

# **Horizon Of Short Sea Shipping in Mediterranean SSS**

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# Mahoney Profile

- Founded in 1946
- Private investment
- Marine and Shipping Services Company
- Diverse portfolio consisting of:



# Egyptian-Greek relations

- Strong cultural and historical ties between Egypt and Greek nations, from ancient to modern times (especially since the creation of the city of [Alexandria](#) by the Greek king [Alexander the Great](#).)
- Today Egypt and Greece enjoy warm diplomatic relations and consider each other a friendly nation.
- The two states cooperate in the fields of trade, maritime, energy, culture and tourism, with Greece being the 4th largest European investor in Egypt, with over 208 Greek companies being active in the Egyptian market, while Egypt is Greece's 6th biggest trading partner.



# Why Egypt and Greece





# Strategic Position

- Being a land bridge over the vital transport corridors of Europe, Asia and Africa, **Egypt and Greece** get more involved in short sea shipping strategically.
- Consequently it is a must to determine the short sea shipping area for both countries because of the liner services and logistics chain. This might define the market conditions that will have more importance in the following years.

# Egypt

**Egypt** with its strategic position has a natural area for successful short "sea shipping services" within or between Mediterranean sea ports, located in both European and African countries, and between these ports and the other ports located in third countries.

Gateway to Asia/Africa through the Mediterranean and Red Sea.

According to the [Global Competitiveness Report](#) Middle East and North Africa improves its average performance this year. Across the region, the most-improved country this year is Egypt (101st, up 14).

**Coupled with** [The World Bank's projections](#) 2018 growth in Egypt is projected to rise to 5.2 percent in 2018 and 5.5 percent in 2019 reflecting stronger momentum in domestic demand and the effect of structural reforms.



# Greece

**Greece** has the largest controlled fleet within Europe (36% of GT and/or 43% of DWT).

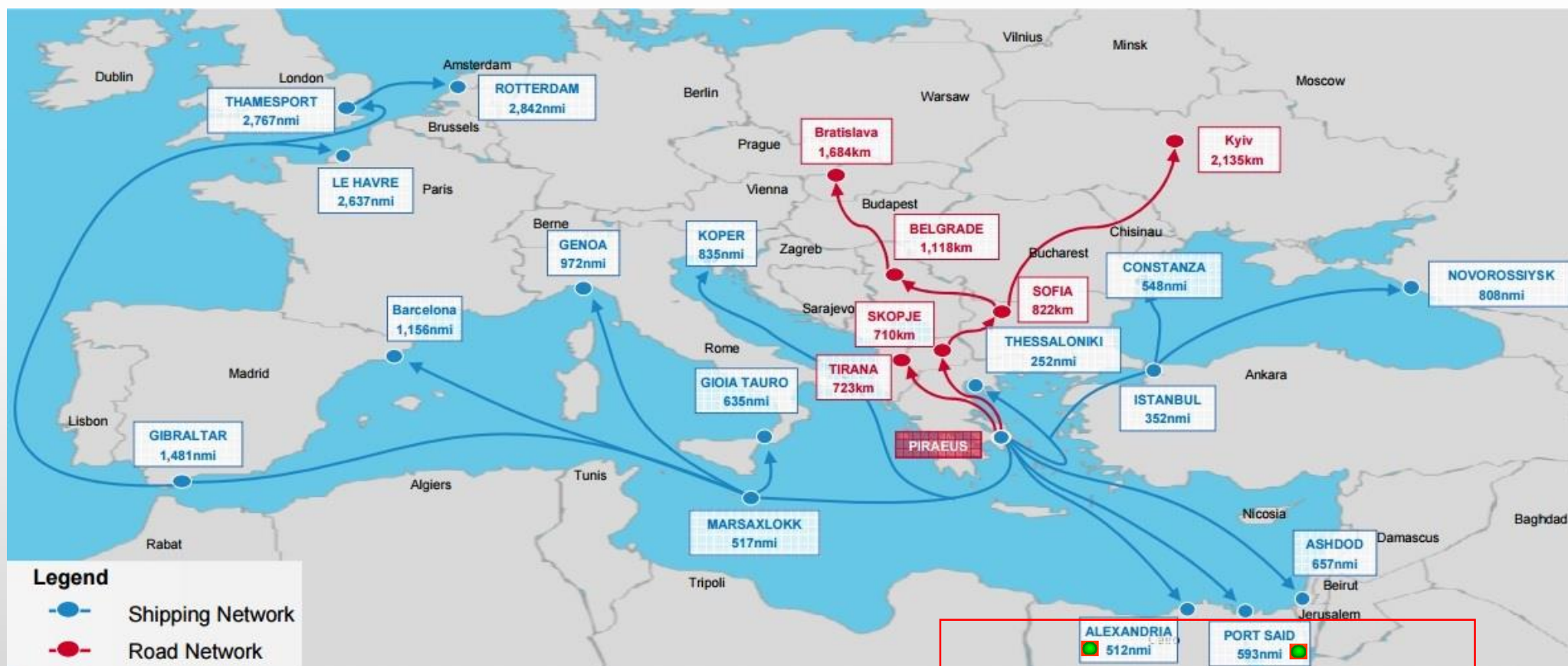
Piraeus port is within the top 20 ports Share of Short Sea Shipping (SSS) in total maritime transport for EU.

Gateway to Asia/Russia through the Black Sea;

Central hub for access to Eastern Europe and strategic proximity to Northern Africa and Middle Eastern routes.



# Short Sea Routes





# Potential Horizon of SSS

- Demand for maritime transportation service is derived demand. So it is demanded not for its own sake but for other services it provides for proper functioning of the economy. Therefore any change in the size of the economy will translate into increased opportunity via possible cargo increase and hence demand for maritime transportation.



## Demand Driven World



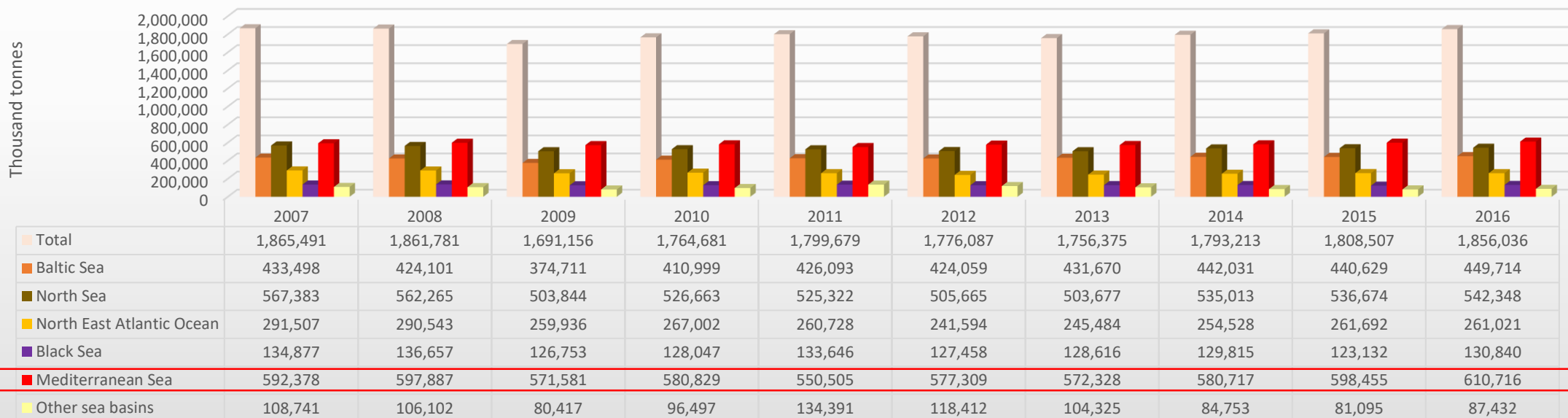
## GDP Growth In African Countries

- [The World Bank's projections](#) in 2018 for the African continent show that Regional GDP growth of 3.2% (compared to 2.4% last year) is expected this year and an even greater increase of 3.5% is forecast for 2019.
- According to International Monetary Fund's 2019 economic outlook, the GDP growth in some African countries will be as follow:
  - Ethiopia – 8.3%
  - Rwanda – 7.8%
  - Ghana – 7.6%
  - Ivory Coast (Cote d'Ivoire) – 7.1%
  - Senegal – 7%
- The current population of **Africa** is **1,299,605,719** as of Monday, November 19, 2018, based on the latest United Nations estimates.



# Short sea shipping - EU level - gross weight of goods transported by sea region of partner ports

Sea Region

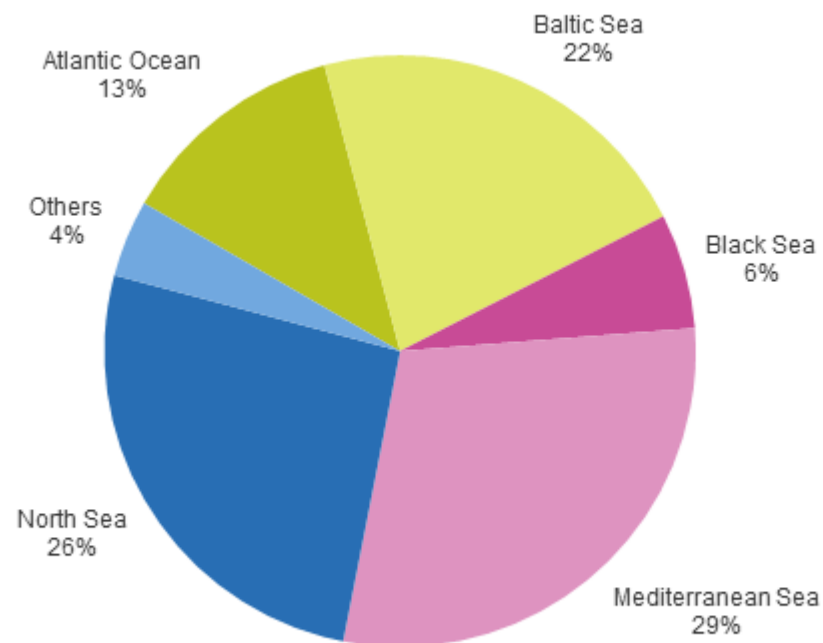


Axis Title

■ Total
 ■ Baltic Sea
 ■ North Sea
 ■ North East Atlantic Ocean
 ■ Black Sea
 ■ Mediterranean Sea
 ■ Other sea basins

Source: Eurostat, 2016

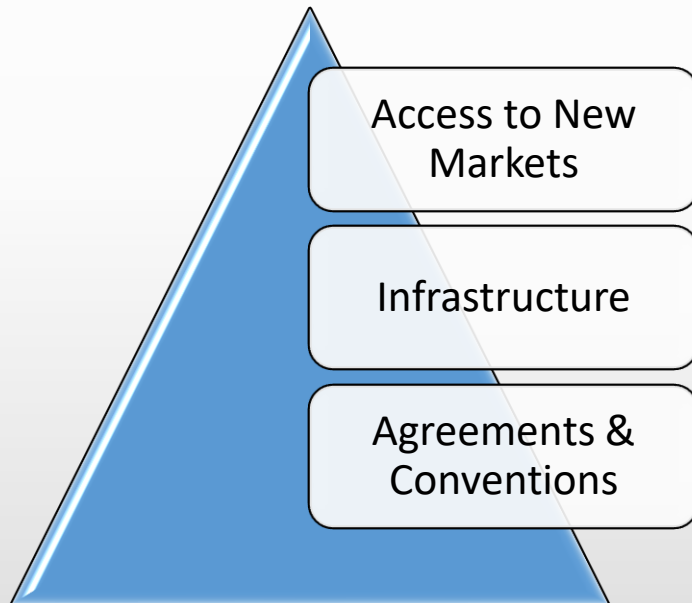
## **EUROPEAN (SSS) Shares by sea region of partner ports in 2016**



*Source: Eurostat, 2016*



# Opportunities & Challenges



• Competition

• Regulations

# Challenges

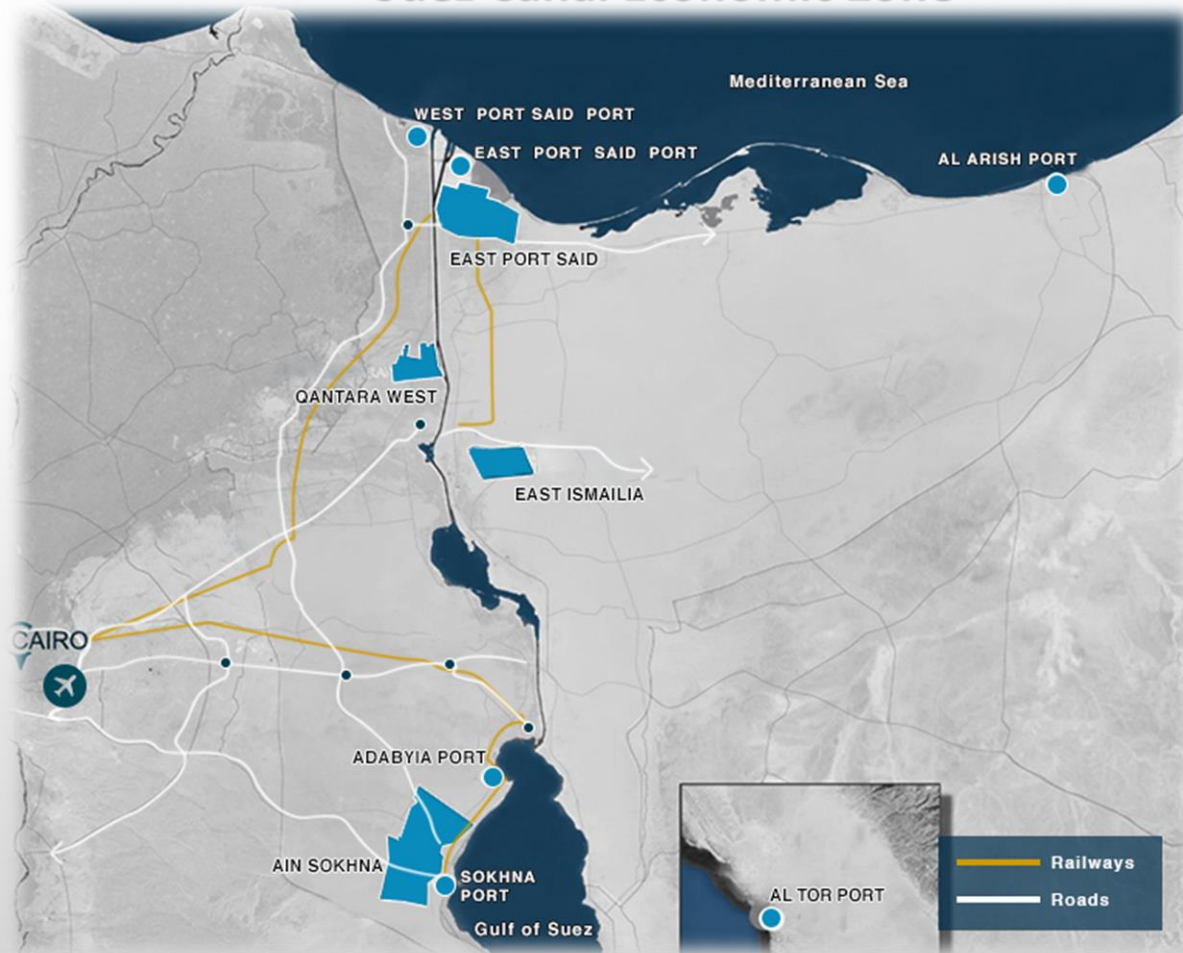
- The great potential of the Mediterranean ports, is yet not fully tapped due to the pricing policies that lead to severe competition , price burning and the lack of integration between its ports, this policy has proven highly unproductive and needs to be rethought;
- Eventually this pricing policy affects the performance of maritime transportation that is determined by a wide range of factors but competitiveness and efficiency go together, as the most important.

# Opportunities



# Infrastructure

## Suez Canal Economic Zone



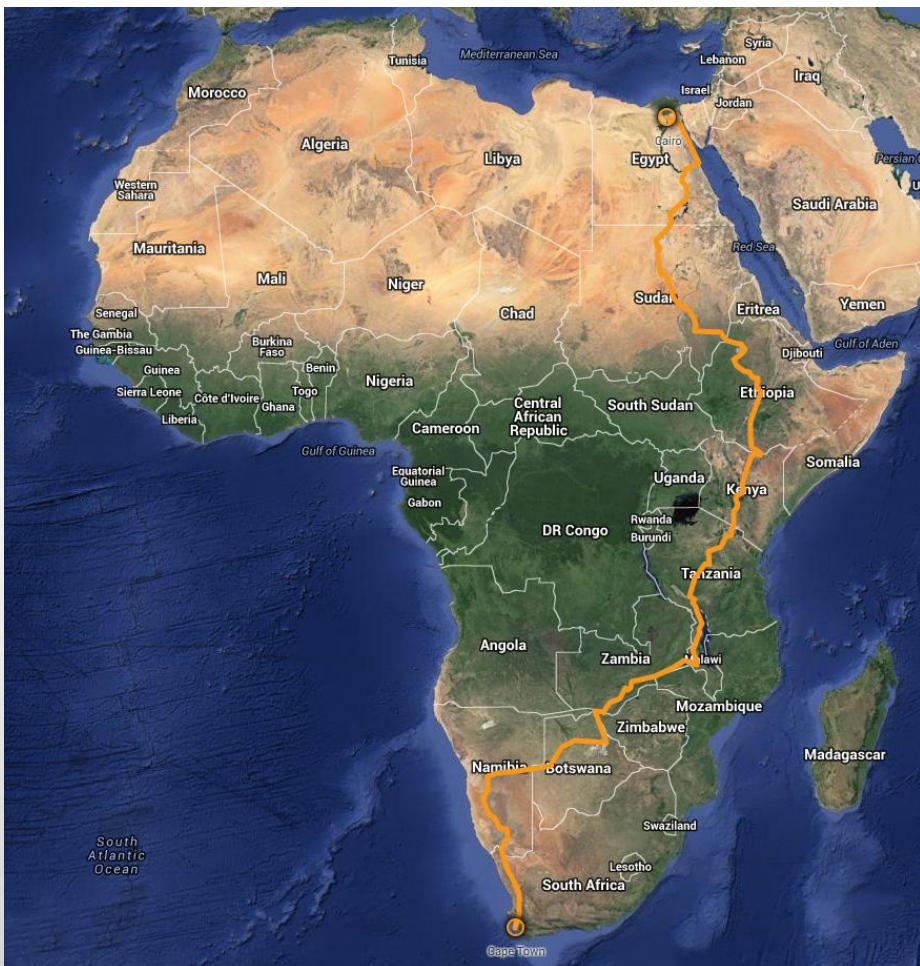
## Egyptian Road Network





# Infrastructure

## Cairo Cape Town Road



## New River Ports



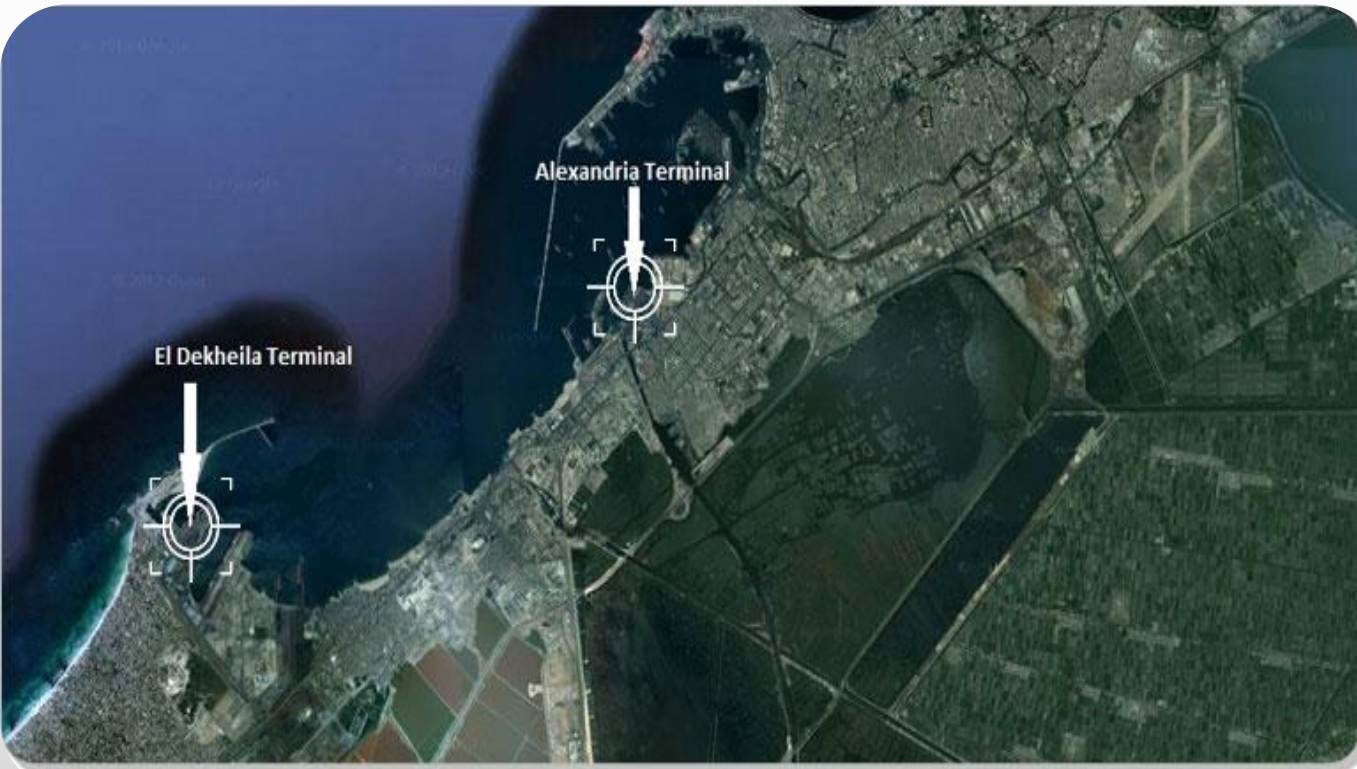
## Nile River Ports



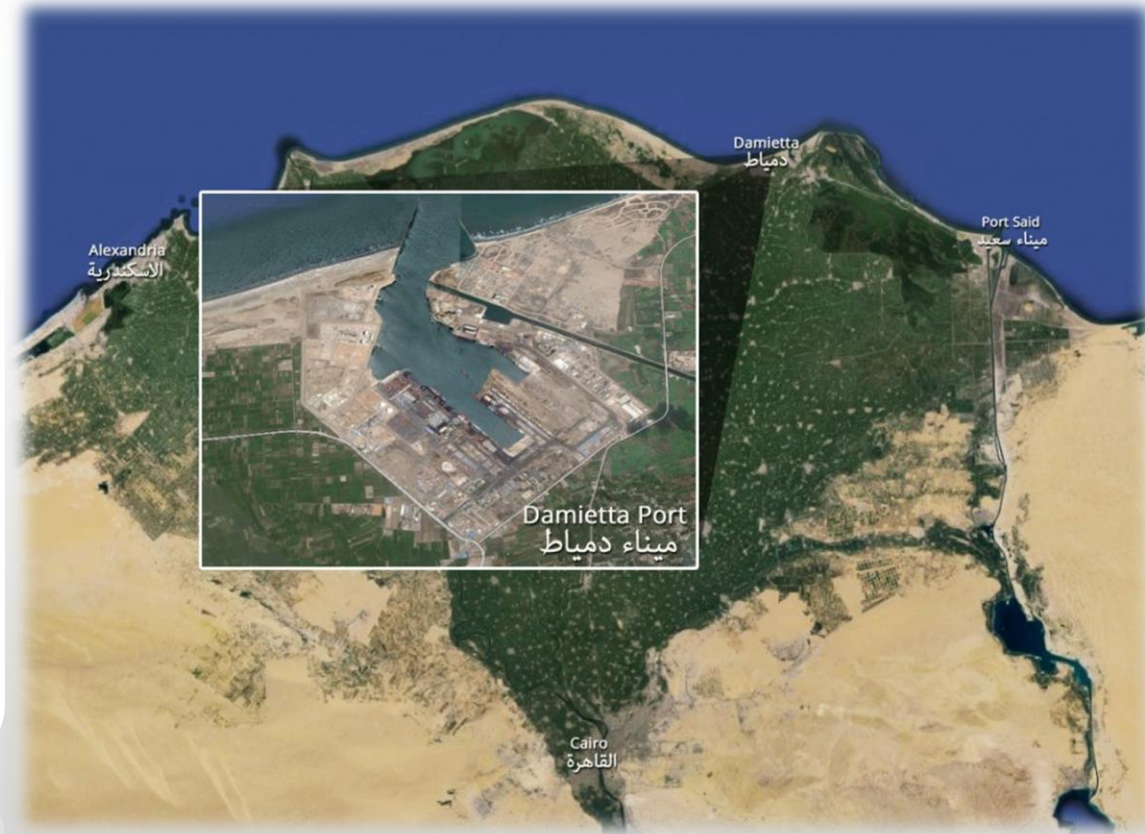


# Infrastructure

## Alexandria Port



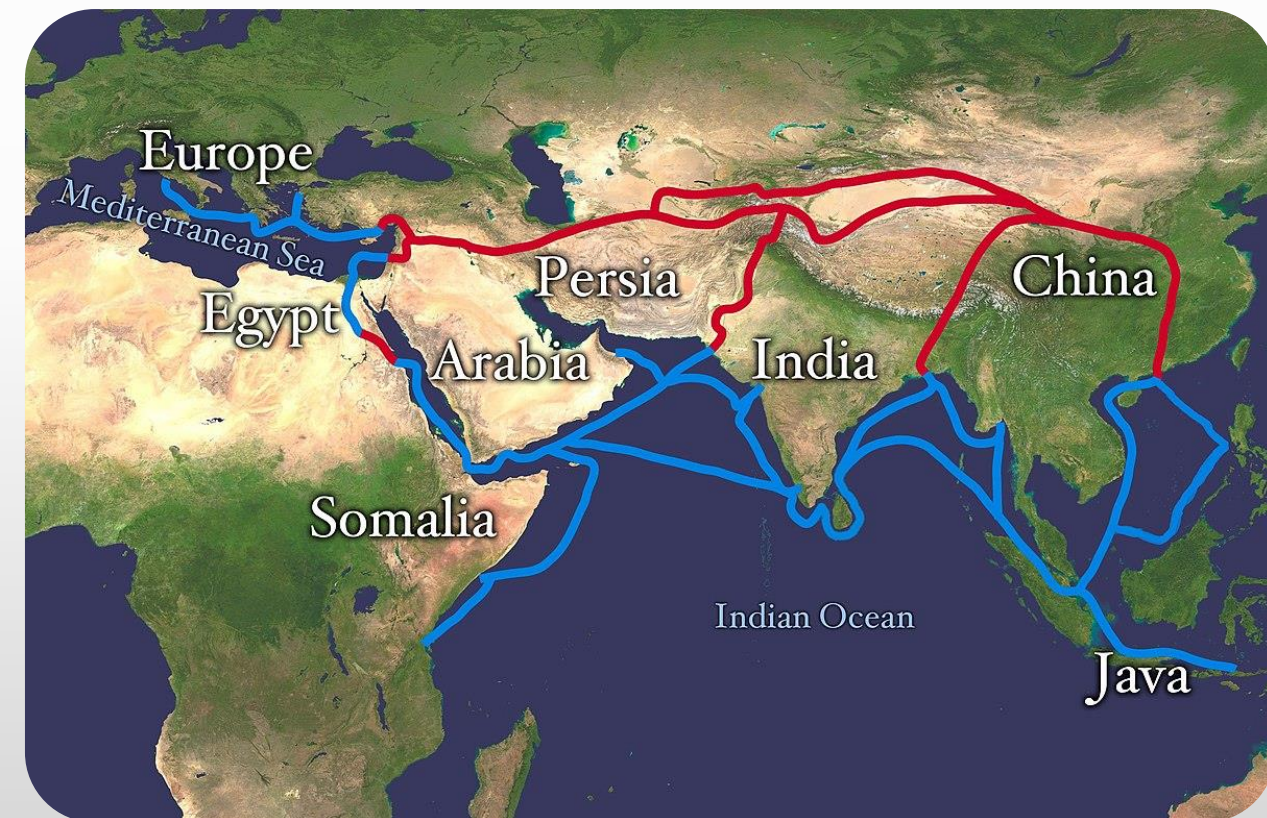
## Damietta Port





# Agreements & Conventions

## Silk Road



## Bilateral Agreements and MOUs Between Egypt and Greece



# Agreements & Conventions

## The Continental Free Trade Area



**Creating One African Market**



UNITED NATIONS

الاسكوا  
ESCWA



# **Agreements & Conventions**

**Bilateral agreements between Egypt,  
Arab and African countries**



**Intention of Egypt to Sign TIR agreement**



# **Recommendation**

- Expanding the role of Short Sea Shipping Lines and Feeder services by entering into partnership between shipping companies could help in solving such problems, through launching regular and reliable sailing timetables with a suitable price.
- Governmental entities be invited to reconsider their sea ports dues and pricing policies to encourage short sea shipping.
- Implementing new innovative management system for achieving integration between Mediterranean ports.
- In so doing, it would be possible to propose new cooperation policies between ports of the same cluster, but also between different clusters, on the basis of their specific features.

Questions

