

This sixth newsletter is focused on tourism, trade and short sea shipping.

On page 1 there is an interview with the President of the Port Authority of Naples, Francesco Nerli, and of Salerno, Fulvio Bonavitacola.

On page 2, the security project coming into force on July 1st.

And the annual report by the Secretary General, Dr. Pietro Capogreco.

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Porto
di Napoli

Periodico di informazione

Newsletter of the Port Authority of Naples

An interview with Francesco Nerli and Fulvio Bonavitacola

Short Sea Shipping and the Port of Naples

by *Emilia Leonetti*

Napoli and Salerno: differences and similarities of the two ports, an historical port and a relatively young one

Nerli: "They are both in a very important port and interport area. They are a sort of network for all those who enter the Mediterranean sea from the Far East and the North Atlantic area. Here they can find a port of call on these routes and a passageway for goods to Northern Europe. Another similarity: for these reasons they are amongst the ports with the biggest number of international lines. There are physical, historical, cultural and organizational differences, anyway. They are different in terms of size, too. Napoli is as important as Salerno as far as containers are concerned, but it is bigger in terms of traffic. It accounts for more than 20 million tonnes of cargo handled, more than 8 million passengers to the bay and the islands every year, an interesting shipbuilding sector that is very active in the Mediterranean basin. The two ports share the functions and the mission, but they are significantly different".

Bonavitacola: "Salerno is a relatively young port (enlargement works started in 1960's-70's) but it is a multifunctional port like Naples, where the identity between the city and the port is not very strong. Actually, it is only recently that the integration between the port and the city has become stronger. In Salerno, the new relationship between the port and the city is based on a choice made in 1990's: Salerno is considered as a tourist city and a city by the sea. The Port master plan and the city master plan have been consistently studied and in future a cruise ship dock, a new passenger terminal and a new waterfront will further consolidate the integration between the city and the port".



Francesco Nerli



Fulvio Bonavitacola

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In terms of container traffic, Salerno is doing better than Naples in the first months of 2004. Why?

Nerli: “The container terminal in Salerno is not smaller than Naples terminal. Moreover, the problem is that in Naples some custom procedure checks have taken place that have slowed down the container flow especially from South East Asia for six-seven months and there has been a temporary decrease in the Conateco terminal. However a reversal in this trend is expected in the forthcoming weeks: containers are coming back and will get to the levels of the past.

It is not that Salerno has taken traffic from Naples: Naples traffic has gone elsewhere. Actually, I believe that the two ports can be integrated on the market. There is no problem of territorial competition. The two ports shall keep on developing as they do so that they will be able to stand the growth in traffics due to both globalization and the enlargement of the free trade area in 2010.

The point is the following: is this interport and transport system able to effectively respond to the growth of traffics both qualitative and quantitative terms?”

Bonavitacola: “I agree with Nerli. I have stated many times that it is not the number of containers that counts. Nowadays, Salerno and Naples are both very important in terms of containers, therefore the logics of the system must prevail, since competition is not among Campania ports but between the Campanian system together with Mediterranean ports and Northern European ports. In particular, the increase in container traffic is due to the skill of terminal operators in optimizing space, which is a scarce resource. In this sense, Salerno could benefit of its hinterland for exports, especially of agri-food products, one of the pillars of Salernitan economy”.

Let's talk again about the system logics. How? What shall the two authorities do in order to become a system?

Nerli: “In full respect of the competition of the operators in the each port, Naples and Salerno in a joint effort with Regione Campania, shall continue working for a logistic integration, in order to exploit all possible opportunities in the territory and in new initiatives with North Africa, the Maghreb area, the Far East and the North

Atlantic area. All the actions aiming at the development of the two ports shall be more and more systemic. It would be wrong if they both wanted to get to the same goals. The goal must be the growth of the logistic integration, i.e. the integration of all the answers that international operators ask a territory. The market push is not enough. Now a policy is needed, and I think we can look together, as a system, at targeted initiatives in Lybia, Morocco, Tunisia. It is a work in progress”.

Bonavitacola: “I share the same approach as Nerli to these issues. We have jointly asked the regional government to put forward a region-wide port vision. We have decided to create *Logica* that includes our Port Authorities and other infrastructure operators. It is a first step towards a specialization of port activities amongst the port authorities and also minor ports. In the field of the sea highways, for instance, I think of the need for a concertation between Naples and Salerno in order to avoid lines overlapping in order to offer the widest possible range of services”.

Going back to the role of the two port of calls, intermodality is certainly important. What is being done to transform the two ports in links of a modern intermodal logistic chain?

Nerli: “We are committed, as it is known, to transform Ferport into a railway company and link it to interport activities.

It is our priority in our development strategy of the port of Naples that we are going to pursue”.

Bonavitacola: “Intermodality is certainly a strategic choice in a modern infrastructural system to make the territory competitive. We are working to connect the rail network with the port and with the general road network. We have followed the example of Naples that has launched an international call for proposals for the port waterfront. It is a method that we are also going to apply”.

NERLI: RESOURCES FOR PORTS ARE AT RISK

“In order to conclude the infrastructure works program in Italian ports – President Nerli says – 2 more billion euros are needed. The latest news on the Budget Law and the possible cuts for the Southern regions do worry us for two reasons: because this could bring about some obstacles to the process of financial independence of Port Authorities that we have been pursuing for long and impede the conclusion of the port modernization program. And also because even if the annexe to the 2002 budget law envisaged 80 million euros for ports, these funds have not yet been distributed”.



Erick Klingenberg and Roberto Bucci

essentially based on ordinary day-to-day administration with no development plan. Recently, anyway, a deep change has been observed. The privatization of the terminal and the docks, the change in the port logistics, the reorganization of port activities are deeply modifying the face and function of the port”.

Bucci: “The port of Naples, with all its constraints, cannot rapidly adjust to traffic needs. That is why I think it paramount the Port Authority keeps constant relationships with the entrepreneurs because when there is a lack of space the best result can only be obtained through the cooperation of all the stakeholders. The port is strengthening its infrastructures, is able to increase traffics and coordination is even more necessary”.

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Ideas and proposals put forward by terminal operators

After all these breakthroughs, the problems still waiting for solutions shall be tackled

Round table organized by E.L.

The first cycle of round tables organized by *Port of Naples* ends with a meeting of the main representatives of the different industries in the port. There are Erick Klingenberg, President of Assoagenti, representing tourism, Roberto Bucci, President

of Terminal Flavio Gioia, for trade, and the General Manager of Franco Pecorini representing the short sea shipping sector.

Let's assess the changes occurred in port during these years from your respective points of view

Pecorini: “For many years only few and limited changes have taken place. Port management was

Security as a priority goal

A complex system to defend the port

by Ugo Vestri

On July 1st the new rules of the International Ship and Port Facility Security Code (ISPS code) have come into force. Ships navigating international waters and port terminals shall comply with special measures aiming at increasing defense against potential aggressions.

Ports have adapted their procedures for gate control and terminal area surveillance to the new regulation also in compliance with a EU regulation approved on March 31st 2004 which is based on ISPS code rules. These measures are based on the control of the access to terminal areas, on the identification of limited access areas, on the control of handled cargos and supplies to vessels and on the implementation of a new

organization of security, so as to counter potential attacks according to three risk levels.

According to ISPS code rules, the actual implementation of security rules is up to national authorities to be identified as entities competent for approval and drafting of security plans. The Port Authority has started its work of assessment of risks in and for the terminal equipment, submitting plans to Harbour Master Office for approval. A contracting company has been charged with a project to increase security standards in the port. This study/project is being finalised. For its implementation, cameras, telecom systems, goods inspection systems, passenger control systems shall be purchased. The protection of the terminal area against any criminal or terrorist attack will increase.



The round table

Ideas and proposals put forward by terminal operators

After all these breakthroughs, the problems still waiting for solutions shall be tackled

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Klingenberg: "The changes taking place in Naples during these years depend on traffic changes. The problem is that the port of Naples, as it happens in all historical ports, has few possibilities to expand. The mistake made in the past in the Master Plan is the focus on the East side. This choice has always hampered the acquisition of new spaces and traffics. The port has changed because it has tried to follow changes in traffics and ship dimensions..."

Mr Klingenberg, do you think different choices should have been made to allow for a bigger development in the East side. And how, considering the pressure of the city?

Klingenberg: "The last Master Plan,

which is about to be approved, envisages one single dock to the East. They were three in the previous one, if I'm not wrong. We need dock space and quais. Where can we get them? Not in the West side, because we are opening to the city there. In my opinion the expansion

should be possible in the industrial area, in San Giovanni". *The Port Authority plays a key role in the port development.*

Port entrepreneurs, anyway, are paramount as far as traffic increase is concerned. What is your contribution in this sense?

Klingenberg: "To brokers goes the credit for cruise traffic growth in Naples. Under the current presidency, and the previous one, the promotion of the port started, but the main actors of the acquisition of new traffics in the cruise and container sector have been and are brokers. Maybe only MSC did without brokers since they chose the Port of Naples for their headquarters because of their origins, but all the other shipowners are now inside the port thanks to our constant daily work".

Pecorini: "Tirrenia is a historical presence in the port of Naples. It is the oldest maritime company operating in this port. The Napoli/Palermo line is the oldest one, it dates back to the period of the Bourbons kings. There is no doubt that the Port Authority is being very cooperative with Tirrenia. And let me say that together with another company, Tirrenia have created a new company for the

ferry terminal. And the Port Authority has encouraged this entrepreneurial initiative helping to overcome the many obstacles encountered. Funds have been granted to enlarge the Carmine dock and this is value added to the company".

Bucci: "Let's make the example of the Flavio Gioia terminal. As you know, the Port Authority has financed the dock enlargement but the Terminal Flavio Gioia company has also given funds, showing their will to participate in the works necessary to renovate the quais and improve the draught.

Works are now being finished and we hope we can keep the current traffic level and to acquire new market shares, too.

Competition is harsh, of course, and we are small, but we are fully committed to improve our quality performance to be accepted as a terminal at an international level".

What is the role the Port Authority has played in favouring development and what more could be done?

Pecorini: "The current Port administration aims at creating opportunities of development of traffics and new initiatives for shipbuilding and services in general. Conversely to the past, nowadays the Port Authority is a development factor since it must create the good conditions for a growth of all port industries. In the past, management was merely a technical issue aiming only at building infrastructures".

Klingenberg: "Under this presidency the Port Authority has taken back its role of control and coordination of the activities. The problems we have are not due to the Port Authority but to the country as a system which



Erick Klingenberg

does not grow rapidly enough for a port. In my opinion the system should change, we should lobby so as to modify Act 84/94 in order to accelerate procedures and make decisions made inside a Port Committee binding for authorities”.



Franco Pecorini

Bucci: “Klingenberg is right.

One cannot change overnight, but entrepreneurs may change in their will to cooperate. In this sense, the Port Authority shall not only play its role of State representative but also a political role of coordination of company interests in order to give a valuable service to international customers”.

The port of Naples can boast significant increases in almost all the sectors. Are these positive results in terms of traffic enough to think our port is growing or are other factors to be taken into consideration?

Klingenberg: “In general ports are growing because of European and national choices. The port of Naples is growing but it will remain small as compared to its potential. E.g. in the cruise sector we are thinking of leaving liners moored in the bay because docks will never be sufficient despite all development plans”.

The system is the answer, Mr Klingenberg. I mean the bay, the ports of Castellammare, Torre Annunziata.

Klingenberg: “A system already exists in the cruise sector because Naples interacts with Sorrento, Capri and other tourist resorts in the Bay. In the trade sector I do not think there is any alternative to the transfer of the competences of the port of Naples and the Port Authority to minor ports that

could handle traffic segments that we can manage”.

Bucci: “In my opinion, as far as containers are concerned, with all the problems of lack of space we have, we must rely on quality, organization

effectiveness and the preservation of employment levels. When there is space everything is easier.

When there is no space quality is what counts”.

Pecorini: “Going back to your previous question, as to the sector I work in, I must say that the Port Authority has played and plays an important role of support. The port of Naples ranks among the best ones in terms of connections with the main islands, offered by several companies. The Naples Port Authority has paid attention to short sea shipping and sea highways, succeeding in obtaining good results in a short time. This is worth considering if you think this fits in the European project of development of transport network both at EU and national level.

This has huge fallouts in terms of energy consumption reduction, environment safeguard and protection and road accident reduction”.

Lack of space is a big issue. Will the construction of the Nuovo Terminal di Levante, in your opinion, solve the space problem in the field of container traffic?

Klingenberg: “With the Nuovo Terminal di Levante we will get out of the emergency. The port of Naples has huge potentials not only in container and passenger traffic but also in ferry traffic and short sea

shipping. My question is anyway always the same: where do we find the necessary space?”.

Bucci: “Very big terminals are under construction in the Mediterranean basin, therefore the new terminal will not solve the problem. That is why it is important that the port of Naples is established as a top quality port offering high level services”.

They talk about a revision of Act 874/94, the law reforming ports. What are the necessary changes, in your opinion, and why?

Pecorini: “Considering that since 1994 the number of Port Authorities has grown from 18 to 25, it is necessary to block this phenomenon. Port Authorities are justified in realities with high traffic flows, otherwise too heavy a weight is put on operators and customers. I’m in favour, at least in principle, of a bigger budgetary autonomy thanks to mooring taxes and taxes on loaded and unloaded cargos”.

Bucci: “I think we should get the best of the law since the port must live with the city. The needs for enlargement can only be met through no-stop dialogue”.

Klingenberg: “Act 84/94 is a good law. The main point for me is that ports with Port Authorities are more independent of political powers of local authorities. The port is an entity that needs short reaction times. That is why Port Committees must be made more autonomous. For examples dragging. It is a deadlock because too many opinions have to be listened to”.



Roberto Bucci

*We thank
Fiorinda Corradino
for her cooperation*

The Report by General Secretary

Positive results in a port with large growth margins

The Port Committee has approved the balance sheet for 2003 and the report by the Secretary General, Dr. Pietro Capogreco.

The year 2003 has finished with a surplus of 1,419,349 euros in a balance sheet that confirms the value of the Port Authority policy and its commitment to renew the port. As to investments in works and equipment, the amount is 20,316,667 euros; current investment at the end of the year accounts for 105,402,831 euros.

"2003 balance sheet – Francesco Nerli says – confirms the careful management aimed at reducing operating expenditures by the Port Authority. Development is a priority, too, as confirmed by 20 million euros in works. It is extremely positive since we are still waiting for port tax repayment by the Government".

The Secretary General report tackles the issue of plan and development. In 2003 the Port Authority has reached several objectives in all the sectors: cruise, trade, shipping, shipbuilding.

A public holding company, Nausicaa, 52% Port Authority and 16% Municipality, Province and Region respectively, has been established.

A new terminal has been inaugurated in the Stazione Marittima with 12 automated check-in desks, Arrivals and Departures halls, luggage conveyors and buses for passengers,

for an investment of 10 million euros.

The total passenger traffic accounts for 8,700,000 units.

Short sea shipping is a leading sector in our port, it absorbs 49% of Italian traffic, marking the best performance among all Italian ports. The commercial sector has had an increase, from 18,851,575 tons in 2002 to 19,634,448 in 2003.

In shipbuilding all the procedures of transfer, rationalization and implementation of building yards and wetdocks have started.

Dr. Capogreco report continues on other issues: promotional activities, port services and operations and general interest services (the creation of Idra Porto, a company for the management of water supply and the positive trend of Ferport).

After recalling all the initiatives in the field of security, the report ends with information on the management of the maritime estate: 90 concessions have been regularized, 19 new concessions have been granted and 14 subcontracts.

TRADE-TOURISM PROMOTIONAL ACTIVITIES

The Port Authority has participated in Transpotec in Verona, SIL in Barcelona, Intermodal South America in Sao Paulo, and in TOC Europe.

It has entered a twinship agreement with the Port of Miami.



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