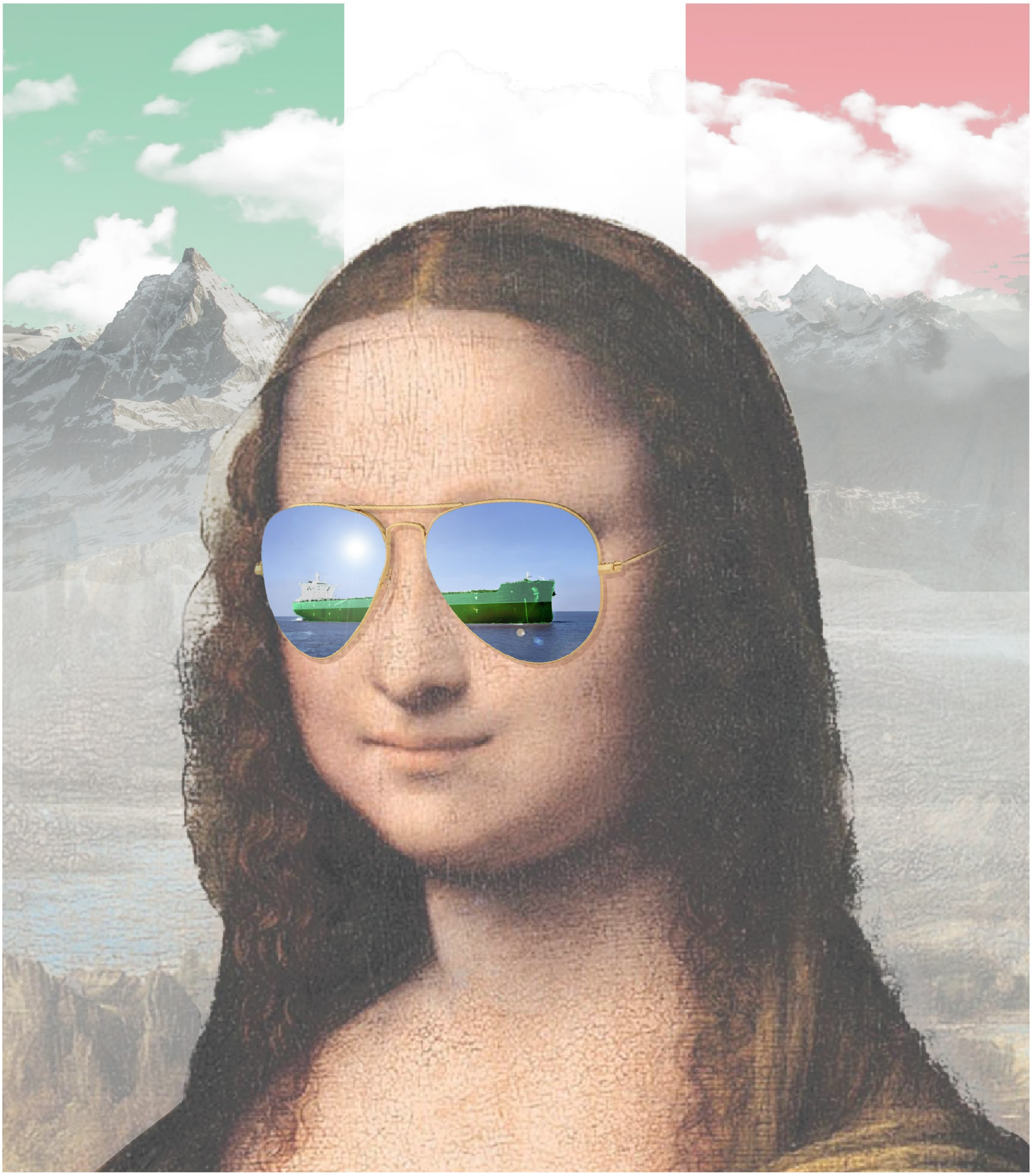
CONFITARMA

Italian Shipowners' Association



Annual Report, 27 October 2023

CONFINDUSTRIA

With the cover of last year's Annual Report, inspired by Lucio Fontana's 'cuts', we imagined a route of Maritime Awareness, of watchful and active 'Waiting', to return to living and enhancing our natural dimension, putting the Sea back at the centre of National Policies.

Today, we welcome aboard the Mona Lisa, symbol of the Italian Genius worldwide, with our gaze turned to the Sea and Ships, silent ambassadors of Italian Maritime Spirit.

The image of a Country that finally returns to recognising itself as Maritime.

SUMMARY

CONFITARMA
Italian Shipowners' Association

Annual Report

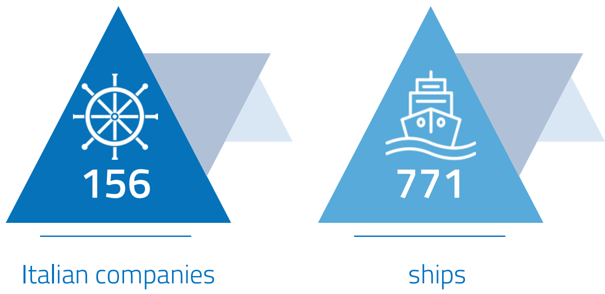
27 October 2023

Affiliated to Confindustria

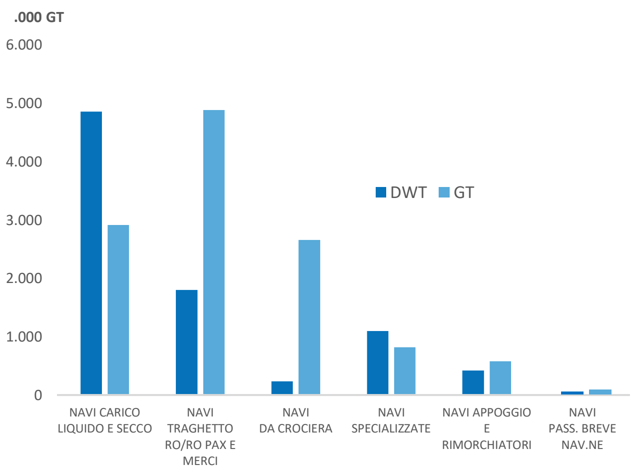
CONFINDUSTRIA

CONFITARMA - Italian Shipowners'Association is the main associative expression of the Italian Shipping Industry. For 122 years, it has been grouping together and representing – in relations with institutions and in the main national, EU and international fora – Italian Shipping Companies and Ship-Owning Groups operating in all sectors of Goods and Passenger transport, Cruises and Auxiliary Services to traffic.

The fleet associated with CONFITARMA is diversified into segments specialised in the various economic and social sectors of the country.



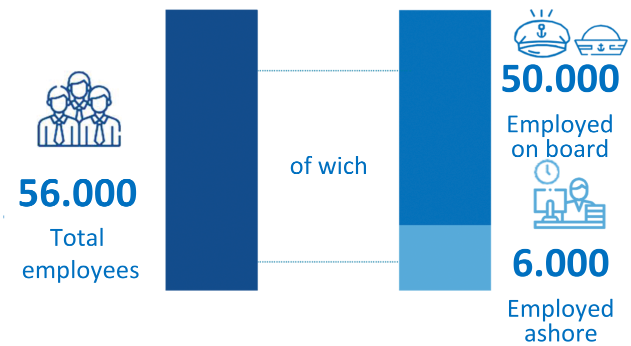
TONNAGE IN GT AND DWT OF THE CONFITARMA FLEET



The Italian flag vessels associated in CONFITARMA represent about 70% of the national fleet in terms of gross tonnage (GT). Of the 56,000 people employed on board CONFITARMA 's fleet, about 43,000 are on board the Italian fleet. These are added to 5,500 workers employed ashore by member shipping companies.

ENLARGING THE CONFITARMA MEMBERSHIP BASE

CONFITARMA members are aggregated entities, enterprises, associations that relate to different sectors of the economy and represent all trades that take place on and in the sea. In particular: Aquaculture, Insurance Companies, Road Transport and Logistics Associations, Terminal Companies, the Consultancy and



Business Services Sector, Training Organisations, Energy and Telecommunications Companies (in particular Submarine Cables for Data Transfer).

This broadening of the membership base brings CONFITARMA'S cross-sector representativeness to over 2,400 industrial plants and approximately 300,000 employees

Composition of Our Fleet

11.9 ml

Gross Tonnage(GT)

Cargo Capacity of Our Fleet

8.4 ml

Deadweight (DWT)

CONFITARMA IN ITALY, EUROPE AND WORLDWIDE

CONFITARMA sits in the most important national and international fora with its own representatives, in particular:

President Mario Mattioli is President of the Federation of the Sea, a Board Member of the ICS (International Chamber of Shipping the World Shipowners' Association) and a Board Member of the ECSA (European Community Shipowners' Associations);

Past President **Emanuele Grimaldi** is President of ICS (International Chamber of Shipping);

Past President **Paolo d'Amico** is President of INTERTANKO (International Association of Independent Tanker Owners) the International Association of Liquid Cargo Shipowners;

Vice-President **Cesare d'Amico** is President of the North-Standard P&I Club, the second largest P&I (mutual association specialising in insurance coverage for its members operating in the maritime sector) in the world;

Board Member **Carlo Cameli** is a member of the board of BIMCO (Baltic and International Maritime Council, the World Association of Cargo Ship Owners);

Board member **Angelo D'Amato** is President of the National Maritime Fund, of which the Head of the Human Resources and Industrial Relations Department of Confitarma is Secretary. The latter is also a member, since its establishment, of the National Tripartite Committee for the application of the MLC,2006 in Italy, of the MIT;

Board member **Fabrizio Vettosi** is President of the ECSA Ship Finance Working Group.

CONFITARMA, through its Director General, chairs the Italian Institute of Navigation; it is appointed as one of the ten Experts of the Mission Structure for Maritime Policies of the Minister of Civil Protection and Sea Policies, of the Presidency of the Council of Ministers, as well as being present in the Study Centre – Division IV of the General Secretariat of the Ministry of Enterprise and Made in Italy – as a member of the Study Group on National Strategic Needs. He is also a member of the CISM (*Interministerial Committee for Maritime Transport and Port Safety)* since its establishment by Decree of the Minister of Infrastructure and Transport on 29 November 2002.

CONFITARMA, through the Head of International Relations, chairs the ECSA Shipping Policy Committee and acts as Secretary General of the Italian Maritime cluster.

CONFITARMA, among others, structurally cooperates with: CESMAR (Centre for the Study of Geopolitics and Maritime Strategy); Limes (Italian Journal of Geopolitics); SIOI (Italian Society for International Organisation); 'Luigi Bocconi' University; University of Rome 'La Sapienza' and UnitelmaSapienza; 'Luiss Business School' University.

AT NATIONAL LEVEL

CONFINDUSTRIA

Federazione del Mare

Istituto Italiano di Navigazione

CNEL *

** Componente dal 1989 a settembre 2023*

AT INTERNATIONAL LEVEL

International Chamber of Shipping – Shaping the Future of Shipping

BIMCO

INTERCARGO – International Association of Dry Cargo Shipowners

ECSA – European Community Shipowners' Associations

INTERTANKO

IMEC

COLLABORATING WITH

IMO – International Maritime Organization

ILO – International Labour Organization

CONFITARMA'S SERVICES COMPANY

forMare – Polo Nazionale per lo Shipping – Società di Servizi di Confitarma

Board Of Directors

Mario Mattioli
President of Confitarma

Mariella Amoretti
Vice President
in charge of Internal Organisation and Budget

Cesare d'Amico
Vice President and President of Cyber maritime security

Beniamino Maltese
Vice President
In charge of Association Marketing and Communication
(Until 21/09/2023)

Lorenzo Matacena
Vice President and President
of TG Short Range Transport and Logistics and Highways of the Sea

Mario Zanetti
Vice President
in charge of Association Marketing and Communications *(from 21/09/2023)*

Federica Barbaro
President
of the TG International Transportation and Logistics, Regulations and International Bodies and Security

Carlo Cameli
President
of the TG Ports and Infrastructure

Salvatore d'Amico
President
of the Young Shipowners Group and President of the TG Education and Human Capital

Giacomo Gavarone
President
of the TG Human Resources and Labor Relations

Emanuele Grimaldi
Last *Past President*

Guido Grimaldi
President
of the TG Ecological Transition, Naval Technology, Regulation, Research and Development

Claudio Bacchichetti

Luca Bertani
(Until 15/02/2023)

Gabriele Brullo

Paolo Cagnoni

Paolo Clerici
Past President

Nicola Coccia
Past President

Francesco D'Alesio

Angelo D'Amato

GENERAL BOARD

Paolo d'Amico
Past President

Gianni Andrea de Domenico

Andrea Garolla di Bard

Alessandra Grimaldi

Domenico Ievoli

Fabio Montanari

Giovanni Montanari
Past President

Gianluca Morace

Corrado Neri

Valeria Novella

Alessandro Russo

Fabrizio Vettosi

Barbara Visentini

Luca Vitiello

BOARD OF ARBITRATORS

Regular: Giorgio Berlinghieri, Alfonso Magliulo, Alfonso Scannapieco

Deputies: Corrado Medina, Francesco Serao

BOARD OF AUDITORS

President: Bernardo Cirillo

Auditors: Roberto Coccia, Carlo Lomartire

Deputies: Andrea De Santis, Pia Queirolo

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Diego Pacella, Fabrizio Vettosi *Vice Presidents*

Mariella Amoretti, Riccardo Biale, Edoardo Bonanno, Andrea Cavo, Nicola Coccia, Mauro D'Alesio, Angelo D'Amato, Matteo Di Domenico, Edoardo D'Andrea, Gennaro Iacone, Pietro Novelli, Pia Queirolo, Valeria Reginelli, Giancarlo Russo, Leonardo Taddeo, Giulio Verri, Carlo Visentini

Marco Quadrani *Secretary*

**replacing Beniamino Maltese*

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Gianpaolo Polichetti *Vice President*
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Francesco Beltrano *Secretary*

INTERNATIONAL TRANSPORT AND LOGISTICS, REGULATION AND SECURITY BODIES

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Valeria Novella *Vice President*
Massimiliano Arrigo, Paolo Cagnoni, Rocco Calabrò, Giovanni Cinque, Andrea Garolla di Bard, Filippo Gavarone, Ignazio Grazioso, Guido Grimaldi, Tommaso Grimaldi, Domenico Maria Ievoli, Anna Alba Morana, Paolo Pandolfi, Riccardo Riga, Cosimo Sforza, Savio Domenico Taiano, Barbara Visentini

Laurence Martin *Secretary*

SHORT-HAUL TRANSPORT AND LOGISTICS AND MOTORWAYS OF THE SEA

Lorenzo Matacena *President*
Alessandra Grimaldi, Valeria Novella *Vice Presidents*
Giovanni Cinque, Gaetano D'Alesio, Lorenzo d'Amico, Antonio Di Falco, Nunzio Formica, Andrea Garolla di Bard, Eric Gerritsen, Riccardo Giannessi, Eugenio Grimaldi, Antonio Musso, Aldo Felice Negri, Daniele Solari

Luca Sisto *Secretary*

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Giacomo Gavarone *President*
Angelo D'Amato, Tiziano Minuti, Paolo Tolle *Vice Presidents*
Francesca Romana Barbaro, Carlo Bocchini, Michele Bogliolo, Stefano Canestri, Francesco D'Alesio, Gianni Andrea de Domenico, Andrea Guietti, Fabrizio Mazzucchi, Claudio Montagner, Enrico Mucci, Giuseppe Patania, Luigi Porzio, Nicola Principe, Francesco Rotundo, Giulio Torre

Leonardo Piliego *Secretary*

ECOLOGICAL TRANSITION, NAVAL TECHNOLOGY, RE-ENGINEERING, RESEARCH AND DEVELOPMENT

Guido Grimaldi *President*
Umberto D'Amato, Franco Porcellacchia *Vice Presidents*
Dario Bocchetti, Alberto Cafari Panico, Roberto Capone Morfini, Antonio D'Alesio, Cesare D'Apì, Gianni Andrea de Domenico, Fernando Esposito, Alessandro Federico, Luigi Genghi, Enzo Romano, Cosimo Sforza, Fabrizio Sorrentino, Alberto Venturi, Alberto Vigna.

Fabio Faraone *Secretary*

EDUCATION AND HUMAN CAPITAL

Salvatore d'Amico *President*
Marialaura Dell'Abate, Aniello Mazzella *Vice Presidents*
Carlo Bocchini, Stefano Canestri, Andrea Guietti, Davide Mattia, Fabrizio Mazzucchi, Alessia Minuto, Francesca Palmieri, Giuseppe Patania, Luigi Porzio, Riccardo Riga, Nicola Principe, Antonio Spadaro, Giulio Torre

Mariachiara Sormani *Secretary*

Working group

CYBER MARITIME SECURITY

Cesare d'Amico *President*

Andrea Risso *Vice President*

Luca Sisto *Secretary*

Consiglio Direttivo


Salvatore d'Amico
President


Giovanni Cinque
Vice President


Marialaura Dell'Abate
Vice President


Vittorio Morace
Vice President


Giacomo Gavarone
Past President


Andrea Cavo


Lorenzo d'Amico


Giovanni Filippi


Filippo Gavarone


Nicolò Iguera


Giulia Palazzeschi


Andrea Poliseno

Secretary: Esther Marchetti

The Young Shipowners Group was established in 1995 with the following aims: to promote awareness among Young Shipowners of the ethical and social function of free enterprise and of the responsibilities deriving from it; to study in depth the most strategic issues concerning the Shipowning Industry and the maritime system as a whole; to contribute to CONFITARMA's constant adaptation to the changing economic and social conditions of the Shipowning Industry, as well as to the training of new recruits for the management of association activities.

It includes entrepreneurs, sons and daughters of entrepreneurs directly involved in the association activities and executives with managerial responsibilities.

Today, the Group has around 40 members, including several new members over the last year.

Young Shipowners actively participate in the life of the Association: The President is an ex officio member of the General Council and the Board of Directors, as well as currently President of the Technical Group Education and Human Capital; Young Shipowners participate in the work of the Technical Groups, holding top positions.

2022 was a year full of initiatives for the Young Shipowners, who met frequently, both in person and remotely, to discuss and analyse the most pressing issues in the shipping world. Among the main dossiers discussed also through the organisation of in-depth webinars – Energy Transition and Decarbonisation, Market Trends, PNRR, Sanctions, Waste Recovery At Sea and Autonomous Ships. During the year, the Young Shipowners contributed to the activities on the future of Europe and youth representation launched by CNEL. In June 2022, the Group visited the Commander-in-Chief of the Naval Squadron (CINCNAV), the operational arm of the Italian Navy's General Staff, while in October for the first time the monthly Assembly was held on board a cruise ship, the Costa Firenze, moored in the port of Genoa. The Young Shipowners also continue in their commitment to support the confederal activities to promote the competitiveness of the Italian Flag and career opportunities in the maritime sector. The collaboration with Confindustria's Young Entrepreneurs and the close synergy with the other young groups in the maritime cluster continues, as witnessed by the success of the seminar 'Onde difficili. Navigare il mercato dello shipping alla luce delle crisi internazionali', organised on the occasion of Naples Shipping Week 2022 together with Federagenti's Gruppo Giovani, Fedespedi Giovani and YoungShip Italia. Numerous activities have already been carried out in 2023, including the organisation in April of a seminar on the European Union Emissions Trading Scheme (EU ETS), as well as a visit to the Air and Naval Operations Command of the Guardia di Finanza in June. After the terrible years of the pandemic, in 2023 the Young Shipowners also resumed missions abroad. In particular, from 9 to 11 May, a delegation went to Istanbul, where meetings were organised with the Turkish Shipowners Association, the Turkish Chamber of Shipping and the Consulate General of Italy, as well as a visit to the Beșiktaș shipyard.

Furthermore, the Young Shipowners contributed to the sponsorship of the 'World Youth Day', scheduled to take place in Lisbon from 1 to 6 August 2023.

Luca Sisto
Director General
Acting Head of Service Transport Policy
Acting Head of Service General Affairs

Francesco Beltrano
Head of Service
Ports and Infrastructure

Fabio Faraone
Head of Service
Naval Safety and Environment

Andrea Giuliani
Head of Service
Administration

Laurence Martin
Head of
Service International Relations

Leonardo Piliego
Head of Service
Human Resources, Industrial Relations
and Education

Marco Quadrani
Head of Service
Finance and Taxation

Fabrizio Monticelli
Chief Executive Officer ForMare

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__CONFITARMA'S__ Annual Report has always aimed to include in a few pages the complexity of such a strategic and internationalised industry as Shipping. Some of the analyses and information contained therein, the result of careful collection of industry data, have over time become a source of reference for industry operators and analysts. This year we decided to innovate in the tradition, maintaining the statistical rigor of previous publications, but combining it with a graphic restyling and a new narrative of the main themes that have characterized the sector during the period from the beginning of 2022 to the present (October 2023).

In order to achieve greater usability of the document, we decided to eliminate the separation between the textual component and the statistical part by reporting diagrams and tables next to the reference paragraphs. In this new narrative, we followed an ideal thread that puts __CONFITARMA'S__ fleet at the centre, places it in the Euro-Mediterranean and international context, and describes its main challenges: challenges that directly affect the sector but whose effects reverberate throughout the maritime economy and the country as a whole. The Italian shipping industry is, in fact, the dynamic protagonist of a global change involving new international geopolitical scenarios, the challenges of digitalisation and decarbonisation, the new frontiers of safety and high professional training, labour, and port governance, just to mention the most relevant.

__CONFITARMA__, which has long been a promoter of the need to activate at all levels a path of 're-legitimisation' of the country, is no longer alone. There are many of us: Institutions, Bodies, Public and Private Organisations united in affirming and demanding greater attention for the economy that comes from the sea. This critical mass has made itself heard and the new Government has been able to listen to it, by strengthening the technical structure of the MIT (Ministry of Infrastructure and Transport) and also by appointing a Minister for Sea Policies and CIPOM and drafting the first Sea Plan for Italy. Italian shipping is experiencing a moment of great attention at an international level; two prestigious and historical shipowners associated with __CONFITARMA__, have been elected to the presidency of ICS (International Chamber of Shipping) and INTERTANKO (International Association of Independent Tanker Owners). This publication is part of a new path, of which the new Maredî streaming format is also a part, that we have undertaken to contribute to a new communication of the sea.

I sincerely hope you will appreciate our intention.

01.

THE BLUE ECONOMY

THE BLUE ECONOMY

The Blue Economy contributes significantly to the formation of the national GDP, with an added value produced of EUR 52.4 billion, which triggered another 90.3 billion in the other economic sectors, for a total added value that reaches EUR 142.7 billion (equal to 8.9% of the added value produced by the entire national economy), with 228,190 companies and 914,000 employees, equal to 3.6% of total Italian employment.

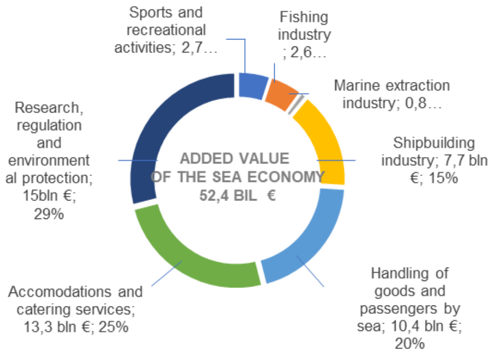
In particular, the goods and passenger handling sector is worth EUR 10.4 billion in added value with a 2021/2020 variation of +5.1%.

The 11th Unioncamere-Tagliacarne Report shows that Italy's 'Sea System' is clearly growing, marking a 9.2% increase in direct product in 2021 compared to the national average of 6.4%.

Every euro produced by the Blue Economy on average activates another 1.7 on the rest of the economy.

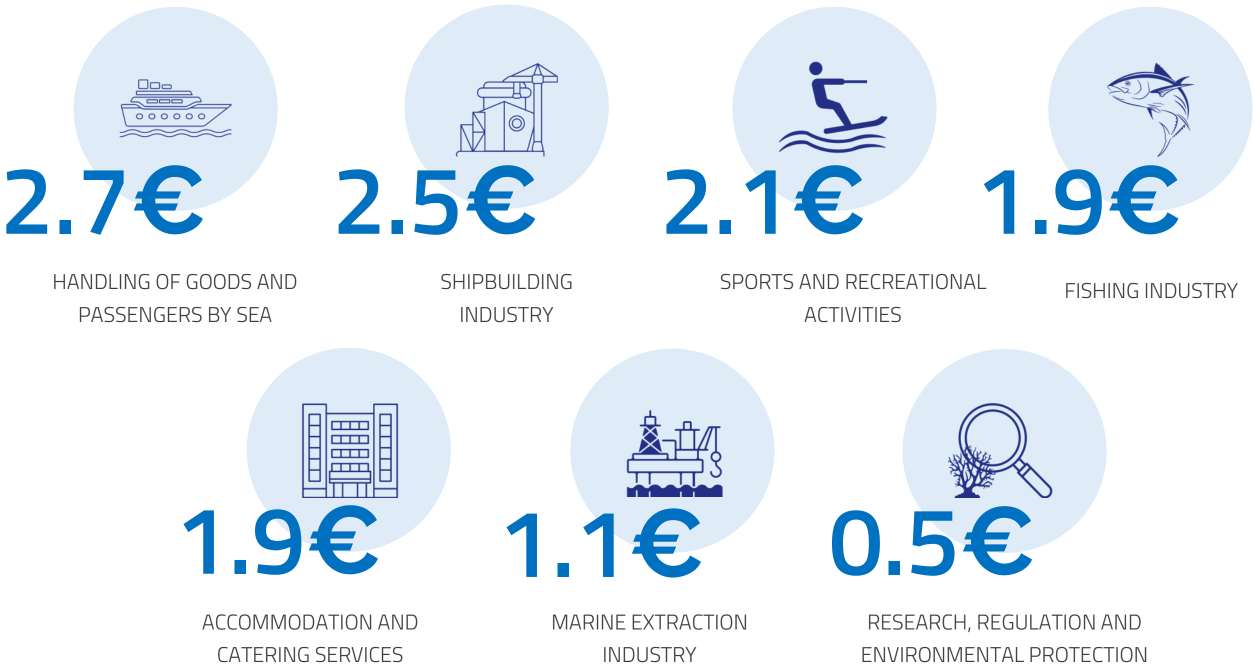
The movement of goods and passengers by sea is the sector that expresses the highest multiplier, equal to 2.7.

FIG. 1: ADDED VALUE OF THE SEA ECONOMY TO THE ITALIAN GDP



Source: 11th National Report on the Sea Economy 2023 - Centro Studi Tagliacarne, Unioncamere, OsserMare

FIG. 2: MULTIPLIER BY SECTOR



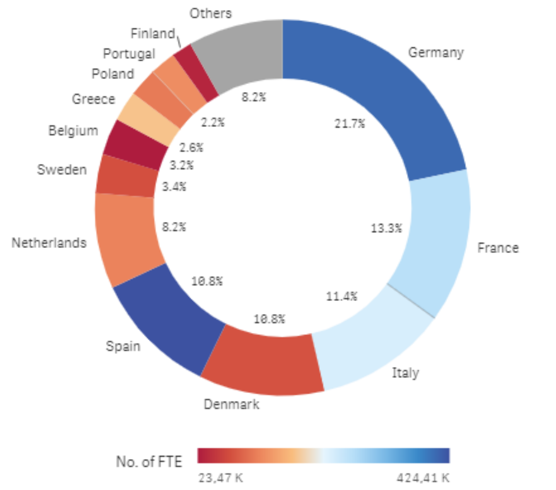
Source: 11th National Report on the Sea Economy 2023 - Centro Studi Tagliacarne, Unioncamere, OsserMare

In addition, capital companies operating in the Italian Maritime Economy in 2021 had a turnover of 133.7 billion Euro.

In Europe, Italy ranks third after Germany and France for added value and third after Spain and Germany for employment.

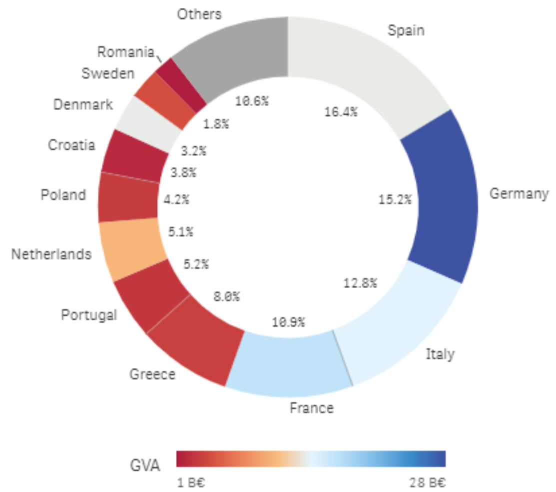
Specifically, according to The EU Blue Economy Report 2022, Italy ranks third for added value expressed by the maritime transport and shipbuilding and repair sector in the EU-27 and fifth for port activities.

FIG. 3: BLUE ECONOMY CONTRIBUTION TO ADDED VALUE



Source: European Commission - EU Blue Economy Observatory

FIG. 4: CONTRIBUTION OF THE MARITIME ECONOMY TO EUROPEAN EMPLOYMENT



Source: European Commission - EU Blue Economy Observatory

02.

NATIONAL MARITIME TRANSPORT:

A DYNAMIC SECTOR

In a global context in full transformation, maritime transport assumes central importance in national strategies, becoming its driving force. Just think of the current geopolitical challenges taking place not only in the Mediterranean but also in our Country, the digitalisation and simplification process, as well as the complex path of decarbonisation. Today, the Italian shipping industry is a dynamic key player of this change.

EVOLUTION OF THE ITALIAN INTERNATIONAL REGISTRY REGIME

One of the most important phases in the development of Italian maritime transport began in 1998 when, together with the social partners, CONFITARMA actively experienced the process of revitalising the flag fleet through the establishment of the International Registry. The results of this joint commitment are highlighted first and foremost by the evolution of the fleet size and employment on board and ashore.

The International Registry has been a driving force for investment in the industry, which is known to be capital intensive. Over the last ten years (2013 to 2023), an estimated EUR 14.5 bn has been invested in new ships by the Italian shipping industry.

In addition, these investments have fuelled the development of new routes, particularly in the Motorways of the Sea sector, employment and investment in training. Our flag now ranks first in Europe for EU seafarers employed, the majority of whom are Italian. In fact, in little more than twenty years, Italian and EU maritime employment on international trades and large cabotage has increased by about 140%.

Thanks to the International Registry, the Italian fleet has achieved world leadership in some of the most sophisticated sectors.

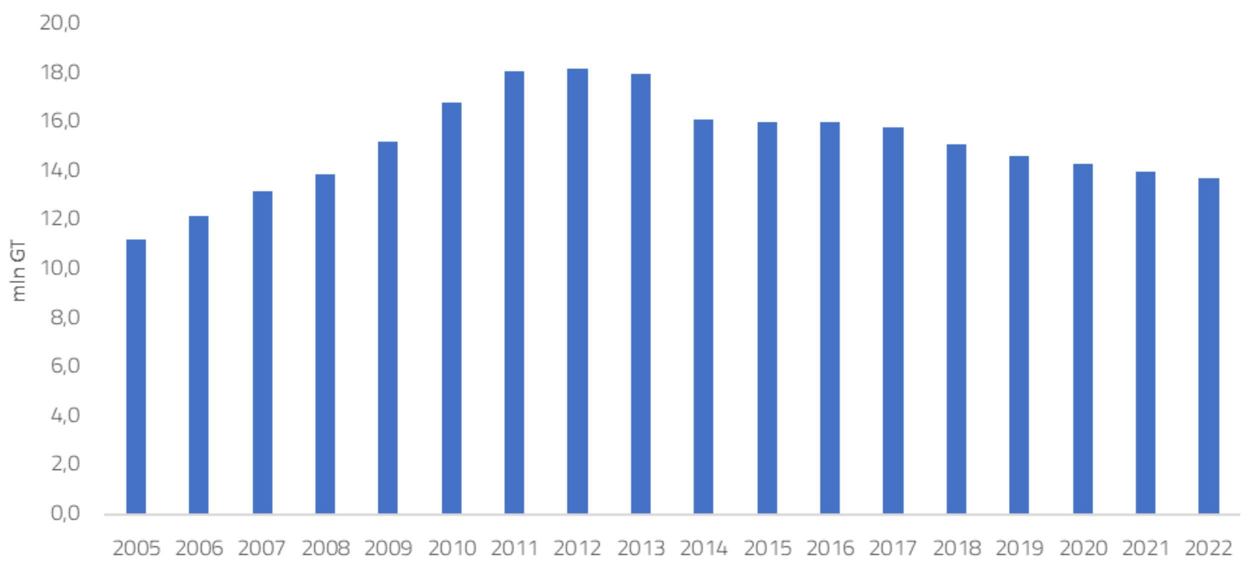
We are on the eve of a revolution in the national maritime transport sector. The Italian State Aid Scheme for maritime transport has undergone a community verification process, which began before the Covid-19 pandemic, and which has now come to an end. Decree-Law 144/2022 (converted by Law 175/2022) implemented the contents of European Commission Decision C (2020) 3667 final of 11 June 2020 in relation to the periodic renewal of the community authorisation of the International Registry discipline (Decree-Law 457/97, converted by Law 30/98). For alignment reasons, both the current regime and the tonnage tax regime will have to be re-notified to the Commission by 31 December 2023.

Main innovations made to the existing regulatory framework

The main changes made to the current regulatory framework, in order to bring it into line with EU law, concern:

- the redefinition of the activities that allow ships to be registered in the IR, divided into maritime transport, goods and passengers transport and associated activities (the latter will be identified by a MIT-MEF Ministerial Decree). Specific provisions on the activity carried out by tugs and dredgers;
- complete equal treatment in terms of benefits between Italian ships (RI) and EU/EEA ships. For the latter, a special List is provided for in which they must be entered, to be established by a Ministerial Decree of the MIT;
- the focus of aid recipients represented by resident companies and non-resident companies operating in the territory of the State through a permanent establishment;
- the provision of a minimum share of EU/EEA vessels in the company's fleet, as a prerequisite for the application of aid;
- a punctual framework for chartering and leasing of ships.

FIG. 5: ITALIAN MERCHANT FLEET EVOLUTION



Source: SRM processing of Clarkson Research Service Ltd data

GREEN TRANSITION OF SHIPPING

It is well known that shipping, in view of the volumes of goods transported, is by far the most environmentally friendly mode of transport.

Very ambitious targets have been set at international and European level, which will be detailed in Chapter 5 'Protection of the Marine Environment and Safety of Shipping'. Achieving these goals does not depend only on the will of shipowners but involves various national and international players including, among the most important, institutions, the world of finance, research and construction. Various options are being studied to facilitate the decarbonisation of maritime transport and achieve the Greenhouse Gas (GHG) reduction targets set by the IMO, with the use of LNG and Biofuels as 'Transitional Solutions' before moving on to Ammonia and Hydrogen, increasingly capable batteries, and the development, of course, of related technologies to power the world fleet.

However, zero-carbon fuels are not currently available in the quantities needed to achieve decarbonisation. Indeed, in the face of numerous potential zero-carbon fuels and technologies, the emission reductions demanded by the international community and industry require enormous research and development before these fuels can become viable options. Especially for international traffic, there remains the unknown of fuel availability on a global scale and the investments required to convert fleets are huge.

CO_2 emissions from global shipping

According to a study by the UN's International Maritime Organisation (IMO) 'The International Maritime Organisation's fourth Greenhouse Gas Study' in 2020, global seaborne trade increased from 2008 to 2018 by 40 per cent, but thanks to shipowners' heavy investments in ship technology and shipping strategies, the sector managed to reduce CO2 emissions by 10 per cent over the same period. Not only that, with the introduction of Very Low Sulphur (0.5%) in 2020, shipping has reduced sulphur oxide emissions by seven times.

Private financial resources alone are not enough today to bear the costs of research and innovation in the shipping sector. It is therefore necessary for Italy, like other maritime countries, to support its companies in this effort to prevent the national maritime industry from becoming less competitive in international markets.

MERCHANT FLEET RENEWAL AND REFITTING DECREE

As part of the more general strategy for the recovery of the national economy from the Covid-19 health emergency, the Government has ordered, through Law Decree 59/2021, converted by Law 101/2021, to allocate significant resources to the renewal of the commercial naval fleet of national interest.

Specifically, through the Supplementary Fund, EUR 500 million have been earmarked for the renewal and modernisation of ships. CONFITARMA, in the broader dialogue that has always been in place with the Institutions, has provided its contribution to the definition of the implementation provisions of this important revitalisation tool. In particular, the Confederation has highlighted the need for the then-issued implementing regulations to include all ships also operating outside Italy, while reserving a specific bonus for domestic traffic.

On 12 December 2012, the then MIMS (Ministry of Infrastructure and Sustainable Mobility – now again MIT, Ministry of Infrastructure and Transport), in agreement with the MEF (Ministry of Economy and Finance) issued Interministerial Decree no. 389/2021 containing the principles and general criteria for the allocation of the resources, which was followed on 21 September 2022 by Ministerial Decree 290/2022 containing the regulations, procedures and requirements for the submission of applications for the grants, as well as the criteria for the grant and the conditions for disbursement. In order for the measure to be fully operational, as recalled in the aforementioned Ministerial Decree 389/2021, it was necessary to complete the authorisation procedure by the EU Commission pursuant to Article 108 of the TFEU (Treaty on the Functioning of the European Union) authorisation issued by Decision C (2022) 8247 final of 11 November 2022.

Finally, on 29 December 2022, the MIT Executive Decree No. 318 was issued to distribute the funds allocated by DL 59/2021 for the renewal of the maritime fleet. Aware that the incentive in itself could not be a sufficient reason to determine such an important choice as the construction of a ship, first and foremost considering the market conditions related to world shipbuilding, CONFITARMA had suggested some corrections, not all of which were accepted by the Administration, to the incentive mechanism, in order to include the greatest number of companies and thus commit the allocated resources as much as possible.

Analysing the resources actually used, it emerged that of the 500 million allocated, only 37% was actually allocated at first, and thus more than 315 million euro remained uncommitted. These results are in no way to be attributed to a lack of interest on the part of the shipping industry in this incentive instrument, but rather to certain constraints on access that have excluded an important share of the fleet operated by national shipping. Among the most critical issues encountered were the five-year geographical constraint linked to the use of the unit being incentivised and the obligation to carry out work, including refitting work, exclusively in Italian/European shipyards.

NEW INCENTIVE FOR MODAL SHIFT

The notable results in environmental terms linked to the development and affirmation of the Motorways of the Sea, highlighted in Chapter 4 "X-rays of the Italian merchant fleet", have also been achieved thanks to the Marebonus, an incentive for road-sea modal transfer. A recent ENEA study estimated that, in 2019 alone – compared to 2017 – the Marebonus produced final and primary energy savings of about 191 Ktoe (thousands of tonnes of oil equivalent) and 200 Ktoe respectively (against 45 million euro allocated). To appreciate the effectiveness of the Marebonus, suffice it to say that, according to the PNRR, the energy savings expected from the '110% Building Superbonus' is about 191 Ktoe per year, practically identical to that achieved with the Marebonus.

This instrument, besides being important in stimulating users (in this case road hauliers) to adopt environmentally virtuous behaviour, has a further peculiarity. In fact, compared to the generality of incentives, it is on an after-the-fact basis: in essence, the State disburses the resources only downstream of the process, i.e. against the modal shift actually achieved. Because of these results, the government has decided to renew the incentive for the next five years (until 2026) and allocate new resources. Unfortunately, although the shipping industry greatly appreciates the initiative, we believe that the resources allocated (EUR 125 million over five years) are not sufficient to deploy the full modal shift potential. At present, the implementing regulation for the new incentive, called Sea Modal Shift, has been signed by the competent ministers (MIT and MEF).

Both in terms of effectiveness with respect to the objective (energy savings) and economic efficiency (cost/toe), the Marebonus represents a true national best practice among the measures to reduce CO2 emissions, which is, moreover, taken as a model by several European countries, such as Spain, which recently introduced a similar incentive in its system.

CONFITARMA hopes that the allocated resources will be increased to at least 100 million per year with the next Financial Act.

MAREBONUS BEST PRACTICE

It is worth pointing out that even scaling the investments of the NRP superbonus (EUR 13.95 billion) over the 30-year life of the renovation measures, the cost to the state of the Marebonus was one-tenth of the superbonus for the same energy savings achieved.

Specifically:

- **€235 spent per 'toe saved' through the Marebonus;**
- **€2.434 spent per 'toe saved' through the Marebonus.**

SHIPPING AND FINANCE

TAXONOMY REGULATION

CONFITARMA has addressed to the relevant ministries (MEF, MIT, MIMIT) its Position Paper on Taxonomy Regulation (European Taxonomy), which aims to regulate the green definition of economic sectors and related investments and financing through a set of rules and eligibility criteria (Technical Screening Criteria).

In this context, it has been defined as a 'transitional sector' governed by temporary criteria valid until 2025, recently subject to further additions and amendments, also at the urging of CONFITARMA.

Among these, one of the main and conditioning ones is the fact that ships must not be intended for the transport of Dioxyl Fuel. This criterion clashes with the 'transitional' nature attributed to the sector, since it is frequently not the shipowner who determines the use of the ship with reference to the cargo transported, but rather the operator/charterer.

Among other things, the taxonomy also influences the application of the CEEAG criteria (Climate, Energy Environmental Aid Guidelines) in the context of EU funding programmes/aid (i.e. 'Decreto Flotte').

The Position Paper also highlighted the incongruous and unjustified absence of cruises from the future second Delegated Act. This is an obvious contradiction in light of the fact that this shipping segment, instead, was included and regulated in the first Delegated Act concerning the first two environmental objectives (mitigation).

In 2022, the work of the CONFITARMA Group specifically dedicated to the Taxonomy continued, involving all the major Banking Groups, CDP, SACE and representatives of the MEF. The Group met on three occasions, one of which was an in-depth study dedicated to the new Regulation 2464/2023, better known as the 'Sustainability Report' or CSRD (Corporate Sustainability Reporting Directive).

Our Association's contribution was also appreciated at ECSA level as the activities of the Ship Finance Working Group (whose chairmanship is entrusted to CONFITARMA) also include 'Environmental Taxonomy'.

BASEL 3+ AGREEMENT

Within the framework of the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013 on Capital Requirements (CRR), a provision has been approved in the Trilogue, under Article 495 (b), which takes the form of a different and more favourable treatment of the Shipping Credit Category (included in Specialised Lending).
Therefore, starting from the approval of the Regulation, shipping exposures with certain characteristics will be classified in the specific category called Object Finance (High Quality Exposures) and will entail a lower absorption of equity for banks (from the previous 100% to 80%), with a consequent benefit for shipowners in terms of a greater offer of credit at better conditions. In summary, for every EUR 100 lent, banks will commit EUR 6.4 of equity capital compared to the current EUR 8. This measure will have a temporary duration until 2032 (not 2030 as originally planned) and will be subject to EBA evaluation in 2030, with the possibility for Parliament to adopt a new measure by 2031. The result achieved can be traced back to the long and relentless work carried out by CONFITARMA, which began about twenty years ago with the introduction of the Basel I and II Regulations, which led to the recognition of the appropriate risk classification for shipping credit, correctly assessing the mitigation content ensured by the underlying collateral (ship). CONFITARMA's initiative was reflected in the parallel activity carried out within the ECSA, in particular within the Ship Finance Working Group, which saw the convergence of the interests of all associated countries and members, without neglecting the active contribution of ABI and Confindustria.

SIMPLIFICATION AND DIGITALISATION

World shipowning companies choose the flag of their ships in relation to the regulatory, administrative and bureaucratic context in which they operate, favouring the simplest, fastest and most transparent systems that are best suited to the times and challenges imposed by world markets. For this reason, in order to maintain the competitiveness of the Italian flag, it is necessary to take note that the above-mentioned revolution of the International Registry will have to be accompanied by a swift action of simplification and bureaucratisation of our flag. New digital technologies will be able to make many operations related to maritime transport simpler and faster.

The simplification of rules and procedures, digitalisation and modernisation of some 'Italian peculiarities' are confirmed as priority themes in the confederal action. For some time CONFITARMA has been promoting with the competent Administrations the implementation of a wide-ranging project to reform the Navigation Code and related regulations, in many respects at zero cost to the Treasury, drawn up more than ten years ago by a specific internal commission and recently updated by the valuable work of the Young Shipowners Group.

The above-mentioned reform project also includes the proposal to make the simplification of the enlistment procedure provided for in Article 103-bis paragraph 1 of the Decree-Law of 17 March 2020 structural. Lastly, in September 2023, the Senate began examining Bill no. 673 – 'Amendments to the navigation code and other provisions on the administrative order of navigation and maritime labour' – which contains most of CONFITARMA's proposals, including the adoption of the electronic format of ship documents and the elimination of the obligation of strict reporting.

The Shipowning Industry's hope is that this text will be approved quickly to enable our flag to compete with those of the European Union, which are currently much more in step with the times.

MARITIME HEALTHCARE

The same need for simplification applies to the important maritime health regulations, a subject that cuts across several ministries and whose regulatory framework for some important provisions dates back to the end of the 19th century.

There are several critical issues that the Italian fleet faces on a daily basis, often also due to national provisions that are more restrictive than the EU dictate and, in general, in comparison with other Member States.

Shortage of doctors on board, simplification of medical examinations of seafarers, disproportionate medical tables on board, unavailability of medicines and medical oxygen cylinders on board are some of the most urgent issues.

With regard specifically to on-board doctors, after the crisis of the summer of 2022, mainly due to the covid-19 health emergency, there is still a shortage of medical personnel available for boarding on the large ferries connecting the national islands to the mainland.

The solution expected by the Shipowning Industry is the simplification of the rules and procedures for the selection of on-board doctors, also through the recognition of training courses for staff joining.

Operational difficulties related to the language knowledge required for the embarkation of medical personnel also remain.

Parliament has started a path of simplification of the health profession on the national territory through the adoption of Article 6-bis, paragraph 1, of DL 23 July 2021, no. 105 – converted, with amendments, by Law 16 September 2021 – and Article 25-bis of DL 4/2022 – converted with amendments by Law 28 March 2022, no. 25, – specifically dedicated to the maritime sector. With regard to medical supplies on board ships, on 10 June 2022, the Decree of 10 March 2022 of the Ministry of Health (published on 10 May 2022) on the subject of Tables of medical supplies on board came into force.

Unfortunately, even in the new Decree, the critical aspects present in the 2015 Decree remain, resulting in more onerous adjustments required to the Italian flag with respect to EU regulations (Directive 92/29).

In particular, the imposition of on-board sanitary equipment on the basis of the ship's class of qualification – instead of in relation to the actual traffic carried out by the same – and the greater and different equipment of medicines compared to those recommended in the EU and international context (ILO -IMO-WHO).

A fruitful dialogue is underway with the competent Administration to revise the regulations, which the Shipowning Industry hopes will be decisive.

NEGOTIATION FOR THE RENEWAL OF THE SHIPOWNING INDUSTRY'S SINGLE NATIONAL COLLECTIVE AGREEMENT

In anticipation of the expiry of the single national collective agreement for the Shipowning Industry on 31 December 2023, the Trade Unions have sent, within the foreseen timeframe, the termination of the collective agreement and the union platform containing the claims for the next contractual renewal. Negotiations for the renewal of the CCNL will start in the autumn of 2023, which will have to combine the Trade Unions' need to defend the purchasing power of wages with the need to preserve the competitiveness of the Shipowning Industry, also through the updating of some important regulatory parts.

STRUCTURAL SHORTAGE OF ITALIAN SEAFARERS

Confitarma, in agreement with the Trade Unions, has for some time now presented to the competent Administrations concrete and structural proposals aimed at 'breaking down' those access barriers that, in fact, hinder and disincentivise young people from accessing the maritime professions, in particular focusing on the following activities: the reform of the employment of seafarers and the simplification and updating of the access requirements for certain professional figures; the adoption of support measures for young people who want to embark on careers at sea by financing the basic training courses required to join on board ships.

Article 36 of Law Decree 48/2023, converted by Law 85/2023, appropriately intervenes on this issue with two specific actions:

- The provision allowing Trade Union agreements to waive – for a period not exceeding three months – the crew nationality constraints imposed by Legislative Decree 221/2016 (so-called Cociancich);
- The establishment of the Fund aimed at supporting young people who want to undertake the professions of the sea (Engine, Deck and complementary services on board), financing their initial training.

The provision confirms what Confitarma has always claimed that the unreasonable restrictions on the nationality of crews, imposed by the rigidity of the so -called Cociancich decree, have had the sole effect of causing serious operational difficulties on routes that are essential for territorial continuity and tourism.

In order to structurally address the problem of the shortage of Italian seafarers, it remains, however, more topical than ever the need to adopt the other proposals at zero cost to the Treasury (see the previous paragraph devoted to simplification and digitalisation) aimed at eliminating the barriers to the access of young people to the seafaring professions, which Confitarma has long presented in concert with the Trade Unions to the competent Administrations.

GENDER EQUALITY IN THE INDUSTRY

Starting in 2022, 18 May is the International Day for Women in Maritime. Worldwide and in Italy, there is a progressive growth in the number of Women Maritime Workers employed on board ships. Although starting, for historical reasons, from very low numbers, from 2015 to 2021 there was, in fact, an increase of 45.8% (ICS-BIMCO DATA 2021, Seafarer Workforce Report).

Today, therefore, the presence of Women Workers in the maritime sector has become a reality. On Italian-flagged ships, more and more women are filling roles that were historically the exclusive preserve of men, such as Captains, Executive-Level Officers, both on Deck and in the Engine, and Crew Manager.
The number of women enrolled in ITS courses to become officers on board ships is also growing, in some cases exceeding 30% of graduates.
There is also a positive figure for the number of Women Shipowners on Confitarma's General Board. Whereas in 2000 there were no women present, in 2023 there are five.

TRANSPORT REGULATORY AUTHORITY (ART)

Also for 2023, Confitarma has asked to exclude operators who provide transport services by sea and inland waterways of goods under a free market regime from the subjects required to pay ART contributions, as the Authority has so far concretely intervened in this sector only with reference to activities characterized by public service obligations.

With reference to foreign entities, Confitarma reiterated the importance that the ART guarantee full equality of treatment between Italian and foreign enterprises. At the moment, in fact, the instrument introduced in order to acquire the contribution of foreign shipping companies operating in Italy appears inadequate with respect to the objective of eliminating discrimination against domestic companies Finally, taking into account that, since 2019 onwards, there has been an increase in the number of entities required to pay the contribution, with a consequent increase in the Authority's financial revenues, and that the analysis of the financial statements published by the Authority over the years shows a substantial budget surplus, Confitarma has proposed a lowering of the contribution rate. In December 2022, the ART then initiated a procedure to revise its public service methodology (Measure 10 of Annex A to Resolution No. 22/2019).
The deadline for concluding the proceedings, initially set for 30 June 2023, was subsequently extended to 28 March 2024. As far as we are aware, the issue should also be the subject of a public consultation in the meantime.

MARITIME AND CYBER SECURITY

Piracy at sea

The International Maritime Bureau's 2023 Report recorded 115 incidents of piracy against ships (down from 132 in 2021). Of these, half occurred in South-east Asia, particularly in the Straits of Singapore, where incidents are on the rise. No incidents were recorded in the Gulf of Aden, while in the Gulf of Guinea accidents decreased (from 35 in 2021 to 19 in 2022).

The first half of 2023 saw an upsurge in attacks: 57 ships were boarded, 2 hijacked and another 2 were the target of gunfire, while 4 were attacked. There was a particularly large increase in acts of piracy in the Gulf of Guinea and the Straits of Singapore (20 compared to 16 in the first half of 2022).

Golfo of Guinea

The Gulf of Guinea is a strategic area for Italy, both for its numerous trade exchanges with countries in the region and for the supply of energy resources. Although the strengthened international naval presence and the enhanced capabilities of the naval forces of the littoral countries have led to a decrease in pirate activities, the area still remains very dangerous.

In this context, the regular presence, starting from 2020, of Navy units – strongly desired and supported by Confitarma – is an important deterrent to protect national interests. Of particular importance is Confitarma's collaboration with the Navy and the General Command of the Harbour Master Corps – Coast Guard in the organisation of the anti-piracy exercises: on 3 June 2022, 12 March and 6 October 2023 respectively with the Ro/Ro Cargo "Grande Cameroon", the Ro/Ro Cargo "Grande Luanda" and the Ro/Ro Cargo "Grande Tema" of the Grimaldi Group; on 13 May 2022 with the drilling ship "Saipem 12000".

FIG.6: PIRACY ATTACKS BY GEOGRAPHIC AREA

Geographic Area	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Totale dal 2005
World	406	445	439	297	264	245	246	191	180	201	162	195	132	115	4.589
Gulf of Aden, Red Sea, Somalia	211	219	237	75	15	11	0	2	9	3	0	0	1	0	1.003
West Africa	47	39	52	62	51	41	31	54	36	82	64	84	35	19	859

Source: CONFITARMA processing of IMB (International Maritime Bureau) data

Indian Ocean

Despite the fact that the pirate threat is now almost eliminated – so much so that, as of 1 January 2023, the main shipping and oil industry organisations have agreed to the removal of the Indian Ocean High Risk Area (HRA) – there remains the need to ensure an adequate level of security in the waters off Somalia, a strategically important area for national shipping industry, through the presence of Operation Atalanta (whose mandate is scheduled to end on 31 December 2024). Also in this area, on 4 September 2022, CONFITARMA carried out an anti-piracy exercise with the Grimaldi Group's motor vessel "Grande Napoli". CONFITARMA also started cooperation with Operation AGENOR, conducted as part of the EMASOH initiative in the Persian Gulf – Strait of Hormuz. In this context, on 14

October 2022, the Italian tugboat Saraceno Primo of the CAFIMAR Group conducted a medical exercise with the Navy's Multipurpose Patrol Vessel Thaon di Revel off the coast of Kuwait.

Privately Contracted Armed Security Personnel (PCASP)

30 June 2023 saw the expiry of the last extension of the transitional derogation regime that allowed the employment on board Italian ships of security guards assigned to anti-piracy services who had not yet attended the prescribed theoretical and practical courses.

Also thanks to the intense awareness-raising activities carried out by CONFITARMA at the competent institutions, in the summer of 2022 the Ministry of the Interior adopted the measures to facilitate the performance of the prescribed training activities for security guards, while in December 2022 the Navy started the necessary specialised courses. This concludes the ten-year journey, to which CONFITARMA has constantly contributed, aimed at ensuring a structural solution for the safety of our crews.

MARITIME CYBER SECURITY

Cybersecurity is a priority for shipping, an industry whose complexity requires the adoption of numerous specific actions to deal with the cyber threat.

In 2022 Confitarma completed the second edition of the 'Vademecum for cybersecurity on board Italian-flagged merchant ships and for domestic shipping companies' and the Handbook 'Cybersecurity - practical suggestions for maritime personnel'. The year also saw the promotion of in-depth studies on insurance profiles related to cyber security and the signing of an agreement with TIM to promote the digitalisation of maritime transport.

Migrants

Over the last decade, the Associated Shipping Companies have been called upon several times to operate sea rescues of migrants in SAR (Search and Rescue) operations in the Mediterranean, the success of which is determined by the professionalism and humanity with which the crews face indescribable human tragedies, even in difficult weather and sea conditions.

On 1 July 2023, the crew of the Calajunco M rescued a boat carrying migrants in Maltese waters, aiding and securing 70 lives.

In this context and taking into account the numerous presence of Italian merchant vessels in the central Mediterranean, in particular those supporting oil platforms off the coast of Libya, Confitarma has established a fruitful collaboration with the European military operations engaged in the area - first, since 2015, EUNAVFOR MED SOPHIA, later replaced in 2020 by EUNAVFOR MED IRINI - creating an important synergy between civilian and military components in a complex maritime environment.

FIG.7: SAR INTERVENTIONS OF MERCHANT SHIPS *Source: Confitarma processing of IMB (International Maritime Bureau) data*

	2017	2018	2019	2020	2021	2022	Total 2014-2022
Total vessels diverted from MRCC Rome of which:	**416**	**84**	**14**	**27**	**81**	**156**	**2.533**
Italian naval units	148	38	8	16	25	27	686
Involved naval units that provided assistance	119	25	5	12	18	31	724
Total migrants rescued	114.286	19.782	7.586	25.465	59.967	95.823	820.037
Migrants rescued by naval units	11.350	1.438	285	580	1.596	2.694	90.050
% Migrants rescued by merchant vessels	10%	7%	4%	2%	3%	3%	11%
Migrants rescued by Italian naval units	6.245	644	285	461	773	1.086	28.987
% Migrants rescued by Italian-flagged merchant units	55%	45%	100%	79%	48%	40%	32%
Units rescued by Italian naval units	119	25	5	12	9	7	689

03.

MARITIME TRANSPORT: THE ITALIAN FLEET IN THE EUROPEAN AND GLOBAL CONTEXT

Everything, or nearly everything we consume, comes from the sea.

It accounts for about 90% of world trade: from food to energy, via our clothes. The current geopolitical context, energy needs and the ecological transition, the opportunities of new routes, and the increasing economic integration of the planet highlight the centrality of shipping for our country.

THE WORLD SCENARIO

After the crisis in 2020 and the recovery in 2021, and despite a complex and uncertain macroeconomic environment, mainly related to the development of the conflict between Russia and Ukraine and the ensuing energy crisis, global GDP growth stabilised, increasing by 3.4% in 2022. The volume of international trade in goods also developed positively in 2022 (+5.1%). If we exclude the two-year period 2020-21, which was first characterised by a sharp contraction (albeit smaller than initially expected) and then by the so-called 'V-shaped' rebound (attributable in part to high demand resilience), we can see that the growth rate observed in 2022 is well above that of 2019, when international trade was affected by a number of negative factors, including trade tensions between the US and China and the Brexit issue. Maritime transport, which in 2020 showed greater resilience to the fluctuating trend in demand generated by the effects of the pandemic, showed a slowdown in 2021 and especially in 2022 (-0.4%), signifying that the conflict in Europe had major repercussions. Initial impacts on the shipping industry focused on the management of operational challenges around the conflict zone and an uncertain and evolving sanctions regime. Ship owners, charterers and stakeholders across the maritime industry reassessed their risk appetite and willingness to support specific trades (e.g. many container shipping companies suspended calls at Russian ports, while some regions introduced additional customs controls). This 'amplified' the pressure on the global maritime trade network, which was already facing significant disruptions related to Covid.

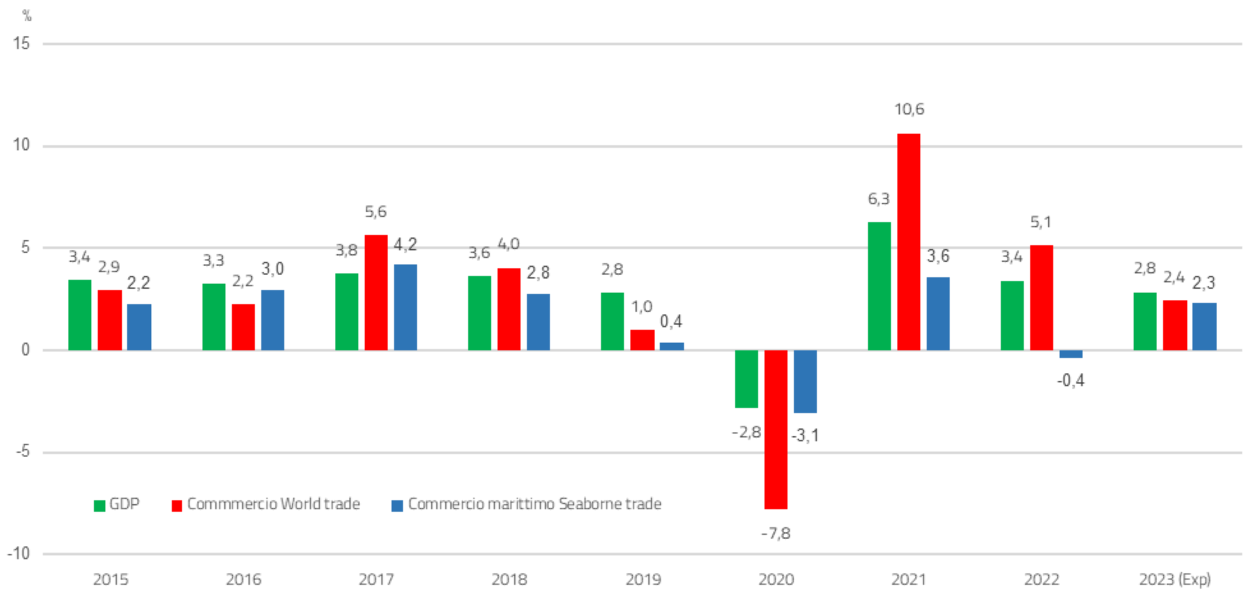
Forecasts for 2023 point to 2.8% growth in GDP and 2.4% growth in world trade. Maritime trade is expected to grow by 2.3%.
Unfortunately, the recent crisis that erupted in an area that is sensitive and close to us is a cause for concern, particularly with regard to the potential for dramatic international repercussions.

RUSSIAN-UKRAINIAN CRISIS: EU SANCTIONS + G7 COALITION PRICE CAP

As of 5 December 2022, imports of crude oil by sea from Russia to the EU are banned. Following the adoption of the Oil Price Cap by the Price Cap Coalition (USA, Canada, Japan, UK, France, Germany and Italy + Australia) ($60/barrel), it is possible to provide sea transport services and technical assistance, brokerage services, financing or financial assistance related to the sea transport to third countries of crude oil if purchased at or below the set price cap. As of 5 February 2023, the same ban on the import of oil products by sea from Russia to the EU came into force, with the same exemption for maritime transport to third countries as soon as a price cap is set for the various types of oil products. On the same day, the European Commission published its guidelines on the application of the price cap, which provides guidance on the proof of the price paid that the ship must send to the competent authorities in the ports of call. In this context, there are strong concerns from the European shipowning world, in particular with regard to the mechanism that is activated in the event of a suspected price cap violation. Indeed, in the event of a price cap violation, when the shipowner has had no reasonable cause to suspect that the cargo was purchased in violation of the price cap, they are still left without insurance coverage on the ship until the end of the investigation by the surveyor.

THREE-TIER SYSTEM FOR ATTESTATION
The guidelines define a three-tier system for attestation based on the level of access to price information, similar to that applied by the US. Shipowners have been placed in TIER 3 (entities that do not have direct access to price information). "TIER 3 operators must obtain and retain customer attestations in which customers undertake not to purchase seaborne Russian oil above the price cap, e.g. as part of their annual insurance policy or ordinary business operations.

FIG. 8: GDP, WORLD TRADE AND MARITIME TRADE MARITIME TRADE



Source: SRM processing of Clarkson Research Service Ltd data

Black Sea Grain Initiative

On 22 July 2022, the UN and Turkey negotiated an agreement with Russia and Ukraine to open a maritime humanitarian corridor under the so-called UN Black Sea Grain Initiative.

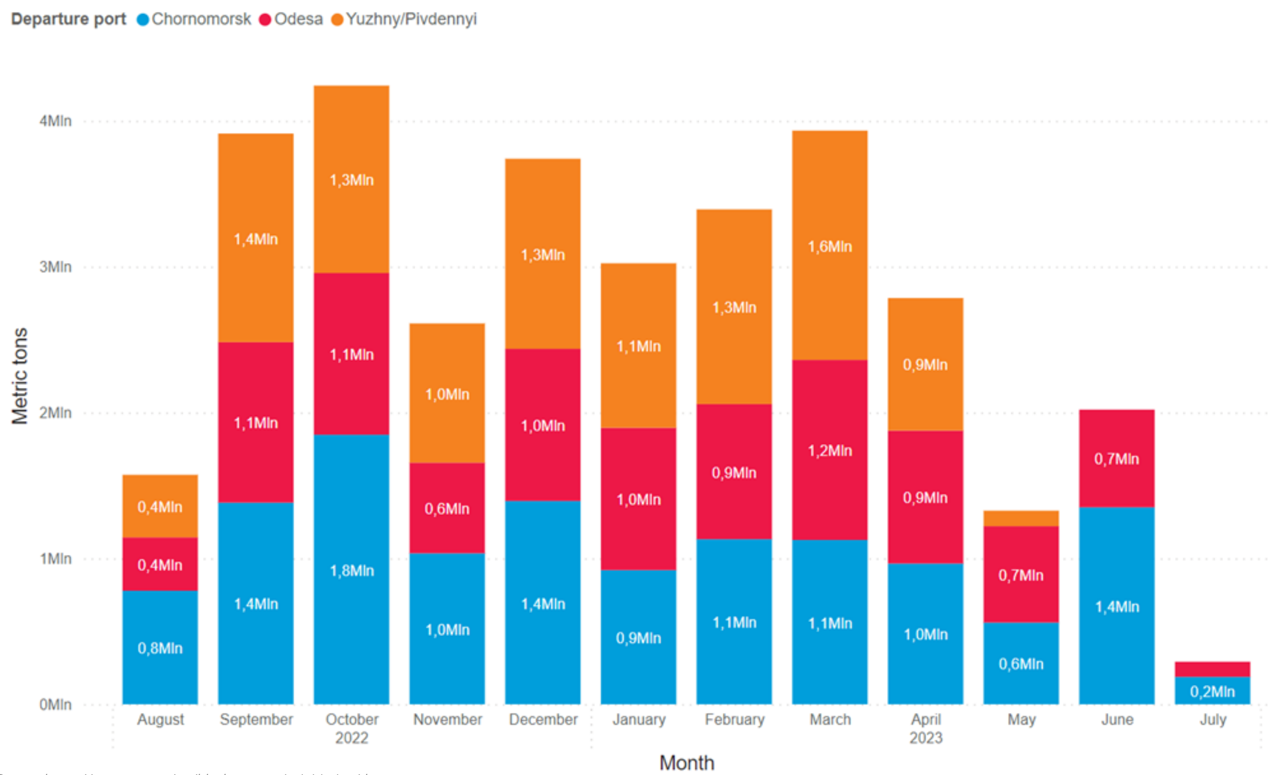
The agreement, whose initial duration was 120 days, remained in force until 17 July 2023, when Russia officially notified the parties of its objection to a further extension. During the almost one-year term of the agreement, more than 1,080 ships left three Ukrainian ports (Chornomorsk, Odessa and Yuzhny/Pivdennyi), exporting more than 30 million tonnes of grain and food products to 45 countries on three continents.

The initiative enabled the export of vital food commodities, helping to reverse the rise in global food prices, which had reached record levels shortly before the agreement was signed.

Repercussions of the Russian-Ukrainian crisis on Italian shipping

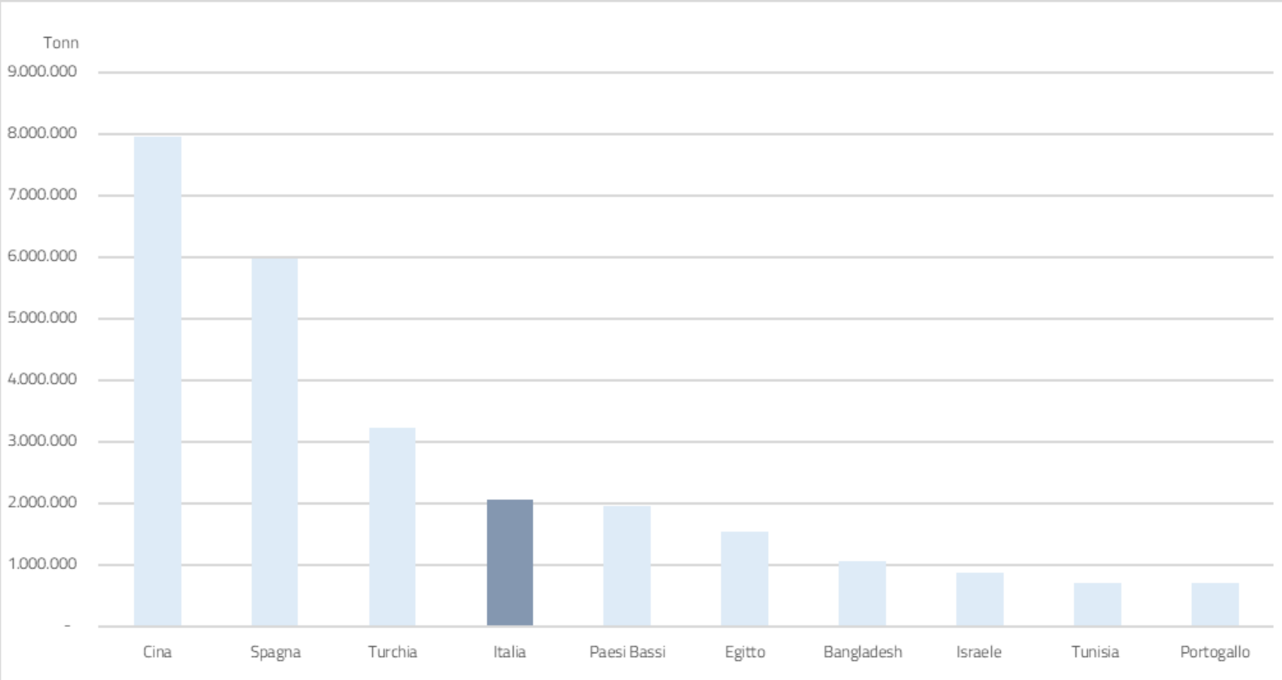
Confitarma has brought to the attention of the Interministerial Committee for the Safety of Maritime Transport (CISM) the opportunity to verify the possibility for Italian-flagged ships to load vegetable products for food use in Ukrainian ports in the framework of the UN Black Grain Initiative. In fact, as is well known, since the outbreak of the war, the Italian Administration has raised the level of security on board national ships sailing in the waters of the Black Sea – limited to the Exclusive Economic Zones of Russia and Ukraine – and the Sea of Azov to MARSEC 3, requiring them to remain outside these areas. However, the Interministerial Coordination Committee for Transport and Infrastructure Security (COCIST), which was interested in the issue due to the importance of the international policy aspects at stake, decided not to accept the request received by the shipowning sector.

FIG. 9: GRAIN EXPORTS FROM UKRAINIAN PORTS (2022-2023)



Source: https://www.un.org/en/black-sea-grain-initiative/data

FIG. 10: WHEAT EXPORTS TO THE TOP TEN COUNTRIES



Source: https://www.un.org/en/black-sea-grain-initiative/data

In 2022, the Italian energy sector was affected by the international crisis due to the war in Ukraine, and primary energy demand fell by 4.5%.

Italy showed a smaller contraction in export values to Russia than the EU figure, while, on the import side, the growth in energy prices amplified the dynamics of imported values in the first months of 2022.

With reference to crude oil imports, in the first nine months of 2022, despite the sanctions, Russia emerges as the main supplier in terms of quantity while, in value, it ranks just behind Azerbaijan.

According to the latest data contained in the MASE 'Report on the National Energy Situation 2022', the share of net imports in gross energy availability increased from 73.5% in 2021 to 79.7% in 2022, confirming our country's dependence on foreign sources of supply. In particular, there was an increase in imports of oil and oil products (+4,731 ktoe, +10.5%) and solid fuels (+2,235 ktoe, +41.6%), partly offset by the reduction in imports of natural gas (-2,847 ktoe, -4.9%). In this context, the role of the shipping industry, ports and the entire maritime cluster, which can and must play an important role, emerges even more strongly. If we wish to diversify sources, the country must invest in what is by nature flexible: maritime transport. The ship, the mobile infrastructure par excellence, makes it possible to reach other markets quickly. Even in the gas sector, most of which arrives via pipelines, the role of maritime transport could help reduce dependence on a few suppliers. To do this, however, it is necessary to change our policy in terms of building regasifiers (today there are three active ones in Italy) and to support the development of the gas tanker fleet.

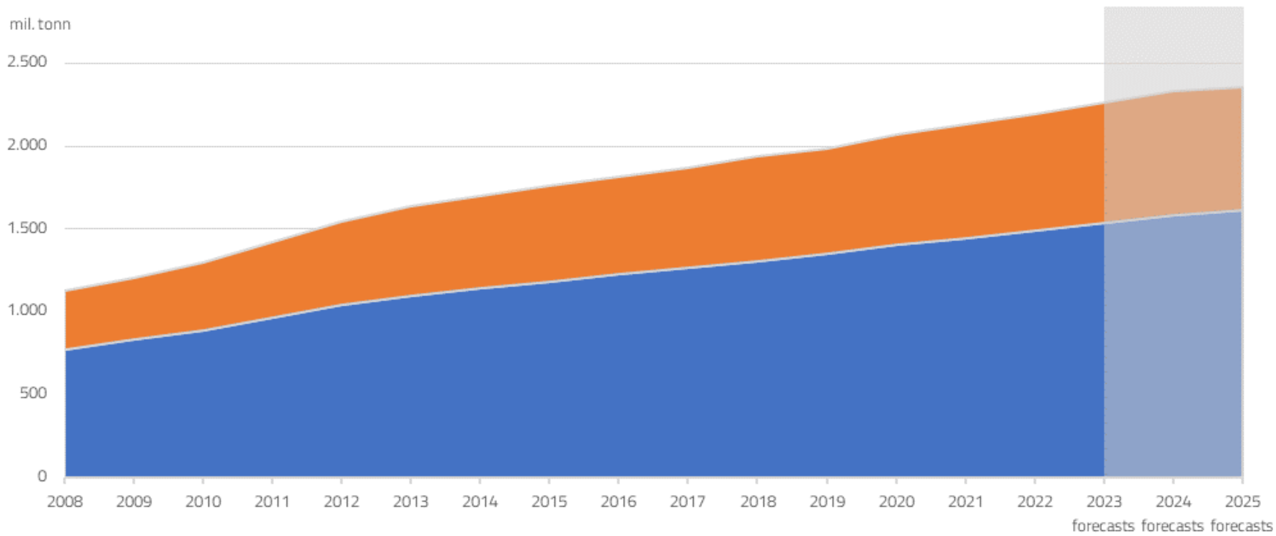
Table on energy from the sea

CONFITARMA calls for an institutional table dedicated to the energy policy of the coming decades to be set up as soon as possible, including maritime transport.

THE WORLD MARITIME FLEET AND TRAFFIC

The final figure for 2022 for the world fleet is 1,489 million GT in terms of gross tonnage and about 2,196 million DWT in terms of deadweight tonnage. The numbers show a growth of just over 3% in terms of gross tonnage (GT) and about 3% in terms of DWT. The percentage changes are similar to those of the previous two years. Clarksons' forecasts show growth rates of around 3% also for 2023 and 2024, and a smaller positive variation for 2025 (+1.7% in terms of gross tonnage and +1.2% in terms of deadweight).

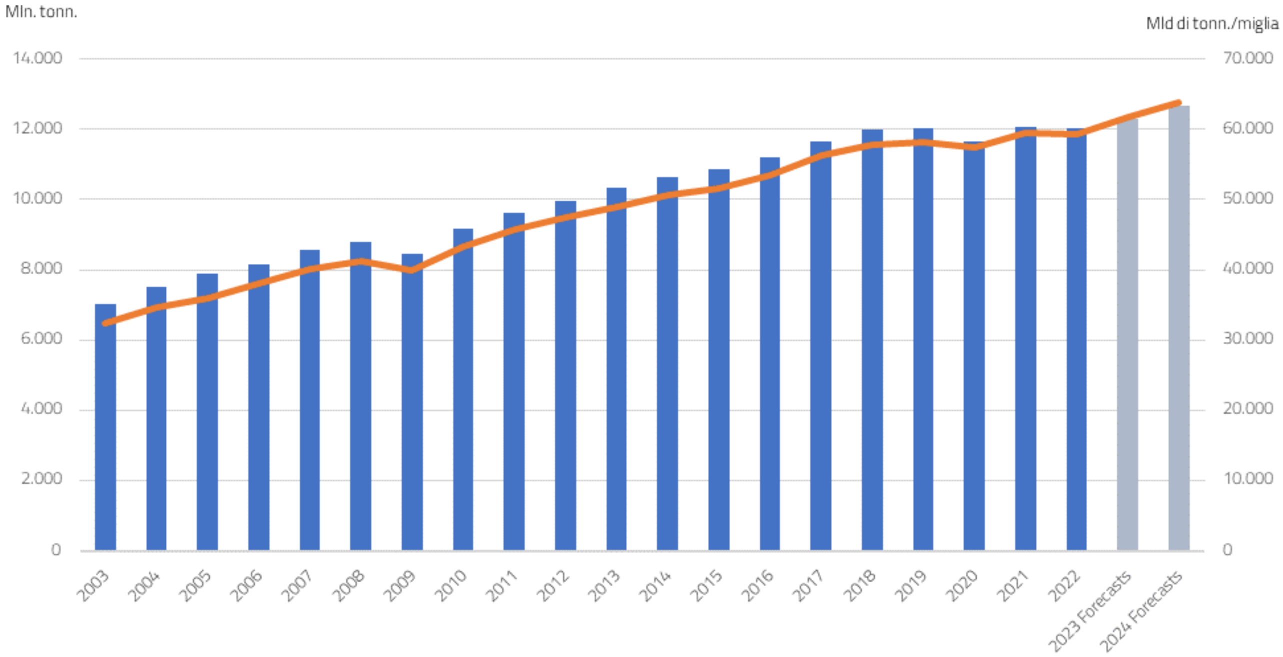
FIG. 11: WORLD FLEET EVOLUTION



Source: SRM processing of Clarkson Research Service Ltd data

In 2022, world maritime trade recorded a slight decrease of 0.4% compared to the 2021 figure (which had varied by +3.6% in 2021 compared to 2020) with total volumes transported amounting to 12,027 million tonnes. The figure for the quantity of goods transported for the distances covered also recorded a slight decrease of 0.1% (change which had been +3.5% in 2021 compared to 2020) for a total of 59.381 billion tonne-miles.

FIG. 12: GLOBAL MARITIME TRAFFIC



Source: SRM processing of Clarkson Research Service Ltd data

THE EU'S FLEET AND FOREIGN TRADE

The presence of a substantial and renewed merchant fleet represents a long-term strategic element for the competitiveness of States in the international economic circuit.

The fleet of ships flying the flags of countries belonging to the European Union of 27, including Norway, has about 12,000 vessels, 11.4% of the world total (the incidence increases to 13.4% in terms of GT).

Malta, Greece and Cyprus are the leading countries in terms of units and DWT. If we consider vessels owned within the European Union, Greece and Germany lead the ranking.

Italy ranks eighth (with 1,244 units) in terms of flag and sixth (with 772 units) in terms of ownership.

The European Union's international trade reflects the structure of its economy based on the production/export of high-value goods. This results in a general imbalance in favour of imports when the comparison is made in terms of tonnes.

The maritime component in European foreign trade is preponderant. In particular, according to Eurostat data, the EU's foreign trade in 2022 will amount to approximately 2.355 billion tonnes, of which 74% (1.748 billion tonnes) will use the maritime route.

At the top of the European sea trade (import + export) are the Netherlands (323 mln tonnes), Spain (242 mln tonnes) and Italy (210 mln tonnes).

FIG. 13: EUROPEAN UNION TRADE BY MODE OF TRANSPORT

January-December- 2022

	Imports		Exports		Total	
	tonn.	%	tonn.	%	tonn.	%
Sea	1.227.530.672	73,9	521.020.122	75,0	1.748.550.794	74,2
Train	59.006.017	3,6	19.172.737	2,8	78.178.754	3,3
Road	93.421.682	5,6	115.341.492	16,6	208.763.174	8,9
Air	3.536.379	0,2	15.055.843	2,2	18.592.222	0,8
Water ways	11.481.311	0,7	9.187.379	1,3	20.668.690	0,9
Other	265.429.526	16,0	15.099.556	2,2	280.529.082	11,9
TOTAL	1.660.405.587	100	694.877.129	100	2.355.282.716	100

Source: SRM processing of Eurostat data 2023

FIG. 14 EUROPEAN UNION FLEET (EU 27 + NORWAY)

Data as at July 2023

	Flag ships > 100 GT				Nationality ships > 1.000 GT		
Countries	N.	Mln GT	Mln DWT	Countries	N.	Mln GT	Mln DWT
1 Malta	1.869	77,5	101,8	Greece	5.240	248,6	422,5
2 *Greece*	1.211	34,9	58,1	Germany	2.260	58,2	74,9
3 *Cyprus*	981	19,9	28,5	Denmark	814	36,1	41,7
4 *Denmark*	724	23,0	26,0	Belgiium	295	14,3	25,4
5 *Belgium*	201	6,0	10,0	France	586	23,2	25,3
6 *France*	548	8,6	9	ITALY	772	21,0	23,3
7 *Germany*	587	7,7	8,1	Netherlands	1.228	13,9	19,4
8 ITALY	1.244	12,9	7,7	Cyprus	254	6,1	10,1
9 Netherlands	1.184	6,5	6,6	Sweden	261	5,0	4,7
10 Spain	492	2,5	1,8	Spain	228	3,5	4,4
11 Croazia	389	1,0	1,4	Luxembourg	85	3,3	4,4
12 Luxembourg	144	1,1	1,4	Polonia	109	1,8	2,6
13 Finland	288	1,9	1,1	Croatia	80	1,5	2,4
14 Sweden	353	2,2	1,1	Finland	120	1,8	2,2
15 Estonia	72	0,4	0,1	Bulgaria	78	1,2	1,9
16 Portugal	141	0,1	0,1	Irlanda	107	1,4	1,8
Others UE 27	624	1,1	1,0	Others UE 27	498	4,7	6,3
Norway	1.037	2,9	2,1	Norway	2.107	62,3	82,0
TOTAL	12.089	210,1	265,9	TOTAL	15.122	507,9	755,3
% world's total	11,4%	13,4%	11,5%				

Source: SRM processing of Clarkson Research Service Ltd data

In 2022, the EU's external trade was about 2.355 billion tonnes of which 74% (1.748 Bn tonnes) is by sea.

Looking at the import data, in particular for flows by sea, Italian ports rank third in Europe (with 162.7 mln tonnes) after those of the Netherlands (238.9 mln tonnes) and Spain (172 mln tonnes). Goods arriving in our country by sea account for about 79% of total imports.

Looking only at exports, the European Union as a whole exports about 700 million tonnes of goods, mostly by sea (75%). Italy, with about 59 million tonnes of goods, is among the top 5 countries for export of goods, after the Netherlands, Germany, Spain and Belgium. The maritime component also dominates exports from Italy (around 80%), demonstrating the importance of this sector and the port system for the country.

FIG. 15: EUROPEAN UNION IMPORTS BY MODE OF TRANSPORT

Data year 2023

	Total	Sea		Train		Road		Air		Water ways		Other	
Countries	tonn.	tonn.	%	tonn.	%	tonn.	%	tonn.	%	tonn.	%	tonn.	%
Austria	20.809.556	5.350.707	25,7	1.603.233	7,7	2.759.976	13,3	59.764	0,3	1.612.069	7,7	9.423.807	45,3
Belgium	118.307.704	87.149.348	73,7	114.375	0,1	4.100.783	3,5	248.410	0,2	2.103.143	1,8	24.591.645	20,8
Bulgaria	21.878.716	14.438.972	66,0	949.106	4,3	3.712.575	17,0	13.471	0,1	1.244.075	5,7	1.520.517	6,9
Cyprus	2.824.570	2.819.816	99,8	0	0,0	11	0,0	4.408	0,2	0	0,0	335	0,0
Croatia	10.575.256	5.367.391	50,8	141.766	1,3	4.737.249	44,8	5.403	0,1	288.673	2,7	34.774	0,3
Denmark	25.430.203	22.374.185	88,0	9.231	0,0	879.623	3,5	74.540	0,3	0	0,0	2.092.624	8,2
Estonia	4.324.470	2.290.729	53,0	1.261.104	29,2	717.954	16,6	6.319	0,1	0	0,0	48.364	1,1
Finland	24.673.232	21.156.584	85,7	1.833.285	7,4	1.289.367	5,2	23.304	0,1	0	0,0	370.692	1,5
France	154.242.597	141.870.406	92,0	180.726	0,1	9.486.462	6,2	362.524	0,2	64.366	0,0	2.278.113	1,5
Germany	213.435.002	125.273.478	58,7	2.037.518	1,0	12.614.873	5,9	828.941	0,4	242.999	0,1	72.437.193	33,9
Greece	47.241.018	41.305.203	87,4	38.554	0,1	1.675.217	3,5	18.485	0,0	0	0,0	4.203.559	8,9
Irland	34.155.738	22.577.219	66,1	4.240	0,0	5.489.051	16,1	60.710	0,2	4	0,0	6.024.514	17,6
ITALY*	205.362.892	162.689.505	79,2	573.973	0,3	3.431.000	1,7	226.839	0,1	217	0,0	38.441.358	18,7
Latvia	5.554.538	1.824.271	32,8	2.564.912	46,2	854.143	15,4	4.179	0,1	0	0,0	307.033	5,5
Lithuania	18.255.419	13.207.955	72,4	3.095.833	17,0	1.627.210	8,9	6.178	0,0	0	0,0	318.243	1,7
Luxembourg	196.113	96.288	49,1	1.692	0,9	87.860	44,8	9.967	5,1	0	0,0	306	0,2
Malta	942.461	936.807	99,4	0	0,0	3	0,0	2.613	0,3	0	0,0	3.038	0,3
Netherlands	316.599.847	238.886.739	75,5	83.651	0,0	10.363.961	3,3	963.889	0,3	3.998.861	1,3	62.302.746	19,7
Poland	86.752.083	51.572.532	59,4	18.967.922	21,9	7.101.772	8,2	98.028	0,1	28.520	0,0	8.983.309	10,4
Portugal	30.751.226	30.137.040	98,0	18.891	0,1	255.694	0,8	44.454	0,1	0	0,0	295.147	1,0
Czech Rep.	18.686.011	31.448	0,2	7.868.864	42,1	2.983.723	16,0	21.287	0,1	0	0,0	7.780.689	41,6
Slovakia	16.856.748	957.681	5,7	7.942.316	47,1	964.126	5,7	29.198	0,2	22.561	0,1	6.940.866	41,2
Romania	30.281.435	21.029.557	69,4	2.377.299	7,9	5.353.691	17,7	38.939	0,1	1.194.801	3,9	287.148	0,9
Slovenia	11.059.866	7.501.662	67,8	1.142.129	10,3	2.058.756	18,6	8.862	0,1	4	0,0	348.453	3,2
Spain	180.502.783	172.014.319	95,3	56.905	0,0	2.057.280	1,1	220.442	0,1	347	0,0	6.153.490	3,4
Sweden	42.455.819	33.055.986	77,9	2.785.374	6,6	6.123.528	14,4	66.995	0,2	56	0,0	423.880	1,0
Hungary	18.250.281	1.614.844	8,8	3.353.119	18,4	2.695.793	14,8	88.228	0,5	680.613	3,7	9.817.684	53,8
TOTAL	1.660.405.587	1.227.530.672	73,9	59.006.017	3,6	93.421.682	5,6	3.536.379	0,2	11.481.311	0,7	265.429.526	16

** including San Marino*

Source: SRM processing of Eurostat data 2023

In 2022, goods destined for the European market arriving in our country by sea account for about 79% of total imports (in terms of tonnes).

In 2022 EU exports from Italy will use the maritime route for about 80% of the total (in terms of tonnes).

FIG. 16: EU EXPORTS BY MODE OF TRANSPORT

Data year 2023

	Total	Sea		Train		Road		Air		Water ways		Other	
Paesi	tonn.	tonn.	%	tonn.	%	tonn.	%	tonn.	%	tonn.	%	tonn.	%
Austria	10.169.958	4.259.882	41,9	1.271.153	12,5	4.372.905	43,0	97.157	1,0	122.753	1,2	46.108	0,5
Belgio	63.553.013	53.867.632	84,8	749.534	1,2	5.060.132	8,0	1.388.156	2,2	2.418.051	3,8	69.508	0,1
Bulgaria	15.094.373	10.581.234	70,1	1.150.564	7,6	3.055.030	20,2	62.413	0,4	244.583	1,6	549	0,0
Cipro	2.867.655	2.747.446	95,8	0	0,0	4.782	0,2	115.404	4,0	0	0,0	23	0,0
Croazia	5.633.515	1.703.545	30,2	101.645	1,8	3.763.654	66,8	4.376	0,1	22.717	0,4	37.578	0,7
Danimarca	10.534.585	8.646.558	82,1	1.082	0,0	1.710.234	16,2	112.529	1,1	4	0,0	64.178	0,6
Estonia	4.881.059	4.329.435	88,7	52.791	1,1	436.746	8,9	54.263	1,1	0	0,0	7.824	0,2
Finlandia	16.292.151	15.043.832	92,3	105.765	0,6	1.046.043	6,4	94.863	0,6	1.368	0,0	280	0,0
Francia	58.399.193	40.718.233	69,7	961.213	1,6	12.799.362	21,9	1.949.365	3,3	699.199	1,2	1.271.821	2,2
Germania	93.002.404	52.206.348	56,1	4.852.737	5,2	22.502.647	24,2	4.187.117	4,5	1.663.643	1,8	7.589.912	8,2
Grecia	26.204.175	22.235.762	84,9	125.147	0,5	3.330.671	12,7	508.561	1,9	1	0,0	4.033	0,0
Irlanda	13.893.735	7.953.459	57,2	3.652	0,0	4.453.640	32,1	75.676	0,5	20	0,0	1.407.288	10,1
ITALIA*	58.570.091	47.391.515	80,9	1.241.134	2,1	8.451.558	14,4	1.331.670	2,3	30	0,0	154.184	0,3
Lettonia	7.433.023	6.476.111	87,1	86.517	1,2	802.351	10,8	19.484	0,3	0	0,0	48.560	0,7
Lituania	9.887.841	7.240.950	73,2	425.104	4,3	1.949.283	19,7	135.690	1,4	0	0,0	136.814	1,4
Lussemburgo	800.337	612.656	76,5	44.431	5,6	130.041	16,2	10.149	1,3	2.727	0,3	333	0,0
Malta	239.063	235.623	98,6	0	0,0	0	0,0	3.280	1,4	0	0,0	160	0,1
Paesi Bassi	100.286.543	84.383.560	84,1	218.925	0,2	9.354.073	9,3	1.897.496	1,9	2.100.353	2,1	2.332.136	2,3
Polonia	26.814.596	14.123.874	52,7	3.035.693	11,3	9.270.278	34,6	88.462	0,3	20.557	0,1	275.732	1,0
Portogallo	12.944.318	11.564.045	89,3	11.499	0,1	511.924	4,0	854.870	6,6	0	0,0	1.980	0,0
Rep. Ceca	5.941.682	2.362.475	39,8	1.014.052	17,1	2.411.739	40,6	144.537	2,4	6	0,0	8.873	0,1
Rep. Slovacca	2.918.720	771.481	26,4	611.357	20,9	1.333.659	45,7	16.470	0,6	173.975	6,0	11.778	0,4
Romania	20.699.885	15.069.155	72,8	708.304	3,4	3.036.258	14,7	339.650	1,6	1.449.601	7,0	96.917	0,5
Slovenia	4.055.657	1.986.189	49,0	29.896	0,7	2.003.588	49,4	11.391	0,3	0	0,0	24.593	0,6
Spagna	76.412.934	69.717.200	91,2	128.969	0,2	5.275.675	6,9	1.288.410	1,7	15	0,0	2.665	0,0
Svezia	41.928.220	33.849.739	80,7	1.740.634	4,2	5.555.921	13,3	92.993	0,2	13	0,0	688.920	1,6
Ungheria	5.418.401	942.183	17,4	500.940	9,2	2.719.297	50,2	171.413	3,2	267.761	4,9	816.807	15,1
TOTALE	694.877.129	521.020.122	75,0	19.172.737	2,8	115.341.492	16,6	15.055.843	2,2	9.187.379	1,3	15.099.556	2,2

* including San Marino

Source: SRM processing of Eurostat data 2023

FIG. 17: ITALY'S FOREIGN TRADE IN 2022 BY MODE OF TRANSPORT

	Import		Export		Total	
	tonn.	%	tonn.	%	tonn.	%
Maritime transport	203.549	63,7%	82.283	49,7%	285.832	58,9%
Rail transport	13.011	4,1%	4.973	3,0%	17.985	3,7%
Road transport	55.780	17,4%	73.670	44,5%	129.450	26,7%
Air transport	308	0,1%	3.113	1,9%	3.422	0,7%
Others	47.063	14,7%	1.467	0,9%	48.531	10,0%
	319.712	100%	165.507	100%	485.219	100%

Fonte: elaborazione SRM su dati ISTAT

ITALY'S FLEET AND FOREIGN TRADE

Shipping is a mobile and 'silent' industry that networks and develops the country's economy. The merchant fleet is a fundamental strategic asset for Italy:

- over 44 thousand jobs on board, on which nearly 63 thousand workers rotate;
- over 8 thousand land-based jobs;
- maritime transport, unlike other infrastructures (oil and gas pipelines) is able to ensure flexibility of supply sources.

At the end of 2022, the Italian merchant fleet consisted of 1255 ships for a total of 13.7 million gross tonnage. Italy is one of the main European countries in terms of maritime interchange, thanks also to a well-developed port system with good competitiveness in the Mediterranean Basin.

Overall, Italy achieved about 60% of its international interchange using sea transport (just under 286 million tonnes).

It is therefore the most widely used mode of transport. It is followed by road transport with over 129 million tonnes (26.7% of Italian foreign trade). Also in this context the sea is a great natural asset for Italy.

FIG.18: ITALIAN MERCHANT FLEET

Ships of 100 gt eand over	31/12/2021		31/12/2022		var 2022/2021	
	N.	GT	N.	GT	N.	GT
LIQUID CARGO SHPS	195	2.923.161	182	2.597.762	-6,7	-11,1
Oil tankers	77	1.867.713	70	1.625.665	-9,1	-13,0
Gas tankers	16	269.442	15	256.642	-6,3	-4,8
Chemical tankers	65	750.623	62	681.767	-4,6	-9,2
Other tankers	37	35.383	35	33.688	-5,4	-4,8
DRY CARGO SHIPS	149	5.558.786	147	5.578.889	-1,3	0,4
General cargo	37	108.211	35	101.952	-5,4	-5,8
Container ships	11	428.285	11	367.234	0,0	-14,3
Bulk carriers	17	991.801	14	866.303	-17,6	-12,7
Ro-ro cargo	84	4.030.489	87	4.243.400	3,6	5,3
MIX AND PASSENGER SHIPS	444	5.236.808	441	5.260.282	-0,7	0,4
Cruise	26	2.679.104	25	2.722.882	-3,8	1,6
High speed vessels	111	32.202	111	32.202	0,0	0,0
Ferries	202	2.502.821	201	2.481.167	-0,5	-0,9
Other passenger ships	105	22.681	104	24.031	-1,0	6,0
AUXILIARY SERVICES SHIPS	480	280.075	485	283.806	1,0	1,3
Tugboats and supply vessels	381	189.755	385	191.599	1,0	1,0
Others	99	90.320	100	92.207	1,0	2,1
TOTAL	1.268	13.998.830	1.255	13.720.739	-1,0	-2,0

Source: SRM processing of Clarkson Research Service Ltd data

THE ITALIAN FLEET IN THE WORLD RANKING

In June 2023, there were 56,731 ships (equivalent to approximately 2.3 billion deadweight tons) of over 1,000 GT registered in the World's Ship Registers. 55.5% of the total number of ships and almost 70% of the total deadweight tonnage is controlled by the top ten countries.

The recovery of world trade and consequently of post -pandemic maritime traffic has led to an increase in the fleet. As will be seen from the world orderbook data, the fastest increase, driven by global gas demand, has been in Liquefied Gas Carriers, followed by Container Ships and Bulk Carriers. As of June 2023, in terms of deadweight, the top three registration flags remain those of Panama, Liberia and the Marshall Islands. The registers of the top five countries account for 57 per cent of the total gross tonnage in circulation, a percentage that rises to 76 per cent if the top 10 countries are considered.

FIG. 19: ITALY IN THE WORLD RANKING BY SHIPOWNER CONTROL

Ships of 1,000 GT and above – *data as at June 2023*

	Countries	N.	000 DWT	% DWT
1	Greece	5.200	420.999	18,4%
2	China	9.825	386.497	16,9%
3	Japan	4.358	258.304	11,3%
4	South Corea	1.721	98.782	4,3%
5	Norway	2.129	81.704	3,6%
6	Germany	2.239	74.775	3,3%
7	Singapore	1.885	71.276	3,1%
8	United States	1.860	65.737	2,9%
9	Taiwan	1.053	60.579	2,7%
10	Hong Kong	1.212	54.603	2,4%
11	United Kingdom	987	46.093	2,0%
12	Turchia	1.917	45.885	2,0%
13	Emirati Arabi Uniti	1.294	42.184	1,8%
14	Denmark	820	42.037	1,8%
15	India	1.188	37.758	1,7%
16	Canada	593	32.431	1,4%
17	Indonesia	2.483	29.258	1,3%
18	France	573	25.340	1,1%
19	Belgium	291	25.052	1,1%
20	Italy	768	23.434	1,0%
21	Russia	1.839	21.859	1,0%
22	Iran	253	19.167	0,8%
23	Netherlands	1.207	18.828	0,8%
24	Malasia	647	18.760	0,8%
25	Saudi Arabi	296	17.217	0,8%
26	Vietnam	1.162	16.605	0,7%
27	Bermuda	93	15.886	0,7%
28	Brazil	271	12.178	0,5%
29	Cyprus	243	10.339	0,5%
30	Switzerland	193	9.608	0,4%
	Not attributed*	1.034	35.089	1,5%
	Others	6.600	31.356	5,8%
	TOTAL	56.731	2.281.993	100%

FIG. 20: ITALY IN THE WORLD RANKING BY REGISTERS

Ships of 100 GT and above – *data as at June 2023*

	Flag	N.	Mln GT	% GT	Mln DWT	% DWT
1	Liberia	5.018	244	15,6%	392	17,1%
2	Panama	8.244	243	15,6%	373	16,2%
3	Marshall Island	4.225	186	11,9%	304	13,2%
4	Hong Kong	2.499	127	8,2%	200	8,7%
5	Singapore	3.212	93	6,0%	137	5,9%
6	China	8.516	84	5,4%	127	5,5%
7	Malta	1.886	78	5,0%	102	4,4%
8	Bahamas	1.271	61	3,9%	72	3,1%
9	Greece	1.207	35	2,2%	58	2,5%
10	Japan	5.225	31	2,0%	42	1,8%
11	Denmark	595	23	1,5%	26	1,1%
12	Indonesia	11.531	22	1,4%	29	1,3%
13	Madeira	754	20	1,3%	27	1,2%
14	Cyprus	980	20	1,3%	29	1,2%
15	Norway	668	16	1,1%	20	0,9%
16	South Corea	2.145	15	1,0%	19	0,8%
17	Italy	1.257	13	0,8%	8	0,4%
18	Isola di Man	270	12	0,8%	20	0,9%
19	Iran	971	12	0,8%	21	0,9%
20	India	1.880	11	0,7%	18	0,8%
21	United States	3.533	11	0,7%	12	0,5%
22	United Kingdom	867	11	0,7%	12	0,5%
23	Bermuda	120	10	0,6%	7	0,3%
24	Russia	2.895	10	0,6%	11	0,5%
25	Saudi Arabi	439	8	0,5%	14	0,6%
26	Malaysa	1.755	8	0,5%	9	0,4%
27	Vietnam	1.966	8	0,5%	13	0,6%
28	Germany	599	8	0,5%	8	0,3%
29	Belgium	202	6	0,4%	10	0,4%
30	Camerun	215	5	0,3%	8	0,4%
	Not attributed*	1.809	5	0,3%	7	0,3%
	Others	29.431	125	8,0%	163	7,1%
	TOTAL	106.185	1.561	100%	2.300	100%

Source: SRM processing of Clarkson Research Service Ltd data

**Tonnage of unknown shipowner control*

60% of Italy's international trade uses sea transport (just under 286 million tonnes). The ship is the most used mode of goods transport in Italy.

The Italian-flagged fleet in 2022 loses one position compared to the previous year, falling from 16th to 17th place in the world ranking. This drop also reverberates on the total fleet controlled by Italian owners, which lost two positions in the world ranking (from 18th in 2021 to 20th in 2022), despite the increase in the foreign-flagged fleet controlled by national owners. These data highlight the decline in the appeal of the Italian flag, which lost about one million GT compared to 2021, demonstrating how, by now, the fundamental competitive gap reduction system defined with the establishment of the International Registry is no longer sufficient.

Today more than ever, in view of the closure of the process of extending the benefits of the International Registry to Community and European Economic Area flags, the Italian flag needs a strong and urgent intervention to simplify the regulations and procedures that govern it

04.

X-RAY OF THE ITALIAN MERCHANT FLEET

The Italian fleet is made up of segments specialised in the country's various economic and social sectors and offers the highest international standards, both in terms of technology and the service offered to national industry and the mobility of people. Below is an analysis of the various compartments into which the Italian flag fleet is diversified, which are grouped into two macro-areas: the cargo and passenger sectors.

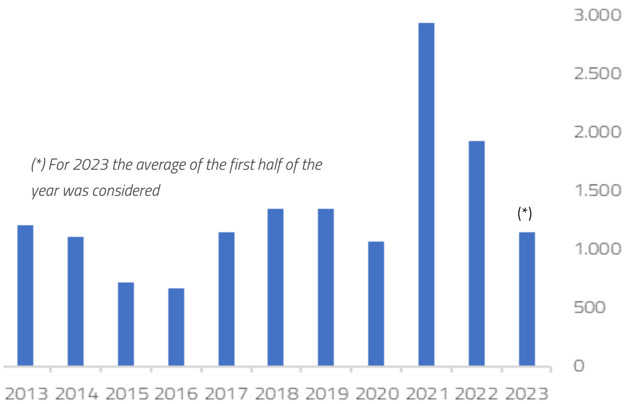
CARGO SECTOR

BULK CARRIER FLEET

After three positive years with growth rates between 3.6% and 3.8%, fleet growth between 2022 and 2023 has slowed down. Forecasts for the future remain pegged to a further slowdown, due to declining demand for new buildings, despite still low demolition rates. At the beginning of 2023, the bulk carrier fleet comprised 12,898 ships with a carrying capacity of about 940 million tonnes. The Italian-flagged fleet in this sector maintained its 23rd position, but recorded a slight reduction in both the number of vessels (-9%) and tonnage (-10%). Ships belonging to this category include the large Post-Panamax units (over 80,000 DWT), which ensure the supply of raw materials, both energy and foodstuffs, and conventional cargo units, indispensable for industry, especially mechanical industry, as they are able to load large non-unit loads.

The ***Baltic Dry Index*** – The Baltic Dry Index - a composite index of the value of Capesize (40 per cent), Panamax (30 per cent) and Supramax (30 per cent) vessel charters recorded daily on a significant range of routes - peaked in October 2021, as the culmination of the previous ten months of price increases. Since the peak, the value of the index has been declining, a downward trend due to a decrease in contracts due to a lower propensity to trade.

FIG. 21: BALTIC DRY INDEX



Source: SRM processing of Clarkson Research Service Ltd data

FIG. 22: WORLD'S MAIN BULK CARRIER FLEETS

Ships of 1,000 GT and above by nationality of owner

	Paesi	N.	000 dwt
1	Cina	3.424	225.944
2	Grecia	2.500	209.454
3	Giappone	1.738	153.070
4	Corea	384	46.194
5	Taiwan	392	32.072
6	Hong Kong	485	28.597
7	Norvegia	241	22.916
8	Germania	298	20.284
9	Stati Uniti	212	19.574
10	Singapore	304	22.268
11	Turchia	369	20.337
12	Regno Unito	188	14.752
13	Bermuda	78	14.880
14	India	147	9.732
15	Indonesia	270	7.770
16	Belgio	40	4.705
17	Emirati arabi Uniti	162	8.574
18	Monaco	41	4.342
19	Canada	136	5.456
20	Viet Nam	236	5.983
21	Australia	27	4.531
22	Cipro	73	4.241
23	Italia	56	3.342
24	Bangladesh	76	3.809
25	Tailandia	59	2.878
26	Paesi Bassi	44	2.402
27	Russia	77	2.045
28	Oman	12	2.123
29	Polonia	44	1.930
30	Iran	32	2.010
	Altri/ *Others*	683	30.240
	Ignoto controllo armatoriale	70	3.039
	TOTALE	12.898	939.492

Source: SRM processing of data from SL Bremen

OIL TANKER FLEET

The sector includes different types of ships, from small Oil Tankers (3-10,000 DWT) – serving the needs, energy and food, of the small Italian islands – to the so-called Suexmax (120-180,000 DWT), the ships that can cross the Suez Canal due to their size and are essential for the supply of crude oil and clean products (petrol and diesel), as well as Chemical Tankers, highly specialised units.

Italy maintains 6th place in the Chemical Tanker ranking despite a drop in both number (-9%) and tonnage (-5%). In the overall ranking of Tankers, the Italian fleet lost three positions with a drop in units of 11% and in tonnage of 9%.

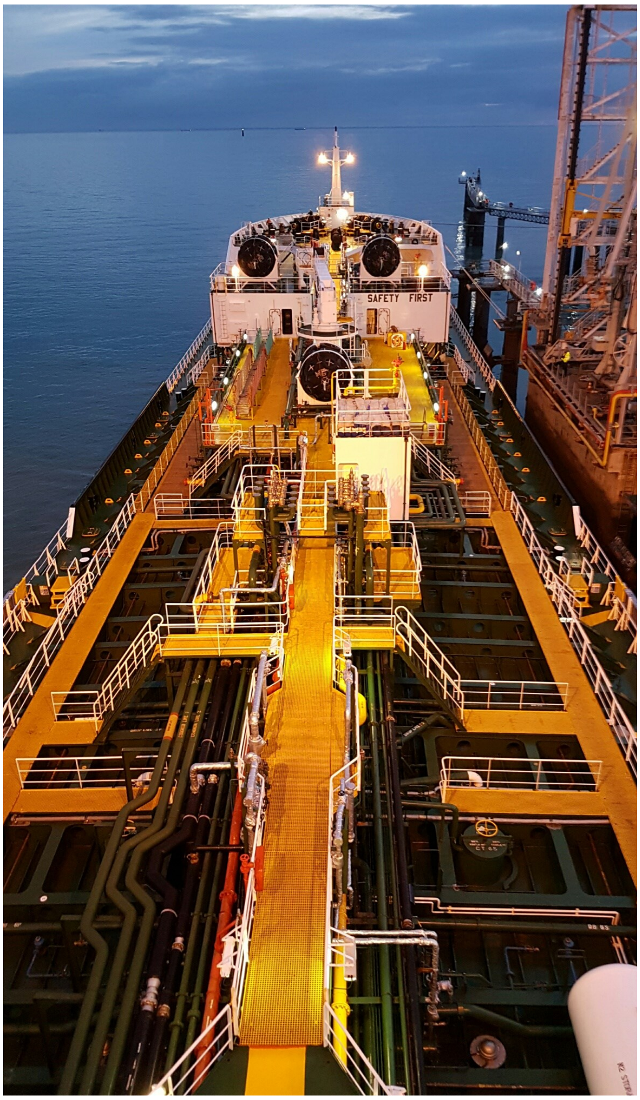


FIG. 23: MAIN WORLD TANKER FLEETS

Ships of at least 1,000 GT by nationality of owner

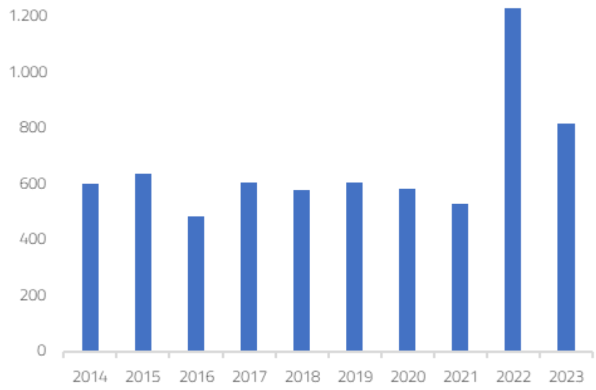
	CRUDE OIL OIL PRODUCTS			CHEMICAL			TOTALE CISTERNE		
	Paesi	No.	DWT	Paesi	No.	DWT	Paesi	No.	DWT
1	Greece	1.037	152.620	Greece	522	19.229	Greece	1.828	187.099
2	China, PR of	1.199	64.315	Japan	511	12.460	China, PR of	1.931	77.500
3	Japan	265	28.574	Singapore	381	11.221	Japan	1.101	56.363
4	Korea, Rep. of	140	25.555	China, PR of	576	8.899	Norway	572	39.069
5	Norway	173	25.451	Norway	297	7.978	Korea, Rep. of	624	38.007
6	Hong Kong	178	19.078	Italy	217	7.409	Singapore	885	33.702
7	US	100	18.222	Korea, Rep. of	363	6.716	US	412	31.722
8	Singapore	355	16.076	US	164	6.104	Hong Kong	295	22.632
9	UAE	212	15.836	Denmark	189	6.056	UAE	423	21.472
10	Belgium	67	15.828	UAE	165	3.728	India	242	18.248
11	India	149	15.063	Turkey	258	3.541	Belgium	112	17.054
12	Iran	61	14.344	Germany	137	2.800	Saudi Arabia	115	15.394
13	Saudi Arabia	67	13.236	UK	112	2.645	Italy	323	15.064
14	Russia	356	10.695	Hong Kong	95	2.574	Iran	71	14.650
15	Altri	2.186	128.051	Altri	1.570	31.579	Altri	5.212	195.511
	TOTAL	6.545	562.944	TOTALE	5.557	132.939	TOTAL	14.146	783.487

Fonte: elaborazione SRM su dati SL Bremen

The performance of the Baltic Clean Tanker Index – similar to the Baltic Dry Index but dedicated to so-called clean products such as diesel and gasoline – was affected in 2022 by the shift in the trade balance as a consequence of the conflict and the sanctions imposed on Russia.

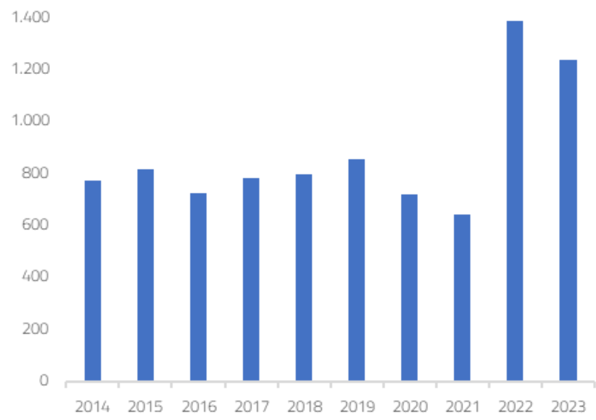
The change in the directions in which refined products move, the new countries of origin and the length of voyages on the one hand, but also the shift of Russian refined products from Europe to non-OECD countries on the other, pushed up demand for tonne miles in the entire tanker segment, affecting tariffs and thus the value of an index that until 2021 had had a rather regular trend, averaging just under 600.

FIG. 24: BALTIC CLEAN TANKER INDEX



Source: SRM processing of Clarkson Research Service Ltd data

FIG. 25: BALTIC DIRTY TANKER INDEX

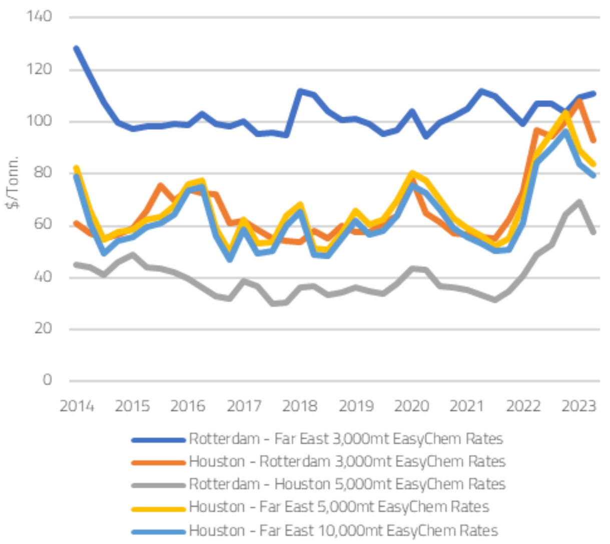


Source: SRM processing of Clarkson Research Service Ltd data

Chemical tanker tariffs reached very high levels in 2022 compared to the trend of the last decade, mainly due to a sustained demand for chemical and biofuel shipments, particularly those from Asia, but also due to a limited supply of tonnage, due on the one hand to the reduction in speed to meet high bunker costs and on the other hand to supply imbalances between the eastern and western hemisphere.

High tariffs for refined product tankers also prompted some energy traders to charter chemical tankers to transport refined products. The value in the first two quarters of 2023 fell, but still remained above the values of late 2021/early 2022.

FIG. 26: FREIGHT TRENDS OF CHEMICAL TANKERS



Source: SRM processing of Clarkson Research Service Ltd data

Gas carrier fleet

Within the gas carrier fleet there are 730 LNG carriers, totalling about 59 million DWT. At the top are the fleets of Greece and China, followed by the US and Qatar, the two largest LNG exporting countries. The top 10 countries account for 88% of the total DWT of this type of vessel. 39 out of 730 vessels are LNG Regas, i.e. vessels equipped with an on-board regasification plant. These include an Italian ship belonging to SNAM, the Golar Tundra, which with 4 tanks has a storage capacity of about 170,000 cubic metres of LNG and a continuous regasification capacity of 5 billion cubic metres per year.

In addition to this, a second ship (also FSRU, Floating Storage and Regasification Unit with a capacity of 5 billion cubic metres per year) taken over by Snam will instead be located in Ravenna and should become operational in 2024. Once operational, the two vessels will contribute to 13% of the national energy demand.

In July 2023, the Piombino Regasifier received the first commercial cargo of 90 million cubic metres of LNG to be fed into the SNAM network.

FIG. 27: MAIN WORLD FLEETS OF GNL SHIPS

	Paesi	N.	.000 dwt
1	Grecia	138	12.273
2	Giappone	133	10.573
3	USA	71	5.713
4	Qatar	45	4.860
5	Norvegia	56	4.371
6	Corea del Sud	56	4.115
7	Singapore	41	3.492
8	Cina	38	2.663
9	Malesia	31	2.237
10	Regno Unito	19	1.645
	Others	102	7.085
	Total	730	59.028

Source: SRM processing of Clarkson Research Service Ltd data

Also in the area of gas carriers, there are 1,612 ships designed to transport LPG (liquefied petroleum gas: propane and butane) for a total of about 32 million DWT. A significant number of LPG ships are also capable of transporting ammonia and petrochemical gases such as ethylene, propylene, butadiene and vinyl chloride monomer (VCM). At first place are the fleets of Japan and Greece, followed by the ships of Singapore, China and South Korea. The first European country is Norway, at 6th place. The top 15 countries account for 84% of the total DWT of this type of ship.

FIG. 28: MAIN WORLD FLEETS OF LPG SHIPS

	Paesi	N.	.000 dwt
1	Giappone	291	4.806
2	Grecia	132	3.147
3	Singapore	100	2.748
4	Cina	141	2.159
5	Corea del Sud	85	2.092
6	Norvegia	53	1.799
7	Regno Unito	42	1.663
8	India	42	1.553
9	Emirati Arabi Uniti	43	1.490
10	Stati Uniti	71	1.353
11	Indonesia	96	1.072
12	Hong Kong	25	1.050
13	Belgio	29	701
14	Vietnam	49	628
15	Germania	61	626
	Altri	352	5.021
	Totale	1.612	31.907

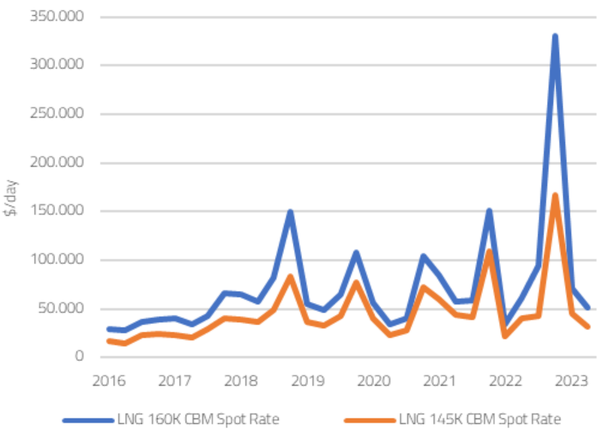
Source: SRM processing of Clarkson Research Service Ltd data

Regasifiers

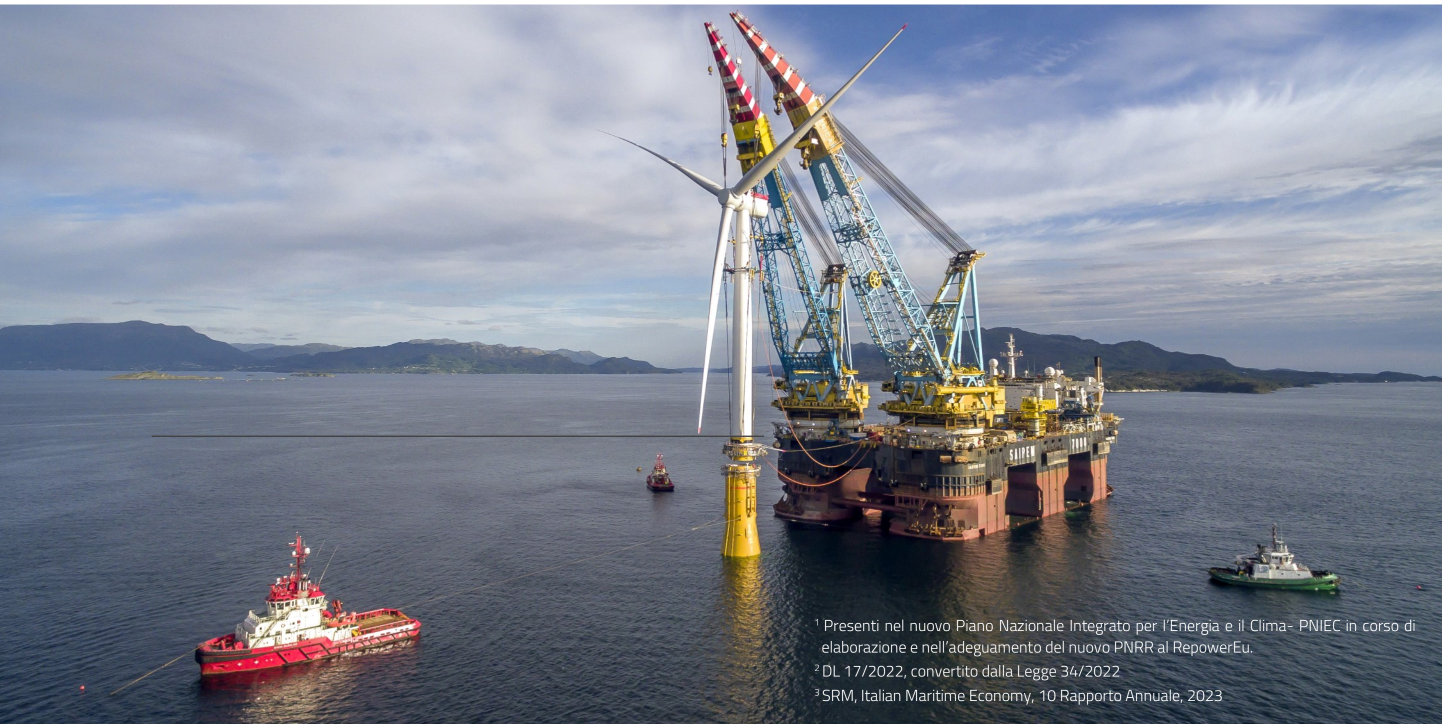
In Italy, LNG accounts for about 26% of total gas imports (SNAM data for Q1 2023) and is regasified in the three terminals already operating in Northern Italy, the largest of which is the Olt OffShore in Rovigo (9-11 bcm), followed by the Olt OffShore plant in Livorno (FSRU Toscana 3.75 bcm) and the one in Panigaglia (operated by Snam through its subsidiary GNL Italia with 3.5 bcm). The three Regasifiers in operation have received resources from various countries, including Qatar, Egypt, the USA and Norway. In the pipeline is the idea of two Regasifiers in Southern Italy[1]. These are the already authorised but blocked ones of Gioia Tauro (Sorgenia and Iren. The largest: 8-12 billion m^3) and Porto Empedocle (Enel; 8 billion m^3). For our country, many of the initiatives aimed at reducing the demand for oil products in favour of LNG and further green forms must take into account the activities of ports, which can become real 'energy hubs' for the storage and/or production of LNG, biofuels, hydrogen and in general energy from the circular economy, thanks also to the spread of renewable plants located near the ports of call or at sea (offshore and nearshore wind farms, wave energy, floating photovoltaic, floating Regasifiers). The efforts of the Sea Port System Authorities are aimed at the availability of energy from renewables as well as ensuring their cost competitiveness with fossil fuels. Hence the introduction of Port Energy Communities[2] to "support the energy needs of both the entire port cluster (port enterprises, port companies, agencies, technical-nautical services, ship owners, coastguards, etc.) and the back port (and therefore exploitable in the context of SEZs or CFZs)".

It is estimated that five years will be needed to make Italy the Mediterranean gas bridge through seven Regasifiers near ports and five gas pipelines from the south aimed at transporting around 50 billion cubic metres of LNG and up to 90 billion cubic metres of gas (at full capacity) for a total of 140 billion.[3]

FIG. 29: FREIGHT TRENDS FOR LNG AND LPG SHIPS



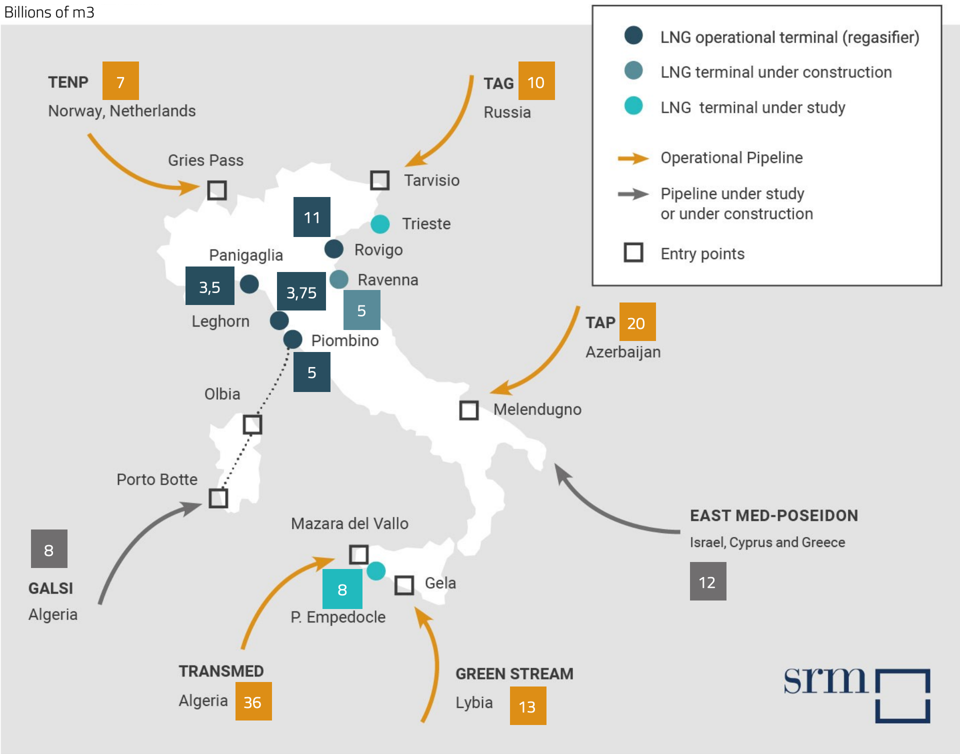
Source: SRM processing of Clarkson Research Service Ltd data



[1] Presenti nel nuovo Piano Nazionale Integrato per l'Energia e il Clima- PNIEC in corso di elaborazione e nell'adeguamento del nuovo PNRR al RepowerEu.
[2] DL 17/2022, convertito dalla Legge 34/2022
[3] SRM, Italian Maritime Economy, 10 Rapporto Annuale, 2023

FIG 30: ITALY THE EUROPEAN GAS HUB

Billions of m3



Kuwait and Iran are expected to increase, with total Middle Eastern production expected to decrease by 1% to 41.5 tonnes. In tonne-mile terms, LPG trade will grow by 10.1% this year. Rising demand for LNG has increased the need for LNG carriers and freight and charter rates. Most ships operate under long-term charter contracts for specific LNG projects, although the spot and short-term market is growing.

After a surge at the end of 2022, activity in the first half of 2023 was concentrated on forward charters, while spot fixing was relatively low.

Spot rates remain rather weak. After the downturn in 2020, rates have risen and in 2023 are holding broadly stable.

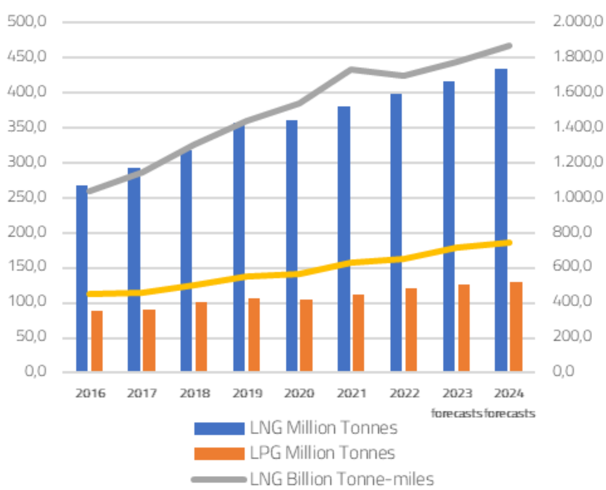
LNG and LPG market

Growth in maritime LNG traffic continues, driven on the one hand by processes related to the green transition and driven on the other by energy security concerns. By 2023, growth of 4.4% to 416 million tonnes is expected, driven by an expected 10% increase in US exports.

The largest exporter is Australia, which has overtaken long-time leader Qatar. The European Union overtook China and Japan as the top importer of LNG. Indeed, 25% of total exports went directly to the European Union, followed by Japan with 18%, and China with 16%. In terms of tonne-miles, growth of 5.1% is expected, with a limited volume of export capacity coming on stream in the first half of 2024. LPG seaborne trade is also growing. Global LPG trade is projected to increase by 4.6% to 125 million tonnes this year, almost entirely due to a projected 11% increase in US exports, driven by rising oil and gas production and strong domestic propane stocks.

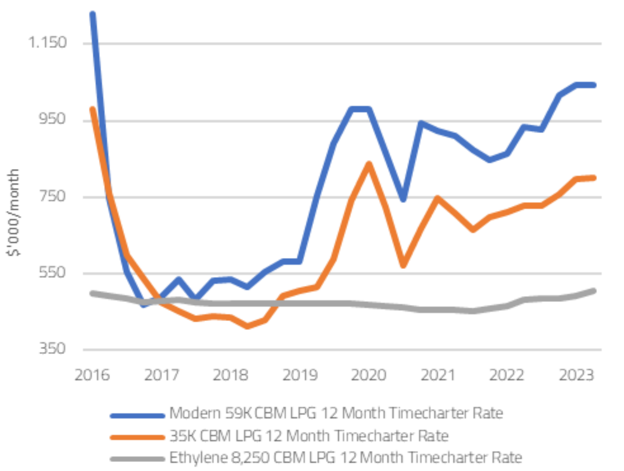
LPG exports from Saudi Arabia and the United Arab Emirates are expected to decline in 2023 due to OPEC crude production cuts, although exports from

FIG. 31: LNG AND LPG MARITIME TRAFFIC



Source: SRM processing of Clarkson Research Service Ltd data

FIG. 32: LPG TIMECHARTER RATES



Source: SRM processing of Clarkson Research Service Ltd data

Bunkering fleet

Italy has a capillary network of bunker services with a structure that is quite unique compared to those of other European countries. Like a car service station, the bunker tanker transports the product sold by the oil company and delivers it directly to the ship to be refuelled. Bunkering, in spite of its small size, is a strategic sector for the movement of passengers and goods in the country, for the employment of Italian seafarers on board/workers in the allied industries, but also for the national energy supply. The sector's operators have made a great effort to meet the requirements imposed by the new marine fuel regulations that came into force on 1 January 2020, which have reduced the sulphur content by as much as seven times, making an important contribution to environmental protection.

The bunkering sector consists of:

- 15 shipping companies
- 40 vessels – (Motor Tankers, Barges and Tugs) exclusively dedicated to the bunkering service
- Total capacity: 70,000 deadweight tons with an average of about 1,800 tons per vessel
- Employment: more than 200 seafarers, all of EU nationality (almost all Italian) highly specialised, mainly officers, in addition to land-based personnel and ancillary staff, for a total of about 600 units

Confitarma has made MIT aware of the advisability of evaluating structural solutions to support the bunkering sector. In fact, also because of the direct competition with other EU countries, the sector has been going through a crisis of competitiveness for some years now, which, in the absence of competitive measures, risks jeopardising the maintenance of the service itself by operators whose operating budgets are increasingly closing in the red

Car carrier fleet

The Pure Car Carrier (PCC) sector is booming, with global car trade growth estimates for 2023 of 6%.

At the beginning of 2023, there were 753 PCCs (including Pure Car & Truck Carriers above 1,000 GT) with a total of 4 million Car Equivalent Units (CEUs).

Most of the PCC fleet belongs to the ocean segment, with capacity units of 4,000 CEUs or more. The largest size class is above 7,000 CEUs, with 385 ships and 66% of the transport capacity. The average vessel size of the total fleet increased from 4,500 CEUs at the beginning of 2010 to 5,311 CEUs at the beginning of 2023.

After a period of contraction, with 37 ships totalling 259,450 CEUs in 2021, the number of new PCCs ordered almost doubled to 76 ships (all also capable of using LNG) in 2022 for a total capacity of 576,000 CEUs. In addition, a further 48 vessels were added in the first half of 2023, totalling 400,000 CEU.

As of January 2023, 108 units (804,000 CEUs) had been ordered, 82% of which were new orders in 2022. In terms of capacity, the order book has doubled since June 2022. More than 83% of car carriers in terms of CEUs (89 car carriers) are built at Chinese shipyards.

Globally, according to ISL statistics, our country ranks 5th after Japan, Norway, South Korea and Israel at the beginning of 2023. This result is achieved thanks to the Grimaldi Group, one of the world's leading operators of this type of ship.

CONTAINER FLEET

At the beginning of 2023, 5,776 container ships with a deadweight of 305.2 million tonnes or 25.74 million TEU were in service. In terms of TEUs, the numbers show an increase of 4.3 per cent. In 2022, 191 ships with a total capacity of just over 1 million TEU were delivered to shipowners. Of these, almost 50 per cent were units with a capacity of more than 14,000 TEU. The pandemic highlighted risks and resilience gaps for global supply chains, and the shipping industry had to manage unprecedented disruptions and congestion along with extreme volatility in transport costs. The post-lockdown surge in demand and the rise of e-commerce coupled with shipping supply similar to pre-lockdown levels has impacted demand for shipping, which has increased, particularly for containers, generating freight rates to rise to unprecedented levels throughout 2021 and 2022, mainly on east-west routes but also on routes to developing regions. Maritime freight rates, however, began to decline from 2022 onwards, returning almost to their pre-pandemic level as early as November of that year, although the effect of the pandemic shock and its consequences has yet to be fully reabsorbed. The Shanghai Containerized Freight Index is the most widely used index for import freight rates from China.

FIG. 33: MAIN WORLD CONTAINERS SHIP FLEET

Ships of 1000 gt and over by nationality of owner

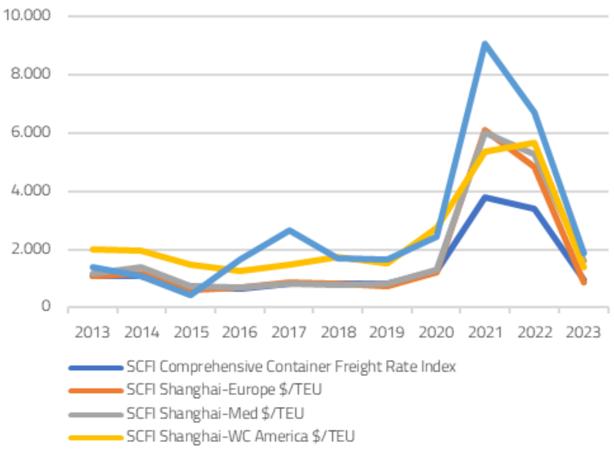
	Countries	N.	000 dwt	000 TEU
1	Cina	808	44.758	3.840
2	Germania	824	38.037	3.117
3	Danimarca	357	29.635	2.560
4	Giappone	351	24.642	2.197
5	Grecia	438	23.635	1.952
6	Taiwan	354	19.314	1.638
7	Francia	223	17.963	1.561
8	Canada	143	14.338	1.259
9	Regno Unito	187	13.234	1.103
10	Corea del Sud	220	10.888	962
11	Singapore	237	11.101	944
12	Norvegia	59	4.187	354
13	Hong Kong	118	2.645	205
14	Stati Uniti	83	2.651	195
15	Emirati arabi Uniti	95	2.542	192
16	Indonesia	225	2.606	179
17	Turchia	93	2.030	152
18	Iran	29	1.744	146
19	Israele	36	1.542	124
20	Tailandia	55	1.176	93
21	Paesi Bassi	45	566	46
22	Vietnam	49	595	43
23	Bermuda	4	467	40
24	Belgio	13	465	36
25	Malesia	37	460	33
26	Russia	28	370	29
27	Filippine	41	254	19
28	India	7	178	13
29	Egitto	13	161	12
	Altri	561	31.598	2.589
	Ignoto controllo armatoriale	43	1.399	109
	TOTALE	5.776	305.181	25.742

Source: SRM processing of data from SL Bremen

This index has been calculated by the Shanghai Shipping Exchange weekly since 2009 and includes the evolution of freight rates from Shanghai across the world's 13 major routes (Europe, the Mediterranean, the United States, the Persian Gulf, New Zealand, West and South Africa, Japan, Southeast Asia and South Korea).

For example, on the Far East-Middle East route, the SCFI index dropped from USD 7,523 per TEU in January 2022 to USD 1,434 in July 2023: a drop of 81%.

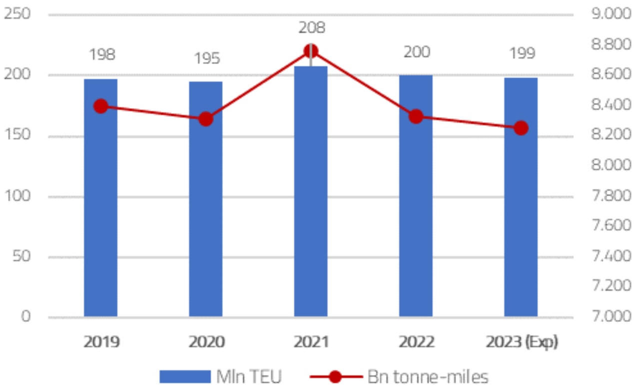
FIG. 34: FREIGHT TRENDS OF CONTAINER SHIPS



Source: SRM processing of Clarkson Research Service Ltd data

Globally, containers account for about 15% of maritime trade. After peaking in 2021, world trade via containers declined slightly to levels (200 million TEU in 2022) that were still above the pre-pandemic figure

FIG. 35 WORLD CONTAINER TRAFFIC



Source: SRM processing of Clarkson Research Service Ltd data

FIG. 36: CONTAINER MOVEMENT IN MAJOR AREAS OF THE WORLD

	Imports			Exports		
	2021	2022	2023 (exp)	2021	2022	2023 (exp)
Nord America	33,9	32,0	29,7	14,3	13,7	13,8
Europa	40,8	37,6	36,6	36,8	34,4	33,2
Far East	85,8	84,0	85,4	123,3	118,9	118,2
Middle East	6,4	6,5	6,7	2,8	2,7	2,7
Indian Sub-Continent	8,3	7,9	7,8	6,7	6,8	6,7
Latin America	10,0	9,7	9,7	7,3	7,1	6,9
Africa	7,8	7,7	7,9	3,5	3,5	3,6
Oceania	3,9	3,7	3,6	2,2	2,2	2,2
Non specificato	11,0	11,2	11,5	11,0	11,2	11,5
World	207,9	200,4	198,8	207,9	200,4	198,8

Source: SRM processing of Clarkson Research Service Ltd data

(198 million TEU in 2019). This figure translates into about 8.3 trillion TEU per mile in 2022.

Asia's weight in shipping is evident. In fact, the world's leading ports are Chinese: in 2022, Shanghai is confirmed as the first container port with 47.3 million TEU and Ningbo-Zhoushan as the first port in terms of total cargo handled, amounting to 1.26 billion tonnes.

Having a picture of the main European trade routes gives us an idea of the characteristics of the geography and type of our international trade.

The fact that the main container route for Europe is 'Far East-Europe', i.e. most containers come from the Far East, reflects a clear share of imports from Asian countries for both industrial and consumer use (lowmarket segment).

According to Clarksons data, the Far East-Europe route has 15.4 million TEU. This is followed by the Middle East/Indian Sub-Continent - Europe (7.3 million TEU) and the Europe-Far East (6.9 million TEU). All routes declined between 2021 and 2022. The Europe-Far East route recorded the largest decrease (-13.2%).

FIG. 37: MAIN CONTAINER ROUTES FOR EUROPE

	2019	2020	2021	2022	2023	Var. % 2022/2021
	Mln TEU	Mln TEU	Mln TEU	Mln TEU	Mln TEU	%
Middle East/Indian Sub-Continent - Europe	7,4	7,0	7,5	7,4	7,3	-0,8
Far East - Europe	16,7	15,8	17,1	15,4	15,4	-9,8
Europe - Far East	8,2	8,2	7,8	6,7	6,9	-13,2
Europe - North America	5,1	5,0	5,6	5,5	5,3	-2,0
North America - Europe	3,0	2,7	2,7	2,6	2,6	-3,9

Source: SRM processing of Clarkson Research Service Ltd data

Italian ports ended the year in 2022 with good results for TEU handled. A total of more than 11 million containers were transited, an increase of 1.9 percent over the year 2021, a number higher even than that achieved in the pre-pandemic period when TEUs stood at around 10 million.

The result is significant when considering the fact that the Top 20 ports globally grew by only 0.6 percent and the Top 20 ports in Europe experienced a 0.7 percent decrease from 2021.

FIG. 38: CONTAINER MOVEMENT IN MAJOR WORLD, EUROPEAN AND ITALIAN PORTS

	Major World ports	2022	2021	Var.% 2022/21
1	Shanghai	47.280.000	47.025.000	0,5
2	Singapore	37.289.500	37.467.700	-0,5
3	Ningbo-Zhoushan	33.360.000	31.080.000	7,3
4	Shenzhen	30.040.000	28.760.000	4,5
5	Qingdao	25.660.000	23.700.000	8,3
6	Guangzhou	24.600.000	24.180.000	1,7
7	Busan	22.071.863	22.706.133	-2,8
8	Tianjin	21.030.000	20.260.000	3,8
9	Hong Kong	16.637.000	17.788.000	-6,5
10	Rotterdam	14.455.000	15.300.000	-5,5
11	Jebel Ali	13.970.000	13.742.000	1,7
12	Anversa + Bruges* (dal 2022)	13.500.000	14.100.245	-4,3
13	Port Klang	13.223.928	13.724.390	-3,6
14	Xiamen	12.420.000	12.040.000	3,2
15	Port Tanjung Pelepas	10.512.806	11.200.242	-6,1
16	Los Angeles	9.910.000	10.677.610	-7,2
17	New York	9.493.664	8.985.929	5,7
18	Kaohsiung	9.491.575	9.864.447	-3,8
19	Long Beach	9.130.000	9.384.368	-2,7
20	Laem Chabang	8.741.077	8.523.342	2,6
	Total	382.816.413	380.509.406	0,6

	Major European and Mediterranean ports	2022	2021	Var.% 2022/21
1	Rotterdam	14.455.000	15.300.000	-5,5
2	Anversa + Bruges* (dal 2022)	13.500.000	12.023.087	12,3
3	Amburgo	8.300.000	8.720.000	-4,8
4	Tanger Med	7.596.845	7.173.870	5,9
5	Pireo	5.311.810	5.311.810	0,0
6	Valencia	5.076.206	5.604.478	-9,4
7	Port Said	4.764.583	4.764.583	0,0
8	Algeciras	4.762.808	4.799.497	-0,8
9	Bremen	4.614.000	5.019.000	-8,1
10	Barcellona	3.522.280	3.531.324	-0,3
11	Gioia Tauro	3.380.053	3.209.304	5,3
12	Le Havre	3.100.000	3.018.550	2,7
13	Marsaxlokk	2.890.000	2.967.765	-2,6
14	Ambarli	2.867.215	2.942.550	-2,6
15	Genova	2.532.532	2.557.847	-1,0
16	Danzica	2.072.000	2.117.829	-2,2
17	Mersin	1.989.585	2.106.937	-5,6
18	Marsiglia	1.530.000	1.500.000	2,0
19	Alexandria	1.488.436	1.583.779	-6,0
20	Ashood	1.431.039	1.612.390	-11,2
	Total	95.184.392	95.864.599	-0,7

Source: SRM processing of Assoporti and other data

	Major Italian ports	2022	2021	Var.% 2022/21
1	Gioia Tauro	3.380.053	3.209.304	5,3
2	Genova	2.532.532	2.557.847	-1,0
3	La Spezia	1.262.496	1.375.626	-8,2
4	Trieste	877.805	757.255	15,9
5	Livorno	751.811	791.356	-5,0
6	Napoli	684.111	652.599	4,8
7	Venezia	533.991	513.814	3,9
8	Salerno	361.884	419.188	-13,7
9	Savona - Vado	266.591	223.265	19,4
10	Ravenna	228.435	212.926	7,3
11	Ancona-Falconara	165.346	167.338	-1,2
12	Cagliari-Sarroch	140.216	109.653	27,9
13	Civitavecchia	112.200	100.248	11,9
14	Marina di Carrara	101.685	101.288	0,4
15	Bari	65.729	70.254	-6,4
16	Catania	51.666	58.471	-11,6
17	Taranto	26.269	11.841	121,8
18	Palermo	13.962	14.107	-1,0
19	Trapani	10.950	11.664	-6,1
20	Monfalcone	1.961	1.493	31,3
	Total	11.569.693	11.359.537	1,9

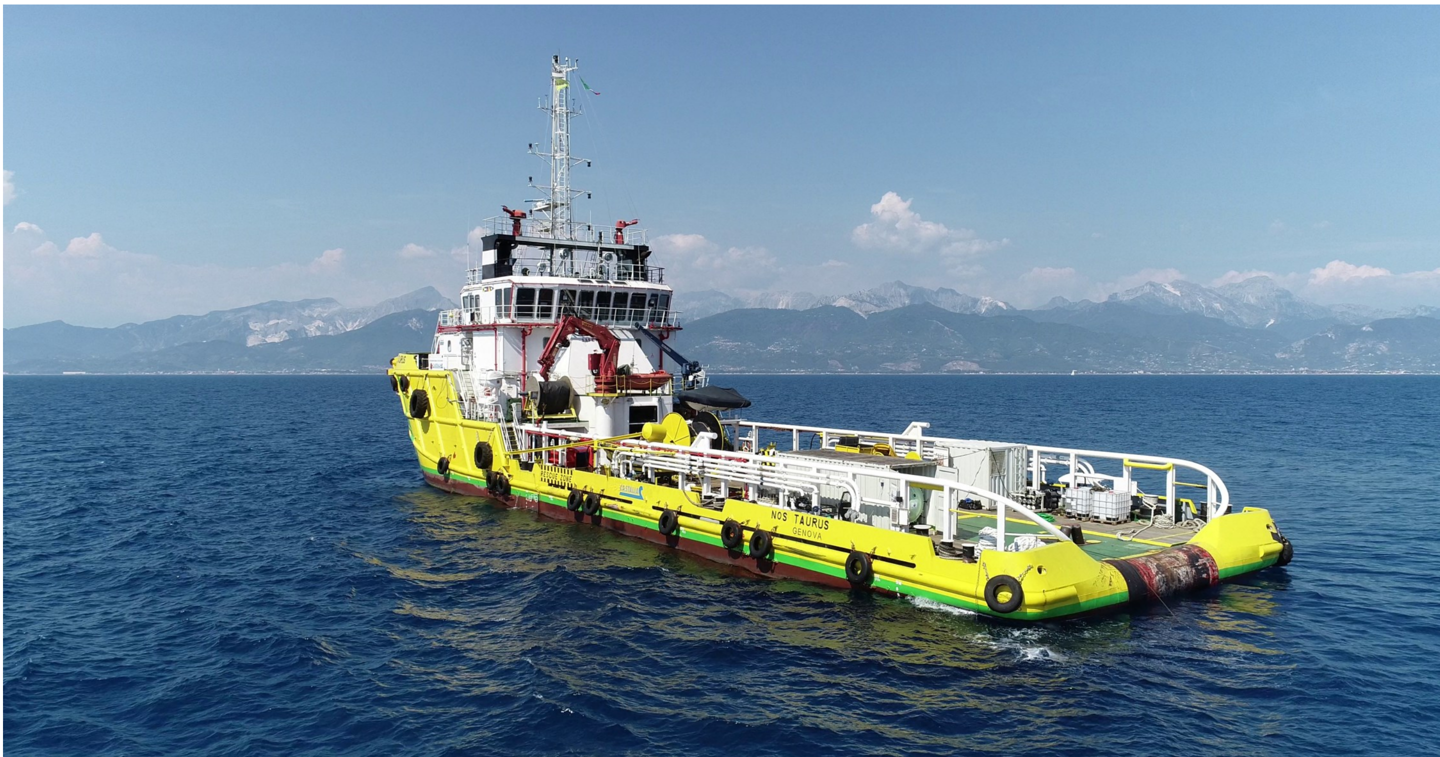
Source: SRM processing of Assoporti and other data

In 2022, there are 385 vessels belonging to the important typology of Platform Supply Vessels that provide essential services to ensure the safety and smooth operation of both maritime traffic and supply from marine energy platforms of national interest.

Tug and supply vessel fleet

Supply vessels are naval units intended for the transportation of workers in the energy industry, the transport of goods, including dangerous goods, and the execution of services supporting underwater work. These units are strategic and crucial to the energy supply chain, the Italian fleet is also deployed abroad in support of energy platforms, for example in the Mediterranean Sea and Africa.

Tugs, as they have a special propulsive force, in addition to being used in technical-nautical services (see dedicated note), are employed for deep-sea towing services, i.e., to carry out heavy transport or to provide relief to ships.



Fleet of cable laying ships

Analysts estimate that about 80 percent of the world's underwater seabed is still unexplored, and with it its wealth of natural, mineral, and energy resources. Not only that, the sea and ocean conceal within them strategic infrastructure for our daily lives. Just think of the undersea telecommunications cables that connect different continents: more than 98 percent of data travels through these cables. In this context, the undersea world represents a strategic asset for our country as well. In fact, analyzing the data of the sector we note that: in the EU 27 Italy ranks second, after France, for investments in Cable Layer and Cable Repair Ship fleet. Three ships totaling 21,100 DWT are currently under construction, with delivery scheduled for 2023, two of which have been commissioned by European companies. The data highlight the great interest at the European level in the cable-laying industry. Six new vessels have been delivered in Europe in the last ten years. These are highly specialized vessels:

- Cable-laying ships (Cable Layer and Cable Repair Ships): size of the world fleet of this type of vessel is about 100 ships for a total of 766 thousand GT of which 38% flagged or controlled by EU27 countries;
- Pipe-laying vessels (Cable Layer, Pipe Layer Crane Vessel, Pipe Layer Platform Semi Submersible) the size of the world fleet is about 140 vessels for a total of 2.4 mln GT of which 28.5% flagged/controlled by EU27 countries. Of the world total, the fleet under Italian flag or controlled by national interests accounts for 14%.
- Drilling Ships the size of the world fleet is about 700 vessels totaling 11.8 mln GT of which 15% flagged/controlled by EU27 countries. Of the world total, the fleet under Italian flag or controlled by national interests accounts for 1.5 percent. The data highlight the strategic importance that the cable-laying sector is acquiring in Europe and in our country, considering also that new orders – with delivery forecasts in 2023 – come mostly from European companies.

The world's largest cable-laying ship that will connect, with 700 kilometers of ultra-high voltage submarine power line, England with Denmark – the Viking Link – was launched in Italy in 2022. It is the "Leonardo da Vinci" owned by the Prysmian Group.

The largest global players in the Cable Layer and Cable Repair Ship sector appear to be:

- France: ranked first with a total of about 71,000 DWT
- Indonesia: at second place with about 48,500 DWT
- Great Britain: at third place with about 47,400 DWT
- Italy: fourth with about 46,000 DWT.
- Norway: fifth with about 44,000 DWT

Research vessel fleet

The Italian fleet also includes sophisticated research vessels capable of navigating in harsh polar weather conditions. In particular, the fleet associated with Confitarma, includes several units of this type:

- The icebreaker Laura Bassi owned by the National Institute of Oceanography and Experimental Geophysics - OGS, to date the only Italian ship to have obtained the "Polar Code" certification in addition to being known for having touched, as part of the National Program of Research in Antarctica (Pnra), the southernmost point ever reached by a vessel;
- The Gaia Blu ship, an oceanographic unit used by the CNR that serves the Italian, international and global scientific community; until 2022 it has undertaken 81 expeditions hosting 1,056 scientists from around the world;
- The Explora which has been a protagonist of the Italian polar scientific scene since 1989 carrying out 11 Antarctic and 3 Arctic campaigns before being sold in 2021 to the Genoese company MC International, which operates in the field of pollution prevention and seabed surveys preliminary to the laying of submarine cables.

PASSENGER SECTOR

Ro-Ro and Ro-Pax ferry fleet

Examining the world ferry fleet, Italy ranks first in GT with 269 ships and nearly 5.8 million GT. It is followed at a distance by Malta with 2.1 million GT and then Japan, China and Cyprus. In the Ro-Ro cargo sector in particular, Italy stands out not only in GT but also in the number of vessels, thanks mainly to the Grimaldi Group, which is the world leader in the sector.

Italy leads the EU in cargo handled via Ro-Ro and Ro/Ro-Pax units, with a 24.5 percent market share of the EU total. In 2009 this share was 18%. From 2014 to 2019, the Ro-Ro segment grew by 23.8% with a CAGR (Compounded Average Growth Rate) of 4.4%. In 2022, goods handled in Italian ports through Ro-Ro (120.8 million tons) exceeded those transported by containers (119.5 million in containers).

FIG. 39: MAIN WORLD FLEETS OF FERRY SHIPS (by flag).

		Passenger ro-ro cargo		Ro-ro cargo		Totale	
	Paesi	N.	GT	N.	GT	N.	GT
1	ITALIA	199	2.568.491	70	3.227.476	269	5.795.967
2	Malta	7	79.654	46	2.030.157	53	2.109.811
3	Giappone	274	1.076.603	78	701.750	352	1.778.353
4	Cina	207	1.618.076	20	110.728	227	1.728.804
5	Cipro	65	1.601.500	8	106.883	73	1.708.383
6	Danimarca	73	747.770	19	671.966	92	1.419.736
7	Indonesia	496	1.171.309	34	197.693	530	1.369.002
8	Finlandia	57	659.256	30	657.865	87	1.317.121
9	Norvegia	336	847.290	13	456.958	349	1.304.248
10	Grecia	202	993.768	10	61.167	212	1.054.935
11	Svezia	59	739.398	11	281.960	70	1.021.358
12	Panama	57	603.667	46	277.065	103	880.732
13	Turchia	77	127.425	28	664.231	105	791.656
14	Francia France	61	867.019	4	27.972	65	894.991
15	USA	117	292.976	14	558.806	131	851.782
16	Paesi Bassi	15	290.122	22	372.151	37	662.273
17	Canada	122	553.289	11	92.136	133	645.425
18	Regno Unito	88	436.263	6	107.059	94	543.322
19	Spagna	33	434.909	6	108.194	39	543.103
20	Filippine	243	348.278	16	110.382	259	458.660
	Altri	1.011	3.714.042	346	3.017.280	1.357	6.731.322
	TOTALE	3.799	19.771.105	838	13.839.879	4.637	33.610.984

Source: Clarksons, data as of September 2023

** * The following categories were considered for the Passenger ro-ro cargo category: Pax-Car-Ferry, Pax cargo, and Ro-Pax.*

Highways of the Sea: Italian best practice

The modern Highways of the Sea were born in the early 1990s from the idea and stubbornness of Italian shipowners, and since 2002, in a completely innovative context in the national context, when there was still no EU regulatory framework of reference, CONFITARMA has been working with the Ministry of Transport, first to define the Ecobonus and then, in 2016, to initiate the Marebonus. In the first half of 2023, Highways of the Sea are showing an upward trend compared to 2022. In fact, services to foreign ports show positive values both in terms of weekly departures (+6.5 percent) and linear meters offered (+12 percent). For Sardinia, there is substantial confirmation in terms of weekly departures, while in terms of linear meters the trend is increasing (+8%). As for Sicily, positive values are shown in terms of weekly departures (+3%) and almost stable in terms of linear meters offered. In total, national operators guarantee 542 weekly departures (+2.3% compared to 2022) on the lines of the Highways of the Sea connecting the peninsula with Sicily, Sardinia and other Mediterranean countries (Albania, France, Greece, Malta, Morocco, Spain, Tunisia). Gross hold supply on a weekly basis has grown to nearly 1.5 million linear meters (corresponding to about 4 million trucks or 5 million semi-trailers transportable annually).

In 2022, the Highways of the Sea (Ro/pax ferries) transported 63 mln tons of goods, allowing about 2.4 million lorries per year to be taken off the road, equivalent to 2.6 million tons of avoided CO2 emissions, and significantly reducing damages and costs related to road accidents and congestion. The economic benefits to the community of this shift of freight transport from road to sea have been calculated at about 2.2 billion euros per year saved in terms of environmental externalities.

For **Sardinia**, there is substantial confirmation in terms of weekly departures, while in terms of linear meters the trend is increasing (+8%).

As for **Sicily**, positive values are shown in terms of weekly departures (+3%) and almost stable in terms of linear meters offered.

FIG. 40: RO-RO TRANSPORT SERVICES FOR SARDINIA 2023

Source: Confitarma

Origin - destination	Round trip weekly	M.I. weekly
Civitavecchia-Arbatax-Cagliari	2	9.000
Civitavecchia-Cagliari	3	13.500
Civitavecchia-Olbia	15	51.000
Civitavecchia-Porto Torres*	7	37.800
Genova-Cagliari	2	7.460
Genova-Porto Torres*	15	60.000
Livorno-Cagliari	3	23.300
Livorno-Golfo Aranci	7	27.020
Livorno-Olbia	22	131.400
Marina di Carrara-Cagliari	5	25.000
Marina di Carrara-Olbia	3	15.000
Napoli-Cagliari	3	11.556
Piombino-Olbia	5	16.000
Salerno-Cagliari	2	31.200
Total	**94**	**459.236**
*in high season	Given to 1999	117.800

FIG. 42: RO-RO TRANSPORT SERVICES FOR SICILY 2023

Source: Confitarma

Origin - destination	Round trip weekly	M.I.weekly
Cagliari-Palermo	1	4.512
Civitavecchia-Palermo	1	3.920
Civitavecchia-Termini Imerese	5	25.000
Genova-Livorno-Catania	6	69.900
Genova-Palermo	7	36.400
Genova-Salerno-Palermo	4	30.800
Livorno-Palermo	5	30.000
Napoli-Milazzo	2	1.600
Napoli-Palermo	17	76.400
Napoli-Termini Imerese	1	5.000
Ravenna-Brindisi-Catania	3	23.100
Ravenna-Catania	3	40.800
Salerno-Catania	6	46.200
Salerno-Messina	7	40.600
Totale	**68**	**434.232**
	Given to 1999	118.200

FIG. 41: INTERNATIONAL RO-RO TRANSPORT SERVICES 2023

Origin - destination	Round trip weekly	M.I. weekly
Ancona-Durazzo	4,5	16.398
Ancona-Igoumenitsa	7	31.500
Barcellona-Ibiza	4	14.960
Barcellona-Mahon (Minorca)	3	12.264
Barcellona-Nador	1,5	4.500
Barcellona-Palma di Maiorca	6	26.604
Barcellona-Tangeri	3	11.400
Bari-Durazzo	7	18.200
Brindisi-Igoumenitsa	7	32.900
Civitavecchia-Palermo-Tunisi	1	4.000
Civitavecchia-Porto Torres-Barcellona	6	44.400
Civitavecchia-Tunisi	1	4.500
Genova-Barcellona-Tangeri	2,5	10.000
Genova-Livorno-Catania-Malta	3	46.800
Genova-Tunisi	2,5	11.500
Livorno-Bastia	7	15.960
Livorno-Savona-Barcellona-Valencia	5	78.000
Palermo-Tunisi	3	13.000
Porto Torres-Tolone	3	6.984
Salerno-Catania-Malta	1	7.700
Salerno-Palermo-Tunisi	2	9.000
Salerno-Sagunto	3	46.800
Savona-Bastia	3	6.840
Sete-Barcellona-Nador	2	6.000
Sete-Barcellona-Tangeri	2	7.600
Tolone-Minorca	3	6.840
Tolone-Alcudia	1	2.280
Valencia-Ibiza	5	16.344
Valencia-Palma Di Maiorca	6	29.148
Venezia-Bari-Patrasso	4	46.600
Totale	**109**	**589.022**
	Dato al 1999	30.000

Source Confitarma

In the first half of 2023, the Highways of the Sea recorded an upward trend compared to 2022.

In fact, services to foreign ports show positive values both in terms of weekly departures (+6.5 percent) and linear meters offered (+12 percent). In total, domestic operators guaranteed 542 weekly departures (+2.3% compared to 2022) on the lines of the Highways of the Sea connecting the peninsula with Sicily, Sardinia and other Mediterranean countries (Albania, France, Greece, Malta, Morocco, Spain, Tunisia). Gross hold supply on a weekly basis grew to nearly 1.5 million linear meters (corresponding to about 4 million trucks or 5 million semi-trailers transportable annually).

ARTICLE 21 EU REGULATION 1315/2013

The Highways of the Sea, which are the maritime dimension of the trans-European transport networks, contribute to the realization of a European maritime transport space without barriers. Highways of the sea consist of short sea routes, ports, related maritime equipment and infrastructure, and facilities, as well as simplified administrative formalities that enable short sea shipping or sea-river services between at least two ports, including hinterland connections.

Cruise ship fleet

While in 2021 the number of cruise passengers accounted for about 16 percent of the number in the year before the pandemic, by 2022 that figure had returned to about 70 percent.

The Cruise Lines International Association (CLIA) reported 20.4 million passengers in 2022, more than 4 times the 2020 number at the peak of the pandemic (4.8 million passengers), but still 31 percent lower than pre-pandemic levels in 2019. Nevertheless, CLIA expects 31.5 million cruise passengers this year and a further increase in passenger numbers of 14.3 percent in 2024. In mid-2023, the global cruise fleet included 386 vessels with a total of 26.7 million GT. In 2022, the Italian flag ranked 4th in the world cruise ship rankings. Italy, due to its inestimable vocation for tourism and natural geographical exposure on the Mediterranean Sea has established itself over the years as a leading cruise ship country. In Europe, in the pre-Covid period, the sector generated an economic impact of over EUR 48 billion, with over 400,000 jobs and 25% of the market concentrated in Italy[1] .

FIG. 43: MAIN FLEETS OF CRUISE SHIPS (by flag).

ships over 1,000 GT data 2022

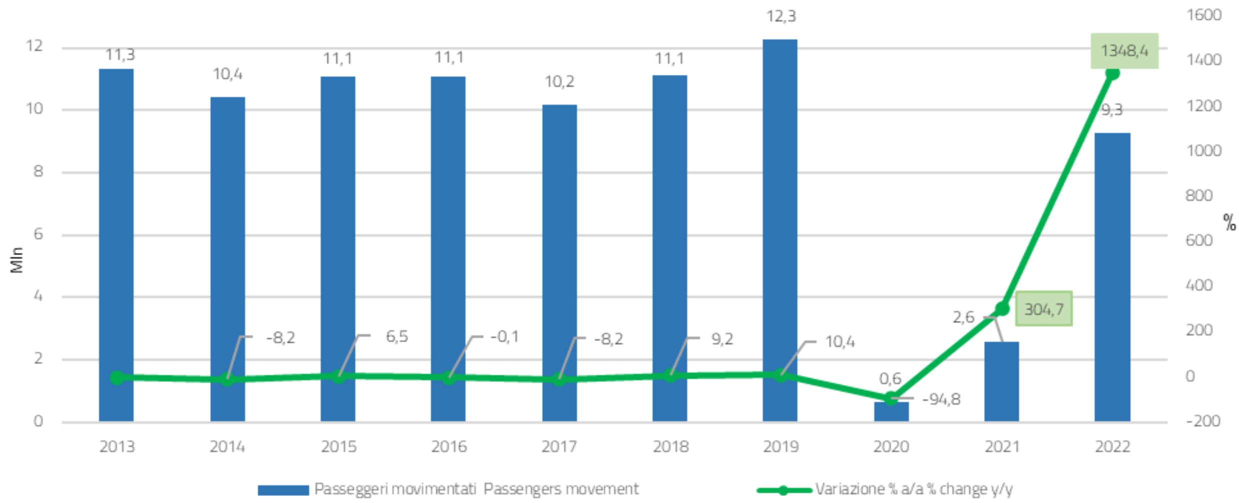
		No. ships	GT (.000)
1	Bahamas	124	9.367
2	Malta	48	3.835
3	Panama	34	3.232
4	Italy	26	2.816
5	Bermuda	24	2.503
6	UK	10	1.115
7	Netherlands	14	939
8	Norway	22	533
9	Marshall Is.	10	384
10	Cyprus	1	7
	Totale	375	25.596

Source: ISL – Shipping statistics and market review 2023

[1] *Deloitte &Touche, University of Genoa and University of Hamburg.*

With the exit from the pandemic and the rebirth of Italian tourism, it is estimated that by 2023 cruise tourism will once again be moving about 12.7 million people, which will help generate added value and new business opportunities on board ships, in destination locations and throughout the maritime, hospitality and transportation supply chain. In Europe, the leading company in the sector is the Costa Crociere Group, the only cruise company flying the Italian flag. In Italy, it holds a 50 percent market share, (CLIA data). The Group – part of Carnival Corporation & plc, the world's largest cruise group – operates under the Costa Crociere and AIDA Cruises brands (the latter dedicated to the German-speaking market) and in 2022 alone, with a fleet of 24 ships, employed about 28,000 shore and crew personnel. After the heavy negative variation of 95 percent recorded in 2020, the year of COVID, Italy is once again one of the leading countries in Europe in the cruise sector, a sector that plays a complementary and strategic role for the entire Italian tourism industry. Domestic cruise traffic has begun to grow gradually again since 2021. In 2022, Italy is estimated to have welcomed nearly 9.3 million passengers, values still far from the trend recorded in the last decade, with the 2019 record of 12.3 million passengers.

FIG. 44: CRUISE PASSENGER MOVEMENT IN ITALIAN PORTS



Source: SRM processing of "Risposte Turismo" data

Local Public Trasport fleet

The term "territorial continuity" refers to measures aimed at fostering adequate connections between territories in cases where free market activity is unsatisfactory (e.g., because the supply of transport services is insufficient on poorly profitable routes). Territorial continuity is closely related to the right of free movement and the right of equality of citizens (rights set forth in Article 16 and Article 3 of the Italian Constitution, respectively). Insularity constitutes the typical condition in which the disadvantages associated with it make territorial continuity measures necessary.

Constitutional reform Art. 119 art. 119

Art. 1.

1. In Article 119 of the Constitution, the following paragraph shall be inserted after the fifth paragraph: "The Republic recognizes the peculiarities of the Islands and promotes the necessary measures to remove the disadvantages resulting from insularity."

In the session of April 27, 2022, the Assembly of the Senate of the Republic unanimously approved the text of the proposed Constitutional Law A.S. 865-B, a citizens' initiative, concerning the "recognition of the peculiarities of the Islands and overcoming the disadvantages arising from insularity." On the following March 30, 2022, the Chamber of Deputies Assembly approved the Draft Law in first deliberation without making any changes.

Importance of island communities

One of Italy's riches, particularly for the national tourism economy, are the smaller islands and archipelagos: Ischia, Elba Island, Egadi Islands, Aeolian Islands, La Maddalena, Ponza and Ventotene, Capri, Procida, and Tremiti Islands. ISTAT data for 2019 record about 192 thousand residents in the 34 municipalities surveyed on the Italian Minor Islands. According to the latest surveys, these ports welcomed more than 26 million passengers in 2019, both arriving and departing.

05.

PROTECTION OF THE MARINE ENVIRONMENT AND SAFETY OF NAVIGATION

SHIPPING: HARD TO ABATE & CAPITAL INTENSIVE SECTOR

Shipping is notoriously considered a "capital intensive" sector, in that it requires large amounts of capital to purchase/build or refit ships, and "hard to abate," in that by its nature it is more difficult than in other sectors to implement a decarbonization strategy. At the international level, very ambitious targets have been identified regarding ship emissions.

IMO – SHORT TERMS MEASURES

Amendments to MARPOL Annex VI entered into force on November 1, 2022: the technical and operational changes introduced aim to achieve energy efficiency improvements and reductions in overall greenhouse gas emissions from the global fleet. The so-called "short-term measures" are part of the IMO's commitment to reduce the carbon intensity of all ships in the merchant fleet by 40 percent by 2030, compared to 2008 emission levels. CONFITARMA has been and is constantly following the evolution of legislation at IMO both directly and through the International Chamber of Shipping (ICS), participating in the preparatory meetings aimed at taking a definite position at IMO and expressing its views on the various submissions prepared for committees and IMO intersessional working groups. The EEXI and the IIC constitute the main short-term measures introduced.

EEXI (Energy Efficiency for eXisting ship Index) e CII (Carbon Intensity Index). The Energy Efficiency Index of Existing Ships (EEXI) will have to be verified at the first annual, intermediate or renewal survey of the IAPP certificate or the initial survey of the IEE certificate (the one that expires first) from and after January 1, 2023. From January 1, 2023, it is mandatory for all ships to start data collection for reporting their annual operational carbon intensity indicator (CII). The EEXI formula is essentially the same as the EEDI, Energy Efficiency Design Index, which has been in effect since 2013; the EEDI is applied to new ships while the EEXI applies to all ships.

Because EEXI and EEDI aim to improve the energy efficiency of the global fleet, there is a maximum threshold level below which the index must fall. The baseline defining the initial level was implemented in 2013, with the requirement becoming more stringent every 5 years (from 2015). Therefore, new buildings will be increasingly energy-efficient.

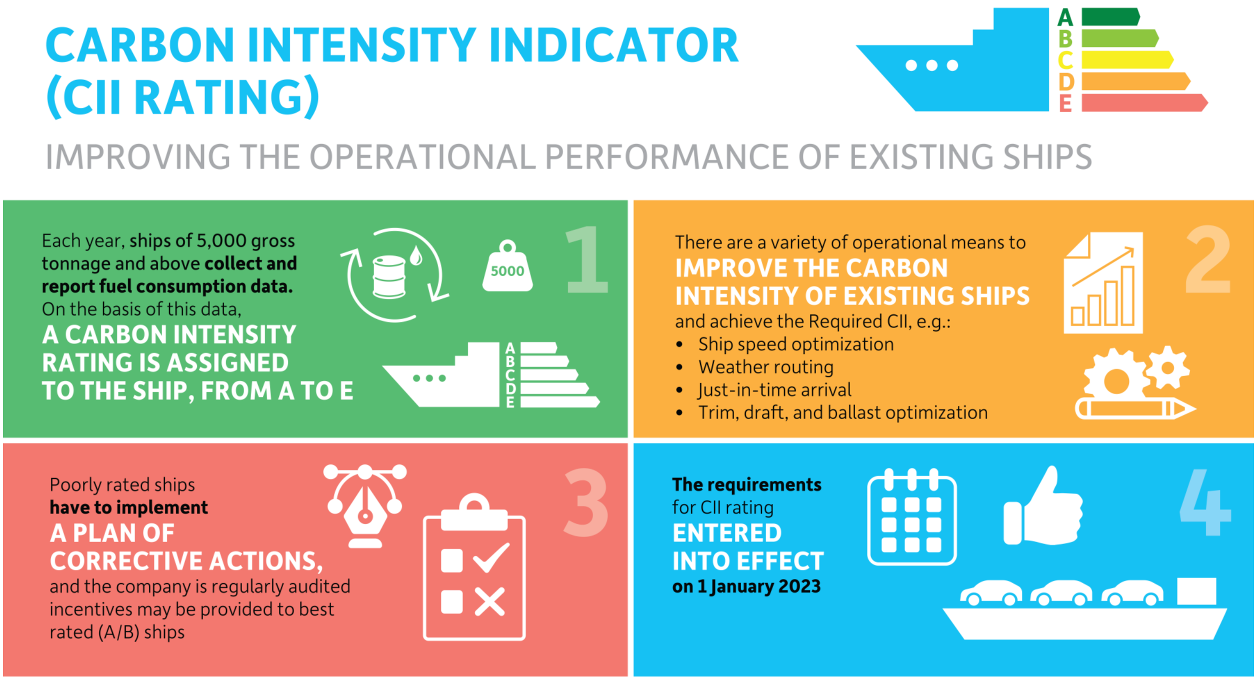
From 2023, virtually all existing ships will have to fall below a certain CO2 emission limit per cargo capacity. As energy efficiency requirements have become and will become more stringent over time, it is likely that most of the existing older global fleet will not meet the new EEXI requirements. It is estimated that less than 25 percent of bulk carriers and tankers will comply with the standard without technical intervention.

Options for retrofitting with energy-saving devices (retrofits of "clean" technologies, such as batteries, waste heat recovery systems, air hull lubrication systems, wind-assisted propulsion, or use of low- or zero-carbon fuels) may not be financially feasible for most shipowners and operators, particularly for older ships. Depending on the age and outlook of the ship, some owners and operators may even scrap ships earlier than planned.

The Carbon Intensity Indicator (CII), on the other hand, is a new measure based on an operational approach that supports the IMO's goal of, as mentioned, reducing CO2 emissions for shipping by at least 40 percent by 2030. It measures the efficiency with which a ship above 5,000 GT – already subject to IMO Data Collection System (IMO DCS) requirements – carries cargo or passengers and is expressed in grams of CO2 emitted per cargo capacity and nautical mile. Based on a ship's CII, its carbon intensity will be rated A, B, C, D or E. The rating indicates a level of performance, from best to worst. A ship's performance level will be recorded in a "Statement of Compliance" in its energy efficiency management plan. A ship rated D for three consecutive years or E will have to submit a corrective action plan to show how the required C or higher index will be achieved.

From 2024, no later than March 31, the CII must be calculated and reported to the Data Collection System (DCS) verifier along with the previous year's aggregated DCS data, including any correction factors and voyage adjustments.

IMO's Marine Environment Protection Committee (MEPC) is expected to review the effectiveness of the implementation of the CII and EEXI requirements by early 2026 and develop and adopt further amendments as necessary.



Source: International Maritime Organization

CONFITARMA has repeatedly alerted the Administration and IMO through the ICS to the problems that the implementation of this index will pose, especially for certain units, such as ferries.

IMO – LONG TERMS MEASURES

On July 7, 2023 MEPC 80 adopted - not without difficulty - the IMO 2023 strategy on reducing greenhouse gas emissions from ships. It includes an increased shared ambition to achieve zero net GHG emissions from international shipping by 2050, a commitment to ensure the adoption of zero or near-zero emission alternative fuels by 2030, introducing "checkpoints" for 2030 and 2040.

ECA Mediterraneo Sea

MEPC 79 adopted amendments to designate the Mediterranean Sea, as a whole, as an Emission Control Area for Sulfur Oxides and particulate matter. In this Emission Control Area, the Sulfur content in fuel used on board ships will be 0.1 percent, while outside these areas 0.50 percent. The rule is scheduled to take effect on May 1, 2024, with the new limit taking effect on May 1, 2025.

MEPC 80 decided to establish a Technical Group to prepare a MEPC resolution for the designation of Particularly Sensitive Sea Area (PSSA) in the Northwest Mediterranean Sea, which will be an important contribution to the protection of cetaceans in these waters.

EU ENVIRONMENTAL POLICY

Even stricter limits have been set by the European Commission. The sector is facing a momentous transformation as it strives to achieve climate neutrality by 2050. Following the conclusion of the legislative process of the "Fit for 55%" package of measures at the end of 2022, with the adoption of the Green Deal Industrial Plan (GDIP) and the proposed Net Zero Act (Net Zero Act) Regulation, ambitious measures have been proposed to accelerate the decarbonization of the sector, promoting green technology production, green transport, just transition, and open trade.

FIT FOR 55% PACKAGE.
REVISION OF DIRECTIVE 2003/87/EC AND AMENDMENT REGULATION (EU) 2015/57 [ETS].

With the publication in the Official Journal of the European Union of Regulation (EU) 2023/957 and Directive (EU) 2023/959 the application of ETS to maritime transport, after a somewhat troubled process, has become a reality. They highlight:

- A three-year phase-in period [the first year only 40 percent of verified emissions reported for 2024 will be offset in 2025].
- A defined geographic scope and extension over the years to different types of ships and emissions.
- The granting of exemptions in certain details.
- The mandatory transfer of ETS costs to commercial operators.

REGULATION ON THE USE OF FUELS
LOW-CARBON EMISSION RENEWABLES IN MARITIME TRANSPORT - MARITIME FUELS.

On July 25, 2023, the European Council adopted the FuelEU Maritime Regulation. The new rules will apply as of January 1, 2025, with the exception of Articles 8 and 9, which will take effect as of August 31, 2024. They highlight:

- The scope: 100 percent of the energy that ships over 5,000 GT use for voyages between two EU ports or while at berth in an EU port, and half of the energy used for voyages arriving in or departing from a port of call under the jurisdiction of an EU member state, if the previous or next port of call is under the jurisdiction of a third country.
- Some exemptions (outermost regions, islands with less than 100,000 permanent residents, trips made under a public service contract or made by vessels subject to public service obligations) until 2030.
- A ratio of the GHG intensity limit to the energy used on board a ship progressive: from 2% from January 1, 2025 to 80% from January 1, 2050.
- Introduction of certain obligations regarding the availability and use of renewable fuels of non-biological origin (RFNBO).
- From January 1, 2030, container ships and passenger ships berthed in a port of call covered by the FuelEU Maritime Alternative Fuels Infrastructure Regulation will have to connect to Onshore Power Supply (OPS).
- Payment of costs arising from FuelEU Maritime sanctions by the commercial operator if the commercial operator enters into a contract with the company specifying that they are responsible for the purchase of fuel and operation of the ship.

CONFITARMA, through the work of the Technical Group Ecological Transition, Naval Technology, Regulation, Research and Development, has followed the evolution of regulations by preparing specific "position papers" on the proposed revision of Directive 2003/87/EC ETS and the proposed FuelEU Maritime Regulation, with particular attention to the critical issues related to their application.

THE CONFITARMA PROPOSALS

Regarding the proposed regulation on the use of renewable and low-carbon fuels in maritime transport (FUEL EU MARITIME), **CONFITARMA**, also on the basis of an impact analysis carried out, drew the Administration's attention to the need to obtain an exemption also for large islands, without the constraint of public service (with an obvious distortion of the market), also pointing out that the 5000 GT threshold could be maintained, but only for units with power below 5000 kW. It also stressed that units used for harbor towage, rescue, assistance and towing at sea, and platform support service, below 5000 GT but with power above 5000 kW, should also be exempted, in view of the non-continuous use of power.

Regarding the revision of Directive 2003/87/EC (EU ETS Revision), **CONFITARMA** pointed out in the rule-making phase that it considered the transfer of costs to the commercial operator, the creation of the so-called "Ocean fund," the extension to GHGs other than CO2, and the need for a phase-in period to be necessary.

Shipping, as is well known, is the most sustainable transportation method per unit of goods transported. Suffice it to say that 90 percent of the world's goods travel by sea while emitting less than 3 percent of greenhouse gases into the atmosphere.

It therefore seems paradoxical that, in the face of this, maritime transport is the first to be included in the ETS regime, risking heavy consequences in some sectors, such as that of the Highways of the Sea, given that their operation on an annual basis takes place within national and/or European waters.

Italian shipowners are committed to contributing to the EU's goal of becoming the first zero-emission continent by 2050 and have actively contributed to introducing elements of pragmatism during the process of the "Fit for 55%" package of measures through widespread action on EU institutions in support of all associated fleet segments.

At full ETS, the Ro-Pax sector will have the largest percentage of allowances to return. As CONFITARMA also pointed out, there could be, unfortunately, the closure of some Ro-Pax lines that are essential for territorial continuity and for the Highways of the Sea. The risk is that this would result in a modal back shift throughout Europe.
This would lead to an increase in CO2 emissions and the costs of externalities with a return of millions of trucks to the road with the consequent increase in the damage to the community given that a truck choosing the Highways of the Sea saves up to 66% CO2 compared to the all-road mode.

Today, in the implementation phase of these measures, the shipping industry is cohesive in calling for more focus on making clean fuels available at affordable prices and developing capacity, access and infrastructure for green maritime fuels.

This transition is not just about renewable energy: an integrated approach for industry, shipping, and logistics requires innovative solutions. To this end, CONFITARMAis a staunch supporter of the Clean Marine Hubs initiative (CEM-Hubs) promoted by the International Chamber of Shipping (ICS) and the International Association of Ports and Harbours (IAPH) to coordinate and join efforts for a cross-sector, public-private partnership to scale the global low-carbon fuels value chain and ensure the alignment of transportation infrastructure to ensure a just energy transition.

In addition, CONFITARMA believes it is essential to prioritize investments in low- or zero-carbon technologies and fuels.

To maintain and advance its competitive advantage over its major global competitors, EU shipping needs access to finance. This in turn ensures that the relevant added value remains in Europe and that innovative and sustainable maritime transport solutions can be developed and promoted in Europe, thereby strengthening the continent's economic security.

ENI AND RINA STUDIES ON DECARBONIZATION OF SHIPPING

As is well known, maritime transport is a sector among those considered "hard to abate," due to a number of its peculiarities.

Decarbonization can be achieved by necessarily passing through technical solutions (design solutions for ship hulls and engines using new fuels) and operational arrangements, however always supported by technology.

With this in mind, ENI wanted to prepare a study that differed from others in terms of the contribution made by the main parties directly involved in maritime transport itself, namely representatives of shipowners, major engine manufacturers, fuel producers representing logistics. This synergy produced a document, "supervised" by RINA (Ship Classification Body still the point of reference for Italian flag shipping), which provided a precise snapshot of the current situation and a picture of future trends that is as objective as possible, with conclusions that can be a valid decision-making support both for private individuals and for the Administration itself, which is called upon to express its opinion on issues of fundamental importance.

RINA (formerly Registro Italiano Navale) through the Italian Committee for the Decarbonization of the Maritime Industry, has produced a "paper," a synthesis of work done by all stakeholders (classification body, designers, manufacturers of engines, and engine-related parts, equipment suppliers fuel traders, and of course also the shipowners themselves and the trade associations that represent them) to identify the technical solutions available today and analyze those that might become available in the future to achieve the goal of decarbonization in maritime transport, with a focus also on the medium to long term (2050). For both the ENI study and the RINA "paper", **Confitarma** made a significant contribution.

Confitarma has been particularly active in leading the thinking at the European level, convinced that a strong ship financing system in Europe also benefits the national maritime cluster and the European economy in general. Moreover, with increasingly stringent bank capital requirements and the downsizing of many European banks' ship financing activities, the association continues to play a leadership role in identifying the most suitable financing instruments for the maritime sector.

The renewal of the world fleet

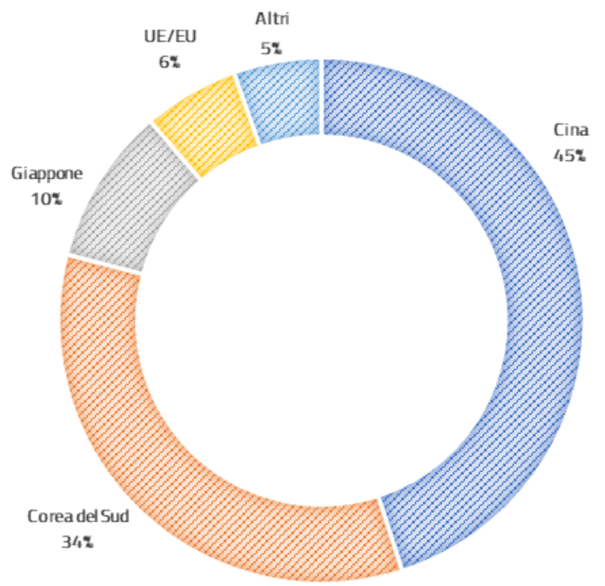
As of June 2023, the world orderbook totaled 4877 ships for more than 155 million CGT1 (Compensated Gross Ton, a unit of ship measurement within the shipyard that takes into account the different technologies that can be used to build the different types of ships). The leading players in the industry still remain China and South Korea, which cover 79 percent of the shipbuilding market, and followed by Japan, once number one in the market and now third in the world ranking in the industry.

These three countries have dictated the rules of the shipbuilding industry for many decades, gradually attracting customers from Europe. This is followed by the EU, which is worth 6 percent of the world market with 6.7 million compensated gross tons, thanks mostly to the construction of cruise ships.

In the world orderbook, Italy, with 30 ships for 2.6 million CGT, ranks first among European Union countries, followed by France and Germany, as well as fourth in the ranking of major shipbuilding countries.

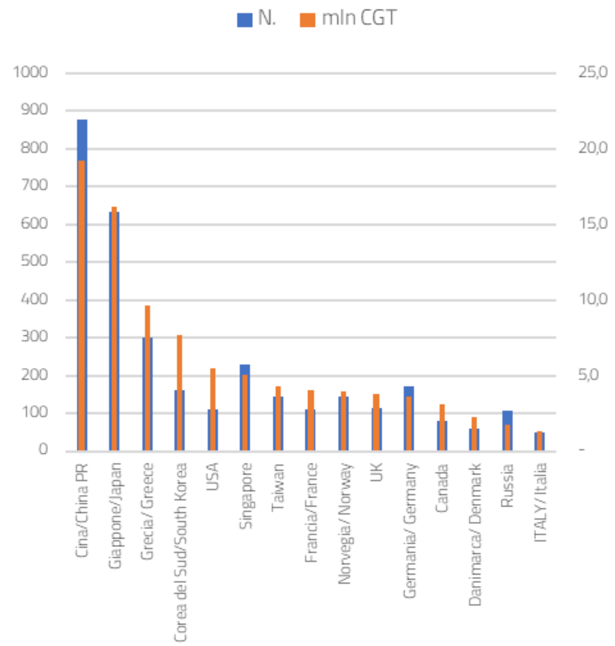
1 The concept of Compensated Gross Tonnes (CGT) was first devised by shipbuilders' associations and adopted within the OECD in the 1970s to provide a more accurate measure of shipyard activities – in relation to the construction of different types of ships – than those obtainable from gross tonnage and deadweight. Within the shipyard, the resources used to build a gross ton differ widely depending on the size and type of ship.
The concept has undergone a series of revisions and the new calculation system that came into effect on January 1, 2007, involves using a formula, rather than the coefficients of the old system, to convert gross tonnage (GT) to compensated tonnage (CGT).

FIG. 45: ALLOCATION OF ORDERS TO SHIPYARDS BY COUNTRY OF CONSTRUCTION



Source: SRM processing of Clarkson Research Service Ltd data

FIG. 46: ALLOCATION OF ORDERS TO SHIPYARDS BY NATIONALITY OF SHIPOWNER – TOP 15



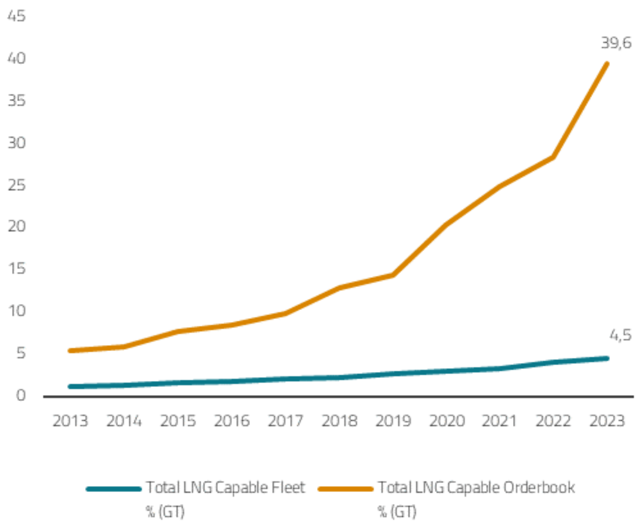
Source: SRM processing of Clarkson Research Service Ltd data

LNG Tankers, large container ships and car carriers continue to account for an important part of the global orderbook, which in terms of CGTs remains close to the highest in seven years. The above three categories account for 55 percent of the total CGT coming out of Chinese yards and even 85 percent of South Korean yards. Ninety-four percent of ships in the orderbook at Chinese yards involve alternative fuels (including LNG, methanol, ammonia, and battery hybrid propulsion); a figure that is 73 percent for South Korea.

LNG-powered vessels have increased over time given their importance in this transition to a zero-emission future. Looking at the number of vessels, in 2012 there were just over 150 LNG-powered ships, while in 2022 there were about 700; today there are 730, with estimates of exceeding 800 by the end of 2023. In terms of Giga-tonnes, the LNG fleet accounts for 4.5 percent of the world fleet, and as many as 39.6 percent of new orders are LNG vessels.

Fleet renewal requirements as a result of pursuing green transition goals in the industry are increasing and will grow even more, pushing shipyard activities in the near future.

FIG. 47: LNG-FUELED FLEET (IN SERVICE AND ORDERBOOK)



Fonte: elaborazione SRM su dati Clarkson Research Service Ltd

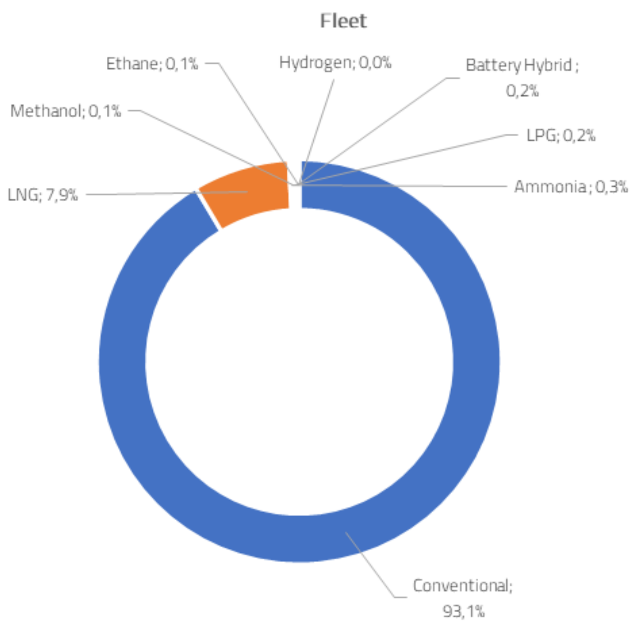
FLEET AND ORDERBOOK

It is clear that the future will be increasingly "green" for ships as well. This can also be seen in the data on the worldwide fleet and orderbook of ships by type of propellant used. In fact, if we take a look at the world fleet, we see that still well over 90 percent of the current fleet (in terms of GT) are ships that run on conventional fuels, and among alternative fuels only LNG emerges with 7.9 percent of the fleet. It is different when it comes to the orderbook and thus what the future fleet will be. The total orderbook is around 11 percent of the total fleet capacity on water.

Of the total orderbook, ships powered by conventional fuel make up only 43.3 percent of the total, while LNG appears with an equally good 43.2 percent. Orders for ships powered by methanol (9.3 percent) and ammonia (7.7 percent) are also good. The shipping sector is a key resource for the efficient transportation of goods globally and the reduction of CO2 emissions.

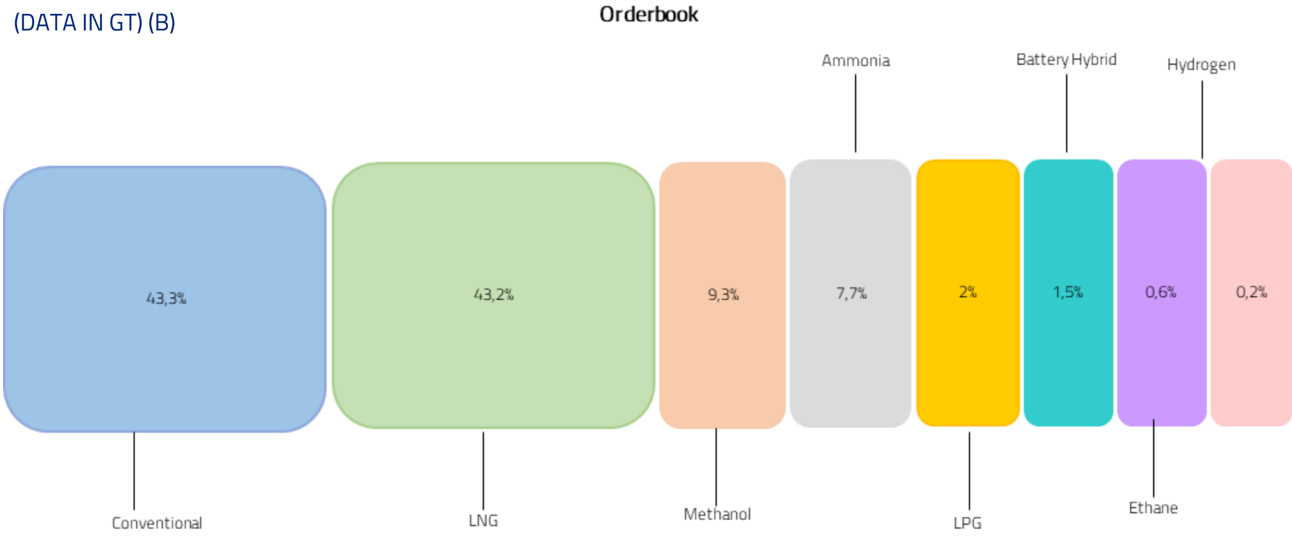
It increased from 768 to 845 million tons between 2002 and 2022, a rather low increase (+10%), considering the increase in international seaborne trade over the same period (+80%, from 6,685 million tons in 2002 to 12,027 million tons in 2022).

FIG. 48: FLEET AND ORDERBOOK OF SHIPS WITH ECOLOGICAL ENGINES AND ALTERNATIVE FUEL (DATA IN GT) (A)



Source: SRM processing of Clarkson Research Service Ltd data

FIG. 49: FLEET AND ORDERBOOK OF SHIPS WITH ECOLOGICAL ENGINES AND ALTERNATIVE FUEL (DATA IN GT) (B)

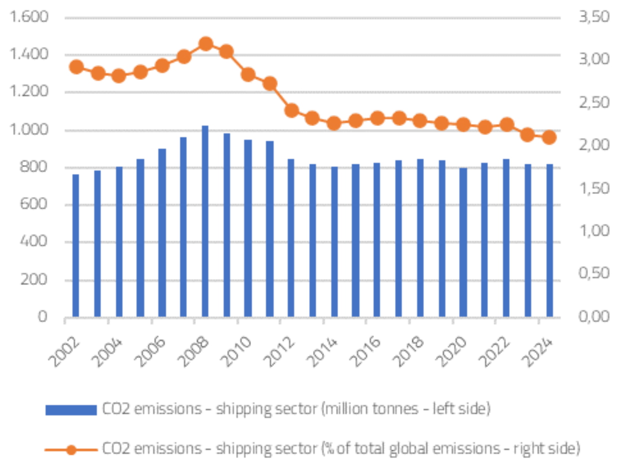


Fonte: Clarksons

N.B. Some ships in orderbook include provision for the use of more than one alternative fuel, so they are counted in more than one category, reason why the sum of the shares is not equal to 100.

If we look at the sector's percentage contribution to global CO_2 emissions, even there has been a reduction in the value, from 2.92% to 2.25% with an estimated further reduction for the next two years.

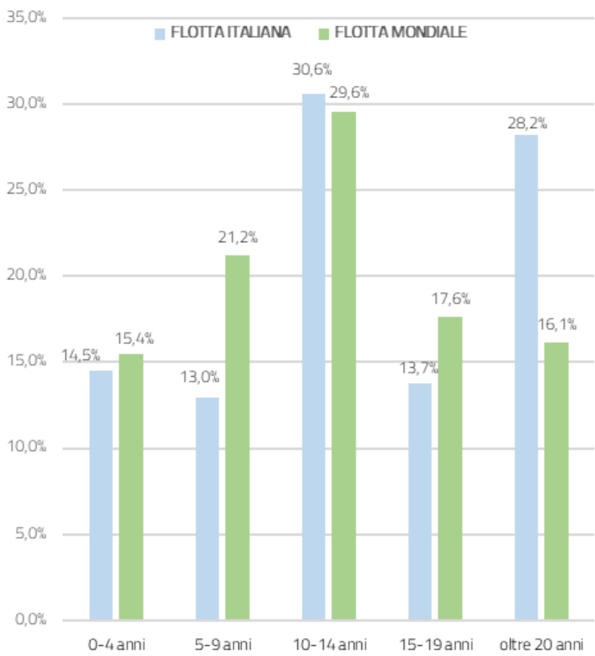
FIG. 50: CO2 EMISSIONS OF ALTERNATIVE FUELS.



Source: SRM processing of Clarkson Research Service Ltd data

FIG.51: AGE OF THE ITALIAN AND WORLD FLEET

al 31-12-2022



Source: SRM processing of Clarkson Research Service Ltd data

Renewal of the fleet controlled by Italian shipowners

27.5 percent of the Italian fleet is less than 10 years old; while another approximately 44 percent is between 10 and 20 years old.

There are 48 ships ordered by Italian shipowners from domestic and foreign shipyards. Pure car carriers and Ro/Ro ferries continue to represent an important part of our country's order book. In particular, these categories account for half of the ships on order and 70% in terms of CGT.

It is worth highlighting that 36 of the 48 ships in the orderbook involve alternative fuels, confirming the increased investment in alternative fuels in view of the green transition goals in the shipping industry.

In our country, half of the ships in the orderbook include alternative fuels.

FIG 52: RENEWAL OF THE FLEET CONTROLLED BY ITALIAN SHIPOWNERS

Navi di 100 gt e oltre	31/12/2021		31/12/2022		var 2022/2021	
	N.	GT	N.	GT	N.	GT
LIQUID CARGO SHIPS	**195**	**2.923.161**	**182**	**2.597.762**	**-6,7**	**-11,1**
Oil tankers	77	1.867.713	70	1.625.665	-9,1	-13,0
Gas carriers	16	269.442	15	256.642	-6,3	-4,8
OIL-CHEM chemical tankers	65	750.623	62	681.767	-4,6	-9,2
Other tankers	37	35.383	35	33.688	-5,4	-4,8
DRY CARGO SHIPS	**149**	**5.558.786**	**147**	**5.578.889**	**-1,3**	**0,4**
General cargo	37	108.211	35	101.952	-5,4	-5,8
Container carriers	11	428.285	11	367.234	0,0	-14,3
Bulk carriers	17	991.801	14	866.303	-17,6	-12,7
Ferries	84	4.030.489	87	4.243.400	3,6	5,3
MIXED AND PASSENGER SHIPS	**444**	**5.236.808**	**441**	**5.260.282**	**-0,7**	**0,4**
Cruise	26	2.679.104	25	2.722.882	-3,8	1,6
Hydrofoils, Catamarans and high-speed craft	111	32.202	111	32.202	0,0	0,0
Ferries	202	2.502.821	201	2.481.167	-0,5	-0,9
Other passenger ships	105	22.681	104	24.031	-1,0	6,0
SHIPS FOR AUXILIARY SERVICES	**480**	**280.075**	**485**	**283.806**	**1,0**	**1,3**
Tugs and support vessels	381	189.755	385	191.599	1,0	1,0
Other types of ships	99	90.320	100	92.207	1,0	2,1
TOTAL	**1.268**	**13.998.830**	**1.255**	**13.720.739**	**-1,0**	**-2,0**

Source: SRM processing of Clarkson Research Service Ltd data

06.

LABOR ON BOARD AND EDUCATION

The strategic importance of maritime workers became particularly evident during the most acute period of the Covid-19 pandemic, when their essential work across the world's seas ensured the operational continuity of ships and, therefore, the transport of goods and raw materials needed for industrial and commercial production activities, which are essential for us all, as well as territorial continuity. For these reasons, maritime workers have been recognized both internationally and in our country as "key workers providing an essential service."

In 2022, jobs on board the Italian fleet were estimated at 44,130, of which about 25,600 covered by Italian or EU seafarers and about 18,530 by non-European personnel. About 63,000 seafarers rotated on these jobs. The ratio between shore-based personnel and on-board jobs was estimated at one to 5.5, so that shore-based jobs were estimated at about 8,000 at the end of 2022. The total job estimate is therefore more than 71,000.

LABOR AND LABOR RELATIONS

ILO Special Tripartite Committee of the Maritime Labor Convention, 2006 (MLC, 2006) – Part II: Amendments 2022 to the MLC, 2006

The fourth meeting of the Special Tripartite Committee of the MLC,2006 was held in Geneva, May 4-13, 2022. CONFITARMA participated in the work in the Shipowners' delegation, led by the International Chamber of Shipping – ICS.

As a result of the meeting, eight amendments to the MLC,2006 five of which were from the *Shipowners' group* and the *Seafarers' group* were adopted. Of the amendments submitted independently by seafarers'

FIG 53: ESTIMATED JOBS ON BOARD TALIAN SHIPS

Ships of 100 GT and over	2020	2021	2022
LIQUID CARGO SHIPS	3.910	3.835	3.532
Oil tankers	1.530	1.555	1.554
Gas tankers	360	335	318
Chemical tankers	1.550	1.475	1.128
Other tankers	470	470	532
DRY CARGO SHIPS	3.420	3.045	3.319
General cargo	375	345	567
Container carriers	245	225	244
Bulk carriers	800	425	333
Ferries	2.000	2.050	2.175
MIXED AND PASSENGER SHIPS	35.960	34.710	33.643
Cruise	22.250	20.490	18.975
Hydrofoils, catamarans and high-speed craft	1.070	1.230	1.776
Ferries	11.550	11.900	12.060
Other passenger ships	1.090	1.090	832
SHIPS FOR AUXILIARY SERVICES	4.000	3.890	3.634
Tugs and supply vessels	2.760	2.660	3.034
Other types of ships	1.240	1.230	600
TOTAL	47.290	45.480	44.130
of which Hotel personnel	19.686	19.251	18.240

Source: Confitarma

representatives, three were withdrawn, two of which were converted into resolutions adopted at the outcome of the meeting.

Among the adopted amendments is the one concerning internet access on board on which, following a long and complex discussion, a balance was found between the need for seafarers to stay in touch with their loved ones during the contract period and the need to ensure the proper use of rest periods for the recovery of mental and physical energies. The amendments are likely to enter into force by the end of December 2024.

Legislative Decree No. 104 of June 27, 2022 (so-called Transparency Decree). Implications for Maritime Labor

The burdensome requirements introduced by Legislative Decree No. 104/2022 (so-called Transparency Decree), which implements EU Directive 2019/1152 on transparent and predictable working conditions in the European Union, have recently been significantly simplified by Law No. 85/2023.

In carefully monitoring the implementation process in the national system of the aforementioned Directive, so that the exemptions provided therein for maritime workers would be fully transposed into the implementing legislative decree, Confitarma carried out some technical in-depth studies on the additional information that, pursuant to the aforementioned legislative decree, it is mandatory to provide to the maritime worker at the time of employment.

As a result of these in-depth studies, models of *'transparent and predictable working conditions supplementary information'* have been prepared for member companies, which contain the information, supplementary to that already indicated in the enlistment agreement, to be provided to maritime workers whose enlistment contract is regulated by Italian Law.

Minimum Wage and Directive (EU) 2022/2041. Implications for Maritime Labor

As is well known, in 2020 the European Commission had presented a proposal for a Directive on adequate minimum wages in order to ensure a decent living for workers in the Union wherever they work.

As soon as the legislative process started in the European Parliament and the EU Council, ECSA and Confitarma undertook, in a coordinated manner, an intense activity aimed at highlighting, at the national and EU level, the specificities of maritime labor and the serious repercussions that the imposition of a legal minimum wage would have on the shipping industry.

On October 19, 2022, the Directive (EU) 2022/2041 of the European Parliament and of the Council on adequate minimum wages in the European Union was finally approved, which prescribed that for maritime labor, due to its objective peculiarities, the only reference for the purposes of determining the minimum wage should be collective bargaining and not the legal minimum wage.

Confitarma is monitoring the political debate concerning the introduction of a minimum wage. It is more necessary than ever – in order to avoid jeopardizing the competitiveness of the Italian flag compared to that of other EU countries – that the specific provisions of the aforementioned directive, regarding maritime labor, be faithfully transposed into the National Enabling Legislation.

Trade Union Agreement Nov. 23, 2022 to update wages set by the CBA as applied to non-EU seafarers

In May 2022, the International Chamber of Shipping (ICS) and the International Transport Workers' Federation (ITF), reached an agreement at the ILO on the adjustment of the ILO monthly minimum wage for licensed seafarers with reference to the years 2023, 2024 and 2025.

As a result of this agreement, on November 23, 2022, Confitarma signed the Union Agreement with the National Secretariats of Filt-CGIL, Fit-CISL and Uiltrasporti to update the *'Collective Bargaining Agreement for non-doms seafarers embarked on Italian international register vessels or vessels under the bare-boat system'* (Section 13 of the Shipowning Industry's Single National Collective Agreement).Wage adjustments for the years 2024 and 2025, already provided for in the agreement signed at the ILO, will be discussed with the Trade Unions before the end of 2023.

Simplification of administrative procedures within the maritime sector and extension of the procedures for the enlistment of seafarers in Italy pursuant to Article 329 of the Italian Code of Navigation.

At the impetus of CONFITARMA , in the conversion process of the so-called DL "Milleproroghe," a provision was introduced that extends to December 31, 2023 the provision in Article 103-bis paragraph 1 of Decree Law No. 18 of March 17, 2020, converted with amendments by Law No. 27 of April 24,

2020. This provision allows, as of March 2020, by way of derogation from Article 328 of the Italian Code of Navigation, to enter into seafarer enlistment agreements in Italy pursuant to Article 329 of the Italian Code of Navigation (procedure for entering into enlistment agreements abroad, in a place that is not the seat of a Consular Authority), with the same being signed on board in the presence of two witnesses who sign it and with subsequent validation pursuant to Article 357 of the Italian Code of Navigation in the first useful port. This simplification of the enlistment procedure should be made structural, like the other proposals contained in the package of simplifications of the administrative requirements of the Italian flag that CONFITARMA is promoting to the relevant Administrations.

Trade union agreement October 10, 2022 for the adjustment of the Solimare Fund regulations to the changes introduced by the Budget Law 2022 regarding social shock absorbers

On October 10, 2022, CONFITARMA – with the other employers' and Trade Union associations of the sector – signed the Trade Union Agreement for the adjustment of the discipline of the Solimare Fund to the changes introduced by the Budget Law 2022. The agreement intervenes on the duration and amounts of benefits, as well as the reasons for which it is possible to activate this social shock absorber, bringing them in line, in essence, with those of the Ordinary and Extraordinary Redundancy Fund.

In addition, the reason for "Solidarity Contract" was introduced. Also, in accordance with current legislation, the size limit of shipowning companies, for which the Solimare Fund must guarantee its protections, was lowered from "more than five employees" to "at least one employee" (i.e., all of them). The above agreement was fully implemented by Decree 8/8/2023 of the Ministry of Labor and Social Policy in consultation with the MEF.

EDUCATION AND CERTIFICATION OF SEAFARERS

Ministerial Decree regarding the maritime career path of chief engineer on ships with main engine apparatus of less than 750 kW

Based on the long-standing need highlighted by CONFITARMA together with the Trade Union Organizations, the Decree has finally been issued that fills the regulatory gap created by the abrogation of the Decree of the Ministry of Infrastructure and Transport September 6, 2011, as a result of which it was no longer in fact possible to qualify new seafarers for the Chief Engineer position on ships with main engine apparatus of less than 750 kW.

European Commission review of recognition of seafarer training and certification system in the Philippines

The European Commission's review of The Philippines' Maritime Education, Training and Certification System, which threatened to put the entire European fleet in enormous difficulty, has been successfully concluded. The sensitive matter stems from the European Commission's communication to the Maritime Industry Authority – MARINA of The Philippines stating that recognition of that country's certificates would be revoked if it did not take the necessary measures to correct deficiencies in the application of the STCW Convention. From the outset, CONFITARMA took action in order to represent to the relevant Administrations the negative consequences that would result from the adoption of any decision of non-compliance. ECSA also made itself available to assist MARINA throughout the entire procedure and constantly intervened with the European Institutions and Member States to make them aware of the serious implications that the revocation of the recognition of The Philippines' certificates

As part of this collaborative effort, in January 2023, The Philippines and the International Maritime Associations, ECSA, ICS, IMEC, and ITF, signed an MoU to establish a committee ("The International Advisory Committee on Global Maritime Affairs" – IACGMA) to provide technical support to The Philippines.

The positive assessment by the European Commission is undoubtedly also attributable to the support of the said committee and the commitment by The Philippines to implement the required changes to make the education, training and certification system sustainable for the future through a 10-year plan.

Sea careers orientation activities

Activities, promoted by the Education and Human Capital Technical Group, aimed at orienting and familiarizing young people with Sea Careers, starting with the choice of Nautical Institute or the choice of ITS paths, will continue in the year 2022. In order to support Italian Maritime Employment, the already fruitful collaboration with Nautical ITSs was, moreover, strengthened, and Nautical ITSs accepted the invitation to participate in the meetings of the Technical Group. Among the many activities being carried out, special mention should be made of the participation of Confitarma and some of its member companies in the educational campaign, which will kick off from the 2023/2024 school year, promoted by the School Board and the Navy and to introduce elementary school children to our country through the sea. Confitarma also actively participated in a traveling information project – promoted by the Department for Youth Policy of the Presidency of the Council of Ministers – during the year 2022, which took place in 11 stops throughout Italy to promote effective strategies for identifying, engaging and activating young people in NEET (Young People not in Education, Employment or Training) status. The initiative enabled interaction with young participants to tell them about training and career opportunities in the maritime sector. Studies and in-depth studies were also conducted, as part of the activities of the Technical Group "Education and Human Capital," to survey the staffing needs of member companies in order to be able to prepare suitable measures to respond to this demand, in collaboration with ForMare – Polo Nazionale per lo shipping S.r.l., a service company and training institution of Confitarma .

Entry visas and the upcoming entry into force of the Entry Exit System

The Entry Exit System (EES) is an EU Schengen external border management system scheduled to enter into force in 2024. The new system will replace the current manual procedures (stamping of travel documents) with an electronic system and will apply to third-country nationals requiring a short-stay visa ("C" type) and those exempt from the visa requirement. The issue of visas is closely monitored by Confitarma, which, in 2022, has mostly focused on issues related to the issuance/verification of visas for maritime personnel following a recent regulatory change that extended the possibility of issuing employment visas (type "D") to non-Italian-flagged vessels as well (Art. 27, new paragraph 1-septies, of Legislative Decree 286/98). While, in fact, previously the issuance of the "D" visa was envisaged only for certain categories of workers, in particular those under contract on cruise ships, with the introduction of the aforementioned normative change, Border Police have argued that this type of visa is mandatory for all maritime workers called to embark in Italy on both Italian and foreign-flagged ships.

Since the procedure for the issuance of the "D" visa is much more complex/longer than the one provided for the "C" visa, as well as often incompatible with the operational needs of ships, Confitarma immediately took action to alert the competent Administrations on the need to clarify the scope of the different types of visas.

Finally, Confitarma has initiated an interlocution with ECSA to acquire more information on how other EU states are dealing with the same critical issues in this regard.

THE TRAINING

"Erasmus+ project "Up-sailing"

CONFITARMA is a partner in the Erasmus+ project "Up-Sailing – Cultivating Green Skills in the Maritime Sector," as well as leader of the project activity dedicated to the definition of "Policy Recommendations" for the maritime sector. The project, launched in February 2022, aims to develop innovative training programs in order to strengthen green skills within the maritime sector, consolidating the policy dialogue on green skills, at national and European level.

ForMare – National Pole for Shipping Ltd.

ForMare – National Pole for Shipping is the service company of CONFITARMA and constitutes the National Pole for activities related to the shipping and Blue Economy sector. ForMare provides assistance on national, European and international programs to support the maritime industry and supports the training and retraining of maritime personnel. It takes part in various initiatives to promote active labor policies and in national and European events to promote Blue Skills. It also actively supports CONFITARMA 's Education and Human Capital Technical Group. Among the initiatives aimed at promoting active labor policies, it is important to mention ForMare's active participation in the Gol Program (Workers' Employability Guarantee) and, together with CONFITARMA , in the Neet Working Tour, an initiative promoted by the then Minister of Youth Policy, Hon. Fabiana Dadone. ForMare also actively collaborates with the University of Naples Parthenope, with which it has activated an Industrial PhD in Law and Economic-Social Institutions. In December 2022, the Challenge Acceleration of Innovative Start-Ups on the Blue Economy theme was launched as part of the I.S.A.B.E.L.LA Project – Io Sono Acqua Building Environmental Liability Lab under the European Social Fund – POR/FSE Campania 2014-2020, implemented with the Department of Science and Technology collaboration with Campania New Steel.

The project aims to develop a path for business acceleration and to test paths aimed at identifying new professional figures in the green economy, including the figure of the Environmental Officer, in order to increase the competitive territorial naval ecosystem. In July 2022, the Board of Trustees of the ITS Academy Foundation "Giovanni Caboto" favorably accepted ForMare's application for admission as a Participating Member of the Foundation.

Also in 2022, ForMare joined the ITS Sustainable Mobility Catania Foundation "Accademia Mediterranea della Logistica e della Marina Mercantile" as a Partner Member. ITS membership represents a first important step aimed at starting a strategic collaboration based on the analysis of training needs and the need for increasingly specialized professional figures felt by shipping companies. In addition, the activities of Marelab, Experimental Center for the Development of Competencies in the area of the Blue Economy and Maritime Transport, continue, and ForMare is admitted for the fourth year to funding for training activities of Higher Technical Education and Training (IFTS) – Techniques for the Conduct of Marine Engineering Systems under the European Social Fund – ESF POR Campania 2014 -2020. In 2022, the first Advanced Training Course for Shipboard Doctors and Assistant Shipboard Doctors was held, promoted by ForMare at the impetus and initiative of CONFITARMA and its member shipowning companies, in coordination with Cardarelli Hospital in Naples. The course provided the necessary skills to carry out the profession on board for both the Healthcare part and the Maritime part. ForMare works in close synergy with Maritime Clusters at the national level and at the European and international levels, through collaboration with the West-MED Maritime Clusters Alliance. ForMare is, in addition, an active part of the Scientific Committee of the National Technology Cluster – Cluster BIG, becoming a referent for Trajectory 8 "Sustainability and Economic Uses of the Sea Resource" and participating in the renewal of the Three-Year Action Plan promoted by the Cluster. During 2022, the activities of the European Project Erasmus+ Skillsea – Future Proof Skills for the Maritime Transport Sector continue, involving 27 partners from 16 European countries, among which ForMare is leading one of the project activities (Roadmap for a Sustainable Skills Strategy). The final conference of the project was held in June 2023.

For-Mare is, in addition, leader and coordinator of the Erasmus+ project Mar MED – Maritime Cluster Management Education Development, presented in March 2022 and launched in December of the same year. The project aims to adapt the skills of Maritime Cluster Managers in order to respond to emerging capacity building needs at the European and international level, contributing to increasing the level of innovation and the definition of a new highly qualified professional profile in the Blue Economy sector.

In February 2023, the Horizon Europe AENEAS – innovAtive ENErgy storage systems on boArd vesselS project was launched, in which ForMare participated as a Partner and in close collaboration with CONFITARMA's Technical Services. The project aims to contribute to climate-neutral and environmentally friendly maritime transport to increase the global competitiveness of the European maritime industry through the development of new energy storage solutions.

In April 2023, the funding for the EMFAF CALLMEBLUE – Cluster ALLiance MEd BLUE project was also approved by the European Commission, which started in October 2023 with the purpose to create and strengthen alliances between maritime clusters, targeting in particular Southern Mediterranean countries, but also enabling improved regional dialogue and more advanced services aimed at developing the Mediterranean Clusters ecosystem.

During 2022, ForMare took part in several conferences and events of relevance to the Shipping and Blue Economy sector at the national and European level.

The network of maritime education—Higher technicals Institutes (ITS)

Italian Merchant Marine Academy Foundation

Training courses for officer trainees to become future officers of the Italian Merchant Navy continued through 2022. A total of 220 new cadets entered the Academy, of which 96 were Deck Officers and 44 were Engineer Officers. The main region of origin is Liguria, followed by Sicily.

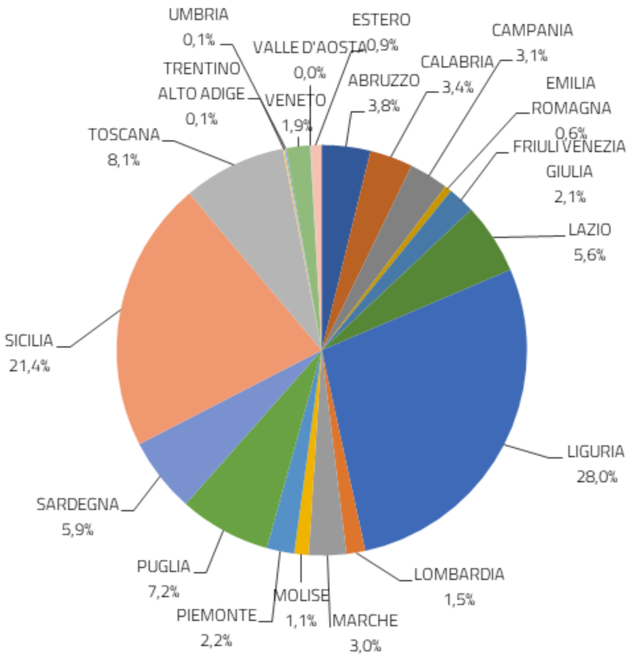
These latest entries have resulted in a total figure of 1397 Deck Cadets (56 editions of the Deck Course) and 906 Engine Cadets (41 editions of the Engine Course) trained and partly still in training from 2005 to 2023. In the year 2022/2023, courses resumed their normal coursework in presence as the Covid19 pandemic situation normalized. Courses had a slight increase in numbers compared to 2021, a sign of the slow but effective recovery of the entire maritime sector post-pandemic. The excellent result achieved, both in the Deck and Engine sections and in the Hotel section, is also due to the fact that a large part of the Academy's students carry out periods of work on board ships of Confitarma member Shipping Companies. In the year 2022/2023, ITS courses other than the courses for Deck and Engine Cadets also continued and increased. Short courses financed through Regione Liguria Agency ALFA-FSE also continued, aimed mainly at unemployed people who aspire to work on board cruise ships and ferries, in the passenger support service sector as Staff members.

A course for the unemployed was also held, addressed to Railway Shunting Technicians, again in the logistics/freight handling field.

For the past few years the Academy – in addition to developing its activity in the training of professionals according to the horizontal chain of the various shipboard positions – has been carrying out activities in the vertical chain for Non-Commissioned Officers and Officers, the latter through the course of the executive level.

The activity has been so appreciated by companies and workers that the PSA of the Eastern Ligurian Sea has decided to replicate the same project for the Ports of La Spezia and Massa-Carrara. During 2022, the Italian Merchant Marine Academy Foundation developed an ambitious project to expand and enhance its simulation technology laboratories.

FIG. 54: STUDENT OFFICERS FROM 2015 TO 2022



	Dek officers course	Engine officers course
REGIONE	N.	N.
ABRUZZO	63	25
CALABRIA	50	28
CAMPANIA	45	26
EMILIA ROMAGNA	9	4
FRIULI VENEZIA GIULIA	40	9
LAZIO	76	53
LIGURIA	404	241
LOMBARDIA	28	6
MARCHE	58	10
MOLISE	11	15
PIEMONTE	36	14
PUGLIA	99	67
SARDEGNA	88	48
SICILIA	228	265
TOSCANA	115	72
TRENTINO ALTO ADIGE	2	1
UMBRIA	2	1
VENETO	33	10
VALLE D'AOSTA	1	-
ESTERO	9	11
TOTAL	**1.397**	**906**

Source: Italian Merchant Marine Academy Foundation

Thanks to PNRR funds destined for ITS Academy Foundations and a new, larger facility made available by the City of Genoa, the Academy will target by 2025 a new simulation center aimed at the training of Deck and Engine officers, but also at that of all logistics and transport technicians who train at the Academy. The simulators enable the execution of increasingly interactive and state-of-the-art teaching.

During the year 2022, the Academy further internationalized its activities by joining IAPH (International Association of Ports and Harbours) and increasing its already very strong collaboration with foreign universities through its membership in IAMU (International Association of Maritime Universities). Academy has strengthened its partnership with West London University through BCA-Gime College in Athens and signed an agreement with WMU (World Maritime University in Malmoe), which recognizes the three-year ITS training of Academy officer trainees, allowing them access to Master's degrees delivered under the auspices of IMO. During the year 2022, the Academy's international section, IMSSEA, continued the European and international projects already initiated with Albania. It also developed the C7 project, which was awarded in 2021, an international major project with Nigeria, aimed at the reclamation and redevelopment of the Niger Delta area in light of ongoing climate change.

IMSSEA is currently applying for new projects, including two Horizon projects and an Interreg Italy-France maritime project.

ITS Academy Giovanni Caboto Foundation – Technologies for the Sea and Logistics

The year 2022 can be considered as the year of restart, after the hard period of the pandemic; despite the continuation of the state of emergency until March 31, the training activities were all carried out in presence, with more regular timing and modalities.

The Institute has been engaged in a very intensive information and orientation campaign, with the aim of telling a growing audience of young people about the professions of the sea and the many opportunities connected with them.

This year was also the year of the reform of ITS, which took on the title of Academy, increasingly enabling it to represent a concrete response to the demand for specialized technicians from companies.

Further investments are characterizing ITS Caboto's projects, with the increase of dedicated stations for the ECDIS Course, which together with the Radar Courses are part of the Caboto Training Center's offer, complementing what has already been proposed by the ITS Academy, in recent years.

In 2022, 4 new Courses have been launched, in addition to the traditional paths aimed at training future merchant navy officers, and the first Course in " Conduct of the Recreational Vessel " (Navigation Officer on Commercial and Private Yaughts) has also started.

This is a three-year course that will alternate classroom activities, laboratory, and exercises at sea, with periods of work on board pleasure craft and ships.

Finally, the third edition of the Course in Integrated Logistics and Shipping Processes has been launched at the Civitavecchia (RM) branch office, which is gaining important employment feedback from companies in the sector.

FIG. 55: STUDENTS FROM 2015 TO 2022

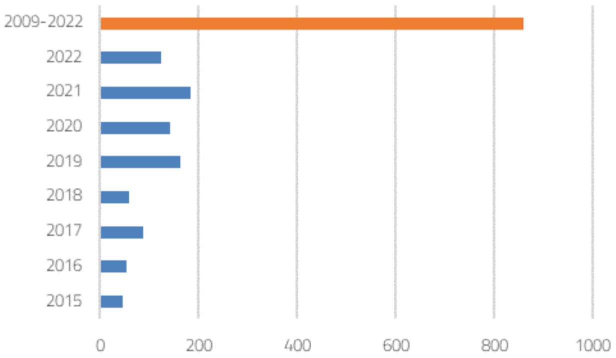
Source: Higher Technical Institute For Sustainable Mobility Foundation 'Giovanni Caboto'

Higher Technical Institute for Sustainable Transport Mobility Foundation – Mediterranean Academy of Logistics and Merchant Marine

The ITS SUSTAINABLE TRANSPORT MOBILITY Foundation constitutes a post-diploma level training path, parallel to academic paths, representing the expression of a strategy based on the connection of education, training and labor policies with industrial policies. ITS offers the possibility of obtaining a Higher Technical Diploma with consequent access to the world of work within the transport and sustainable mobility sector. With a highly qualified training offer, ITS represents a Pole of excellence for the training of the related figures of Navigation Officer and Engineer Officer, based on a dual system that guarantees at the end of the course very high employment outlet. In the Technological areas of logistics training, the wide variety of courses guarantees cutting-edge technological specializations that are highly competitive in today's job market (energy efficiency, smart mobility, etc.). In particular, at the national level, the ITS SUSTAINABLE TRANSPORT MOBILITY Foundation boasts third place in Indire monitoring, for the training of "Higher Technician for Infomobility and Logistics Infrastructure" with an employment outcome that reaches peaks of about 80 percent in the regional area. The training paths have received various other awards with which it has been possible to finance the wide range of training offerings.

The qualifications awarded by the ITSs are at EQF (European Qualification Framework) level V. The training activities of the 34 courses activated since October 2015, namely: Higher Technician for the Management and Assessment of Energy Plants – "Energy Manager – Smart Mobility Specialist"; Higher Technician for Logistics 4.0 and Smart Mobility; Higher Technician for the Mobility of People and Goods (Maritime Sector) "Passengers Services General Manager"; Higher Technician for the Mobility of People and Goods (Maritime Sector) Engine Officer – Engine – Electrotechnical Officer; Higher Technician for the Mobility of People and Goods – Management of On-Board Equipment and Facilities; Higher Technician for the Mobility of People and Goods" Vessel Conduct; Senior Technician for the Production and Maintenance of Means of Transport and/or Related Infrastructures Aerial Naval Land Sector; Senior Technician for the Management and Conduct of Intermodal Means of Transport and Smart Mobility; Senior Technician for Infomobility and Logistics Facilities specialized in Integrated Logistics – "Shipping and Logistics Technician Ashore and Onboard".

FIG. 56: STUDENTS ENROLLED FROM 2015 TO 2022



Source: Technical College Foundation for Sustainable Mobility Transportation – Mediterranean Academy of Logistics and Merchant Marine

Adriatic Nautical Academy Foundation

Established in September 2015, the Nautical Academy Foundation of the Adriatic in Trieste, despite the drop in enrolment already recorded in 2021 due to the Covid pandemic and confirmed in 2022 for what concerns ITSs throughout the country, continues its activities. In 2022, 8 Third Engineers graduated, completing the three-year period 2018-2021 in which 10 Third Officers had graduated by the end of 2021. October 2022 saw the start of the eighth edition of the ITS course for Engine and Deck Cadets (24 Cadets); a double edition of the ITS course for Logistics Technician (Trieste location); and the first edition of the Cybersecurity in Port Maritime course (Trieste location).

Finally, thanks to regional funding, the latest generation navigation simulator has been installed and is awaiting the final stages of certification that will soon allow its use for Radar, Radar Arpa, GMDSS and ECDIS courses.

The Foundation is considering the purchase of additional technological equipment (simulators) to adapt the laboratories as required by the NRP guidelines.

ITS InfoMobPMO Foundation

The ITS InfoMobPMO Foundation in Palermo was established in 2021 and operates in the field of sustainable mobility and maritime navigation. The ITS Foundation has launched 4 training courses designed and structured with the aim of best meeting the needs of companies in the mobility, logistics and transport sector: course for Superior Technician for the Mobility of People and Goods; course for Vessel Conduct – Deck Officer and Management of On-Board Equipment and Systems – Engine Officer; Course for Expert Technician in the Production and Maintenance of Sustainable Vehicles and/or Related Infrastructure; Course for Superior Technician for Management, Infomobility and Logistics Infrastructure – Expert in Integrated Logistics.

FIG. 57: STUDENTS FROM 2015 TO 2022

	Year	2015	2016	2017	2018	2019	2020	2021	2022
Deck and Engine Cadets	1st year	20	20	20	20	20	20	20	24
	2nd year		20	20	20	20	20	20	20
	3rd year			20	20	20	20	20	20
T.S. for Infomobility and Logistics Infrastructure (Trieste)	1st year		24	24	24	24	24	24	25
	2nd year			24	24	24	24	24	24
T.S. for Infomobility and Logistics Infrastructure B (Trieste)	1st year								25
	2nd year								
T.S. for Infomobility and Logistics Infrastructure (Pordenone)	1st year					25	25		
	2nd year						25	25	
T.S. for Ship Production and Maintenance (Design)	1st year				24	24	24	24	
	2nd year					24	20	24	24
T.S. for Railway Vehicle Conduct (Gorizia)	1st year						22	22	
	2nd year							22	22
T.S. for Cybersecurity in Maritime Port (Trieste)	1st year								25
	2nd year								
	Tot Cadets	20	64	108	132	181	224	225	209

Source: Adriatic Nautical Academy Foundation

07.

THE NATIONAL PORT SYSTEM

CARGO AND PASSENGER MOVEMENT IN MAJOR ITALIAN PORTS

Italy boasts a competitive Port System with two Italian ports (Genoa, Gioia Tauro) ranking among the top 20 European ports in terms of Containers handled. The Italian Port System is mainly multi purpose, although individual ports have their own functional specializations. According to Assoporti data, in 2022 Italian ports handled 490 million tons of cargo, 34 percent Liquid Bulk, 25 percent Ro-Ro and 24 percent Containers. The largest growth in 2022 was in the category, Dry bulk (+7.3%), followed by Liquid Bulk (+3.2%) and Containers (+2.2%). In terms of passengers, there was growth in tourism in 2022 with positive consequences for Ferries and Cruises as well as Local Transfers. Overall, between 2021 and 2022 the number of passengers increased by 41.5%, generated mainly by a sharp recovery in cruise activities (from about 2.5 to 9 million). Ferries (from 13 to 17 million) and Local Transfers (from 27 to 35 million) also recovered.

FIG. 58: CARGO HANDLED IN ITALIAN PORTS IN 2022

Cargo (000 tons)	LIQUID BULK	DRY BULK	CONTAINERS	RO-RO	OTHER GOODS	TOTAL
2016	181.711	68.024	117.513	98.682	22.587	488.517
2017	188.025	66.012	115.359	106.330	21.637	497.363
2018	184.007	65.411	111.071	108.952	21.628	491.069
2019	182.809	59.661	111.298	113.213	23.371	490.352
2020	156.869	49.288	114.311	107.140.	16.392	444.019
2021	163.797	56.937	117.013	122.694	20.360	480.801
2022	**169.016**	**61.072**	**119.545**	**120.850**	**19.655**	**490.148**
% sul totale	34	12	24	25	4	100
Var. %2022/2021	302	7.3	2.2	-1.5	-3.4	1.9

Source: SRM processing of Assoporti and other data

The high rate of inflation was felt in all port services whose tariff adjustments, which take into account this index, were expected during the year. That said, the following is a summary of the main changes in the port services sector in the 2022-2023 period.

FIG. 59: PASSENGERS IN ITALIAN PORTS IN 2022

	FERRIES	CRUISES	LOCAL	TOTAL
2018	17.425.404	10.775.028	24.956.882	53.157.314
2019	17.976.530	11.872.711	37.604.888	67.454.129
2020	9.643.156	640.936	22.167.565	32.451.657
2021	13.446.171	2.480.055	27.428.618	43.354.844
2022	17.000.899	9.017.272	35.337.846	61.356.017
% of total	28	15	58	100
Var. % 2022/2021	26,4	263,6	28,8	41,5

Source: SRM processing of Assoporti and other data

TECHNICAL-NAUTICAL AND PORT SERVICES

Towing

Over the past 12 months, several tenders for the contracting of Port Towage Services have been concluded. Thus, concessions in the Ports of Genoa, Livorno, Venice, Western Sicily, Gaeta, and Bari, which followed the Ports of Savona, La Spezia, and Civitavecchia, were renewed for a period of 15 years. However, the excessively long times, already recorded last year, between the conclusion of the tender process and the commissioning of the new concessionaire are confirmed.

Berthing

At the end of 2022, at the end of the inquiry held at the ministerial level, the tariffs for the mooring and berthing service in national ports were updated to apply for the three-year period 2023-2025.

Among the interventions made to the criteria and mechanisms, of particular note is the change in the rate of the Resignation Incentive Fund from 3 percent to 3.75 percent. In order to contain the impact of the inflation increase on the rate formula, the Base Element was revalued by only 5.5% compared to the recorded 8.4%. In addition, taking into account the high rate of inflation, it was decided to conduct a review of the tariffs at the average time of effectiveness (July 2024) according to the trend of inflation in the coming months.
Given the above, the application of the criteria and mechanisms produced a national average increase of +7.35%.

Ship waste pickup service

CONFITARMA has been closely following the implementation of Legislative Decree No. 197 of Nov. 8, 2021, regarding the transposition of Directive (EU) 2019/883 of the European Parliament and of the Council of April 17, 2019, on Port Reception Facilities for ship waste both with regard to the obligation by the Port System Authorities to approve by November 2022 the new port waste management plans and, consequently, the tariffs, and with regard to the critical issues related to the transition from the old measure (the D. Lgs. 182/2003) that mainly affected ships in regular liner service.

CONFITARMA, together with the other user associations, has participated in all the consultations initiated by the Port System Authorities and has maintained a constant interlocution with the competent General Directorate of the MIT and with the General Command of the Port Authorities also with reference to some issues related to the division of competences between the Port System Authority and the Maritime Authority.
Lastly, the Ministry of Ecological Transition announced its intention to revise the regulatory text, but not before launching a consultation of all stakeholders.

Finally, on the issue of the ship waste pickup service, it must be noted the little inclination of the Port System Authorities to open this service to the market as provided for in Regulation 352/2017 and to prefer entrustments to a single concessionaire.

PORT GOVERNANCE

Port Taxation

In order to put an end to a long-standing dispute with the European Union, the Parliament, when converting Decree No. 68/2022 (Law No. 108 of August 5, 2022) into law, introduced an amendment to Law No. 84/94 (port law) that recognizes the commercial nature of Port System Authorities and, consequently, subjects them to Corporate Income Tax (IRES). Under the new provision, fees received in connection with state concessions reduced by 50 percent as a flat-rate deduction of expenses contribute to the income of the Port System Authorities.
Nonetheless, the European Court of Justice is still hearing the appeal filed by Assoporti.

Maritime State Concessions

According to what was planned as part of the reforms included in the PNNR, the regulatory framework concerning maritime state concessions underwent major changes during 2022.
Law 118/2022 (Annual Competition Law) rewrote Article 18 of Law 84/94 (concession of areas and docks) in its entirety. In particular, the provision of a Regulation to be adopted by a decree of the MIT in consultation with the MEF in order to standardize the regulation of port concessions was maintained; limited to ports of national and international importance, the prohibition on the same person holding several concessions for the performance of the same activity was removed.
The Regulations planned by the legislature in the summer were issued at the end of the year. However, this phase of updating the regulation of maritime concessions is not over because the new Regulation has been subject to comments from the European Commission, which has asked for some corrections, particularly with reference to the maximum duration of concessions and the way in which expiring concessions can be extended.
The Ministry therefore deemed it appropriate to intervene with Decree No. 110/2023 to follow up on the European observations, also taking the opportunity to provide Application Guidelines for the Regulations issued at the end of the year. This decree, however, did not limit itself to making more explicit what was contained in the Regulation but introduced important new elements: first and foremost, the recognition of a formal role for the Transport Regulatory Authority in the procedures for awarding concessions.
In parallel with the activities carried out in the legislative process, the Transport Regulatory Authority launched a public consultation to revise its Resolution No. 57/2018 of May 30, 2018, on "Methodologies and criteria to ensure fair and non-discriminatory access to port infrastructure. First regulatory measures." After some extensions, the ART set the conclusion of the process at the end of January 2024.

Increase in fees

The year 2023 saw the updating of the unit measures of annual fees related to marine state concessions for the year 2023 established by Decree No. 321 of December 30, 2022. The adjustment, to the extent of +25.15 percent, was particularly significant because of the strong impact of the rise in energy prices due to the Russian-Ukrainian war and for adding to the increase of more than 7 percent already recorded the year before. Reassurances from the MIT on the possibility of taking action to sterilize the current year's increase by applying annual adjustments only to fees below the minimum values would appear to have been accepted within the "Asset Decree" approved in October by Parliament.

DOCK ELETTRIFICATION *(COLD IRONING)*

Regarding the implementation of infrastructure interventions in the port sphere envisaged by the PNRR Supplementary Fund, the issuance of calls for tenders for the implementation of dock electrification interventions (design or execution) continues by the Port System Authorities. Without prejudice to the timelines provided by the PNRR for the implementation of the works in question, to be carried out by2026, it assumes particular relevance for **Confitarma** that shore power is competitive compared to that self-produced, both in environmental terms and in terms of cost. With reference to the latter, care must be taken to ensure that the investment costs of building the infrastructure remain borne by the public sector, and that an operational and management model is adopted that allows operators to provide a competitive service for the industry without market distortions. Of particular importance in this regard is the activity initiated by MIT, assisted by Cassa Depositi e Prestiti, to support peripheral administrations in achieving the objectives set by the Supplementary Fund and to encourage the adoption of unified rules, open to stakeholder input.

PORTS AND MINOR LANDINGS

Fast Maritime Transport and LPT are essential to ensure connections to Italy's archipelagos and islands, which are an important component of our society and tourism.

Unfortunately, many of the ports of call through which thousands of citizens and tourists transit each year are objectively inadequate. These ports of call often do not fall within the scope of the PSAs and therefore have greater difficulty in finding the economic resources needed to be able to make the necessary investments. A recent study conducted within Confitarma highlighted many shortcomings, including serious ones, that inevitably negatively affect tourist attractiveness and the daily lives of commuters. In particular, among others, many airports lack:

- suitable passenger waiting facilities equipped with public toilets,
- adequate roadways and parking areas.

Often, there is insufficient space to handle the large number of transit passengers, which creates considerable congestion in waiting areas, especially during the summer season. Not only that, the situation is also deficient on the security front. In fact, there are several critical issues, including:

- inability to moor in adverse marine weather conditions;
- steep and uneven docks which are dangerous for arriving/departing passengers;
- absent lighting;
- shallow waters that require dredging.

The inadequacy and lack of a modern and effective infrastructure system damages the quality of services offered to users, making inefficient the efforts that shipping companies make daily to ensure regularity and continuity in the delivery of their services.
Our smaller islands are an invaluable asset to Italy in many ways. It is necessary and a priority that the relevant institutions take charge of these important critical issues.

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