

LOGISTICS BETWEEN SOUTHERN ITALY AND CHINA

CLIENT: *Italian Ministry for the Economic Development*

YEARS: 2006 – 2007

DESCRIPTION OF ACTIVITIES

The Italian Ministry for the Economic Development, Department for Development and Cohesion Policies, committed TRT Trasporti e Territorio a study about the opportunities existing for logistics development in Southern Italy, with specific respect to the potential rising from trade exchanges with Far East countries (China and India in particular).

The aim of the study was to identify and prioritise investments and measures to boost the international exchanges of goods and the demand for logistics in the South of Italy.

Two were the main objectives of the study:

- to point out the key factors which could support the development of Southern Italy as logistics platform for the exchanges with East Asia;
- to show the economics and territorial advantages coming from the logistics growth, in particular for the employment and the productivity.

The study developed in four steps, pointing out the factors needed to grow the Southern Italy competition in respect to the international trade with East Asia.

Step one – Analysis of Italy – East Asia trade, of the logistics and modal choices, of the competition factors of the European logistics network.

- Market analysis of transport and logistics services between Italy, Mediterranean area and Europe versus East Asia (China and India in particular)
- Transport demand and supply analysis (Southern Italy, Mediterranean area, Northern Europe).
- SWOT analysis for the Southern Italy system.

Step two – “Southern Italy network” and logistics potential analysis.

- Southern Italy logistics potential examination.
- Benchmark analysis between Southern Italy and Mediterranean area and Northern Europe network.
- First proposals of logistics improvement.
- Check of the preliminary conditions to the effective realisations.

Step three – Analysis of the economic effects owing to logistics improvement in the Southern Italy, in particular for employment and productivity.

- Economic effects evaluation owing to logistics improvement.
- Effects measurement, in particular related to the employment and productivity growth.
- Adequate strategies definition to make better Southern Italy competitiveness.

Step four – Building up of a China logistics information system.

- Planning of a set of instruments to inform and support the Italian companies which want to invest in the East Asia.
- Building a web site architecture for the companies operating in China.

Main results

The SWOT analysis enabled to point out strengths, weaknesses, opportunities and threats of the Southern Italy system. The table below summarises the most important results of the analysis.

The SWOT analysis

Strengths	Weaknesses
Geographic position	Port links with highway and rail network
Know-how and experience in the carriage by sea	Port Authorities cooperation and autonomy
Transshipment ports development	Port breaking up
Political will	Bureaucracy
Opportunities	Threats
Market opening versus East Asia	Competition with other Mediterranean ports
Port changeover to logistics	Quick changes and market answer
Ro-Ro development	Environmental constraints
Port Authorities coordination	Domestic competition

The benchmark analysis between Southern Italy and Mediterranean area and Northern Europe network gives a picture of the main differences of the three systems.

In respect to the trade with Asia, the Northern Europe ports move about the 75% of the goods, while Mediterranean ones just 25% (with a recent grow of the Spanish ports).

The picture below shows the container flows (TEUs) for the three systems.

The proposals for logistics improvement in the South of Italy have been also identified. According to this preliminary analysis, the main guide lines are:

- the logistics projects need a priority definition;
- the projects must be in a large scale, owing to an increasing demand from the market;
- the projects must be developed both sea side and inland side (distripark);
- every project need efficient links with highway and rail network;

- public and private cohesion is required to reach good results.

The priority systems on which to focus are three.

1. **Gioia Tauro transhipment port**, that offers great potential to local economy. Besides the development plan for the port area, an efficient inland area use and an expansion of Ro-Ro activity are essential to grant Gioia Tauro's growing.
2. **Campania logistics system**, with Salerno and Napoli ports and the logistics platforms of Nola and Marcianise. In this very important production and consumer area some measures are required to let the region grow: for example, Napoli port enlargement and more efficient rail link between the ports and the inland area.
3. **Taranto port**, with the significant recent development thanks to Evergreen company. To make the system more attractive, it is expected the enlargement of the terminal container and the building up of an inland logistics platform.

Southern Italy, Mediterranean area and Northern Europe: the container flows (TEUs)

