

LIGURIA 2022

PRESENTAZIONE DI ALEC ERWIN

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REGIONE LIGURIA



Camera di Commercio
Genova

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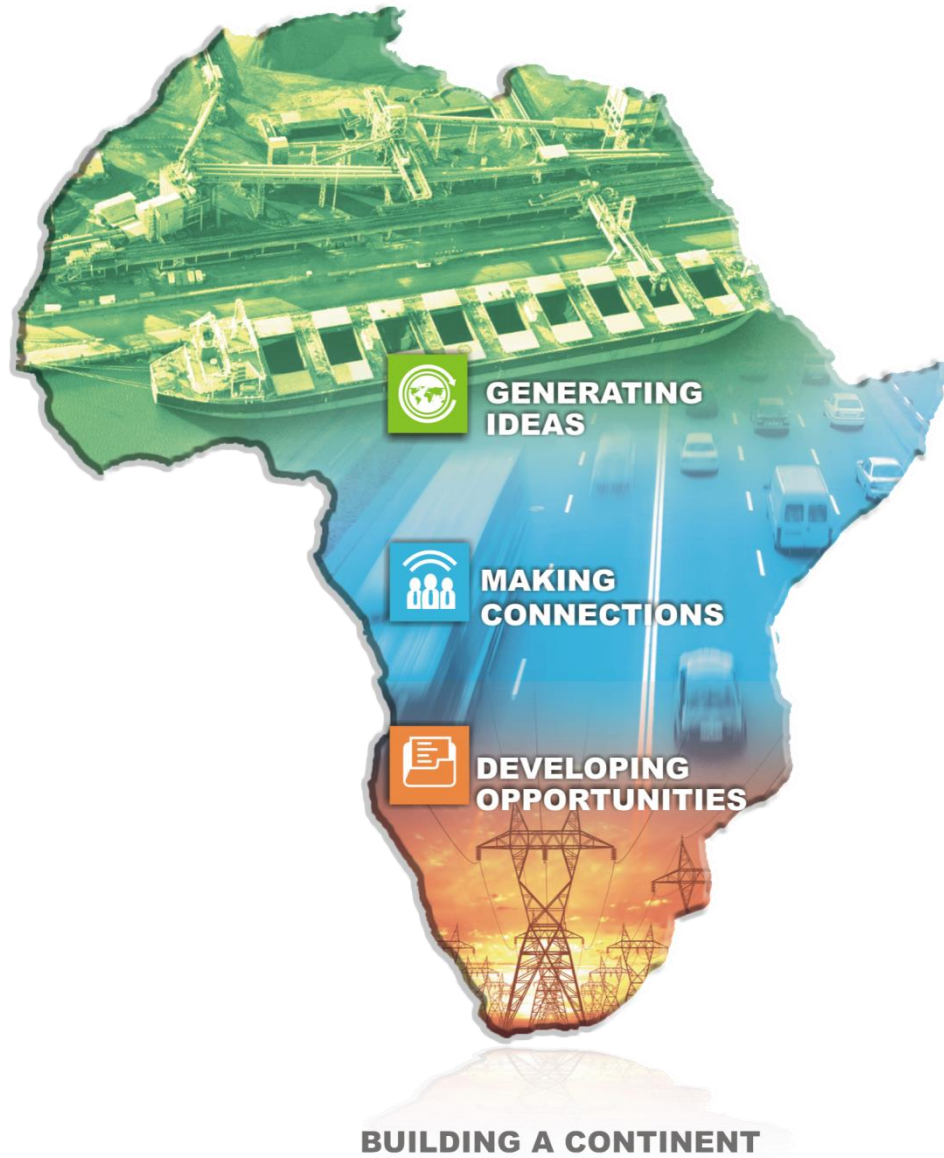
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Old Ports - New Trade Patterns Reflections

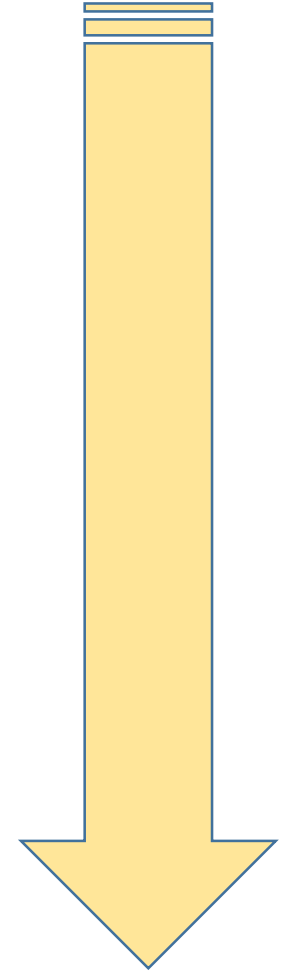
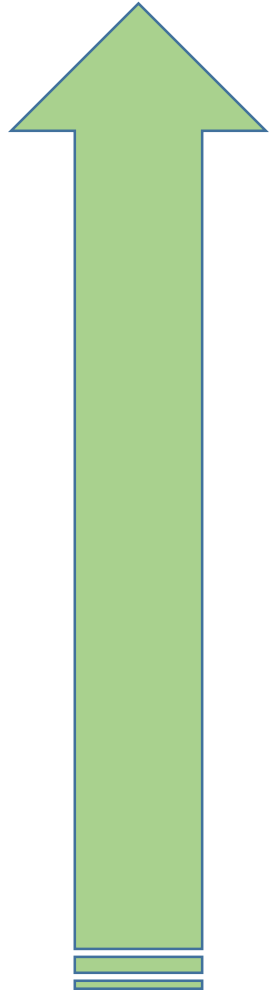
May 2018



BUILDING A CONTINENT



NEW OPPORTUNITIES



NEW CHALLENGES



The Perpetual Coastal Challenge

- We think of ports as timeless because they have been with us for so long.
- But in fact they are the pulse of the global economy and they handle so much trade that they **have to change with change!**
- The global economy is dynamic and ever more so!
- So the exercise that Liguria is now going through is a very sensible one.
- Let me share some thoughts from a similar challenge we face in South Africa that arose, and arises, from our rapid re-immersion in the global economy after 1994.
- But I am enjoying learning from all of you.

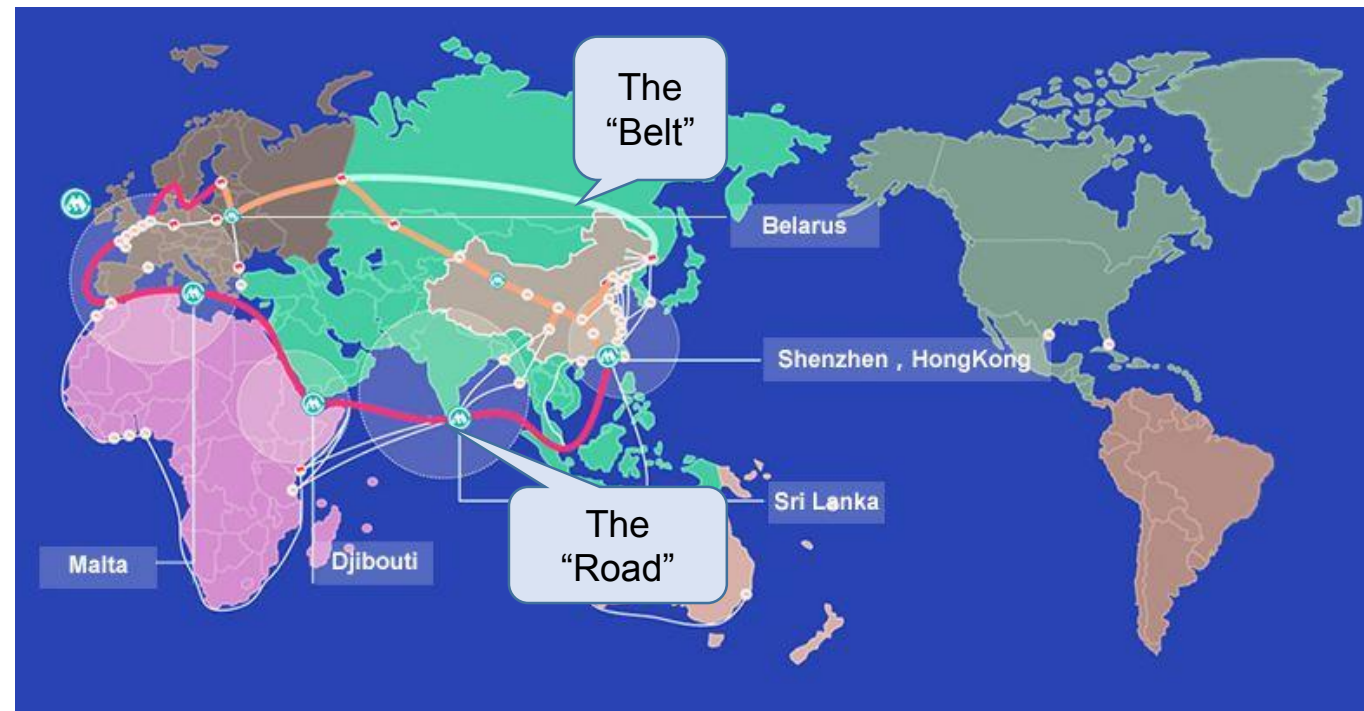


The Endless Change

- Trading partners and trading patterns change.
- Economies are dynamic and the composition of trade changes as do the sources and destinations of the products.
- Most ports were built in a different era and trading environment - not the era where 'just-in-time' logistics and production is king!
- The Port hinterland is changing, although not necessarily the topography and geology.
- The proximate economy of the Port is changing –whether for better or worse is often unknown.

Changing Trading Partners

- South Africa after 1994 entered a dramatically new trading economy after decades of isolation.



New Opportunities Arose

- The complex trade opportunities of East and West Africa arose
- Trade between African economies was new. For decades trade had been out of Africa direct to Europe of the United States.
- Now everything has changed.
- Take West Africa – an ancient trading regions but now so new!



There are 5 significant ports serving to 3 landlocked countries:

- Dakar
- Abidjan
- Tema
- Lomé
- Cotonou

The Composition of Trade Changes

- South Africa had traditionally been an exporter of minerals and agricultural products.
- However, it also had a manufacturing sector. Automotive production took place and industrial policy looked to export vehicles.
- We developed Industrial Development Zones – not Free Trade Zones.
- However, we could not easily do this at the older ports so we had to build new – there are pros and cons to that!

Ports from the Past – a future?

- The largest of South Africa's ports were long established – Durban, Port Elizabeth and Cape Town.
- This meant they had many constraints:
 - Shallow draft.
 - Constricted berth sizes.
 - The city had encroached on the port.
 - Entry and exit for rail and road congested.
- However, historically economic activity was located around these ports and the hinterland links were with them.
- New ports could be operationally more efficient, but where was the traffic volume?

The Economy Changes but the Topography and Geology doesn't

- South Africa has most of its economic activity far inland on a high plateau. Abundant diamonds, gold, coal, manganese, chrome and a host more dictated this.
- Railway and road has to climb steep escarpments to get to this economic activity.
- Railway lines were designed for smaller train lengths and tunnels never contemplated that one day there would be double stacked container trains.
- Building new more efficient logistics systems requires vision, confidence and lots and lots of money – non of which easily accords with the political cycles of the present.

Old Ports - Aging Economies

- Old ports are likely to be associated with the origins of industrial growth and earlier stages of economic development.
- Yet the trade going through them will reflect the changing patterns of national and global trade. The EU - a very special case in global terms – something to be nurtured!
- The phenomenon of trade entering a port and then going through areas of industrial collapse is all too common.
- How does the immediate economy of the port adjust to the changes in the port or how does it compensate for loss of economic activity as a result of its past?

South Africa is struggling to adjust

- But it is adjusting with new ports, new systems and new economic activity.
- Yet it is only on the cusp of entering the great new trading systems that are evolving in the Atlantic, Indian and Pacific oceans.
- Ten years ago it was a rare South African that could tell you anything about a relatively new Chinese city and port called Shenzhen.
- That has changed!! But to make the trade links real in the great new Silk Road is still work in progress.

Success to Liguria !!!

- What you are doing is undoubtedly correct:
 - Analyse
 - Consult
 - And learn
- I predict the greatest need for innovation will be:
 - A political construct that can sustain long term projects. The EU construct seminal for all of us!!
 - The delivery institutions that can invest within a strategic framework on a sustained basis.
 - Public private partnerships that provide sustainable financial and equitable economic solutions!

Aluta Liguria !!!

Please come and share your wisdom with us in South Africa in the future!!

Thank you!
Ngiyabonga!
Grazie!