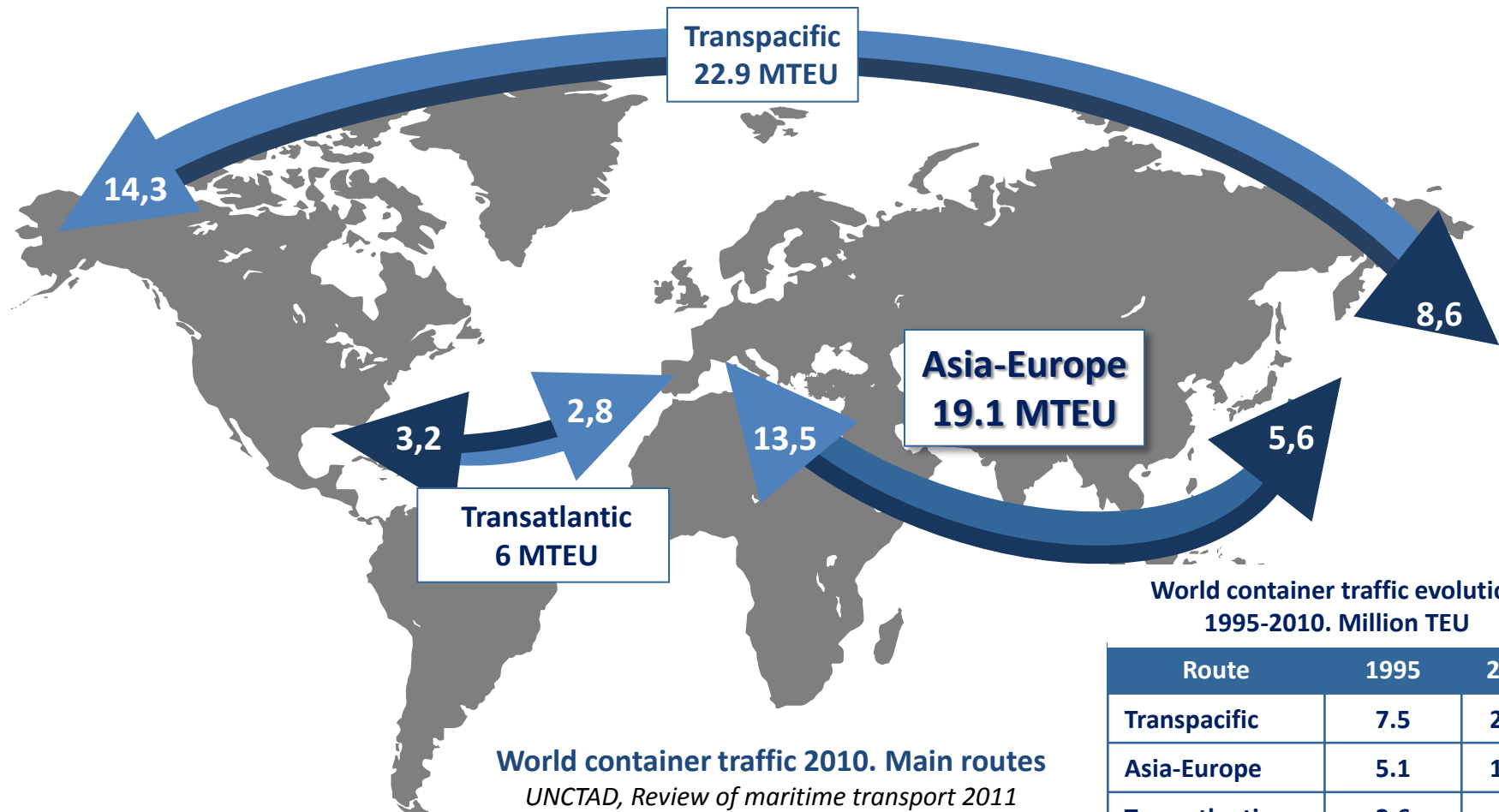


Relevance of the Europe-Far East route

The last few years have witnessed a notable increase in container traffic on the Far East - Europe route. In 1995 this route transported 5 million TEU that rose to 19 million TEU in 2010. This is more than three times the quantity of containers of the Transatlantic route.

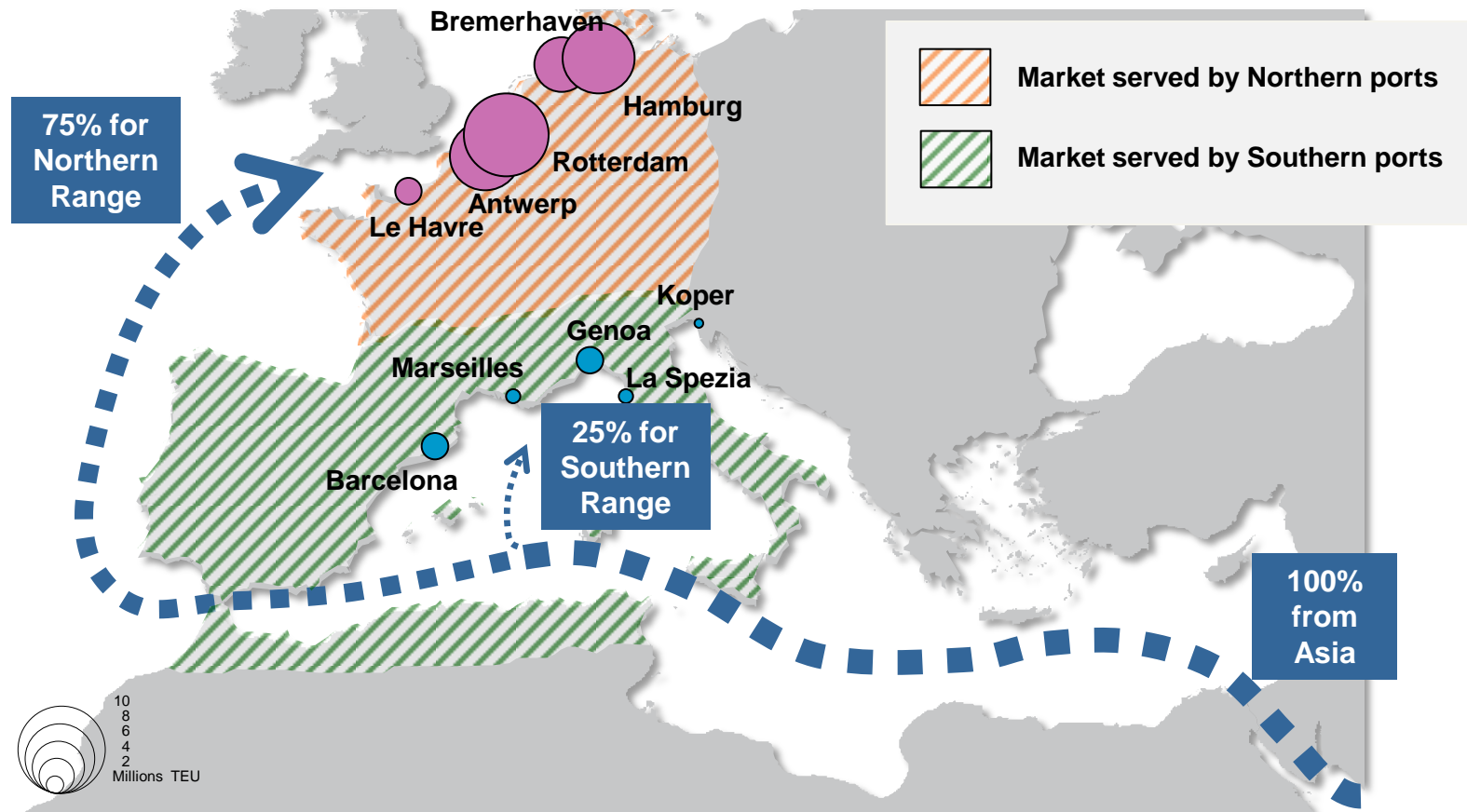


World container traffic evolution 1995-2010. Million TEU

Route	1995	2010
Transpacific	7.5	22.9
Asia-Europe	5.1	19.1
Transatlantic	2.6	6

European transport & logistics system imbalance

Although Mediterranean ports are better positioned geographically on the Far East - Europe route for distribution of goods to Central and Southern Europe **today Northern European ports handle about 75% of this traffic, while the remaining 25% goes through Southern ports.**



European transport & logistics system imbalance

This is due to a combination of economic, maritime and connectivity factors of the current European transport and logistics system that have its origin on the mid-XXth century

- **Tradition: Old predominance of trade flows USA/Europe**
- **Logistics investments: Concentration of logistics centers and continental distribution facilities in the North developed in the XXth century**
- **Price: Scale economies resulting of large container vessels calling at northern ports**
- **Geography: Natural barriers (Pyrenees & Alps)**
- **Infrastructures: Low level of rail connectivity from Southern ports to central Europe**

These old factors should not be a reason for maintaining today's inefficient and unsustainable European logistics and transport system

Efficiency, sustainability & competitiveness of the European economy

Current situation reduces the efficiency and sustainability of the European logistics system and undermines the long-term competitiveness of the European economy. This should be changed.

■ **Present and future European cargo flows should be taken into account**

- Relevance of the MED in the Europe-Far East route and Europe-America trade. Great market with high economic potential. New North-South axis.
- New logistics trends:
 - Flexibility: Combination of different ports and transport chains
 - Logistic differentiation depending on products, markets,...
 - Unsustainability of large vessels trend
 -

■ **Congestion in the North transport system and underutilisation of Southern European Ports.**

Validity of the first White Paper Transport diagnosis “ Europe suffers from central congestion and extremity paraplegia”

■ **Reduces European economic and social cohesion**

■ **Instability of the maritime business...the MED is the best option**

- Extra super-slow steaming
- Fuel price increase
- Freight rates volatility
- New vessels on order. 18.000-20.000 TEU

Efficiency, sustainability & competitiveness of the European economy

Failure to correct this imbalance will most likely prevent the EU from meeting the 60% emission reduction target established in the White Paper.

Simulation studies show that CO2 emissions due to Asia-Europe cargo traffic will increase between 160% and 199% in the next 10 years if no measure is taken. Nevertheless, this increase may be potentially reduced between 49% and 53% if decarbonisation measures (internalisation of external costs,...etc) become a priority and Southern infrastructures are a real alternative for cargo flows.

