

Italian Ministry of Transport and Infrastructure - Deputy Minister Edoardo Rixi's speech at ESPO Conference 2019 in Livorno -24th May 2019

The Italian port industry is experiencing a period of particular changes under various profiles: commercial, technological and environmental. The challenges that institutions and private operators are facing are really considerable and there is a need to address them in a coordinated fashion not only within the individual member states themselves (even this issue is not easy to manage ...), but also and especially at Community level.

- 1) At a geopolitical and commercial level, we are facing the challenge of globalisation and, in particular, of the Chinese Silk Road, which offers a great opportunity to the Mediterranean basin and the countries bordering it. While recognizing the risks that the growing involvement of Chinese multinationals in the strategic infrastructures of the EU countries could entail for our geopolitical "independence", it is necessary to know how to seize and exploit the advantages for our economies. Countries like Italy must be credible protagonists and logistical interlocutors in terms of trade volumes to/from Asia. This could mean a partial rebalancing of the traffic between the ports of North and South Europe, with advantages not only of an economic and social nature (+ labour costs) for the EU Mediterranean countries, but also an advantage in environmental terms (shortening the routes of the goods...).

The attraction of foreign investments for the partial relocation of manufacturing and logistics/distribution activities in southern Europe is a great opportunity for us (this should not ONLY happen in North Africa, see Tangier or Egypt!). We must work as soon as possible to make the SEZs operational in southern Italy and the FTZs in the rest of the country.

2) Intermodality. In order to reduce the environmental impact and negative externalities of logistics chains, it is essential to increase the use of railways from ports. Northern European ports have barge transport (Rotterdam around 40%), which is cheap and low-impact

In southern Europe, we must defend ourselves commercially by rail. In Italy there are few ports that really use the railway, with Trieste currently the leader in Italy for iron, adding semi-trailers and containers.

In the short term we have implemented the rail bonus, but in the medium to long term only the construction of NEW physical infrastructure along the TEN-T corridors (*Terzo Valico* tunnel, Turin-Lyon, high capacity lines in the north and new Alpine passes) and digital infrastructure (UIRNet for ports-interports and European railway signaling system ERTMS) will allow us to bridge the gap to become competitive in the markets of central Europe. To date, only Trieste can be competitive abroad.

For Italy, coordination with neighboring countries such as Switzerland will be essential in order to define a planning for the construction of border infrastructures that is certain in terms of timing and appropriate in terms of technological and operational content. In 2020, a new intergovernmental agreement between Italy and Switzerland will have to be signed in order to design the 2035 transalpine network together.

- 2) Our goal is to be able to provide rail services with the so-called "European standard trains": about 2,000 tons, 750 meters long and PC80 shape (also for semi-trailers). In order to increase our competitiveness, in the future the objective will be to create experimental corridors where only one driver can be used, as is already the case in the rest of Europe.

Emission reduction. In terms of environmental sustainability, major challenges are linked to the application of the new, stricter rules on shipping for sulphur emissions. This is leading to the use of lighter fuels but also to the installation of LNG (much cleaner fuel than the marine bunker fuel)

reference points, which can serve both merchant or passenger ships and trucks. The LNG revolution, which started in northern Europe, must see us as protagonists and it is therefore a priority that the Port Network Authorities invest rapidly in this new technology. The Ministry is trying to coordinate this process in order to avoid duplication of investments, i.e. areas without bunkering points. Countries, like Spain, are rapidly equipping themselves and we cannot be left behind.

The Road Transport Table (for the development of the LNG and the management of critical operational issues in relations with ports) and the National Conference of 11-12 June in Rome are effective areas of dialogue with stakeholders on these issues.

Key considerations

- ✓ Making the Mediterranean the second pillar for ports at European level is a major challenge
- ✓ We have to improve infrastructures.
- ✓ In Italy, the biggest problem is geographical: mountains. In aligning Italian transportation networks with the rest of Europe this must be taken into account.
- ✓ Using Italian ports can mean saving between 5 to 7 days in transportation times, reducing environmental impact
- ✓ Italy is rich in raw materials and using Italian industries meaning higher employment
- ✓ We must continue to strengthen the use of sea motorways to safeguard the environment
- ✓ We are focusing on electrification of port quays
- ✓ A common European policy must involve common European development, efficient logistic systems, intermodality so that the most efficient transportation choice is enabled at European level
- ✓ European legislation must help not hinder efficiency in the sector.