

SHIP 2 SHORE

Ports

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Pure transshipment ports no longer existing in Italy

Major causes of failure are competition of gateway ports and North Africa, market consolidation and global liners' strategies



Pure transshipment ports in Italy, essentially the ones exclusively committed to containers' transport from mother ship to regional feeder services in accordance with current 'hub & spoke' service, have almost disappeared.

Until few years ago, three transshipment ports existed: Taranto Container Terminal, shut down in 2015, Medcenter Container Terminal of Gioia Tauro, recently transferred MSC (to

be committed to import/export final destination port) while Contship Italia, after having left Calabria, will be seemingly forced to leave Cagliari too.

A crisis management table, gathering company's representatives and unions, was arranged in Rome after Cagliari International Container Terminal's board announced collective redundancies procedure for over 200 port workers.

Last May, after an enduring crisis, the terminal also lost German Hapag Lloyd, only ocean liner calling the port and the next BOD meeting, set on 17th June, will seemingly announce their intention to stop operating in the port.

In essence, pure transshipment ports, required by ships gigantism which prevented very large units to directly reach final terminal, will no longer exist due to latest strategic decisions implemented by ocean carriers, to market consolidation, to Italian inefficiency and to North African ports' competition.

Gioia Tauro is finally betting on Msc Group, which targets handling 4 million Teu in the terminal in few years.

As announced by the President of Port Authority. Sergio Prete, starting next July Taranto will welcome Yildirim terminal operator, expected to handle overall 1 million Teu/year.

While being Cagliari located on an island, it's harder finding investors, boasting no direct connection to Italy and Europe.

A slow and long-lasting process caused the death of transshipment ports in Italy due to several reasons.

Final destination ports (primarily Genoa, La Spezia and Trieste) upgraded to host last generation ships which previously used to call only transshipment ports, essentially providing import-export and transshipment services. In fact transshipment rates in Italian gateway ports have recently increased.

Other Mediterranean ports competition (the Piraeus, Tanger Med, Algeciras, Port Said and Malta)

capable to appeal investments and volumes of some leading carriers like Cosco, Cma Cgm, Maersk and others which implemented a gradual market consolidation (consequently affecting their strategic decisions regarding how many and which terminals calling at).

Global carriers are attempting to maximize vertical integration (Msc in Gioia Tauro) and independent terminal operators like Contship can hardly survive.

A year ago Genoa University issued a report which pinpointed how port terminal business was heading towards a consolidation and transshipment terminals were at risk.

“North-African transshipment ports are a transit point for North-South and East-West lines; also considering that labour cost is decidedly cheaper than in Italy

There's no reason for discharging a ship in Gioia Tauro and then transfer the cargo to Genoa, if a global carrier can discharge directly their ship in Liguria main town” pinpointed University Professor Claudio Ferrari.

While five years ago SRM pinpointed how, between 2005 and 2013 the three major Italian transshipment ports had already lost substantial market shares.

Gioia Tauro dropped from 20 to 12%, Cagliari from 4 to 3% and Taranto from 4 to 1%, essentially from 28% to 16%, while Southern ports grew from 18% to 27%.

Six years before, Cecilia Eckelmann Battistello, president of Contship Italia, had pinpointed that Italian ports needed to be more competitive, recalling terminal production (desertion problems), port towage and labour cost and finally taxes on mooring.

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