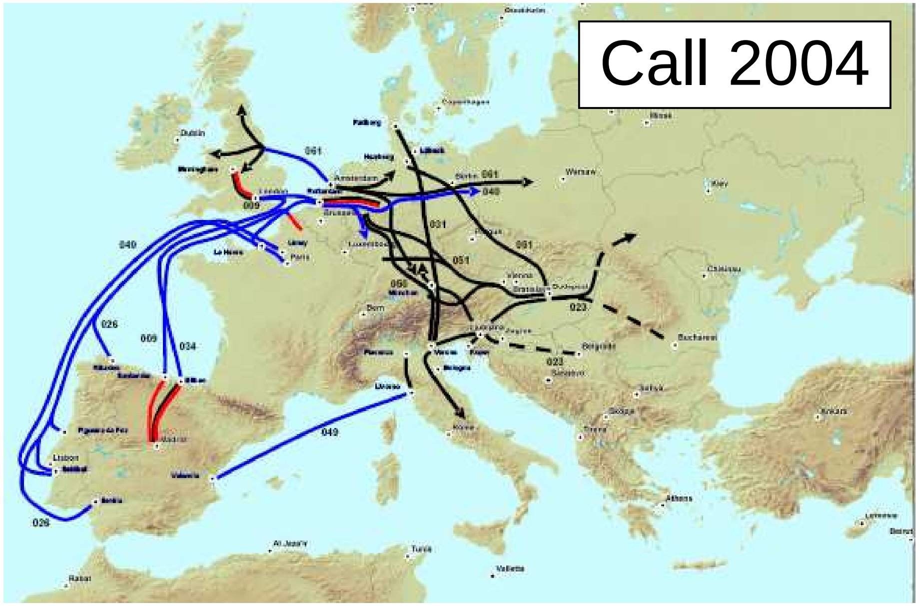
- reduction of roadway congestion
- improved environmental performance of the transport system
- strengthening of intermodal transport, contributing to an efficient, sustainable system of transport

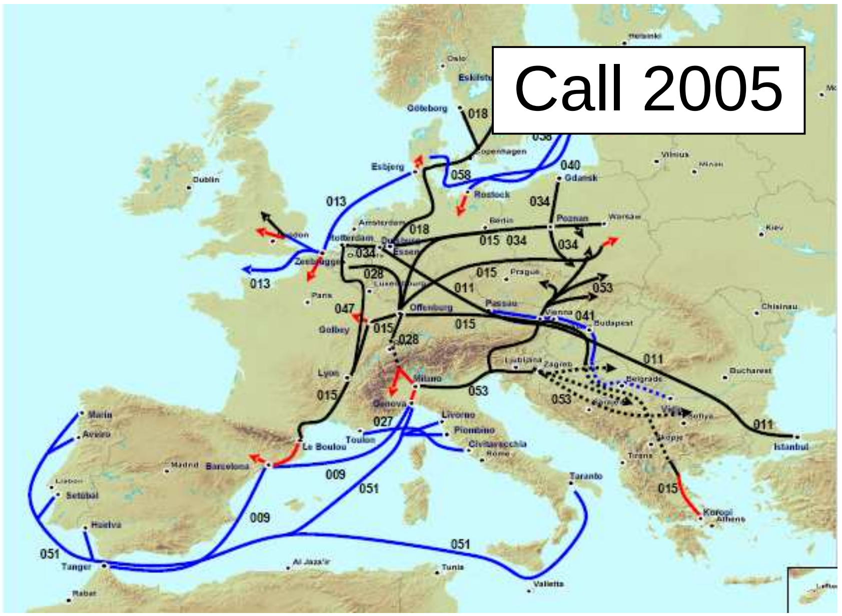
A NEW AXIS DESIGNED TO FINANCE THE HIGHWAYS OF THE SEA

MARCO POLO II	TEN-T
Transport services	Infrastructures
Support infrastructures	Strategic infrastructures
Modal shift	Creation of a transport network
Led by the private sector	Led by the public sector
Bottom up	Top Down – Member countries
Short term	Long term

MARCO POLO I (2003-2006): THE PROJECTS FINANCED







Adriatic and Ionian
totally marginal

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MARCO POLO II (2007-2013) – Actions (1)

	CATALYSING ACTIONS	MODAL TRANSFER	ACTIONS TO REDUCE TRAFFIC
Actions eligible for funding	Innovative actions meant to overcome significant structural barriers found on the Community cargo transport market and detrimental to the proper functioning of the market mechanism, as well as to the competitiveness of short sea transport and railway or inland-waterway transport, and/or to the efficiency of transport chains that utilise these modes, with possible actions including the modification or creation of auxiliary infrastructures.	Actions designed, in a manner that is direct, measurable, substantial and immediate, to transfer roadway traffic to short sea shipping, to railway transport or to transport by internal waterways, or to a combination of modes of transport in which the roadway portions are as short as possible, other than the catalysing actions.	Innovative actions supplementing transport in production logistics, in order to avoid roadway transport of a high percentage of merchandise, without negative repercussions on overall production capacity and employment; this type of action can include the modification or creation of auxiliary infrastructures or plants.
Duration	Maximum of 60 months	Maximum of 36 months	Maximum of 60 months
Funding	35%	35%	35%
Contractual threshold	€ 2,000,000	€ 500,000	€ 1,000,000

MARCO POLO II (2007-2013) – Actions (2)

	HIGHWAYS OF THE SEA	JOINT LEARNING ACTIONS
Actions eligible for funding	Innovative actions designed to make direct transfer of roadway cargo traffic to short sea shipping or to a combination of short sea shipping and other modes of transport. Preferably includes use of more ecological modes of transport.	Actions geared towards improving cooperation, in order to achieve structural optimisation of the working methods and procedures of the cargo transport chain, taking into account logistical needs.
Duration	Maximum of 60 months	Maximum of 24 months
Funding	35%	50%
Contractual threshold	€ 2,500,000	€ 250,000

A JOINT PROJECT THAT INVOLVES THE FORUM?

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MARCO POLO II (2007-2013) – How to participate

Call for proposals

Expires: 6 July 2007

Further information on the call for proposals

http://ec.europa.eu/transport/marcopolo/guide_proposers/index_en.htm

WHO CAN PARTICIPATE:

consortiums consisting of two or more companies headquartered in at least **two different member countries** or in at least **one member country and a neighboring non-member country**, or, in the case of a transport link with a neighboring non-member country, on an exceptional basis, of a company headquartered in a member country.

The actions must regard at least two member countries or the territory of a member country and that of a neighboring non-member country. Countries eligible to participate are those of the EU (25), candidate countries, EFTA and SEE countries, plus neighboring non-member countries.

SUMMARY CONSIDERATIONS: POLICIES

- The centre of gravity of European transport and infrastructure policies is definitely shifting towards Eastern Europe. The Adriatic-Ionian area tends to be marginalised.
- Except for the Corridor V initiatives, the other projects are not yet funded or missing entirely from the plans of the European Union (as in the case of the Mid Adriatic).
- Under the Highways of the Sea initiative, the new Marco Polo program has been started up.
- Could work be done on innovative projects that might regard, for example, links with the Eastern Mediterranean and the Black Sea and/or programs of advanced training on cargo transport and logistics?
- What role can the FORUM and its members play?

Thank you

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