



# Maritime Development, Opportunities & Future Potential

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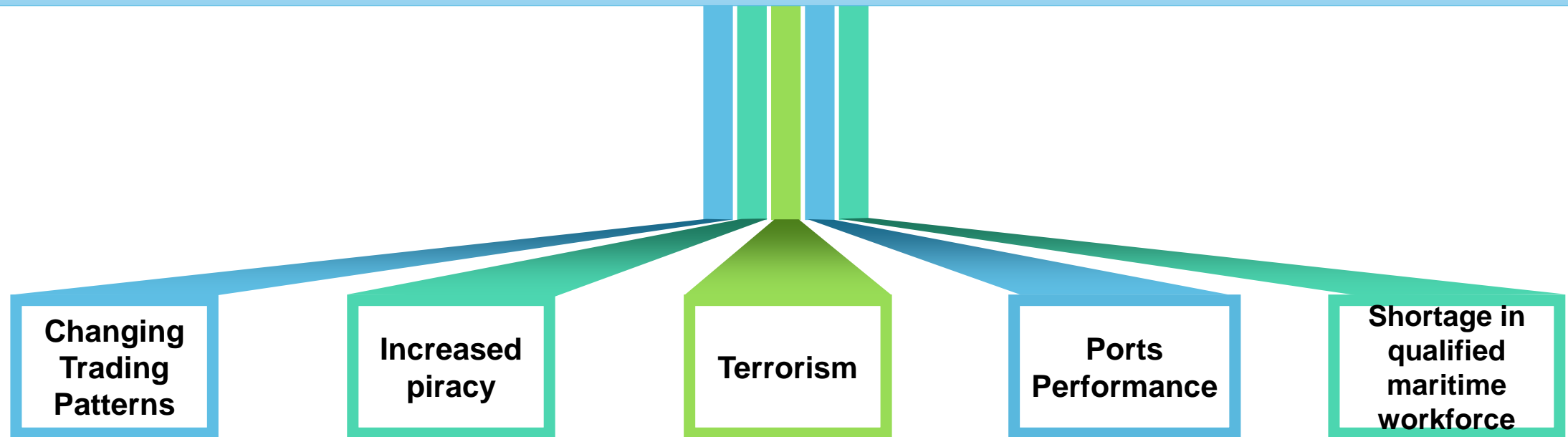


# Challenges of Maritime Sector

# Challenges of Maritime Sector



According to Global Maritime Issues Monitor 2018, the main global issues that impact future maritime performance :-



# Challenges of Maritime Sector

## ❑ Global Economic Crisis



The global economic crisis adds painful uncertainty for the shipping industry, as it distorts the free flow of goods, changes trade lanes and makes it difficult for ship operators and owners to position ships efficiently in the market “BIMCO’s chief shipping analyst Peter Sand”

Shipping industry has been hard hit by several geo-political obstacles recently (i.e the trade war between the US and China).

Trade cannot be seen in isolation from wider geopolitical developments, since geopolitical conflicts often spill over directly or indirectly onto trade flows in all regions including Greek and Arab region by nature.

Advanced economies growth is on a downward trend and has been so since the mid-2000s. Such a development affects every shipping sector across the globe – in different ways, naturally



# Challenges of Maritime Sector

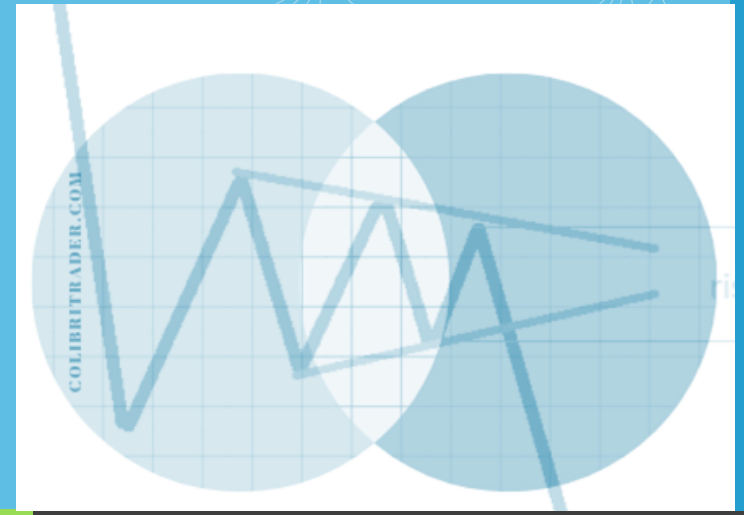
## ❑ Energy Price Fluctuations



The maritime industry is particularly susceptible to oil-price fluctuations, for both logistics and geopolitical reasons, around **40%** of world seaborne trade – **more than 4 billion tons in 2016** – is related to the transportation of energy commodities, whether in the form of oil, coal or gas. This means that energy price fluctuations can have a big impact on both trade flows and trade volumes worldwide and especially in Greece as Greek ship-owners control **31.99%** of the world's crude oil tankers fleet in the world

# Challenges of Maritime Sector

## ❑ Changing Trading Patterns



Around **90%** of global trade by volume is carried on ships, which makes it only natural that 'changing trading patterns' is ranked high as an issue that is potentially very impactful for the maritime industry.

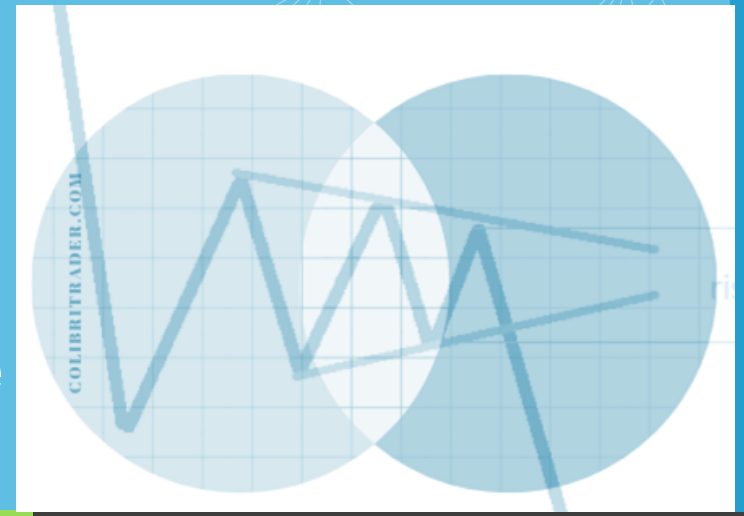
One of the drivers of changing trade patterns is the continued rise in importance of emerging economies, such as those being embarked on in the context of China's trillion-dollar undertaking, Belt & Road Initiative (BRI).

At the same time, the rise of global protectionism risks putting a brake on the growth in trade and could in a worst-case scenario lead to the unraveling of the current global multilateral trading system anchored by the World Trade Organization

# Challenges of Maritime Sector

## ❑ Changing Trading Patterns

While it may be a great opportunity for Greece



Although the impact of the new silk road project cannot be realized thoroughly, the scale of the initiative and the economic figures involved are expected to reshape the Asia-Europe trade, creating new opportunities for Greece and the Piraeus port especially.

It has been recognized early in the process as a major maritime link in the East West inter-oceanic corridor.

COSCO has already invested heavily in developing Piraeus as a major European transshipment port.

# Challenges of Maritime Sector

## ❑ Increased piracy



The number of pirate attacks worldwide has tripled in the past decade, and new evidence suggests that piracy is becoming a key tactic of terrorist groups.

**42,000** vessels pass through high risk areas every year, costing the shipping industry half a billion pounds to protect in Greece.

Anti-piracy company “ARX Maritime” joined Greece’s oldest maritime security agency in support of Greek shipping industry’s fight against piracy attacks.



# Challenges of Maritime Sector

## ❑ Tourism



Political instability, insecurity and the consequences of conflict continue to take their toll in Libya, Palestine, Syria and Yemen and are creating spill-over effects for neighboring countries.

# Challenges of Maritime Sector

## ❑ Ports performance



Port efficiency is one of the binding constraints in the Arabian maritime sector, this partly due to the fact that most of the region ports generally are lower than global competitors across a range of indicators.

A lot of the sub region's ports are experiencing capacity constraints and congestion. The international standard for port dwell time is seven days or less. However, in Arab region, containers routinely spend more than a week in the terminal. The result is congestion and port inefficiency.

PORT

# Challenges of Maritime Sector

## □ Ports performance



**While on the other hands**, Greece recorded substantial growth in container traffic, attracting significant shares in the West-East seaborne trade due to Privatization of the two Greek largest ports.

As a consequence of the structural adjustment program for the Greek economy that were agreed with Troika (European Commission, International Monetary Fund and European Central Bank) and the Hellenic Republic Asset Development Fund (HRADF), which owns the share of the Greek ports, proceeded in **2014** with the tendering process for the sale of **67%** of the shares of the Piraeus port Authority (PPA) SA.

Moreover, a similar tendering process for the sale of the **67%** of the shares of the Thessaloniki port Authority has been completed.

Containerized traffic in Greek ports increased by more than **4.5 times**, in terms of total tones of goods handled between **2009 and 2015**

# Challenges of Maritime Sector

- ❑ Shortage in qualified maritime workforce



The high demand for transport services has triggered a growing demand for qualified nautical personnel. The labor markets have not been able to respond to this demand, leading to a shortage of qualified personnel in transport sector.





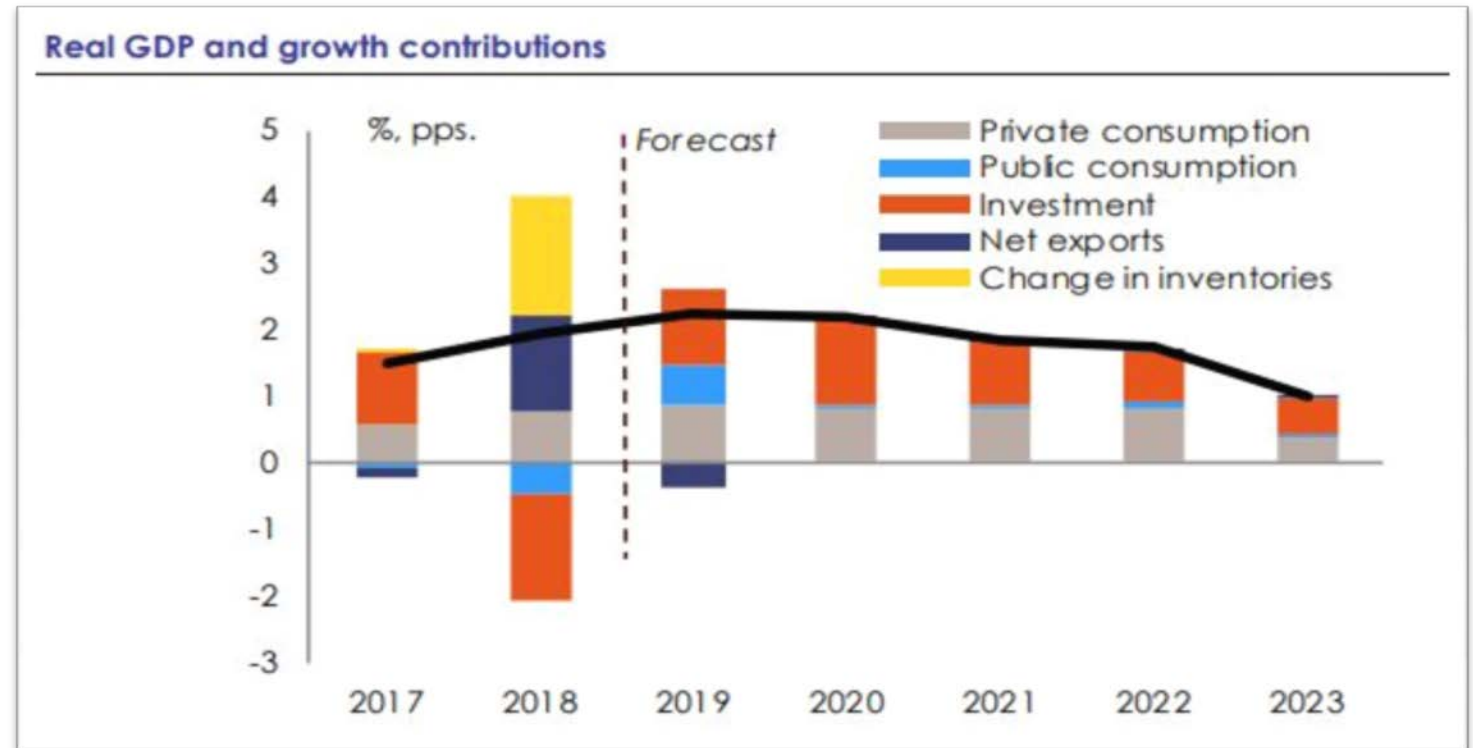
# Arab-Hellenic situation

## □ Greek Economy



### Real GDP and growth contributions

The annual growth rate in 2018 reached 1.9%, Real GDP growth is forecast to reach 2.2% in both 2019 & 2020 then expected to be decreased to 1% in 2023





# Arab-Hellenic situation

## □ Greek Economy



### Unemployment rate

Unemployment has been declining from 20.9% in December 2017 to 18.6% in October 2018, and has been hovering around that level until February 2019



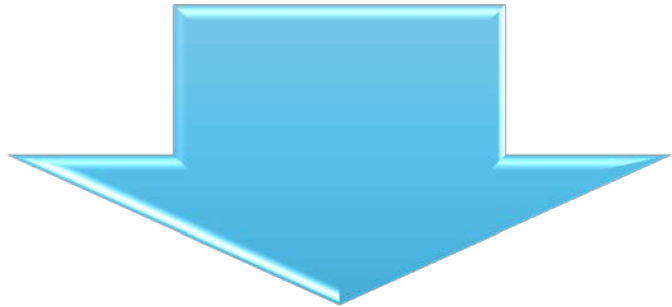
Employment grew by 1.7% in 2018 according to the national accounts definition, and by 2% according to the labor force survey

# Arab-Hellenic situation

## □ Greek Economy



### Current economic challenges



GDP per capita is still 25% below its pre-crisis level. The public debt is still high and a source of significant vulnerability. Poverty rose sharply during the crisis, especially among the young and families with children. Though poverty has stabilized, it remains near a record high, Skill mismatch is also high



**Despite these positive developments**



# Arab-Hellenic situation

## □ Greek Economy



### Investment and FDI

According to the EY European Investment Monitor, during the last decade (2009-2018), Greece ranks 32nd among European countries in terms of the number of FDI projects it has attracted, with a total of 129 investment projects, or 0.27% of all investments that have taken place in Europe

**Greece needs an investment shock in order to return to high and sustainable growth rate**

in next 5 years, while Investment is not only expected to rebound in 2019, it also set to become the biggest contributor to GDP growth in the country

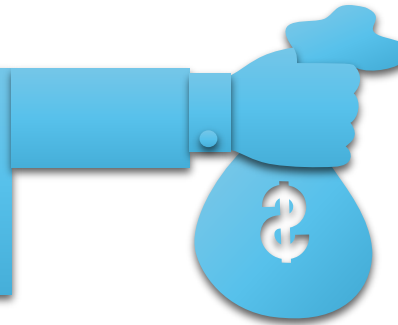


# Arab-Hellenic situation

- ❑ Rebuilding the infrastructure of Arab countries



The estimated cost of rebuilding the infrastructure of Arab countries devastated by wars and conflicts, namely Iraq, Yemen, Syria and Libya, is estimated at one trillion dollars



The volume of net losses in economic activity of these countries as a result of wars and conflicts exceeds 600 billion dollars, equivalent to 6 % Of GDP of Arab countries

# Arab-Hellenic situation

## □ The Greek-Arab investment opportunities



The Greek-Arab double investment opportunities are highly visible and required in order to increase development level in both regions generally and contribute in the reconstruction policies of the Arab countries devastated by wars and conflicts



**The maritime sector is the most potentiated sector for the Greek-Arab collaboration**

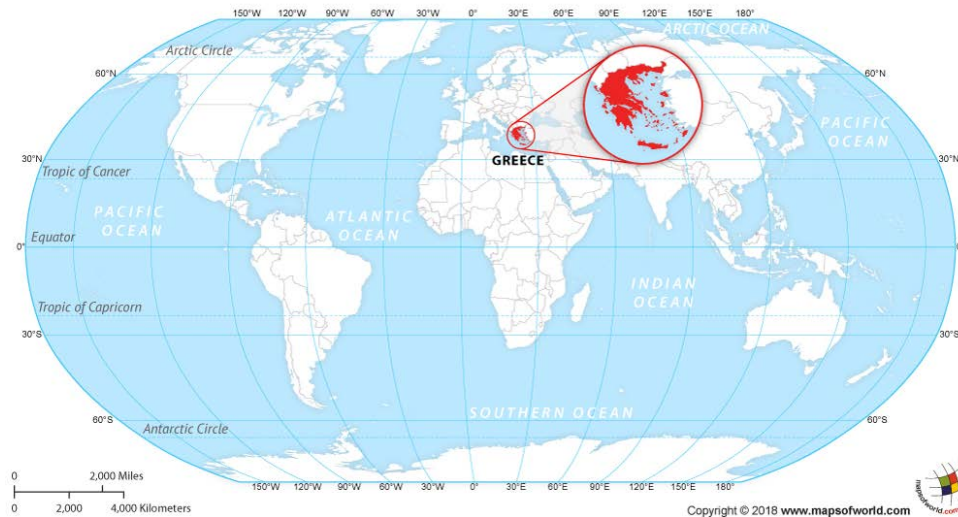


# Arab-Hellenic situation

- ❑ The Greek-Arab collaboration in the maritime sector



## Greece



Greece is the EU frontier country with the longest coastline in a difficult neighborhood

Its location gives it great possibilities for economic development

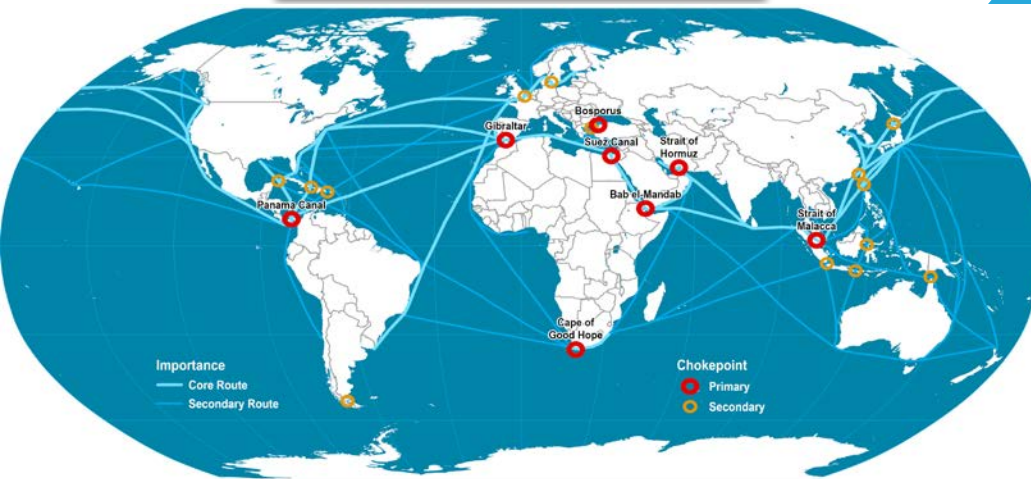
the investment in Greek shipping sector is too important in light of the fact that the EU relies on international shipping for more than 75.5% of its external trade

# Arab-Hellenic situation

- ❑ The Greek-Arab collaboration in the maritime sector



## Arab region



The waterways of Arab region are among the most important in the world

They facilitate the export of large volumes of oil and natural gas from the region, while also bridging traders in the Eastern and Western worlds through the Red Sea and Suez Canal

While MENA countries will continue to trade mostly with non-regional partners, the current levels of trade within the region are below those that would be attained if economic relations intra-regionally were freer

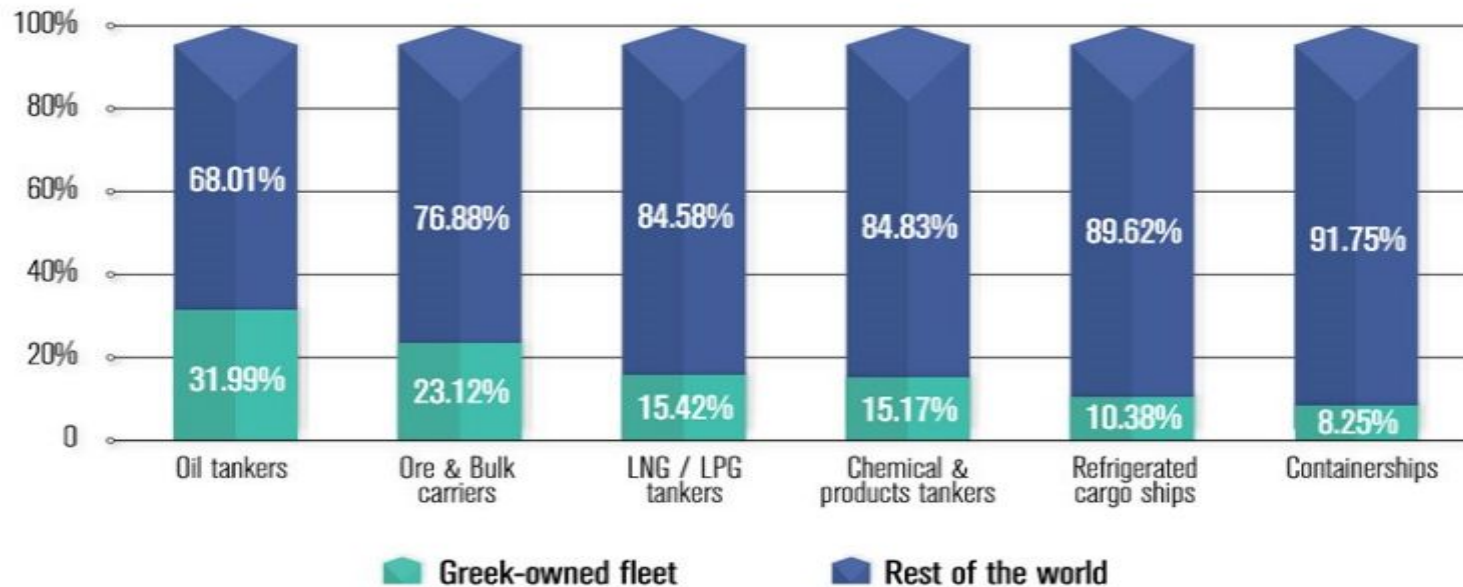


## Greek maritime situation

# Greek Maritime Situation

The Greek-flagged fleet ranks 8th internationally and second in the EU (in terms of dwt)

**SHARE OF GREEK-OWNED FLEET IN WORLD FLEET - BY MAIN TYPES OF VESSEL**  
(IN DWT, SHIPS>1,000 GT)



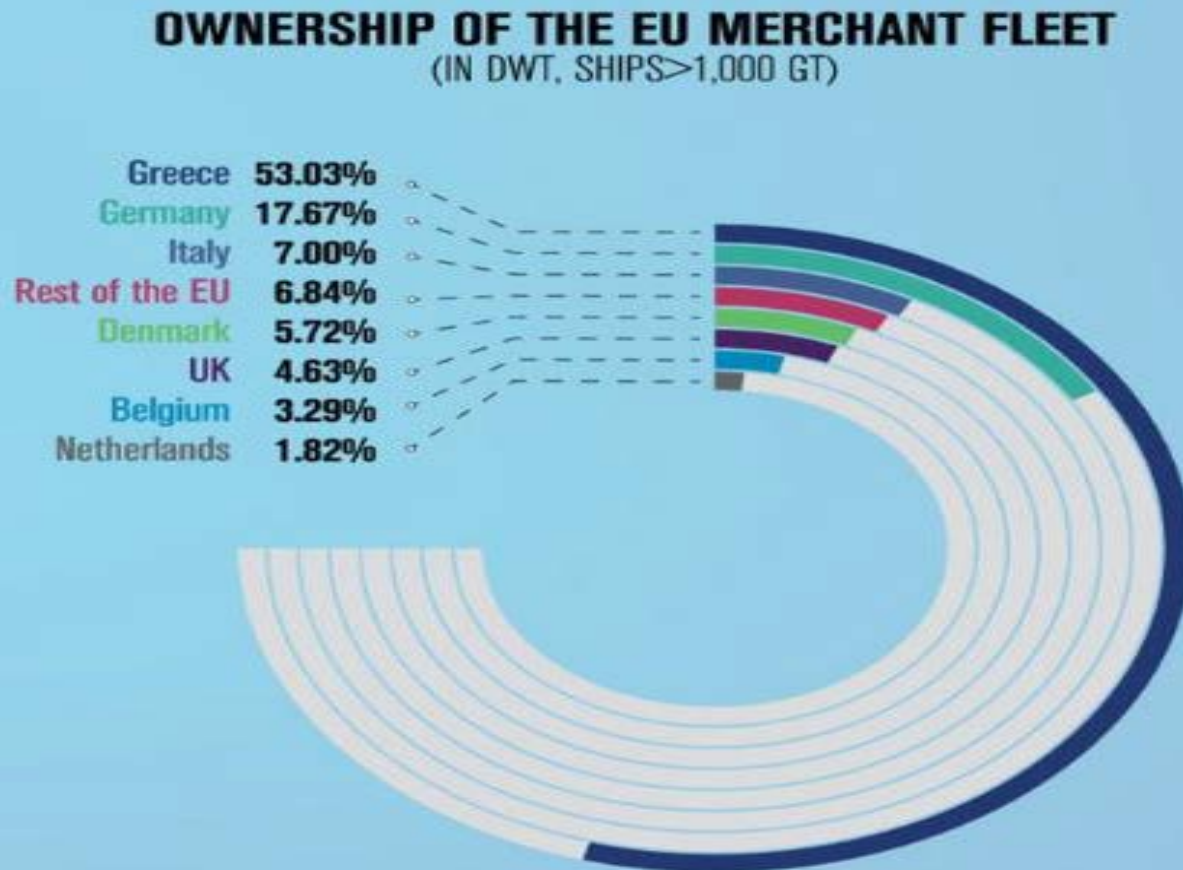
Source: IHS Markit, World Shipping Encyclopaedia, January 2019

- ❖ **Greek-owned ships** represent almost 21% of the global tonnage.
- ❖ **The Greek merchant fleet is the biggest fleet in the world**, with 4,936 vessels (ships over 1,000 gt) of 389.69 million deadweight tons (dwt) – an increase of approximately 6.63% from the previous year.



# Greek Maritime Situation

The Greek-owned fleet represents 53% of the European Union (EU) fleet in dwt and 20.9% of the world fleet in dwt.



Source: European Commission, EU Transport in Figures, Statistical Pocketbook 2018



# Greek Maritime Situation

In 2018, despite an economic landscape in Greece offering few investment incentives, the receipts in the Services Balance of Payments from maritime transport are estimated at approximately €16,629 million for 2018. That is 14.89% more in relation to 2017 when the receipts were €14,473 million.



Source: Bank of Greece, February 2019

Note: The figures of 2016 and 2017 have been adjusted by the Bank of Greece to reflect the changes introduced in the way the Bank of Greece now calculates the foreign exchange.



# Arab-Hellenic Maritime Investment Opportunities

# Arab-Hellenic Maritime Investment Opportunities

## 1. Infrastructure and Digitalization in Ports

According to Report “REVIEW OF MARITIME TRANSPORT, 2018” by UNCTAD it determined the automated trends that have taken place in list of mega ports, there are **3 Arabian ports which are**

**Tanger Med, Morocco**

01

02

**Jebel Ali Terminals 3 and 4,  
UAE**

**Khalifa Container Terminal,  
UAE**

03

Port Technology International “PTI” also has reflected number of changes, innovations and expansions that have taken place and compiled a list of five mega Mediterranean ports, The list mentioned only one Arabian port and one Hellenic port which are **Tanger Med, Morocco & Port of Piraeus, Greece**

# Arab-Hellenic Maritime Investment Opportunities



## 1. Infrastructure and Digitalization in Ports



Ports in both regions face challenges arising from the changing dynamics in the liner shipping market, the need to embrace technological advances brought about by digitalization, the requirement to comply with a heightened global sustainability agenda and the imperative of remaining competitive and responding to the demands of the world economy and trade

**SO**

**the Arab-Hellenic cooperation in enhancing the mechanisms of technological development of ports and the exchange of experiences is very important and is required in order to catch up with the requirements of the fourth industrial revolution**

# Arab-Hellenic Maritime Investment Opportunities



## 2. Vessel maintenance and Fleet management



Supporting Arab countries specially which devastated by wars and conflicts, namely

Iraq

Yemen

Syria

Libya

in the field of rebuilding, maintenance and managing naval ships is very required,





# Arab-Hellenic Maritime Investment Opportunities



## 3. Maritime Crew recruitment and training



Greece-Arab

cooperation in Maritime training and education field is very important for transferring and sharing the experience between the 2 partners

Such as

Hellenic - Arab Maritime Academy which is considered as the first academy of this field in the region, despite the region still need some naval education sub institutions specially in Gulf region and north Africa countries

# Arab-Hellenic Maritime Investment Opportunities

## 4. Maritime linking

### Greece

To thrive, they will need to attract foreign direct investment far beyond the EU states. As a linchpin of the Mediterranean region, a Greek economic renaissance could benefit a broad swath of Arab world economies. For that reason, Arab policymakers should see Greece as a Mediterranean opportunity

### Arab region

Investors planning deeper forays into that part of Central and Eastern Europe. Maritime Greek-Arab investments partnership, mainly Gulf and Egyptian ports are very essential currently, so that they can act as a Gateway between the Silk Road from China via Turkey and Europe via Greece, and with Arab countries devastated by wars and conflicts, namely Iraq, Yemen, Syria and Libya which need huge investments and funds for redeveloping their maritime infrastructure and facilitate trade flow

# Arab-Hellenic Maritime Investment Opportunities



## 4. Maritime linking



The Mediterranean-Red Sea-Indian Ocean economic corridor should be considered rightly as one of the Arab world's most vital trade routes, touching countries from North Africa to East Africa to the Arabian Peninsula.

For increasing bilateral trade and common investment between Arab region and Greece in the upcoming period, shipping lines must be increased. It also required for Arab countries devastated by wars and conflicts especially in food and building goods, so we recommend increasing bilateral shipping lines between Greece and Arab region

# Arab-Hellenic Maritime Investment Opportunities

## 4. Maritime linking

The most important ports in Greece and Arab region



# Arab-Hellenic Maritime Investment Opportunities

## 4. Maritime linking

For contributing in the next reconstruction phase in Arab countries devastated by wars we recommend the following ports to be linked

1

Volos Port and Latakia port (Through Mediterranean)

2

Patras port and Gaza port (Through Mediterranean)

3

Heraklion port and Almaqal port ( Through Mediterranean - Red sea – and Arabian sea)

4

Killini Port and Ben ghazi port (Through Mediterranean)

5




Patras port and Aden Port (Through Mediterranean and Red Sea)



# Arab-Hellenic Maritime Investment Opportunities

## 4. Maritime linking

For boost the level of trade and investments between Greece and gulf region we recommend those ports to be linked

- 1- Volos Port and Jeddah Port (Through Mediterranean and Red Sea)  

- 2- Heraklion port and Jabal Ali port ( Through Mediterranean - Red sea – and Arabian sea)  

- 3- Lgoumenitsa Port and Hammad port ( Through Mediterranean - Red sea – and Arabian sea)  


# Arab-Hellenic Maritime Investment Opportunities



## 5. cruise tourism sector



Touristic programs involving the (Greece – Cypriot and Egypt) through cruise tourism

Linking the shipping line between the Mediterranean and Red sea through the Suez Canal, which is a dream for the majority of tourists because of its historical, political and economic importance

Starting from Greece and Cypriot ports arriving to Alexandria Port and Port Said on the Mediterranean Sea and linking it to the Red Sea ports of Hurghada, Safaga, Sharm El-Sheikh and Sokhna, passing through the Suez Canal, which is one of the most important attractions in this type of tourism, where many tour operators expressed the desire of their customers to pass through the channel.



# Recommendations

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## Recommendations

1. Arab countries should conduct a Future plans With the help of expertise from the Greek side for ongoing extension or improvements in ports/terminal evolving technologies that will affect the sector, including artificial intelligence, autonomous surface vessels, and robotics. It is also important that the container terminals authority should conduct yearly comprehensive efficiency evaluations.
2. Greek- Arab Maritime education is of crucial importance for strengthening the maritime cluster in the region, It is recommended that policy-makers envisage an initiative of a European training center providing additional training for specialized trades with the cooperation of national academics and institutions such as Hellenic - Arab Maritime Academy.



In doing so, this initiative would not only be more effective in providing the specialized qualifications that are demanded by some shipping companies, but would also take the lead in providing highly qualified officers. In other words, the Greek-Arab could present itself as a worldwide maritime knowledge center.

## Recommendations

3. Working on settle some more Arab-Greek trade agreements and activating the agreements already available in order to overcome obstacles to the increase the mutual trade exchange rates and facilitate the proposed maritime linkage.
4. Organizing exhibitions and conferences in Arab countries and Greece in order to promote investment opportunities in various sectors not only the navigation sector.
5. Organizing Arab-Greek tourism programs, especially cruise programs, in order to increase tourism revenues and enhance the opportunities of mutual cultural exchange for the citizens of the two parties.







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Thank you