Greece connecting Asia – through her ports
Regional developments

9th International Black Sea Symposium
Blue Growth as a driver for regional development
Around 90% of world trade is carried by the international shipping industry.

Without shipping the import and export of goods on the scale necessary for the modern world would not be possible.
‘Blue Growth’ is being defined as a sustainable growth based on marine resources which will place the blue economy firmly on the agenda of EU Member States, regions, enterprise and civil society.

- **Strategic framework:** Fisheries & aquaculture, coastal tourism, Maritime spatial planning, seabed mining and marine biotechnology
- **Important sectors of the “Blue Economy”**
  - Shipbuilding & ship repair
  - Transport (cargo & ferry)
  - Offshore sector
  - Fisheries
2. **What is the Blue Economy?**

The individual sectors of the blue economy are interdependent. They rely on common skills and shared infrastructure such as ports and electricity distribution networks. They depend on others using the sea sustainably.
The EU shipping industry directly supported a €57 billion contribution to GDP in 2015, more than air transport, forestry and logging or fishing.

Direct GVA in the EU and Norway in 2015: Shipping and comparator industries, 2015

Source: Oxford Economics, Eurostat
The economic value of the EU shipping industry

The EU controlled shipping fleet in numbers

70% growth in tonnage

2005

2014

660 million deadweight tonnes
450 million gross tonnes
23,000 vessels

60% of world’s container ships*
52% of world’s multi-purpose vessels*
43% of world’s oil tankers*
37% of the world’s offshore vessels*

40% of the world fleet by gross tonnage

*By gross tonnage

Direct economic impact

590,000 people employed
- 38,000 Students and Cadets
- 550,000 jobs

EU average GDP per worker: €53,000
Shipping: €88,000

Indirect impacts

€59 billion contribution to GDP
1.1 million jobs

Induced impacts

€30 billion contribution to GDP
550,000 jobs

Total economic impact

€145 billion to EU GDP
2.3 million jobs

€41 billion tax revenue

For every €1 million of GDP the shipping industry creates, another €1.6 million is created elsewhere in the EU economy.

Amount by which the total economic contribution of the EU shipping industry could have been reduced in the absence of EU-approved state aid measures. 1

1 Based on illustrative counter-factual scenarios for nine EU countries

Oxford Economics
Greek Shipping Industry

Figure 2.6. Top 10 nationally owned fleets by principal vessel type, 2017 (Dead-weight tons)

Source: UNCTAD secretariat calculations, based on data from Clarksons Research.
Greek Shipping Industry

- Global leadership in a very competitive international industry and in today’s environment
- Greek fleet accounts for 20% of the world capacity
- Almost 50% of the EU fleet,
- When EU fleet accounts for 40% of the world’s fleet of gross tonnage
Strategic location
Privatisation of the ports

* Most important milestone for Greece’s privatization programme, the sale 67% of the Piraeus Port Authority (PPA) to COSCO, in August 2016

* Followed by the Thessaloniki’s port privatisation, in April 2017 under the same terms as the port of Piraeus to a consortium comprising
  - Deutsche Equity Partners,
  - Cyprus-based Belterra Investments and
  - Terminal Link, the port arm of the French ocean carrier CMA CGM.

2nd leading seaborne passenger country in EU

* The number of passengers passing through the ports of Greece was close to 66 million passengers

**source:** Eurostat - Data from January 2017.
Chinese ambassador in Greece, Zou Xiaoli, called Piraeus the “dragon’s head”

The investment Plan for Piraeus includes:

More than 300million euro in upgrading the port’s infrastructure

A distribution centre at Piraeus – investing in a railway link between the port’s terminals and the national railway system
Creation of the biggest shipyard facility in the Eastern Mediterranean, able to service 450 vessels annually, with particular attention being given to mega yachts.

“Ultimate goal is for Piraeus port to be established as a worldwide transportation hub and in this way enhancing the development of the Greek economy in general.”
The new floating dock of OLP, arrived in Elefsina Aims to boost the ship-repair/shipbuilding sector of Perama
The first of two sizable floating docks Cosco has ordered for the ship repair zone of Piraeus Port Authority (OLP) and are all ready for transportation.

A massive 300,000-ton floating dock, which is destined for the greater Piraeus shipbuilding zone, is apparently just the “tip of the iceberg” in the company’s plan to jumpstart the sector.
In the 7th place
Port of Piraeus & The Belt and Road Initiative
Piraeus will be the hub that connects China’s Maritime Silk Road to the land based – Silk Road Economic Belt.

Is projected to serve as a shortcut for transporting Chinese goods from Greece to Western Europe, as well as the key hub for seaborne transportation across and around the Mediterranean Sea.

China is the EU's second-biggest trading partner and the EU is China’s biggest trading partner.
Greece and Bulgaria have signed in September 2017 a MOU on the development of a high-speed railway corridor linking major Greek Aegean ports with Bulgarian ports on the Danube river and the Black Sea coast.

The project aims to combine road, rail, river and sea transport by linking by rail the Greek cities of Thessaloniki, Kavala and Alexandroupolis to Burgas, Varna and Ruse in Bulgaria.
Navigable route via the rivers
Morava and Vardar/Axios

Plans to create a navigable “corridor” of canals linking the Danube River with Thessaloniki

the project was discussed at the Greek-Serbian High Level Cooperation Council conference in July 2017

a transportation link from the East Mediterranean directly to the heart of Europe, via the Axios/Vardar, Morava and Danube rivers.

preliminary studies have indicated that such a route would work out to be three-and-a-half days faster compared to the existing option via Rotterdam.
Regional and Transport Development in the Danube-Black Sea Region towards a Transnational Multiport Gateway Region

DBS Gateway Region project aims at supporting the Danube-Black Sea region to become an attractive gateway region for maritime and inland waterway transport between Central Europe and the Black Sea, the Caspian region and the Far East by facilitating the cooperation within and with the region and its actors.

* **Start date** - 01-01-2017
* **End date** – 30-06-2019
EU Projects

* **Orient/East Med Corridor**

  comprises rail, road, airports, ports, rail-road terminals” and connects the North Sea, Baltic, Black Sea, with the Mediterranean Sea

  its final stop is in the ports of Thessaloniki and Piraeus.

  The corridor will be connected to a “Motorway of the Sea” that links the European mainland with Cyprus

* **Motorways of the Sea in the BSEC region** – important region for EU
EUROPEAN INITIATIVE
for the development of a multimodal freight transport corridor connecting the north-east Aegean Sea the Black Sea and the Danube.

* Providing an alternative route to the congested Bosporus Straits.

* The new rail corridor is expected to result in a substantial improvement regarding the connection of important intermodal hubs in Northeastern Europe, the Black Sea region, and the Mediterranean in stages.

* Co-financed by the EU under the Trans-European Transport Network (TEN-T)
The Corridor IX is one of the Pan European corridors. It runs between Helsinki in Finland and Alexandroupolis in Greece.
The Black Sea Ring Highway project

* To connect the BSEC Member States with each other.
* a four lane ring highway system
Greece – part of the Silk Road’s “connectivity” concept

* Kazakhstan-to-Greece route

**THE CAUCASUS ROUTE**

* China’s COSCO Shipping and the Port of Lianyungang have signed on May 15, 2017 to take a 49% cut of Kazakhstan’s Khorgos Gateway dry port

* Khorgos Gateway is the central station of the New Silk Road, on the China-Kazakhstan border

**directly connects**
27 cities in China with 11 cities in Europe, through an emerging network of trans-Eurasian rail lines
Khorgos is the biggest dry port in the world – referred to as the “New Dubai.” Central Asia’s largest logistics park, managed by DP World. Khorgos occupies one of the furthest points on Earth from any ocean.

- Piraeus to Khorgos involves the smallest land element, passing through only three intermediate countries -- Georgia, Azerbaijan and Kazakhstan.

- Shipments from Kazakhstan can reach the Lianyungang port, located on the country's eastern coast, in five days via the Khorgos port and onto Europe within 10 days.

- The route depends on cross-Caspian Sea ferry logistics and better rail links across the Caucuses.

KHORGOS GATEWAY: Where East meets West
The Piraeus to Khorgos route connects the port, to the Georgian terminals of Batumi and Anaklia across the Black Sea.

Using the Black and Caspian seas means that China’s Xinjiang region would be connected to Europe by a mostly maritime route, moving goods from the EU to China through a land crossing in the Caucasus.

The ports of Constanta in Romania and Burgas in Bulgaria may also be integrated into this new network.
Developing mechanisms for cooperation in blue economy

- **Black Sea Basin 2014-2020**
- The Black Sea Basin Programme 2014-2020 is part of European Union’s Cross-Border Cooperation (CBC) under its European Neighbourhood Instrument (ENI).
- The Black Sea Basin ENI CBC programme 2014-2020 builds upon the previous cooperation framework, the Black Sea Basin ENPI CBC programme 2007-2013, under which 62 projects were awarded and implemented in 8 countries surrounding the Black Sea Basin.
Developing mechanisms for cooperation in blue economy


The call focuses on project proposals contributing to all Programme thematic objectives and priorities:

* Promote business and entrepreneurship within the Black Sea Basin
* Promote coordination of environmental protection and joint reduction of marine litter in the Black Sea Basin
Developing mechanisms for cooperation in blue economy

- The Global Blue Economy Partnership Forum - China 6/2017

- launched to promote new concepts and best practices of the blue economy, and to boost marine industrial integration and capacity cooperation.

- To jointly develop international blue economy classification standards, and to release reports on blue economy development.

- Ocean-related public finance products will be explored to support the development of the blue economy.

- Jointly conducting marine spatial planning and application.

- Cross-border marine spatial planning for blue growth will be promoted.
The Union for the Mediterranean (UfM) is an intergovernmental organization of 43 countries from Europe and the Mediterranean Basin: 28 member states of the European Union and 15 Mediterranean partner countries from North Africa, Western Asia and Southeast Europe.

MedCoast4BG – Med Coasts for Blue Growth
an initial 3-years period,
The project has a budget of € 3.085 million, of which the main funding contribution of approximately 2.2 million euros is given by the Co-Evolve project funded by the European Regional Development Fund and by the partners’ own resources.

DURATION  2018-2020
THANK YOU

Mary E. Pothitos
Marine Claims
Consultant & Trainer
Paralegal Maritime Services
m.pothitos@prlegalmaritime.com