THE COUNCIL REPORT TO THE ANNUAL GENERAL MEETING

English Version

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Introduction by Giovanni Montanari

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Despite the mild recovery in the world outlook, traceable in large part to the excellent performance of a number of major Asian countries, the European economy has not succeeded in reviving its growth. For Italy in particular, 2003 has essentially been a year of stagnation.

Within this general context, the maritime traffic sector has shown marked vigour in all segments of cargo and passenger traffic, feeding the circuit of international exchange of both Italy and Europe while providing a flexible and competitive response to changing markets.

Unfortunately, Italy continues to suffer from grave delays in the organisation of the logistics system, which is still unable to provide adequate support for the competitiveness of the production apparatus and trade. The congestion of roadway and railway infrastructures, the inadequate outfitting of logistical and functional junctures, and the fragmented nature of roadway transportation enterprises: these remain the key constraints that should be worked on for the immediate future.

While a similar situation favours expansion of the services offered by navigation enterprises, the segmented nature and the scarce interconnectivity of the overall logistics network limits sharply the potential for the development of maritime transport.

The overall supply of the world fleet, which is constantly evolving, has managed to meet the growing demand for cargo and passenger transport. The matching of demand and supply for maritime transport, as demonstrated by the maritime charter market, reveals, albeit with the necessary exceptions, a positive trend in the sector, and one that could continue in 2004 as well.

As far as Italy is concerned, our fleet finds itself in the leading positions in the rankings of the different types of ships, showing itself to be competitive, innovative and modern, thanks to massive investments by Italian navigation enterprises, as well as the wise policy followed by the Italian government, which understood the need to renew the nation's stock of ships.

As a result, Italian navigation enterprises score very high in terms of competitiveness:

- ***production**. The production of Italian mercantile services totals more than 13.3 billion euro, a figure that rises to almost 17 billion euro when collateral activities are included: this is equal to almost twice the national production of motor vehicles and two and a half times the figure for wood, furnishings and plastic products. And if the outlook is expanded to include the entire maritime system, then a figure of 27.6 billion euro is reached, equal to 2.3% of the Italian GDP;*
- ***employment**. In terms of employment, the Italian maritime sector gives work, either directly or indirectly, to almost 356,000 individuals, of whom more than 82,000 are employed by the shipping industry and its collateral activities;*
- ***merchant fleet**. More than 1,400 ships and almost 11 million gross registered tons, for an increase of about 4% in tonnage compared to the end of 2000: today the Italian fleet ranks in 16th place worldwide;*
- ***age of the fleet**. The Italian fleet shows itself to be a young fleet, both in absolute terms and compared to the world average: 55% of the ships are less than 10 years old, and 34% are less than 5 years old, with an average age of 12 years;*
- ***investments**. The renewal of Italy's stock of ships continues, with the delivery in recent years of 457 units, making for 6.2 million gt. During the last five years Italian shipowners have inevested almost 9,5 billion euro for the construction of 275 new ships.*

I feel it is safe to say, therefore, that the maritime industry is one of the country's most vital sectors, capable of contributing to economic growth and to increased employment, and that economic development is closely tied to that of maritime shipping and of the operators active in the sector. And then there is the fact that the sea represents a legacy of environmental and social resources for Italy: one that is often undervalued, to the point of almost being forgotten by institutions and the media.

In addition, there are numerous issues that must still be addressed, such as the Motorways of the Sea, the regulation of port services, the training of sailors, port and navigation security and the management of instances of environmental compatibility.

An important positive signal arrived in July, with the final approval by European Institutions of the extension of the International Registry system to coastal shipping vessels which carry out voyages of more than one hundred nautical miles, introduced under Law no. 326 of 2003.

Ongoing developments in legislation could have either a positive or a negative effect on the development of the Italian maritime sector, and therefore on the development of the entire country.

I am specifically referring to:

- *the refinancing of Law 88/2001 on naval investments;*
- *legislative proposals for naval demolition;*
- *final approval by the European Community of the tonnage-tax system;*
- *formulation of national and European Community initiatives to favour further expansion of the Motorways of the Sea..*

Confitarma, aware of these priorities, as well as the need to take a positive, constructive attitude while making its own contribution to the above efforts, is organising and carrying out numerous initiatives and projects.

In particular, I hold it to be of fundamental importance that incentives be provided for communications activities, in order to optimise this sector, which is currently playing a renewed leading role in the social and economic collective of the nation.

But a good deal remains to be done, and it is indispensable that all the institutional, public and private parties involved be brought into play: only joint, active participation can ensure that Italy achieves a significant recovery in terms of competitiveness in the sector of logistics and maritime transportation.

The outlook

Current economic conditions

Worldwide

After three difficult years, the world economy registered a slight recovery in 2003, with production increasing by 2.5%, despite the obstacles represented by international wartime events (in particular the war in Iraq) and the lingering effects of the SARS (Severe Acute Respiratory Syndrome) syndrome.

The United States and China account for a considerable portion of this expansion, while the rally has been weaker in Europe and Japan. Forecasts for 2004 show growth continuing at limited levels.

World trade registered overall growth of 4.5%, compared to the figure of 2.5% recorded in 2002.

Europe

In 2003, with the economies of the United States and Japan showing marked revivals, Europe continued to be characterised by the phase of weakness that began in 2001, with growth of less than half a point through the European Union, and especially in France and Italy. The results for Spain were more positive.

This performance was influenced not only by the persistent weakness in domestic demand, but also by unfavourable trade results, traceable primarily to the strengthening of the euro, which made the European countries less competitive. For that matter, while export levels remained stationary, there was a revival in imports.

Italy

In 2003, the phase of cyclical weakness that began in Italy in 2001 continued, with an increase of 0.3% in the GDP, compared to the figure of 0.4% for 2002.

In contrast to the less than favourable national economic outlook, the variables for the maritime sector were positive.

Recent reports on the Italian and international economies specifically point to an economic slowdown in Italy and Europe, together with structural difficulties that prevent any further revival. In contrast, the data for the movement of merchandise by sea points to vigorous activity extending over time.Looking at trade, internal demand has, on the average, compensated for the negative contribution of the foreign component, characterised by a significant reduction in exports and by a modest decrease in imports.

The logistics node

The Italian logistics system is still significantly penalised by a shortage of infrastructures and by the congestion of the roadway and railway networks. The complex and fragmented array of enterprises involved in transportation and logistics, as well as the structures utilised for connections, no longer appear capable of backing the country’s competitive position, in terms of either domestic mobility or international relations.

The new projects undertaken and the initiatives carried out in 2003, though they signal a growing level of attention, have not been able to reinforce the national logistics network, for which it would appear important to initiate projects for the computerised coordination of the different operators involved and the merchandise transported as well.

Within this context, the network of maritime transport appears to be a necessary alternative for improving the capacity and the flexibility of the national logistics system, in part with an eye towards the ongoing enlargement of the European Union.

Logistical needs demand ever greater commitment and involvement on the part of the maritime sector, as will increasingly be true in the future. The development of the country as a whole proves to be closely tied to that of maritime transport and the operators involved in the sector.

The coordinates of the Italian maritime sector

The maritime sector produces approximately 26.3 billion euro, equal to 2.3 % of the GDP, a level equal to that produced by the agricultural sector.

The primary component of maritime economic activity is the transport of cargo and passengers, whose level of production, at 12.6 billion euro, is equal to 48% of the entire maritime system. This is a sector with an elevated capacity for generating income: for each additional 100 euro placed in navigation as a result of new investments or increased consumption or exports, the national system creates additional production of more than 270 euro.

In terms of employment, the working units directly employed in maritime transport activate more than 54,700 working units in ancillary activities. This means that navigation provides jobs for a total of 81,500 workers, with an elevated multiplier of 3.041: in other words, for every 100 additional working units in maritime transport, a total of 304 are activated throughout the economic system.

What is more, shipping creates a significant tax flow, equal to a total of 1.603 billion Euro per year, of which 457 million Euro are generated directly by navigation enterprises and 1.146 billion Euro by ancillary activities.

Maritime balance of payments

During 2003, the strong role of maritime activity within Italian foreign trade was confirmed, with an overall volume of international transactions for the maritime transport of cargo and passengers of 10.15 billion euro, compared to 13.10 billion euro for all other systems of transport taken as a whole.

Maritime employment

At the end of 2003, there were more than 27,200 jobs onboard the Italian fleet, of which 19,000 were held by Italian or European workers and 8,200 by non-European personnel. Rotating in and out of these jobs are 35,300 sailors. The ratio between personnel on land and onboard personnel is currently estimated at one to five, meaning that jobs on land at the end of 2003 were estimated at approximately 5,440 units.

Maritime clusters

The term maritime cluster refers to an organisation that groups together and represents the maritime activities of a nation: shipbuilding, merchant shipping and fishing, ports and services, as well as institutes and organisations whose primary activity is shipping. In many countries the cluster is a private entity, while in others it is under the control of the relevant ministries.

In Italy, the Federazione del Sistema Marittimo Italiano (Federation of the Italian Maritime System, or Federazione del Mare, Federation of the Sea) currently brings together many of the industry's organisations, in order to represent the maritime world in a unified way, allowing it to be appreciated as a factor of development while reinforcing the shared values, culture and interest, in part a product of constant contact with international activities.

In April of 2004, the organisations belonging to the maritime clusters of 9 European countries reinforced their ties during a two-day meeting held in Wassenaar, Netherlands, where the representatives of the maritime clusters of Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Sweden and the United Kingdom agreed that the future of European maritime activities, though often in a leading position worldwide, should be encouraged by far-reaching positive initiatives that involve the entire maritime sector, in order to reinforce business ties, together with perceptions on the part of institutions and the general public.

The recent initiatives of the European Community in the maritime sector have been widely discussed, and it has been concluded that they offer greater opportunities for an approach oriented more towards the general sector level.

The regulations currently being implemented

In terms of the evolution of legislation in the sector, the following initiatives are of particular note, and their outcome will play a key role in determining the competitive capacity of the Italian fleet in the months and years to come:

1- the refinancing of Law 88/2001, which provides subsidies for shipowners for naval investments. This measure was only partially refinanced at the time the 2004 budget law was passed; it would now be best that the entire refinancing, equal to approximately fifteen million euro invested over a twelve-year period, be covered, seeing that it involves units which, for the most part, are already operative (all naval construction contracts drawn up by 31 December 2000);

2- the legislative proposals that call for subsidies for the naval demolition of old tanker ships and ferries, currently being examined by Parliament and of great relevance to the further modernisation of the Italian fleet as well as achieving increases in the country's levels of environmental and navigational safety, which are already very high;

3- approval by European-Community institutions of important measures approved by the Italian Parliament with the Legislative Decree 344/2003, which has implemented the mandate contained in Law 80/2003 on the subject of the "Tonnage-tax";

4- finally, though certainly not because they are of lesser importance, the decisions that will be taken on national and European-Community initiatives to implement the process for the revision of the TEN-T networks, as well as the continued revival of the Motorways of the Sea, including the recent establishment of the Ram S.p.A. company, undertakings that involve our country in an already dense array of national and international maritime services.

An important positive signal arrived in July, with the final approval by European Institutions of the extension of the International Registry system to coastal shipping vessels wich carry out voyages of more than one hundred nautical miles, introduced under Law no. 326 of 2003.

PART ONE – The Agenda

Policies, strategies, projects

Competitiveness of the European fleet - Tonnage-Tax

For many years, the European Union has allowed its member countries to adopt specific measures as incentives for their shipping activities, with the goal of restoring the competitive strength of European Community fleets while safeguarding employment and improving safety.

In December of 2003, Italy introduced the so-called tonnage-tax, a lump-sum tax system based on tonnage and used as an alternative to the ordinary tax system. It is to go into effect following the normal procedures under which the European Commission controls that the measure complies with European Community guidelines.

The new system, which follows the Dutch model, applies to companies that reside in the territory of the state and to ships entered in the Italian International Registry. The taxable income is calculated on a lump-sum, unit basis by taking the daily revenue for each ship, arrived at by considering the coefficients for the levels of net tonnage, and multiplying by the ship's actual days of operation in order to obtain the annual income.

As under the other European systems, the Italian tonnage-tax includes capital gains from the sale of ships. As an incentive for the modernisation of the fleet, introduction was made of a corrective factor for the annual income, based on the age of the ship.

Revision of the TEN-T Networks

In April of 2004, the European Parliament, in agreement with the Council, approved the revision of the Trans European Networks (TEN), including the new member nations in the major transportation infrastructure projects, so as to create full-fledged trans-European connections for all modes of transport (roadway, railway, aviation, navigation, navigable internal waterways), essentially focussing on major cross-border projects designed to link national systems.

The list of priority projects to be completed by 2010 was reformulated. These include: elimination of bottlenecks on the main navigable east-west waterway that connects the Rhine, the Main and the Danube; a program for the regulation of traffic on maritime waterways off the coasts of the EU; the modernisation of many north-south and east-west railway lines.

PROJECT TEN-T
MOTORWAYS OF THE SEA

1. Motorways of the Baltic Sea, between the member nations of the Baltic Sea and the nations of Central and Western Europe;

2. Motorways of the Sea of Western Europe between the Iberian Peninsula, the North Sea and the Irish Sea;

3. Motorways of the Sea of Southeast Europe, between the Adriatic Sea, the Ionian Sea and the eastern Mediterranean (Cyprus);

4. The Motorways of the Sea of Southwest Europe, between Spain, France, Italy, Malta, and the Motorways of the Sea of Southeast Europe (including the Black Sea).

In accordance with the indications contained in the Van Miert Report of July 2003, the innovative aspects of the reform consist of the insertion among the priority projects of Appendix III of the decision on European-Community guidelines, of project no. 21 on the Motorways of the Sea and of the increase in European-Community financial subsidies to cover 20% of the total cost of investments in infrastructures. This project includes the development of four Motorways of the Sea which, within the framework of the trans-European network, are to lend to the launching of trans-national lines the same importance as that of motorway and railway networks. Thanks to these new maritime connections, it will be easier to connect countries isolated by natural barriers, island countries and other peripheral countries. Two of these measures are of particular importance to Italy:

With the reform of the Guidelines for the development of the TEN-T Network, the concept of Motorways of the Sea is defined as follows: "The network of the Motorways of the Sea is designed to concentrate flows of cargo onto a number of maritime routes, in order to improve existing lines or establish new, profitable maritime connections that are regular and frequent for the transport of cargo between member nations, in this way reducing roadway congestion and/or improving connections between insular and peripheral countries and regions. The Motorways of the Sea should not exclude the combined transport of people and cargo in cases where cargo transport predominates".

Logistics and the Motorways of the Sea

In Italy, the Motorways of the Sea have been an efficient reality for a number of years now. As early as 1993, it was calculated that coastal shipping lines in Italy, operated by public or private shipowners, involved (excluding movement in the Strait of Messina) 23.5 million passengers, approximately 3 million motor vehicles and more than 10 million linear metres of commercial motor vehicles, half of which, for that matter, were moved by private shipowners. Today, further expansion of the line services makes available 205 round-trip voyages weekly, with a supply of capacity equal to approximately 25 million linear metres. Between 1999 and 2003, the supply of hold capacity offered by the Motorways of the Sea for Sicily rose by 131%, the capacity for Sardinia by 45% and that for Mediterranean services by 103%; investment activity in new ships designed for Motorway of the Sea services has, to date, been massive, and can be estimated at 1.7 billion euro for the last five years. Maritime service is currently overproduced in terms of the demand for it.

The key problems are the infrastructures, the junctures and the mountain crossings, which hamper, in practical terms, any program for the revival of the Italian transportation system. Any project of logistical development is bound to run into these knots and bottlenecks, which represent an inherent feature of port areas surrounded by increasingly dense, restrictive urban areas.

As far as projects are involved, Confitarma and Fedarlinea have proposed the MITO Project (Mediterranean Intermodal Transports Organization), designed to start from the existing framework of services offered in the country, going on from there, through a taskforce and a services company (Marelog) that are to handle the entire logistics project – consisting of a grouping of the shipowners, ports, infrastructures and logistics parties involved, both public and private – ensuring the coordination of information services and call-centres, as well as the investments undertaken in the individual ports for the creation of dedicated terminals and the related connecting infrastructures, plus the identification of standards of service to apply in each local setting. The project would start from the development of the ports already participating at present and gradually be extended to the other ports involved. By pursuing the MITO project, the development of maritime transport could be backed by bringing into play all the protagonists of the logistics chain, without creating dangerous distortions in the market.

Recent developments in the European legislative framework in this area, together with the Italian government's intent to revive the sector, have led to the establishment of Ram S.p.A. (Rete Autostrade Mediterranea, or Mediterranean Motorways Network), a company with a varied set of shareholders, under the control of Sviluppo Italia, whose task shall be to summarise all these national and European project activities and provide incentives for investments, in part through the use of the European funds made available by the European Investment Bank (1.8 billion euro).

In terms of proposals, the revival of the Motorways of the Sea will meet with adequate fulfilment if it can draw on an increasingly competitive fleet (which can take advantage of the guidelines for state aid to maritime transport, such as the tonnage-tax, along with tax subsidies etc.), plus the reinforcement of port infrastructures (with the priority placed on the most congested facilities), the harmonisation of bureaucratic procedures among the different modes of transport and measures geared towards the simplification of the bureaucratic process for operations of loading/unloading, as well as the computerisation of customs procedures and a significant streamlining of intra-EU traffic, together with the adoption of security procedures that do not compromise the efficiency of commercial operations, not to mention the implementation of subsidised tariffs for technical-nautical services for Ferry/RoRo ships utilised in Motorways of the Sea services, as has been proposed by the European Commission and the ministry of Transportation and Infrastructures, and as was written into national law, to give an example, under the last Tariff Ordinance of the Docking Service. Finally, the project program for a system network of Motorways of the Sea could optimise the assignment of concessions for the use of available port areas to shipowners that request them and are able to demonstrate that they possess the technical and financial capacity to ensure productivity, as required under current legislation.

A further favourable opportunity is represented both by the measures geared towards making controls on roadway transportation more rigorous, in order to establish greater respect of safety regulations and of the Highway Code (the driver's license based on points) and by the plans to provide motor vehicle transporters with incentives to make greater use of maritime transportation, eventually through the introduction of environmental vouchers.

Project

CONFITARMA
Confederazione Italiana Armatori

Motorways of the Sea
M.I.T.O PROJECT
Mediterranean Intermodal Transports Organization

FEDARLINEA
ASSOCIAZIONE ITALIANA DELL'ARMAMENTO DI LINEA (Gruppo Tirrenia)

At a time of consolidation of the Mediterranean basin, the M.I.T.O project has been undertaken to promote roadway-sea transport through structural improvements in ports.

The Motorways of the Sea already constitute a highly visible and vigorous reality in Italy, with 205 round-trip voyages weekly, a total supply of more than 520,000 linear metres of hold storage space (a supply that has increased in recent years at rates far greater than 100%, even in the Mediterranean services), approximately 80 ships utilised (30 of which have gone into operation in the last three years) and 1.7 billion euro of investments by shipowners in new and more efficient ships.

The M.I.T.O. project contemplates the possibility of further implementation of this network of line services through the activation of a systemic program on the national and Mediterranean levels. Such a program, in keeping with the needs of the country and with the directives of the European Community, can develop a group of port terminals functionally dedicated to the transport of commercial vehicles, with the primary objective of contributing to shifting middle and long-distance cargo traffic from the roadway to the combined road-sea mode.

In short, the project starts from the framework of Motorway of the Sea services already present in the country, concentrating attention on direct services (use of the same ship between point of origin and destination) carried out for the various types of cargo with ferry ships (transport of cargo and passengers) and ro-ro vessels. To this end, a **Taskforce** will be established (for coordination and strategic guidelines) along with a service company (**Marelog**), both organised with the participation of all the parties involved (institutions, Confitarma, Fedarlinea, Assoporti, highway authorities, railway companies, local government bodies etc.).

THE HIGHWAYS OF THE SEA AND THE FIGURES

THE FLEET – 80 ships with an average age of 17 years and a speed of 21 knots

GROWTH –between 1999 and the present, 29 ships have entered the market, 15 of which were newly constructed, for an average age of 12 years and an average speed of 23 knots (26.5 for the newly constructed vessels)

INVESTMENTS – 1.2 million between 1999 and 2003, of which 1.1 million in new construction projects

FUTURE INVESTMENTS – 500 million euro for 6 vessels under construction and scheduled for delivery in 2005.

Project

Motorways of the Sea
THE SATELLITE MANAGEMENT NETWORK

CONFITARMA Confederazione Italiana Armatori

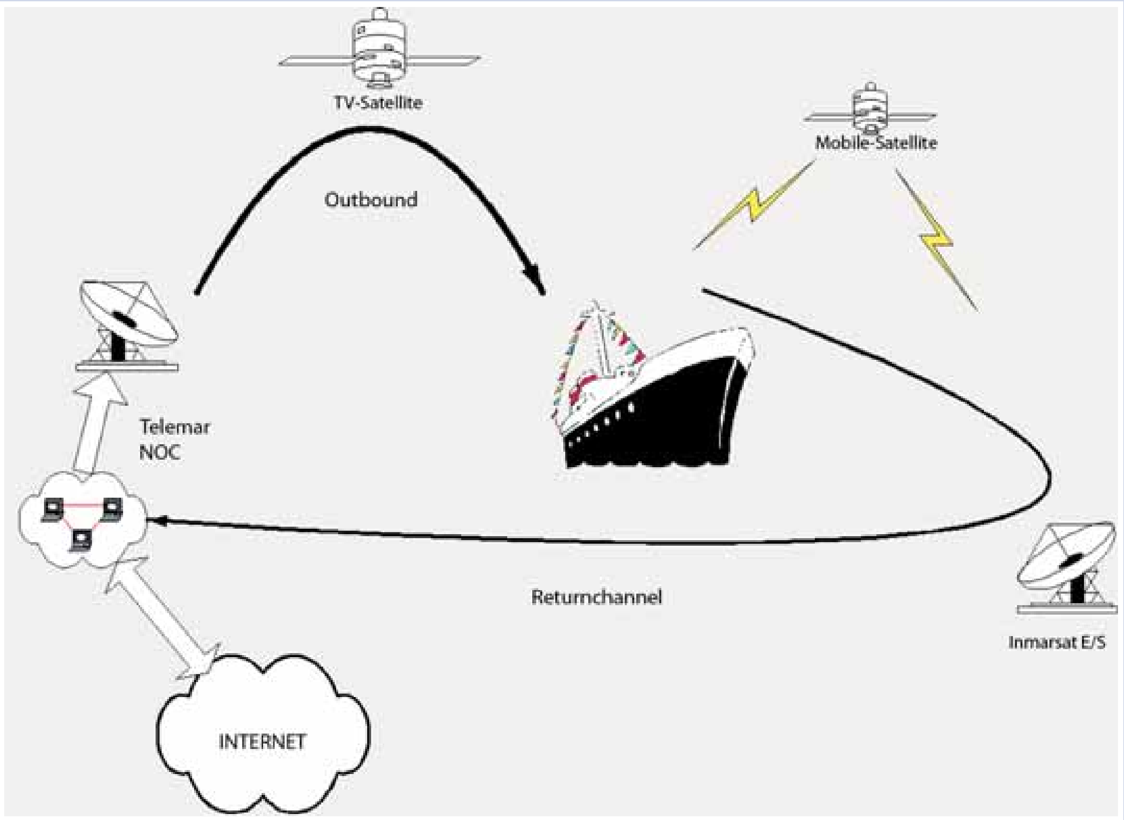
Telemar

A fundamental component in the efficient operation of the Motorways of the Sea is the availability of an independent, reliable and technically advanced communications network for the real-time exchange of all information and for the network utilisation of applications and databases updated on an instant by instant basis.

The systems that enter the network on each individual node are:

Port setting		Ship setting	Land transport setting
Port authority	Shipowner	Operative vessels	Motor vehicles
Organisation managing the Motorways of the Sea	Maritime and shipping agencies	Shipowner	Fleet owners
Coast Guard	Ticket office	Supplier	Traffic managers
All other parties involved			

The project calls for the satellite connection of all the parties involved for the purpose of network transmission of data



Work onboard

Entries in the International Register

The early months of 2003 featured a series of union encounters for the entry of new ships in the Italian International Registry and for the signing of exemption agreements with enterprises that embark non-EU personnel.

The extension of the exemptions to vessels entered in the International Register but with Italian crews led the unions to ask for a new agreement on union dues payments by employers, which was signed on 11 February 2003.

The modification of Law 30/98, which makes possible coastal shipping voyages of more than 100 nautical miles, will result in an increase in requests for entry in the international register, as has already taken place, to a certain extent, during January 2004.

Collective bargaining

The renewal of the national collective labour contracts comes at a time of marked contrast within the Cgil, Cisl and Uil labour confederations. Our sector, thanks in large part to the proper industrial relations maintained between the Confitarma and the secretariats of the three national labour organisations, has not been significantly affected by the bitter disagreements that have characterised internal relations among the labour confederations and external relations with the Government on issues of reform.

The platform of demands, in line with those presented in other industrial sectors, has not taken into account, in terms of requests for salary increases, the criteria contained in the protocol of 23 July 1993. The programmed inflation rates indicated by the Government have been challenged by the unions as unrealistic and far removed from actual inflation rates. In addition to the salary problems there are issues in the towing sector regarding local conflicts, as well as other questions in the sector of national coastal shipping involving eased terms for benefit payments.

Following patient efforts to work away at the problems, on 11 June 2003 negotiations for the renewal of the contracts reached a positive conclusion, without any divisions among the three union confederations and without the declaration of any strikes. The increases were partially differentiated, with a lower level contemplated for national coastal shipping activities.

On 1 July renewal of the collective bargaining contract for administrative employees was also completed. In December of 2004 the two-year economic period of the labour contracts will expire, and the parties will have to negotiate pay increases for the two-year period of 2005-2006.

In the month of September, the Government, acting on a mandate received from Parliament, issued legislative decree 276/2003 on the reform of the labour market (the Biagi Law). This measure consisted of a complex reorganisation of the various types of labour relations that go into an integrated system which meets corporate requests for flexibility. Implementation of a portion of the reforms requires agreements between the labour confederations, some of which are currently being reached, as well as regulations from the Ministry of Labour. During 2004, therefore, talks will have to be held with the unions for the application of certain forms of work contemplated under the Biagi reform to the sector of administrative employees.

Training and certification of crews

Scholastic reform

On 28 March 2003 legislation was approved delegating the Government to define the general regulations on instruction, together with the fundamental levels of performance in terms of vocational instruction and training. The guiding principle and criteria set under the law call for the second cycle of the new educational system of instruction and training to consist of the system of vocational training, under the control of the regional governments, and of the system of secondary schools, which includes secondary schools specialised in technology, along guidelines that correspond to the different training needs.

As part of the consultation activities tied to the implementation of the law, Confitarma must work to ensure that the technological secondary schools inherit the current procedures of technical instruction, and that the operating sectors which characterise the activities of the Italian maritime cluster have as their point of reference a corresponding technological strategy in secondary schools.

Seafarers' Identity Documents Convention, 2003 (SIDs 2003)

On 3 June 2003, the General Conference of the International Labour Organisation, during its ninety-first session, approved a convention entitled "Seafarers' Identity Documents Convention, 2003" regarding the identity documents of maritime workers. Under the convention, maritime workers will be required to possess an identity document that, in the form of a bar code, presents the individual's biometric features, including an electronic representation of the fingerprints of the holder of the document.

Once it has been implemented, the new Convention shall contribute significantly to reducing many of the concerns regarding the certainty of the identity of the thousands of maritime workers of different nationalities who travel across the world, at the same time allowing the workers to benefit from franchises in ports of call or to pass through the territories of the governments participating in the agreement at the moment of embarkation and disembarkation. The SIDs 2003 Convention will go into effect six months following ratification by at least two countries; within this context, Confitarma will make every effort to ensure that the ILO Convention on the identity documents of maritime workers is ratified and applied as rapidly as possible.

Reform of apprenticeship

With Legislative Decree no. 276 of 10 September 2003, the Government implemented the mandates it had received on employment and the reform of the labour market under Law no. 30 of 14 February 2003 (the Biagi Act).

Though measures modifying Legislative Decree 276/2003 on the reform of the labour market may be issued, and the operating effectiveness of the procedures referred to in its articles may vary, depending on the instruments of implementation that are adopted, close attention will have to be paid on the new rules and regulations of apprenticeship introduced by the legislation, in order to determine whether the new training practices are applicable to the maritime sector.

SSO Training

In the month of September 2003, the IMO – International Maritime Organisation – developed a model for a training course designed for "Ship Security Officers", a new onboard position contemplated under the ISPS code adopted by the IMO in the form of amendments to the SOLAS Convention.

No later than 1 July 2004, shipowners shall be closely engaged in developing company training programs for SSO, in accordance with the IMO course model, in addition to evaluating the training of each individual SSO for any ship with a gross registered tonnage greater than 500 tons. As regards requirements in terms of certification, together with the advisability of making SSO training a part of the STCW convention, the shipowners shall continue their effort of persuasion, in the hope of delaying examination of the issue by at least a year, in order to permit a more gradual enactment of the ISPS Code.

STCW – White List

During 2003, through the signing of additional agreements, efforts continued to confirm recognition of STCW certificates issued by non-EU countries to maritime workers employed on national ships.

Starting in August of 2004, the governments of the member countries of the IMO must present their five-year reports confirming maintenance of the qualitative standards that have allowed them to be ranked on the "White List". Along these lines, it is best to keep in mind that the I/8 rule of the STCW convention could have unpleasant consequences, given that a number of countries could revoke recognition of the certificates of those nations which no longer appear on the updated "White List".

Navigation safety and protection of the marine environment

MARPOL 73/78 – Amendment to Annex I

Phasing out of single-hull tankers and the transport of heavy oils

At the end of 2003, in the wake of the European-Community initiatives already implemented on the subject, and in response to the repeated requests of the European Commission for a re-examination of the international norms, the 50th MEPC (Maritime Environment Protection Committee) of the IMO –International Maritime Organisation – formulated and approved the new Rules 13 G and 13 H of Annex I of the MARPOL 73/78 Convention, in this way closing the second, and hopefully the last, cycle of discussions on modifications of the phasing-out dates for single-hull oil tankers, as well as the new measures for the transport of heavy oils.

In fact, the firm intent shown by the Commission, following the accident involving the tanker ship "Prestige", to make additional, thorough-going modifications on the standards for double-hulled ships recently introduced on the international level, has placed the IMO at a weight crosswords: it must either allow regionalisation of fundamental regulatory questions or it must accept re-discussion of a number of the key points of Annex I of the MARPOL Convention, meaning issues that had been addressed and resolved just a few months before the Prestige disaster. With a great deal of effort, and after heated debate, this second approach was chosen, and, as already mentioned, during the 50th MEPC, a satisfactory international compromise was reached, leading to the introduction of significant modifications in Reg. 13 G on phasing out, as well as the issue of the brand-new Reg. 13 H on the transport of heavy oils, together with a new Condition Assessment (CAS) model. Briefly put, the new Reg. 13 G calls for all cat. 1 tanker ships (the so-called PRE-MARPOL vessels – meaning the oldest ones) to be phased out of operation by the end of 2005; all cat. 2 tanker ships (those equipped with single hulls but segregated ballasts and known as MARPOL ships – the last vessels of this type) must, depending on the year and type of construction, be phased out no later than the end of 2015.

For category 3 vessels (tankers with a maximum capacity of 20,000/30,000 dwt, depending on whether they transport crude oil or refined products), the same limits contemplated for category 2 hold.

The other innovative norm adopted is Reg. 13 H on the transport of heavy oils (crude oil, fuel oil, bitumen), which prohibits, after 2005, the use of simple-hull ships for such loads, though the prohibition is postponed to 2008 for ships with a capacity of less than 5,000 dwt.

The last modification was made to the CAS system, meaning the technical regulation regarding the frequency and the extension of the inspections that a tanker of more than 15 years in age must pass in order to continuing engaging in commercial shipping.

The situation in terms of accidental spills of hydrocarbons

It is important to emphasise that, for more than thirty years now, there has been a significant reduction in the spilling of hydrocarbons in the sea as a result of maritime accidents. Even the recent, widely publicised incidents of the tanker ships "Erika" and "Prestige" are part of a trend that represents an improvement in the long term.

For that matter, the statistics demonstrate that the majority of marine pollution from hydrocarbons is not caused by the transport of oil but natural in origin or traceable to land-based factors.

PSC – Port State Control

In recent years, the Italian flag has succeeded in restoring its standing from a fairly unbecoming standing on the "grey" list to a more befitting situation, during the three-year period 2000/2002, on the "white" list. In 2003 this position fell slightly on account of the number of detentions registered during the year; in fact, after a fine start, the situation took a turn for the worse in the last third of the year, until a total of 13 ships had been detained by the end of 2003.

Continuation of this trend could damage the entire Italian fleet, especially in a period such as this, during which the highest possible quality is perceived as even more of a social duty than a commercial need. The unfavourable repercussions could be far-reaching, meaning that Italian shipowners must focus the utmost attention on these aspects of the operation of the vessels. Confitarma, in collaboration with the General Command, has undertaken numerous educational and organisational initiatives for some time now, in order to limit the number of detentions to the level inherently unavoidable, in this way keeping the Italian flag among those of the group on the "white" list.

Centro Emergenze Mare (Sea Emergency Center)

Confitarma is working on a project for the creation of a Sea Emergency Center managed directly by the shipowners in collaboration with Sviluppo Italia, in order to defend the perceived quality of vessels flying the national flag within the international community while making its own contribution to improving the protection of the naturalistic and tourist-related heritage represented by our seas and our coasts, side by side with Institution devoted to this aim. The project is a result of the will to create a structure capable of improving the timeliness and effectiveness of responses to maritime crises, facilitating communications between the various parties involved in the event of an incident: the ship, the shipowning company, the organisations that provide assistance at sea, the classification registers and the experts.

The Sea Emergency Center is designed to safeguard human lives at sea while providing the highest possible level of prevention of marine pollution through the full use, extended to all the subjects involved, of the potential currently offered by the most advanced systems for telecommunications and the management of emergencies.

Project

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SI SviluppoItalia

CENTRO EMERGENZE MARE S.r.l.

A UNIT THAT PROVIDES MONITORING AND SUPPORT FOR MARITIME CRISES

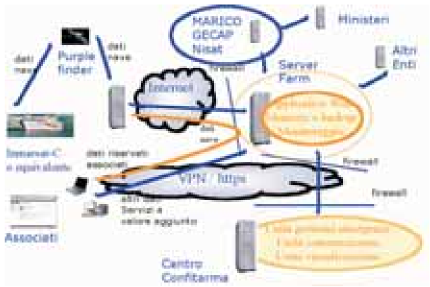
OBJECTIVES:
The Sea Emergency Center is a response to the intent to create a structure capable of:
- taking timely and effective action, facilitating communications between the various parties involved in maritime crises: the ship, the shipowning company, organisations providing assistance at sea, classification registers and experts;
- safeguarding human lives at sea;
- ensuring the highest possible level of prevention of marine pollution, doing so through the full use, extended to all the parties involved, of the potential currently offered by the most advanced systems for telecommunications and the management of emergencies;
- extending technical and information-based support to leisure craft.

HEADQUARTERS: GENOA.
A Crisis Room shall be established, equipped with a centralised system for the collection, management and transmission of vessel-data, both during crisis situations and ordinary operations, as well as a Purplefinder satellite system, centralised visualisation using videowall, a telephone switchboard with dedicated lines etc.

FUNCTIONS:
Ordinary functions:
- Monitoring of ship positions and transmission of vessel-data to the shipowning companies
- Automatic transmission of the ARES data to the MRCC operating centre of MARICOGECAP

Functions in the case of crises:
- Activation of the Crisis Room, where the "Crisis Team", which is operative 24 hours a day, meets
- Dedicated connections with the commander of the ship, the company, the relevant organisations, the classification company and other necessary parties, providing assistance and facilitating the exchange of information with the authorities responsible for the management of crises.

PERSONNEL:
Two managers responsible for operations and communications, three technicians assigned to the telecommunications and database system and two experts trained in operating and communications emergency intervention.



Environmental Protection

Italy is one of the leaders among European countries when it comes to defending the environment, thanks to the numerous initiatives of public and private institutions, which have led to the creation of a large number of protected areas, together with the optimisation of their management.

It is within this context that a working relationship was established with the Ministry of the Environment, in order to promote the Protected Areas of our country, in an awareness of their importance from both a strictly naturalistic perspective and in economic terms.

Project

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Ministero dell'Ambiente e della Tutela del Territorio

CONS.A.R. Consorzio Armatori per la Ricerca

FEDARLINEA ASSOCIAZIONE ITALIANA DELL'ARMAMENTO DI LINEA (Gruppo Tirrenia)

PROMOTION OF THE NATIONAL SYSTEM OF PROTECTED AREAS

OBJECTIVES

Contribute to the safeguarding of valuable nature areas by heightening the public's awareness of environmental defence and, at the same time, inviting it to visit the entire territory of Italy.

INSTRUMENTS

To achieve this result, use will be made, as a communications tool, of passenger ships, given that, in addition to being one of the most widely used means of transportation during the summer period, they also allow the public to know and discover protected areas from a different perspective.

Dedicated spaces will be made available on the ships, with posters, postcards, brochures and illustrated maps; films will also be shown on parks and nature reserves, and a photography contest will be promoted, with the prizes awarded during events organised in the main Italian ports.

Ballast Water Management Convention

After more than ten years of debate, the 50th Commission of the IMO for the Protection of the Marine Environment has at last drawn up the final text of the Convention on Ballast Water and Sediment, a document that was given definitive approval during a conference held at the IMO from 9 to 13 February 2004. Unfortunately, the text approved at the Conference, on account of the shortage of time for the discussion of points still left undecided, contains a certain number of ambiguities and does not respond in a clear and unequivocal manner to a number of irrevocable prerequisites of a norm applicable to the marine sector: what must a ship do, where must it do it, and when must this be done.

The first of these points– what must a ship do – may be the most accurately defined, and in fact, both new and existing ships must, if stipulated, change at least 95% of their ballast water during a voyage, with it being sufficient, in order to meet this requirement, to circulate through the ballast tanks a quantity of water equal to at least three times the volume of the tanks.

The responses regarding where and when, on the other hand, are tied to parameters that must still be determined. In terms of the where, for example, this change in ballast must be made at least 200 nautical miles from the coast, or 50 nautical miles, should it prove physically impossible to respect the previous limit, and in waters at least 200 m. deep; when it is not possible to observe the above limits, an alternative is to carry out the change in areas designated for this purpose by the neighbouring countries; all this without the ship having to detour from its route or undergo undue delays.

As for the when, it should be observed that the planned deadlines for implementation, 2009/2012/2014/2016, depending on the different types of situations, do not depend on the date of ratification, which is still unknown. The ratification date will be that on which at least 30 member countries of the IMO, representing at least 35% of the world's naval tonnage, will have endorsed the Convention; it is easy to foresee that this can prove to be a source of differentiated regional initiatives.

To avoid dwelling on technical or regulatory details that are not easily understood, the results of the Conference can be summed up as a new measure that will have a sizeable impact on shipowning activities in the future, but whose application is rather confused and subject, to a significant degree, to inconsistent individual and local forms of conduct.

External costs of maritime transport

Maritime transport is the mode that minimises the costs borne by the general public per km-ton of merchandise transported. With this in mind, maritime policy should point in the direction of environmental defence, avoiding measures that could damage the competitiveness of maritime transport (such as, for example, the reduction of sulphur levels outside of areas in which emissions are controlled) while favouring those for the integration of different modes of transport.

This is especially important for the opportunities offered by our country's the sea routes, which could provide a remedy for bottlenecks in the land transport network as well as a way of limiting its negative external effects.

This scenario is made all the more pressing by the motion passed by the Inter-Ministerial Commission for Economic Planning on 19 December 2002, in implementation of Law no. 120 of 1 June 2002 (ratification of the Kyoto Protocol to the Framework Convention of the United Nations on climatic changes), under which Italy has introduced its own plan for the reduction of greenhouse gases, identifying the "Motorways of the Sea" as the key to limiting the growth trend in CO2 emissions from the transport of cargo.

The measures passed in support of coastal shipping under the 2003 budget law can be considered a first step towards enabling the maritime system to contribute to compliance with the national objective during the period of 2008-2012.

Proposed European Community directive on reducing the level of sulphur in marine fuels

Within the European Community, there has been intense debate on the proposed modification of Directive 1999/33 regarding the level of sulphur in marine fuels utilised in European Community waters.

On a number of occasions, Confitarma has focussed attention on the weighty technical and economic consequences for the maritime industry, without substantial benefits for the environment, should the proposals of the European Commission and Parliament for fuel with a maximum sulphur content of 1.5% for regularly scheduled passenger ships and 0.2% for ships in port be approved. In addition to the adjustments that would have to be made in the systems of every category of ship, these proposals would constitute an unjustified penalty precisely for traffic on the Motorways of the Sea, as well as the ferries which provide connections to islands, despite the fact that such vessels already provide an environmentally and socially useful service to the country and the neighbouring states. What is more, the proposal proves contradictory with the European Community's own policies in favour of Short Sea Shipping and the Motorways of the Sea.

It should also be noted that the European Community initiative goes well beyond the requirements of the international legislation that will go into effect on 19 May 2005 (Annex VI of the Marpol Convention for the control of the atmospheric emissions of ships) and which already calls for a reduction in sulphur content in the most vulnerable areas of Europe. Confitarma hopes in a reformulation of the strategy by the European community institutions, in order to avoid a European asymmetry in a sector that is necessarily international and would prove especially damaging to the interests of our country. The directive should limit itself to implementing the measures of environmental defence contemplated under international regulations, as has already been done in the control of other factors of environmental impact in the maritime sector. Ratification of Annex VI by Italy as well would represent an important political signal in this sense.

Improvement in the quality of environmental management

As part of its policy for the promotion of quality in environmental management, an effort that already finds a number of Italian enterprises involved in advanced initiatives, Confitarma initiated in November of 2003 the EMAS SHIP Life Environment project, with the support of the European Commission, for the purpose of experimenting with EMAS regulation (the method of environmental management and auditing promoted by the European Union) onboard a number of ships, in addition to preparing guidelines designed for voluntary utilisation by maritime enterprises.

This innovative project will analyse the opportunities for integrating the current system of safety management and environmental *protection, already obligatory for ships engaged in international traffic, with a voluntary system geared towards the systematic collection of data on environmental performance, as well as the achievement of ongoing improvement.*

"Shipping with Emas" Project

EMAS SHIP

LIFE ENVIRONMENT Program

WITH THE CONTRIBUTION OF THE LIFE FINANCIAL INSTRUMENT OF THE EUROPEAN COMMISSION

Shipping with EMAS is an innovative project involving voluntary experimentation of the prerequisites of the European Community regulation EMAS II (Eco-management and Audit Scheme, Reg. no. 761/2001) in maritime enterprises. Proposed by Confitarma to the European Commission as part of the tenders for the Life Environment projects, it is meant to develop guidelines for the sector and methodological instruments capable of facilitating this approach to environmental management by the enterprises involved.

Objectives of the project

1- Carry out accurate experimentation on the prerequisites of the EMAS regulation, in order to evaluate any obstacles and identify solutions that could favour adoption of the regulation by maritime enterprises;

2- Draw up and disseminate among shipowning enterprises "best practices" and guidelines for the interpretation of the EMAS regulation in the maritime sector, supplementing the obligatory systems already implemented on land and onboard (Safety Management System, under the provisions of the ISM Code);

3- Reduce the cost to enterprises of learning and implementing the EMAS II regulation by making available a guide to the sector containing the recommended methodologies;

4- Promote environmental monitoring and support the continuous improvement of the environmental performance of maritime transport enterprises.

Project Partners:

D'APPOLONIA

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RINA

Security

Following the tragic events of September 2001, the traditional concept navigation safety, unanimously understood as the sum total of the rules and regulations applicable to the construction of a ship and to the safe management of its navigation, was suddenly joined on the world shipping panorama by the concept of "security", which refers to a set of new compulsory measures applicable to navigation enterprises, ships and ports for the purpose of preventing to the greatest extent possible, if not actually avoiding, the risk of terrorist attacks, sabotage and acts of piracy.

On the European Community level, the European Parliament and Council have adopted (EC) Regulation no. 725/2004 on improving the security of ships and port systems, a measure that transposes into European Community legislation the IMO standard of 2002 regarding the prevention of acts of terrorism against ships (ship/port interface), established through amendments to the SOLAS Convention, and in particular the new Chapter XI-2 and the adoption of the ISPS Code. The objective is to guarantee application of the international norm no later than 1 July 2004 for international traffic (ships for the transport of cargo and passengers), ensuring harmonised application in the member countries.

This norm specifically calls for the adoption of security plans regarding the ships, the companies and the port facilities, as well as the appointment of officials in charge of security onboard (Ship Security Officer), for the individual navigation companies (Company Security Officer) and for the port facilities (Port Facility Security Officer).

The two innovative aspects of the Regulation are the extension of the field of application to ships operating in national traffic segments starting from 1 July 2005 (class A passenger ships), to their companies and to the port facilities that serve them, along with the possibility that the member countries will have, starting from 1 July 2007, to modulate application, following on obligatory evaluation of security risks, of the measures of the Regulation to other categories of ships that perform national coastal shipping services (cargo and passenger, classes B, C and D); plus the fact that certain sections of part B (status of recommendations) of the ISPS Code have been made obligatory.

On the national level, an Inter-Ministerial Committee for Safety in Maritime Transport (CISM) was established in January of 2003 under the auspices of the Ministry of Infrastructures and Transportation, with the task of coordinating the entire sector and, namely, overseeing the application in Italy of the new International Ship and Port Facility Security (ISPS) Code adopted by the IMO in 2002 and made obligatory through its inclusion, by means of amendments, within the 74/78 Solas Convention.

The CISM soon confirmed that the implementation of the ISPS international code – planned for 1 July 2004, when it will involve *approximately 43,000 merchant units throughout the world – is a source of serious concern for the Italian shipowners affected. In fact, the Code is to be applied to the entire Italian fleet engaged in international traffic (approximately 500 ships), which, in order to be able to operate, must possess a safety certificate issued, following completion of a complex procedure, by the Coast Guard Command.*

The problem is that the preparation, presentation, examination (having first received the opinion of the Ministry of Internal Affairs as well) and subsequent approval of the paper version of the ship safety plan – all phases that precede the technical inspection of the fleet, wherever it happens to be, for issue of the final certificate – call for periods of time that appear to be far greater than those granted under the ISPS Code.

With this in mind, the shipowners have requested that the Administration delegate to the RSO (Recognised Security Organisations) at least the task of inspecting the ship engaged in continuous navigation abroad, as, for that matter, is being done by the majority of maritime countries, with the exception of the English government.

In more general terms, an unmistakable conflict of jurisdiction can be observed between the ministries (of Transportation and of Interior Affairs) and the other entities (port authorities and the coast guard command) involved in the area of Maritime Security, a situation that has led to significant delays, above all else, in the issue of the guidelines necessary for port security.

As part of the strategy of the European Commission, which is geared towards reinforcing the security policies of the entire transportation chain, a directive proposal was approved in 2003 extending to the entire port area the rules and regulations on maritime security currently applied to port facilities, with a certain degree of flexibility, in order to take into account specific national and local characteristics.

The legislative process involving this proposal is still underway and is also waiting for the results that will arrive from the proceedings of the IMO-OIL workgroup (International Maritime Organization/International Labour Organization).

Project

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REMOTE MEDICINE

Telemar

The objective of **remote medicine** is to provide medical assistance to patients located far from health-care centres by means of telecommunications and IT.

The World Health Organisation provides the following, more precise definition: "The supply of services of care and assistance, in situations where distance is a critical factor, by any health-care operator, through the use of IT and communications for the exchange of information useful to the diagnosis, the treatment and the prevention of illnesses and traumas, as well as to research and evaluation, plus the ongoing training of health-care personnel, all in the interests of the health of the individual and of the community".

Today, performance must be evaluated not only in terms of the speed of transmission, but also the flexibility and overall security offered by the communications system utilised, in terms of both the integrity of the data and the rapidity of the connection.

Telemar S.p.A., through the development of terminals for the satellite transmission of data, installed onboard almost all the ships that make international voyages, together with the creation of specific remote-medicine diagnostic applications, provides solutions capable of transmitting large quantities of valuable information in support of long-distance diagnosis and medical procedures for ships at sea.

Use of the satellite systems already present onboard the ships, together with the Telemedicina kit, implemented in collaboration with the C.I.R.M. – International Radio Medical Centre, in operation since 1935 - provides an instrument of great social value and security for the safeguarding of human lives at sea.

With its presence, **Telemar S.p.A** demonstrates its support for the development of onboard remote-medicine applications, which can also be integrated with the Confitarma Crisis Centre.

Issues involving ports

Port labour

The sentence has been handed down on the challenges brought before the Regional Administrative Court of Latium during the year 2002 against Ministerial Memorandum no. DEM3/382 of 7 February 2001 and the relevant ordinances of application of the port authorities, which made it obligatory for all authorised port enterprises, including ships operating on a self-handling basis, to apply the collective bargaining contract contemplated under art. 17, paragraph 13, of Law no. 84/1994, signed on the date of 1 February 2001 by the union organisations of the port workers, Assoporti and other associations. The Regional Administrative Court held the motives of the challenge to be well founded, specifically declaring that it was impossible to extend to other workers the economic and regulatory conditions of a national collective bargaining contract that, by law, can be applied only to temporary port workers.

It is not yet known what initiatives the Ministry intends to take in this area. It is nevertheless to be hoped that the sentence will be implemented in full.

Proposed Directive of the European Commission on Port Services

Following a legislative process filled with difficulty, the European Parliament, in a plenary session held on 20 November 2003, defi-

nitively rejected the joint project, approved by the Reconciliation Committee on the date of 29 September 2003, regarding the proposed directive on access to the market for port services.

Following this rejection, the European Commission nonetheless declared that it shall continue to ensure application of the principles of free competition to this sector, analysing the individual concrete cases brought to its attention. The project, for that matter, would not appear to have been completely written off, given that a number of sources within the European Community have expressed the steadfast intention to revive the issue with a new directive proposal that takes advantage of the experience acquired in the field.

Waste produced by ships

In June of 2003, Legislative Decree no. 182 was issued, in implementation of Directive 2000/59/EC regarding port facilities for the collection of the waste produced by ships and loading residues.

The objectives of the Directive were to reduce the discharge of waste in the sea, as well as the loading residues produced by ships, in addition to improving the availability and use of the related port collection facilities. The new regulations apply to all ships, regardless of the flag they fly, that stop in Italian ports, including fishing ships and leisure craft.

Legislative Decree no. 182 of 2003 presents significant points of innovation, both in terms of managing waste and loading residues from ships and as regards the fee schedules for the related services. Given the complexity of the measure, Confitarma has contacted the Ministry of the Environment and the various coast guard offices on more than one occasion in order to clarify doubts that regard the interpretation of the decree and could give rise to applications that conflict with the letter or the spirit of the Directive.

What is more, highly critical operating situations have arisen for oil and chemical tankers following the decision on the part of refineries and coastal storage facilities to suspend the service involving collection of the washing and bilge water of ships, on account of the increased economic and bureaucratic burdens resulting from Legislative Decree no. 182 of 2003.

The recent issue of art. 10-bis of Law no. 47 of 2004 introduced a temporary solution to this problem, until such time as rules and regulations can be issued on the simplified procedures contemplated under arts. 31 and 33 of Decree no. 2 of 1997 (the so-called Ronchi Decree). Also contributing to the resolution of other difficulties arising from the implementation of Legislative Decree no. 182 has been the issue of a memorandum by the Ministry of the Environment and the Defence of the Territory, providing important clarification on a number of controversial aspects of the measure.

Towing

Following a lengthy preparatory phase, the Ministry of Transportation and Infrastructures issued Memorandum no. DEM3/1589 of 17 June 2003, containing the new criteria and mechanisms for the determination of fees for port towing services, thus achieving practical implementation of the legislative measures contained in art. 14, paragraph 1-bis, of Law no. 84 of 28 January 1994 for this service as well. The new measures entail significant modifications in the previous ministerial instructions regarding the determination of service fees for towing, and they shall first be applied during the two-year period of 2004-2005, starting from the month of April 2004.

Piloting - Docking – Maritime Consignees

Starting in January of 2003, new piloting fees valid for the two-year period 2003-2004 went into effect for Italian ports. This adjustment, made following a lengthy preparatory process on the part of the Ministry, led to an average national weighted increase of 2.59%, with inviolable thresholds of +5% and–5% in the individual ports. Within the Ministry, work was begun to resolve a number of major problems identified during the preparation of the fees, in particular revision of the current system for the distribution of the shares for retired pilots and their survivors, as well as extension of the VHF piloting service to national ports. Efforts must also be made to revise the fee formula and draw up a proposal involving fee subsidies for coastal shipping traffic falling under the Motorways of the Sea project.

Also in 2003, the Ministry began preparatory work for renewal of the fees for docking and tugboat services performed in national ports by the Docking and Tugboat Groups. The preparatory phase concluded with the issue by the Ministry of a memorandum stipulating the adjustment of the fees for these services for the two-year period 2004-2005, starting from 1 February 2004. Said adjustment came approximately 8 years following the last real increase, resulting in variations that differed from port to port, with an average weighted increase on the national level of +3.35%. In order to provide an incentive for the maritime transport of people and cargo, in line with the need for a modal rebalancing of the national transportation system, it was established, during the preparatory work by the Ministry on the fees, that the new fee decrees would include an eased-term fee for docking and undocking services provided to ferry, ro-ro, passenger, cargo and mixed vessels travelling maritime routes that regularly connect two or more ports, and that, in ports of call where there was no eased-term fee for this category of ship, there would be a reduction of no less than 25% in the basic fee, with the exception of a limited number of cases regarding minor ports and identified during the background work by the Ministry.

During 2003 the fees for maritime consignee agents were also adjusted, following a preparatory phase by the Ministry, for the two-year period of 2003-2004, with an increase of 4% and validity from 1 February 2003 to 31 December 2004.

Communications

Italy is a country closely tied to the sea and ships, both geographically and historically. A large portion of Italian history, culture and economics can trace its origins to the nation’s maritime component. Nevertheless, Italians would appear to have suppressed their ties to the sea and to maritime culture, neglecting not only the related practical functions but also the role of the sea in the collective imagination and importance of maritime lifestyles. The media, for example, highlight the maritime primarily when a disaster occurs at sea.

At present, the demands of development, together with logistics and collective conditions, would seem to make possible an effec-

tive revival of maritime culture in Italy; the sea, for that matter, represents a storehouse of environmental and social resources for Italy, though it is frequently undervalued or almost forgotten, even by government institutions. Steps must be taken, therefore, to strengthen its presence and image, so that the sea can produce all the added value it is capable of offering.

With this in mind, Confitarma has drawn up the program "Italia in Navigation", a container holding eight projects designed to contribute to the revival and rediscovery of maritime culture in Italy and Europe, focussing on culture, local territories, image, promotion, the social sphere, communications, interests and knowledge. The program, presented to the President of the Republic on 22 March 2004, views as indispensable the involvement of all the parties operating in the maritime world, from business enterprises to institutions, without which it would not be possible to undertake a credible revival of the sea in Italy.

Project

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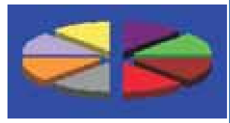
ITALY IN NAVIGATION

Program for the revival of the culture of the Sea and Shipowning



The Italy in Navigation program is a "container" of complementary projects and activities that create synergies, all working towards the same goals, though each addresses different aspects, some of which wing up overlapping.

Italy in Navigation specifically consists of eight different projects capable of contributing to the revival and rediscovery of the national maritime culture by addressing an equal number of areas, such as: culture, local territories, image, promotion, the social sphere, communications, interests and knowledge.

The program is continuously being elaborated and updated, making it possible to introduce new proposals and modify the initiatives already activated.

PROJECT	FOCUS
Horizons of the Sea	Culture
Roaming … Italy by sea	Local Entities
Sea Day	Image
The Sea for the Sea	Promotion
A sea … of solidarity	Social Sphere
Communicating the sea	Communications
The forums of convergence	Interests
Notebooks of the sea	Knowledge

The Projects

Horizons of the Sea – A forum for cultural reflection by the Italian Shipowners Confederation

Disseminating, promoting and sustaining the culture of shipowning, freeing it from the isolation that surrounds it, organising a cycle of encounters on different themes with experts from both inside and outside of the sector, based on a survey of Italians carried out for the project. The initial themes:

6 July 2004: The Italians and the sea: a passion without trust
October 2004: Media and navigation: a possible match?
November 2004: Young people and work, what prospects for those who choose the sea?

Roaming … Italy by sea – Italian navigation enterprises encounter the local territory

Weaving anew a network of relations and direct links with the individual local realities, thanks to a travelling cycle of encounters in all the ports of Italy, during which representatives of the different sectors involved in maritime and port-related themes (municipalities, provinces, regions, local associations, chambers of commerce, ports, independent operating entities, universities….) will be called on to express their thoughts.

The calendar for the first events:
26 March 2004: Leghorn
1 April 2004: La Spezia
11 May 2004: Trieste
10 June 2004: Genoa
2 July 2004: Savona
September 2004: Napoli
October 2004: Cagliari
….

Sea Day

Every city on the sea, as well as other municipalities, will open its maritime museums, aquariums, ports and arsenals to visitors free o charge for the entire day, with civilian and military ships also open for tours.

The goal is to remind Italians of the resource represented by the sea and its men, rediscovering the beauty of this world.

The Sea for the Sea – Ships as vehicles of communication for the safeguarding of the environment

The objective is to undertake initiatives and proposals that can function as a contribution to the maritime world by the maritime world itself.

Currently under consideration are different activities capable of increasing the synergies within the maritime sector and navigation, including:

Promotion of protected marine areas onboard all Italian passenger ships
Financing of scholarships for orphans of sailors through the sale of gadgets onboard passenger ships
Promotion of the maritime sector at all the possible sites for its activities

A sea … of solidarity

Shipowners do not forget the less strong, those who are in difficulty. Throughout time, ships has served as vehicles of hope for all men forced by hunger and adversity to leave their native lands.

Communicating the sea

This operation amounts to a full-fledged revival of the maritime world and the shipowning sector through every possible media channel: the printed press, radio and television must be made aware of the economic and social role played by the maritime cluster in the Italian economy.

The forums of convergence

An idea meant to bring the spheres of finance, local territorial entities and communications closer to the grand sector of the Sea through the establishment of three permanent roundtables: one with financial operators, one with communications professionals and one with representatives of local territorial entities.

Notebooks of the sea

An instrument for work, knowledge and popularisation of the sea, to be held at least once every six months. Subjects: in-depth examinations, statistics, data etc..

PART TWO – THE DATA

Maritime traffic

World maritime traffic

In 2003, world maritime commerce, with a volume of 5.84 billion tons of merchandise transported, registered an increase of 4.4% over the previous year.

The demand for maritime transport services, defined in terms of both quantity and distance and equal to 24.589 trillion nautical mile/tons, showed an increase of 5.5%, compared to the modest growth of 0.2% registered in 2002.

In 2003, the majority of maritime markets recorded positive results, albeit with significant variations in the course of the year.

Crude oil and oil products

In 2003, the transport of oil by sea registered an increase of 4.1%, a result of the sharp rise in demand from China, as well as the economic recovery in the United States and the frigid climate (+3.9% for crude oil and +5.1% for oil products).

In general terms, there was an increase in the production of oil, despite the only modest rise in the market share of the OPEC countries, while the exportation of oil from Russia continued to climb.

Measured in nautical mile/tons (10.485 trillion nautical mile/tons), maritime transport of crude oil increased by 6.1% while the transport of oil products rose by 4.9%.

Gas and chemical products

High levels of activity and increased traffic characterised 2003 for the LNG (liquefied natural gas), thanks in part to the stability of prices and the start-up of new extraction projects.

The strong demand, especially from Japan and the United States, also served as an incentive for production to reach maximum levels. Overall, LNG traffic grew by 8%, from 112 million tons in 2002 to 121 million tons in 2003.

Traffic in chemical products was more problematic, on account of the persistent uncertainties in the financial situation of the pertrochemical industry, to which increased prices of oil and refined products, plus the cost of transportation, also contributed.

The weakness of the dollar against the euro undermined the competitiveness of European exports. Only traffic towards China exceeded all expectations.

Dry bulk commodities

At a figure of 2.34 trillion tons for 2003, dry bulk commodities registered an increase in traffic of 3.6%, thanks primarily to an additional increase of 6.1% in steel production worldwide, and especially in China, which recorded peaks of 21%.

Maritime traffic in ferrous minerals rose from 484 million to 540 million tons, and traffic in coal from 570 million tons to 610 million tons.

Grain traffic, on the other hand, went from 245 million to 240 million tons.

Line traffic: containers and wheeled vehicles

In 2003, traffic in container loads registered a further increase of 10.2%, compared to 2002. Once again, the Asian ports were the leaders, accounting for 54% of the containers moved, with Chinese ports performing especially strongly. In 2003, the port of Hong Kong retained first place, registering more than 20 million teu, followed by Singapore (18.1 million teu). Seven Chinese ports were ranked among the top 30.

Looking at the western ports, Los Angeles registered an increase of 17.6%, while only three European ports showed significant rises (Hamburg +14.2%, Antwerp +14% e Algeciras +12.9%).

Traffic in wheeled vehicles showed an increase of approximately 5%: Asian exports towards the Mediterranean rose (+17% from Korea and +14% from Japan), while those destined for North America dropped.

Cruise ships

Despite the unfavourable political and economic scenario, the cruise ship sector reacted better than other industrial sectors tied to tourism, thanks to the significant flexibility of the distribution of the fleets, which made possible significant growth, and to the commercial policies adopted, especially in the European area.

According to forecasts, 2004 should reach the same levels as 2003, followed by annual increases of 5% between 2005 and 2009, the year in which the 15 million passenger mark should b e exceeded.

European maritime traffic

Despite the general economic difficulties of 2003, the European Union confirmed its role as the main protagonist in world trade.

70% of the foreign trade (1.33 billion tons) of the European Union and approximately 20% of the merchandise traded between the member countries travels by sea. And these percentages rise, respectively, to 90% and 43% when consideration is given to the distance travelled, quantifying the data in kilometre/tons.

During 2003, in particular, an increase of 10% was registered in the movement of containers in the primary European ports.

Maritime traffic in Italy

The initial data available show an extremely positive trend for the traffic in Italian ports, with a general increase traceable, in large part, to solid bulk cargo and miscellaneous merchandise, which account, respectively, for 19% and 38% of the total traffic.

The transport of bulk liquid cargo, on the other hand, registered a more modest performance.

As for maritime transport of passengers, following a 2002 characterised by uncertain results, 2003 registered significant growth in the demand satisfied, with an upward trend, based on the available data, of 6.8%.

In 2003, container traffic in Italian ports showed an overall increase of 8.4%, a positive result, in light of the total increase of 25.15% during the four-year period of 2000-2003.

On the other hand, in terms of the gradual acquisition of container traffic by Italy's main ports, at the expense of the other ports of Europe, lower results were recorded in 2003. Looking at the 20 main European ports considered, only 10.7% of the Teu moved in addition to the quantity for 2002 involved Italy's 6 main container ports (Gioia Tauro, Genoa, La Spezia, Taranto, Leghorn and Naples), compared to 22% for 2002. (cf. the table on pg. 41)

What is more, in 2003 the regularly scheduled lines that meet the definition of Motorways of the Sea presented a weekly offer of 205 departures and 520,000 linear metres of capacity between Italian ports, an offer which, in recent years, has registered growth rates of more than 100%.

On a weekly basis, international connections offer non-obligatory maritime traffic 146 departures and almost 105,000 linear metres, for respective increases of 21% and 103%, with this holding true for service in the Mediterranean as well.

The fleet and naval construction

World fleet

In response to the increase in the demand for transport by sea, an additional increase of 2.9% in the load capacity offered by the world fleet has been registered. Based on the statistics of the IsL of Bremen, as of 1 January 2004 the size of the world fleet was 570.325 million tons of displacement and 840.355 million tons of capacity.

Despite the rise in traffic and the high levels of the charter market in all sectors, there were numerous demolitions in 2003, equal to 1,132 units, the equivalent of approximately 32.7 million dwt, including, in particular, 336 tanker ships (20.7 million dwt) and 156 bulk cargo carriers (6.6 million dwt). 45% of the demolitions consisted of general cargo, at 518 units (4.1 million dwt), while only 7 of the 49 container ships demolished had a capacity of more than 2,000 teu.

The year 2003 confirmed the frequent propensity to enter ships in the free certification registry, which accounts for 52.6% of the world fleet. Also recorded in 2003 was an increase of approximately 1.4% in the tonnage entered in foreign registers, for a total equal to more than 64% of the overall world tonnage. The tonnage entered in national registers, on the other hand, fell by 0.6%.

World shipbuilding

At the end of 2003, the worldwide portfolio for the construction of new ships was equal to 3,722 vessels, making for 113.8 million tons of displacement (71.3 million compensated gross registered tons). During the year, 935 units were completed, for 27.1 million tsl (16.8 million tslc). In the course of the year, a new record was set, making for an increase of 80% over 2002 and a total of 36.8 million tslc.

An increase of 118% was registered in the demand for standard ships (bulk carriers, containers, general cargo, oil tankers), with a total of 29.5 million tslc, due primarily to requests for large container ships and tankers, while orders for ships employing high technology (chemical and gas tankers, and ferries) showed a 5% increase in demand, at 6.8 million tslc.

Once again Korean shipyards were the leaders worldwide, with a market share of 46%, having doubled their volume in terms of the number of contracts obtained, at the expense of other Asian shipbuilding industries as well, wit the exception of China, which gained 6 percentage points. Taken as a whole, the shipyards of the Far East accounted for 86% of world orders, while European shipbuilders registered a record low of 7%. The increase in the Korean market share not only confirms the country' supremacy in the area of standard ships, but also reflects its entry in the sector of high-tech vessels.

52% of all orders for new vessels come from European shipowners, but only 11% of this volume has been assigned to European shipyards, while 59% went to Korean shipbuilders, 13% to Chinese yards, and 17% was divided up by Japan and the rest of the world.

Italy held fourth place in the world ranking, moving past Poland, and it ranks first among the EU countries, followed by Germany. Our country is the leader in the construction of cruise ships, with orders for 9 units (50.1% of the total orders) and in the construction of mixed passenger ferries/ro-ro cargo ships, with 11 units (20.6% of all orders worldwide).

The world tanker fleet

The world tanker ship fleet increased by 3.9%, reaching 290 million dwt, following the high level of new deliveries, equal to 30.7 million dwt. The orders for new tanker ships (79.6 million dwt), equal to 27.4% of the existing fleet, were greater than the level in 2002.

The majority of the sales of tanker ships for demolition took place in the second half of the year, and it can be expected that the new rules of the EU and the new calendar of the Imo for the removal from operation of single-hull tanker ships will have a notable influence in the future: in 2003 sales were made of 27 VLCC units (Very Large Crude Carriers) for demolition.

The fleet of gas and chemical tankers

The fleet of LPG ships increased by approximately 13% compared to 2002, reaching 17.8 million tons of capacity. The market regi-

stered improved trends, compared to 2002, in this sector as well, especially with regard to smaller size units.

World fleet of bulk cargo ships

The fleet of bulk cargo ships (303.6 million dwt) grew by 2.7%.

During 2003, the amount of deliveries, equal to 12.1 dwt, fell compared to 2002, but the volume of orders increased, reaching a total of 45.8 million dwt, or the equivalent of 15.1% of the existing fleet.

As for ships designed for combined loads (12.1 million dwt), an additional reduction of 3.9% was recorded in a year when there were no deliveries and no orders.

The world container ship fleet

In 2003, the world container ship fleet grew by 9.4%, going from 5.97 million teu (Twenty Feet Equivalent Unit) to 6.53 million teu. The order portfolio also increased during the year, reaching 2.58 million teu, the equivalent of 40% of the existing fleet.

The world fleet of cargo and passenger ferry ships

At the end of 2003, the world fleet of ferry ships for cargo and passengers was equal to approximately 3,480 units, making for 27.2 million gt.

In particular, the fleet of car-carrying ships with a capacity of more than 1,000 vehicles registered growth in 2003, reaching 465 units by the end of the year. Given that more than 25% of the car-carrier fleet is aged over 20 years, there have been numerous orders for new construction (80 units, compared to 45 at the end of 2002), and it is forecast that a large portion of the existing ships will be taken out of service as soon as new, more adequate tonnage is available.

In 2003 Italy also ranked among the leaders in terms of ro-ro ship fleets. It was the leader in load capacity in mixed passenger/cargo ferries, and it held third place for ferries carrying cargo alone.

The passenger ship fleet

At the end of 2003, with its 1,443 vessels and 11.7 million gt, the passenger fleet accounted for 3.6% of the number of ships in the total world fleet and 2.1% of its tonnage.

As of January 2004, there were 180 passenger and mixed vessels, making for approximately 2 million gt. In addition, 90% of the deliveries made in 2003 consisted of cruise ships. During 2004, 11 new cruise ship units are scheduled to go into operation, offering approximately 24,800 beds.

The European fleet

In 2003, the fleet of the European Union recorded growth of 11%, reaching 12,432 ships, for 92 million tsl and 123 million dwt. The fleet registered in the member countries accounts for 15% of the world total, though, if the fleet controlled by these countries but flying foreign flags is considered, the percentage climbs to 40%.

From 1 May 2004, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovakian Republic and Slovenia become members of the Union, while Bulgaria and Rumania will join in 2007.

With the arrival of the ten new members, including Cyprus and Malta, whose registers account for a noteworthy quantity of maritime tonnage, the fleet of the enlarged EU accounts for 26% of the world merchant marine fleet.

European shipbuilding

2003 was another year in which European shipbuilding suffered on account of the competition from the Far East. In fact, of the orders placed by European shipowners, representing 52% of orders worldwide (19.3 million tslc), only 11% of this volume was assigned to EU shipyards, while 84% went to shipyards in the Far East (59% Korea, 13% China, 12% Japan).

To address the problem of the competitiveness of European shipyards, an issue that has strategic and military ramifications as well, the European Commission established a high-level advisory group for the Leader SHIP 2015 initiative; the group's report was published in October of 2003, followed in November by a communication from the Commission, which put forth the following guidelines: place shipbuilding on an equal footing worldwide; improve investments in research, development and innovation; develop advanced programs of financing and guarantee, employing to this end institutions such as the European investment bank; promote the establishment of safer fleets that are more compatible with the environment, as well as short-range maritime transport; establish a European approach to the demands of military shipbuilding; protect intellectual property rights; guarantee access to qualified workers; build a sustainable industrial structure.

In December of 2003, a new set of European regulations was issued on state assistance to naval construction (2003/C317/06), replacing those published in 1999, which were about to expire. The aim of the new measures was to eliminate, to the greatest extent possible, differences between the regulations applicable to the sector and those meant for other industrial activities, extending the rules of a general nature to naval construction. Direct or indirect aid tied to a single naval construction contract is no longer permitted, whole aid for research, development and innovation is, along with funding for the closing of shipyards, aid favouring employment and regional aid, including naval credit initiatives that meet the OECD rules.

With the introduction of Regulation (EC) no. 502/2004, the temporary mechanism designed to protect and support naval construction in European shipyards was extended for a year, through 31 March 2005. This defensive mechanism went into effect in July of 2002, after the Commission had initiated the procedures for the resolution of the controversy involving Korea within the framework of the World Trade Organisation (WTO).

As previously, direct aid to European shipyards, at a maximum intensity of 6% of the contractual value of the ship, established to support construction contracts only in specific segments of the market that are most exposed to Korean competition (container ships, chemical and oil tankers, or ships for the transport of liquefied natural gas), is considered to be compatible with the common market in instances where a Korean shipyard is competing for a contract and bidding at a lower price.

The Italian fleet

At the end of 2003, the Italian-owned merchant fleet consisted of 1,407 ships, for a total of 10,775,799 1 gross registered tons, distributed as follows:

- *more than 1,000 gt: 676 ships, the equivalent of 10,537,899 gt*
- *from 100 to 999 gt: 731 ships, the equivalent of 237,900 gt*

Compared to 2002, the tonnage increased by about 4% while the number of ships fell by 2%.

There were 1,403 ships flying the Italian flag, making for 10,706,439 gt, thanks to the large number of newly constructed vessels and, even more importantly, the numerous entries in the Italian International Register; more than 99% of the Italian-owned merchant fleet flies the Italian flag.

There were 406 vessels flying the Italian flag entered in the International Register, making for 8,150,468 gt; the number entered in the Ordinary Register is 997, for 2,555,971 gt..

There were 4 Italian-owned ships temporarily flying foreign flags (bareboat charter), for 69,360 gt, representing approximately 1% of the overall tonnage.

The portion of the fleet controlled by parties whose capital is entirely or primarily private is equal to 94% of the total.

The Italian fleet confirms its status as a young fleet, both in absolute terms and compared to the worldwide average: 55% of the ships are less than 10 years old, and 34% are less than 5 years in age, with an average age of 12.

Naval construction in Italy

During the period 1994-2003, delivery was made of 457 units, for 6.2 million gross registered tons.

During the last five years Italian shipowners have inevested almost 9,5 billion euro for the construction of 275 new ships.

The budget act for 2004 has allocated 10 million EURO for 2004 in order to make possible application of (EC) Regulation no. 1177/2002, stipulating that the procedures for the concession of the funding are to be set under a decree of the Ministry of Infrastructures and Transportation, whose implementation depends, in any event, on prior authorisation from the European Commission, and on whatever conditions the Commission stipulates.

In addition, refinancing was provided for Law no. 88 of 2001, whose incentives have led many shipowners to make investments: however the funds allocated for this purpose by the 2004 budget act are insufficient.

The charter market

In 2003, increased demand had a positive influence on all the sectors of the charter market, with a number of distinguishing characteristics.

The oil market

After the extremely low levels recorded in the summer of 2002, and the spectacular resurgence at the end of the same year, the figures for charter activity in the oil sector, both spot and voyage, were characterised in 2003 by high points followed by sharp drops.

Charters of VLCC, Suezmax and Aframax showed extremely irregular results that fluctuated and varied significantly from one month to the next, if not from one week to the next. The units used for the transport of oil products also registered, as a rule, significant fluctuations and rapid changes in trend, with the dimensions of the vessels and the routes naturally playing a role as well.

Gas tankers

Generally speaking, 2003 was also a good year for the transport of gas (LNG-liquefied natural gas - and LNG-gas from liquefied petroleum), though the results differed somewhat between the various types of units employed, based both on the size of the ships and the type of products transported. On the average, the variations fluctuated between 3% and 13%, with peaks of 40% for the larger units.

Chemical tankers

Despite the difficulties posed by the market, the performance of chemical ships charters remained strong in 2003.

Dry bulk cargo

After recording the lowest levels up through the third quarter of 2002, bulk cargo charters registered constant increases up through the third quarter of 2003, following which they showed exceptional year-end growth, calculated at 174% by the Baltic Dry Index. Especially spectacular was the growth in Capesize, which registered a 190% increase in the space of a year.

Container ships

The performance of container ship charters stayed at rather elevated levels during 2003, due mainly to the healthy demand from the Chinese market. The Europe/Asia routes, in particular, registered growth reaching peaks of 42% compared to 2002, while the routes from Asia to Europe or North America showed average increases of 30% to 45% during the year.

Cruise ships

Following the events of September 2001, the cruise ship companies began revising their commercial policies, a process that continued in 2002, allowing them to attract clients and achieve generally positive results, which led to new price increases. The political situation in various areas of the world, as well as the fear of terrorist attacks and epidemics, have obliged operators to avoid cruises in the Persian Gulf and the Suez Canal, in addition to making travel in the Pacific and Indian oceans problematic. Prices were not increased during 2003 but stayed at historic lows on account of the intensive competition between the companies to attract American and European passengers, who are always extremely hesitant, on account of world events.

Confitarma's organisation

Heir to a tradition of association activities involving the operators and owners of vessels and dating back to the start of the century, CONFITARMA – the Italian Shipowners' Confederation – pursues the following objectives: promoting the development of the Italian merchant marine within the framework of a policy that optimises and highlights maritime transport; representing the shipowning industry in contacts with political and administrative authorities, as well as all public and private entities, on both the national and international levels; signing labour and economic agreements, in addition to collective bargaining contracts; representing and safeguarding the members in dealing with labour and economic issues of general and specific interest; providing information and consulting to the members.

CONFITARMA also represents more than nine-tenths of the Italian merchant fleet, bringing together navigation enterprises and shipowner groups that operate in all sectors of cargo and passenger transport, as well as cruise operations and auxiliary traffic services.

CONFITARMA is directly represented in the National Council of Economics and Labour (CNEL) and in the Social Security Institute for the Maritime Sector (IPSEMA); it belongs to the Italian General Industrial Confederation (CONFINDUSTRIA) and the National Federation of Systems and Modes of Transport and Connected Activities (FEDERTRASPORTO), and it is a founding member of the Italian Maritime System Federation (FEDERAZIONE DEL MARE), of Short Sea Shipping – Italian Promotion Office – and of the Italian Distribution Council – National Logistics Agency (IDC); in addition, it actively participates in international organisations that include: Baltic and International Maritime Council (BIMCO), Council of European and Japanese Shipowners' Associations (CENSA), European Community Shipowners' Associations (ECSA), International Chamber of Shipping (ICS), International Shipping Federation (ISF), International Maritime Organization (IMO) and International Labour Organization (ILO).

Young Shipowners

The Young Shipowners group was founded on 28 June 1995, after six months of informal activity, in implementation of art. 26 of the confederation by-laws, with the following objectives as an association:

promoting among young shipowners an awareness of the ethical and social function of free enterprise and of the related responsibilities of the entrepreneur;

examining in depth topics of far-reaching strategic importance regarding the shipowning industry and the maritime system as a whole;

contributing to the constant effort to keep Confitarma in step with the changing economic and social conditions of the shipowning industry, as well as to the training of new candidates for the management of enterprises and the related association activities.

There are roughly fifty members of the Group, including shipowners, the children of shipowners and managers and personnel of the member enterprises directly involved in the business sectors represented by Confitarma.

The Young Shipowners play an active role in the life of the Confederation. Their President is automatically a member of the Board and the Executive Committee, and they are widely represented on the Advisory Commissions that contribute to the development of the main themes of the shipowning industry and the maritime system.

In 2003, the Young Shipowners contributed to the creation and the organisation of the second Seamaster in Economics and Maritime and Port Business Techniques planned by Confitarma and the Port Authority and Provincial Government of Savona. The course, financed with the funds of the European Union, is designed to train professionals by providing them with the knowledge, skills and aptitudes needed to draw up the managerial, economic and financial programs of navigation and port enterprises.

The Young Shipowners also continue to monitor the national government's reform of the school system, and in particular professional growth tied to generational change in shipowning enterprises, the majority of which are family owned, while paying attention to the new rules of corporate governance as well.