

## AT A GLANCE – TRENDS IN LOGISTICS

### TRANSFORMATION / POTENTIAL / SUSTAINABILITY NR. 3

#### The potential of Mediterranean ports

As early as April 2017, Eurogate CEO Thomas Eckelmann stated that the centre of the European trade in goods would shift from the North Sea to the Mediterranean in the medium term.<sup>1</sup> Eurogate is the European market leader in container handling. In addition to container terminals in Hamburg, Bremerhaven and Wilhelmshaven, the group operates four terminals in Italy, one each in Cyprus and Portugal, and a Moroccan terminal on the Strait of Gibraltar.<sup>2</sup> However, it is not only the Eurogate Group that is interested in the Italian Mediterranean ports in particular; China has already signed a letter of intent with Italy as part of the Silk Road project. In addition to several binding economic agreements, which include contracts with Italian companies, China will have the opportunity to invest in the ports of Trieste and Genoa.<sup>3</sup>

“Since the purchase by Chinese investors, Greece’s largest port has been rushing from one record to the next. This has repercussions as far as northern Europe. Crisis? Not the port of Piraeus. While Greece has lost a quarter of its economic power since 2008 and has been on the brink of bankruptcy several times, container handling in the country’s largest port has increased more than tenfold in the past ten years - an unprecedented Greek success story. Now the new conservative-liberal government wants to privatise more ports. The interest of foreign investors is great.”<sup>4</sup>

The perspective shift is already taken into account in European traffic development scenarios with a focus on the Brenner corridor.<sup>5</sup> The European infrastructural investments in the network corridors (TEN-T, cf. Part 2, Chapter 3.4) will enable significant time savings in the future, as well as significant cost savings with the Brenner base tunnel and a shift of freight traffic to rail.

#### China’s new Silk Road in the Mediterranean<sup>6</sup>



If the handling of Asian container ships takes place in Italy, the journey time (including the return journey) is reduced by about two weeks compared to transport to the North Sea (Rotterdam, Hamburg), while transport by rail, even to the northernmost point of Sweden, takes only 2–3 days.

In order to realise this strategy, further high investments in the ports and the infrastructure of the hinterland are necessary. In addition to private investment, e.g. by the Eurogate Group and other EU

infrastructure investments, Chinese capital will also ensure that expansion will continue to increase. The long-term consequence would also be a corresponding shift of feeder traffic from the Baltic and North Sea to the Mediterranean. In addition to overland rail transport, so-called short-sea connections are being focused on in order to shift freight transport from road to waterways in addition to rail, particularly for reasons of emissions (compared to truck transport) and the ambitious EU environmental policy.

<sup>1</sup> *Taz*, 02.07.2017; <sup>2</sup> *Eurogate.de* (2020); <sup>3</sup> *Tagesschau.de* 26.03.2019; <sup>4</sup> *Handelsblatt.com*, 03.09.2019; <sup>5</sup> *TRIMOD im Auftrag des BMVI* (12/2018); <sup>6</sup> *Konrad-Adenauer-Stiftung* (2018)

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#### Intra-European short sea connections<sup>7</sup>



All in all, high infrastructural and especially logistical growth potential can be expected in Southern Europe in the medium to long term, which, in addition to the insights gained from Parts 1 and 2, underpins Aquila Capital's strategy of investing in Southern European logistics real estate.

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A publication of Aquila Capital Investmentgesellschaft mbH. As of September 2020. Author: Peter Schnellhammer

<sup>17</sup> [www.kukla-spedition.com](http://www.kukla-spedition.com) (2019)