5th Roundtable of ENMC

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THE ITALIAN MARITIME CLUSTER

(2008 values update)

Founded in May 1994, the Federazione del Mare *– Italian Maritime Cluster today brings together a large part of the maritime organisations –* AIDIM *(maritime law),* ANCIP *(port-operators),* ANIA *(insurance),* ASSOLOGISTICA *(port logistics),* ASSONAVE *(shipbuilding),* ASSOPORTI *(port administration),* ASSORIMORCHIATORI *(port towage),* CETENA *and* CONS.A.R. *(naval research),* COLLEGIO CAPITANI *(maritime staff)*, CONFITARMA *and* FEDARLINEA *(merchant shipping),* FEDERAGENTI *(maritime agency and brokerage),* FEDEPILOTI *(port pilotage),* FEDERPESCA *(fishing navigation),* FEDESPEDI *(international shipment),* IPSEMA *(maritime welfare),* RINA *(certification and classification),* TMCR *(promotion of coastal shipping) and* UCINA *(leisure-boating industry) – with the purpose of representing the maritime world in a unified manner, so as to increase awareness of its role as a factor of development, while highlighting its shared values, culture and interests, which also arise from constant contact with international activities.*

Every year maritime activities produce goods and services worth almost 2.7% of the Italian GDP, equal to approximately 39.6billion euro in 2008 value, providing work for more than 164,000 individuals directly employed in the cluster and 230,000 engaged in all the other manufacturing activities and services (upstream and downstream).

The dimension and role of the Italian maritime cluster activities

Looking at the quantities of merchandise imported to and exported from Italy, in 2008 respective levels of 62% and 45% travelled by sea. Limiting the analysis to Italy's trade with countries outside of the European Union, the maritime mode plays an even more important role: more than 80% of the quantity of merchandise imported to Italy and 82% of the exports travelled by sea, making the maritime transport sector a key system of carriers and giving ports the status of critical junctures in the network of trade of which Italy is a part. Italy ranks first among the countries of the European Union in terms of merchandise imported from outside the EU by sea (with more than 210million tons of merchandise, placing it far ahead of Spain, rated second, and of the United Kingdom, third on the list); with over 46million tons, a leading position Italy also holds in exports outside the EU, together with Netherlands, Great Britain and Germany. Giving that the merchandise, for the most part, consists of raw materials used by national enterprises, and that Italian economy mainly relies upon exportation, there can be no mistaking about the key role which maritime activities play in the country's production processes.

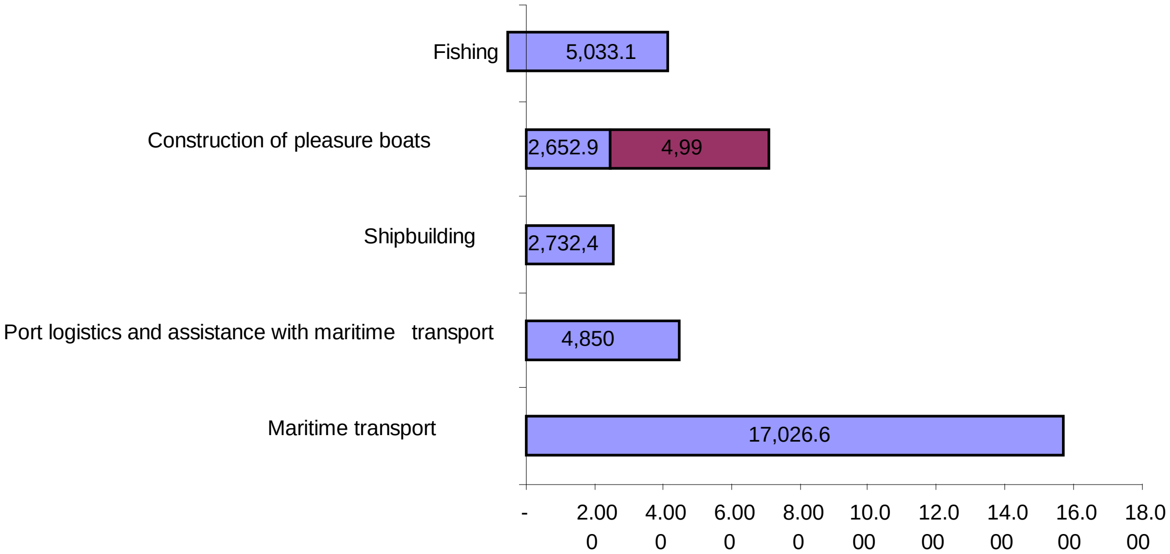
Taken altogether, the sectors of maritime transport, plus activities involving port logistics and assistance in transport, together with naval construction, the construction of leisure boats, fishing activities, the Italian Navy and the Coast Guard, the Port Authorities and Ipsema, generate 2.7% of the Italian GDP.
The cluster sets in motion spending of more than 12.6billion euro on intermediate consumption and gross fixed investments, equal to 4.4% of the investments registered in Italy, and exports goods and services for 15.3billion euro, equal to 4.7% of national total.

*Main economic aggregates of the maritime cluster **

GDP, not including duplications (millions of euro)	39,644	2.7%
Intermediate costs and gross fixed investments (millions of euro)	12,610	4.4%
Exports (millions of euro)	15,294	4.7%
Total labour units (direct, upstream and downstream)	394,950	1.6%

(*) The cluster includes industrial and service activities, as well as institutional subjects, plus the wealth generated by the tourist activities tied to leisure boating
Source: Censis processing of data from Istat, Assonave, Ucina, Ipsema, Rina and Assoporti. Figures for 2004 multiplied by 1.0856 (ISTAT) to obtain values in 2008 euro.

GDP of the industrial and service sectors of the maritime cluster*



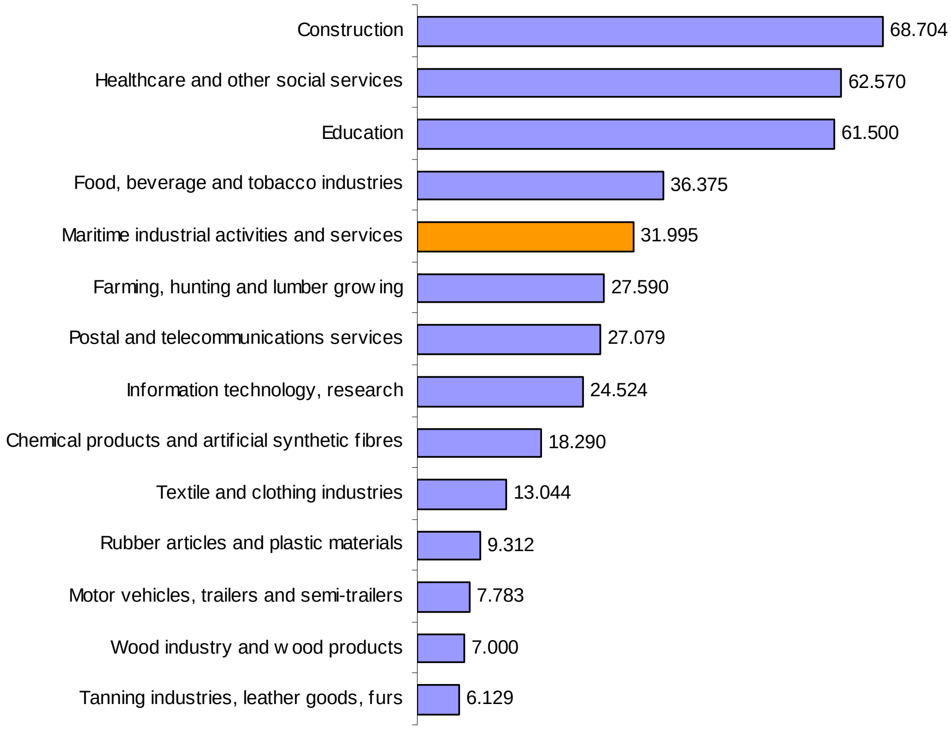
* The data refer to the following sectors: maritime transport, activities of port logistics and assistance with maritime transport, naval construction and leisure boating (including the resulting tourist activities), plus fishing. Figures for 2004 multiplied by 1.0856 (ISTAT) to obtain values in 2008 euro.

Maritime transport, with a GDP of 17billion euro, currently accounts for 53% of all the wealth generated by the maritime manufacturing and tertiary activities and is closely connected to port activities and operations involving assistance to the transport system, whose gross domestic product amounts to 4.8billion euro. The gross domestic product of naval construction is equal to 2.7billion euro. The contribution of leisure boating is 2.6billion euro, to which the amount generated by tourism, equal to 4.9billion, can be added. Finally, fishing production value is at 5billion euro. Figures at lower levels, but still of note, characterise the institutional sectors, such as the Italian Navy, which registers a GDP of about 2.2 billion euro.

Note that Italian maritime cluster GDP figures, as here evaluated according to* Censis Foundation *study results, are often different from those coming from other sources. Namely they differ from those showed by* Policy Research Corporation *in the research upon European maritime clusters they made for DGMARE (European Commission) in 2008. Actually, the difference is probably due to the fact that PRC takes into account only the direct added value, and not the indirect one resulting from intermediate purchases with other sectors within the EU made by the maritime sectors. The* Federazione del Mare *has objected being the direct added value by itself unable to define the overall dimensions of one single sector of the economy (in our case, the maritime one), since in this way intermediate costs depending on its purchases of goods and services by other sectors were not taken into account, which in our opinion has a sense only when considering the production value of an entire economy, where all sectors add up and (excluding imports) for each of them intermediate costs finally depend on the value added of all the others. Our

objections were taken into account and the production value esteemed in 2008 by PRC in all the sea-related areas of the EU Member States and Norway has been increased to about <u>450billion euro</u>, consisting of 58% intermediate purchases and 42% added value (186.6billion euro), although mainly the last one has been considered in the study.

Gross Domestic Product at basis prices: comparison between maritime <u>industrial activities and services and other economic sectors (billions of euro).</u>*



(*) The data refer to the following sectors: maritime transport, activities of port logistics and assistance to maritime transport, naval construction, pleasure boating (including connected tourist activities) and fishing.
Source: Censis processing of data from Istat, Ucina and Assonave. Data for 2004, to be multiplied by 1.0856 (ISTAT) to obtain values in 2008 euro.

The capacity of maritime industrial and service activities to absorb elements of the workforce proves considerable: the number of workers directly employed in 2004 totalled <u>122,386 units</u>, in addition to which there were <u>106,927 units</u> employed upstream of maritime operations and <u>104,297 units</u> downstream, including 68,394 associated with ancillary activities tied to pleasure boating

Labour units in the industrial and service activities of the maritime cluster*

	Direct labour units	Labour units upstream and downstream	Total labour units
Maritime transport	26,300	60,006	86,306
Activities of port logistics and assistance with maritime transport	26,048	17,487	43,534
Shipbuilding	12,033	14,747	26,780
Pleasure boating (with related tourism)	11,719	80,859	92,578
Pleasure boating (without related tourism)	*11,719*	*12,133*	*23,853*
Fishing	46,286	38,125	84,411
Total	122,386	211,224	333,609
Total net of duplicated activities among sectors			*318,484*
Source: Census processing of data from Istat, Ucina and Assonave			

* Institutional maritime activities are excluded. Data for 2004

Productivity is among the highest in Italy, since the added value per labour unit is about 110,000 euro (2008 value).

A look at the future

The maritime system has need of effective accompanying actions and strategies that are able to take profit of the elements of strength of its various protagonists and its human capital. The noteworthy contribution to the formation of the national GDP makes the maritime system a key asset; in order for this role to be reinforced, and for its multiplying effect on income and employment to be increased, new and significant investments, both tangible and intangible, must still be made, for the purpose of:

- completing the legislative framework and keeping it in line with European Union guidelines, which allow Italian ships to be competitive on international markets, so as to ensure that the share of the Italian fleet in the different sectors is increasingly sizeable, in particular as regards the Ro-Ro ships and the fleet that handles the flow of energy to the country (oil, coal and gas);
- reinforcing and improving infrastructures, both inside ports and as regards a more effective linking of port junctures with railway and roadway networks;

- favouring initiatives on port junctures of vital importance to the Italian country, with a particular focus on the new demands of container traffic and those of the Highways of the Sea (short sea shipping), with one objective being to guarantee the financial independence of port authorities;
- providing incentives for and sustaining the presence of top-ranking Italian shipbuilding and nautical production activities on the international markets, as well as in European ones;
- supporting processes of technological innovation and research & development, currently of key importance in a number of sectors whose competitive advantage is based on technology-intensive production activities (cruise and Ro-Ro vessels, super-yachts);
- activating focussed programs for the upgrading and growth of the skills of the multiple professional figures at the disposal of the maritime cluster;
- maintaining high levels of attention and awareness with regard to environmental concerns.

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