Horizon Of Short Sea Shipping in Mediterranean SSS

Presented By
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www.mahoneyegypt.com
• Founded in 1946
• Private investment
• Marine and Shipping Services Company
• Diverse portfolio consisting of:
  - Short Sea Shipping
  - Feeder Services
  - RIVER Transport
  - Logistics
  - Ship agency
  - Port Services
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 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 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.
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.
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

Source: Eurostat, 2016
EUROPEAN (SSS) Shares by sea region of partner ports in 2016

- Baltic Sea: 22%
- Mediterranean Sea: 29%
- North Sea: 25%
- Atlantic Ocean: 13%
- Black Sea: 6%
- Others: 4%

Source: Eurostat, 2016
Opportunities & Challenges

Opportunities

- Access to New Markets
- Infrastructure
- Agreements & Conventions

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.
Infrastructure

Cairo Cape Town Road

New River Ports

Nile River Ports

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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
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

Thank you!