



The age of connectivity: private sector dimension

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Central Asia is in the middle of the most relevant GDP area in the world



EUROPE AND ASIA ACCOUNT FOR 60% OF THE WORLD'S GDP



€1.5 TRILLION IN ANNUAL TRADE BETWEEN EUROPE AND ASIA



ASIA ACCOUNTS FOR 35% OF THE EU'S EXPORTS AND 45% OF THE EU IMPORTS



CROSS-BORDER RULES AND REGULATIONS MEAN FAIR COMPETITION FOR BUSINESSES



...But it's in middle of two regions highly connected: Asia and Europe that are leader in connectivity according to the LPI

The top 4 countries of the world in terms of Logistic connectivity are in EUROPE

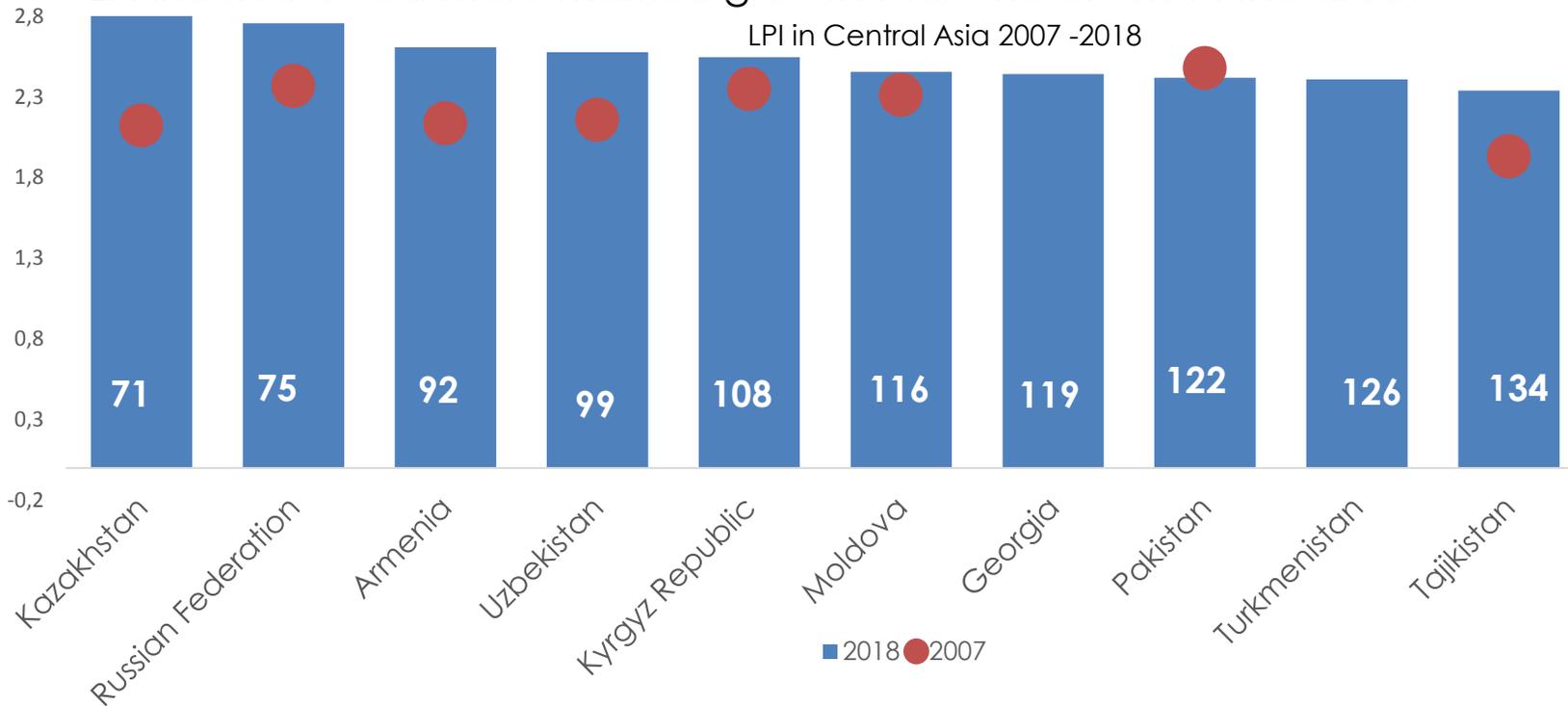


Source: SRM on WB and Unctad

...and what about connectivity in Central Asia?

Kazakhstan is improving in logistics... but it is far from the top

- In 2018, Kazakhstan **ranked 71st in the world** (out of 160 countries) in logistics.
- It **was the best performer** in Central Asia and between 2007 and 2018 Kazakhstan's LPI index showed more marked growth than the others in the area.



The Belt and Road Initiative (BRI) is a game change...

To better understand what could happen in Central Asia we should look at what is happening in the Mediterranean where a new centrality is emerging...

thanks to three key factors:



The New Suez Canal:

reduction in time, no limits in ship size, logistic facilities



The growing role of China:

in the Mediterranean / Belt and Road Initiative



Evolutions in shipping industry: the push on growing ship size and mergers between carriers involves the generation of economies of scale and the need for routes with many stops where to load and download

NEW DISRUPTIVE TECHNOLOGIES HAVE ALLOWED ALL OF THIS srm 

As for Central Asia, the Mediterranean is a crossroads in the middle of a huge GDP and trade area.

EU's GDP
€ 15,566 bn

MENA's GDP
€ 3,591 bn

TOTAL
€ 19,157 bn

**CHINA-EU
TOTAL TRADE**
€ 536.3 bn

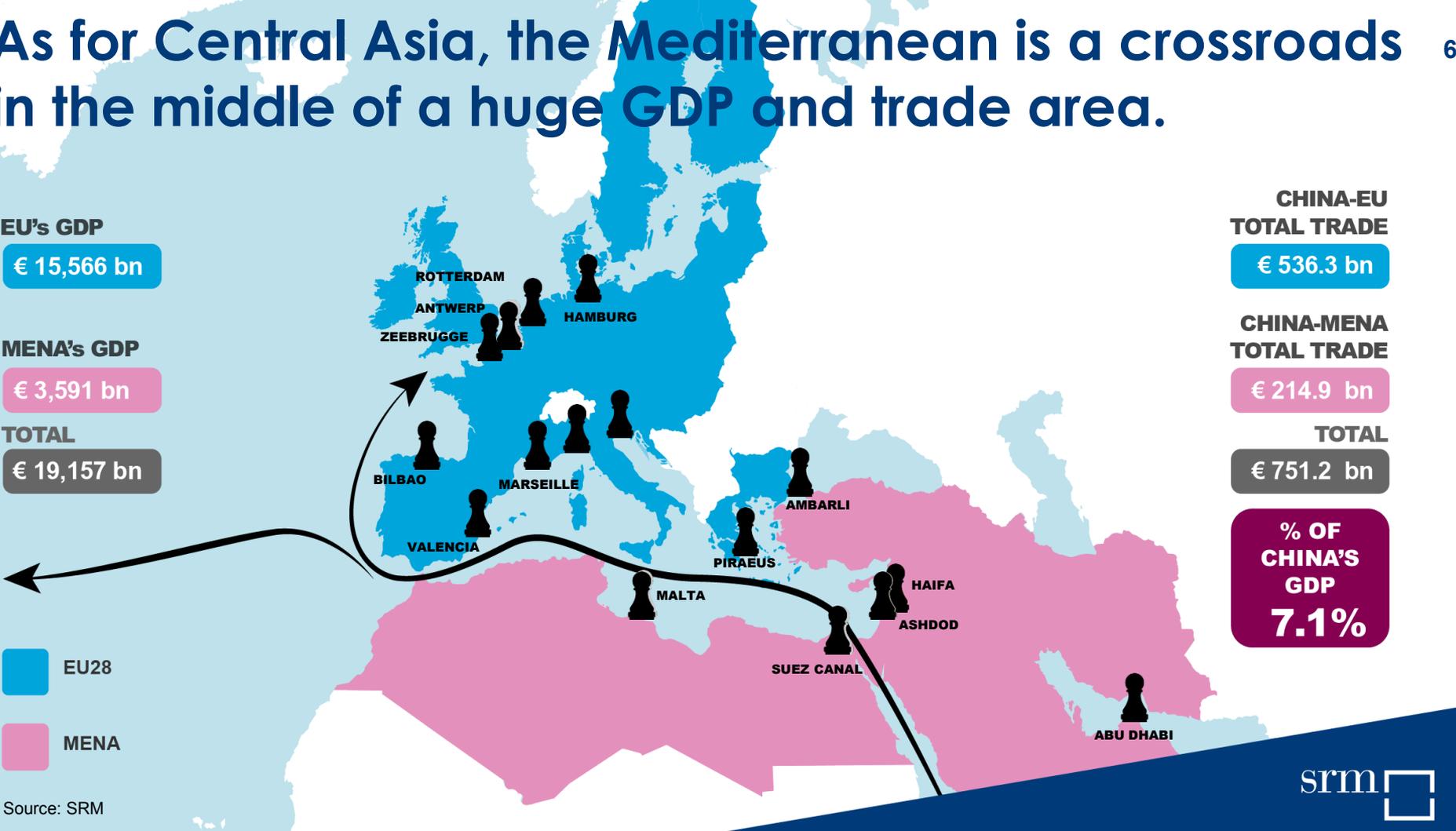
**CHINA-MENA
TOTAL TRADE**
€ 214.9 bn

TOTAL
€ 751.2 bn

**% OF
CHINA'S
GDP**
7.1%

 EU28
 MENA

Source: SRM



Italy is a maritime bridge between Europe and Asia through Suez and the New Silk Road



Italian ports are gaining a competitive advantage;



Recently, the Italian government introduced the SEZs that provided for investment in port areas;



International players are now investing in ports and Italy is improving in logistics & connectivity.



Intesa Sanpaolo Bank allocated €1.5 bn for Logistics and Investment in SEZs



14 Port Network Authorities & 2 Port Authorities



Strategic gas pipelines from North Africa & Asia



Trade leader with Med & the BRI

The Italian port and logistic system is gaining competitiveness...



Doing Business:
Trading across borders



Rank:

2007

110

2018

1



Logistics performance Index:

Score:

Customs



3.19



3.47

Infrastructure



3.52



3.85

International Shipments



3.57



3.51

Logistics competence



3.63



3.66

Tracking & Tracing



3.66



3.85

Timeliness



3.93



4.13

Kazakhstan infrastructure & logistic system is gaining competitiveness...



Doing Business:
Trading across borders



Rank:

2007

172

2018

102



Logistics performance Index:

Score:

Customs



1.91



2.66

Infrastructure



1.86



2.55

International Shipments



2.10



2.73

Logistics competence



2.01



2.58

Tracking & Tracing



2.19



2.78

Timeliness



2.65



3.53

In what way the private sector can play a role in this transformation?

- *A new geo-economic and geo-political centrality will draw / is drawing improvement in connectivity*
- *To attract private sector and new business opportunities we need two key elements:*

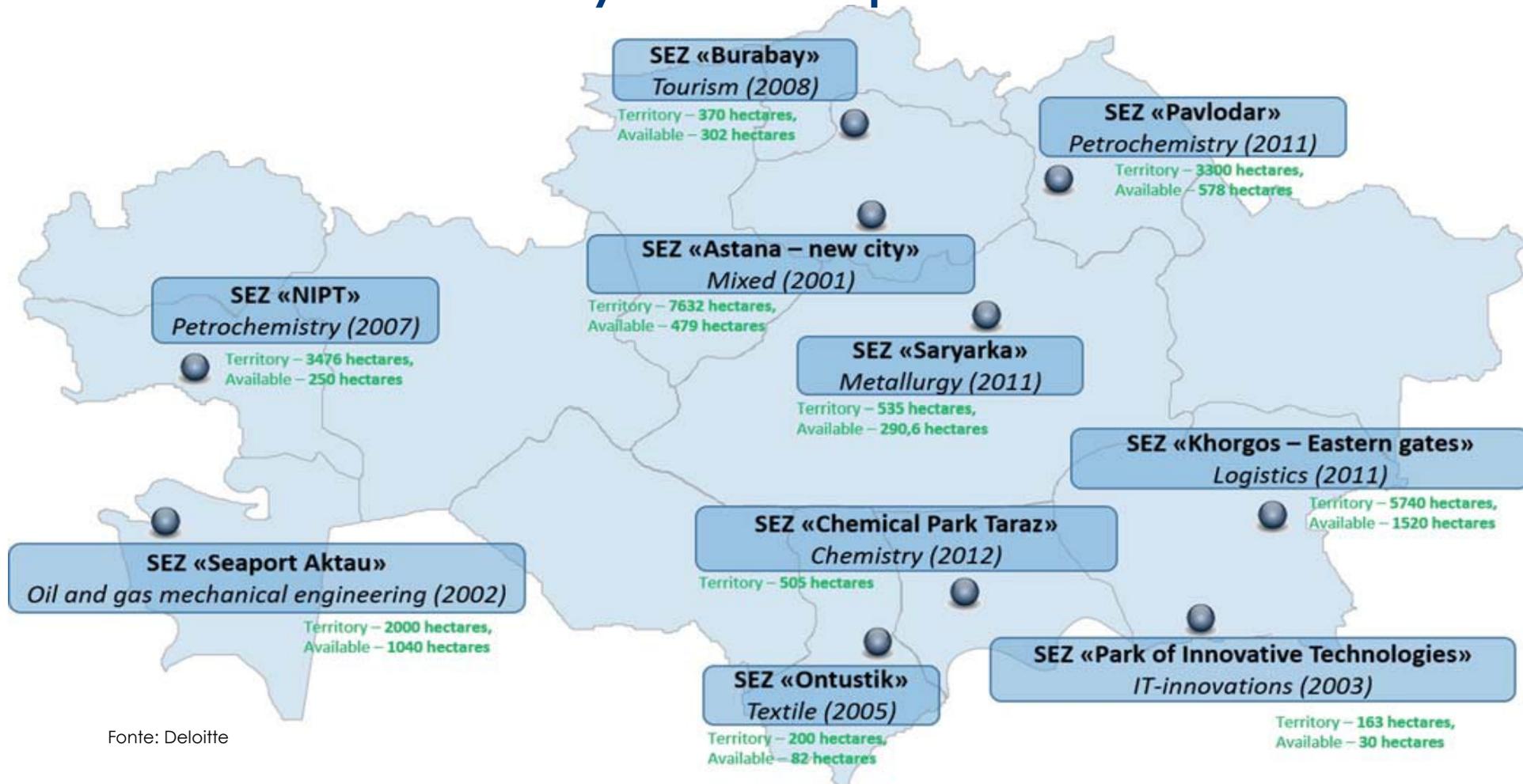


To continue to invest in infrastructure: *In the EU, the investment in the Trans-European network for transport is estimated to require 1.5 trillion EUR in the period 2021-2030. By comparison some estimate that Asia will require over 1.3 trillion EUR a year of infrastructure investment in the coming decades to maintain today's growth rates and to adapt to climate change.*

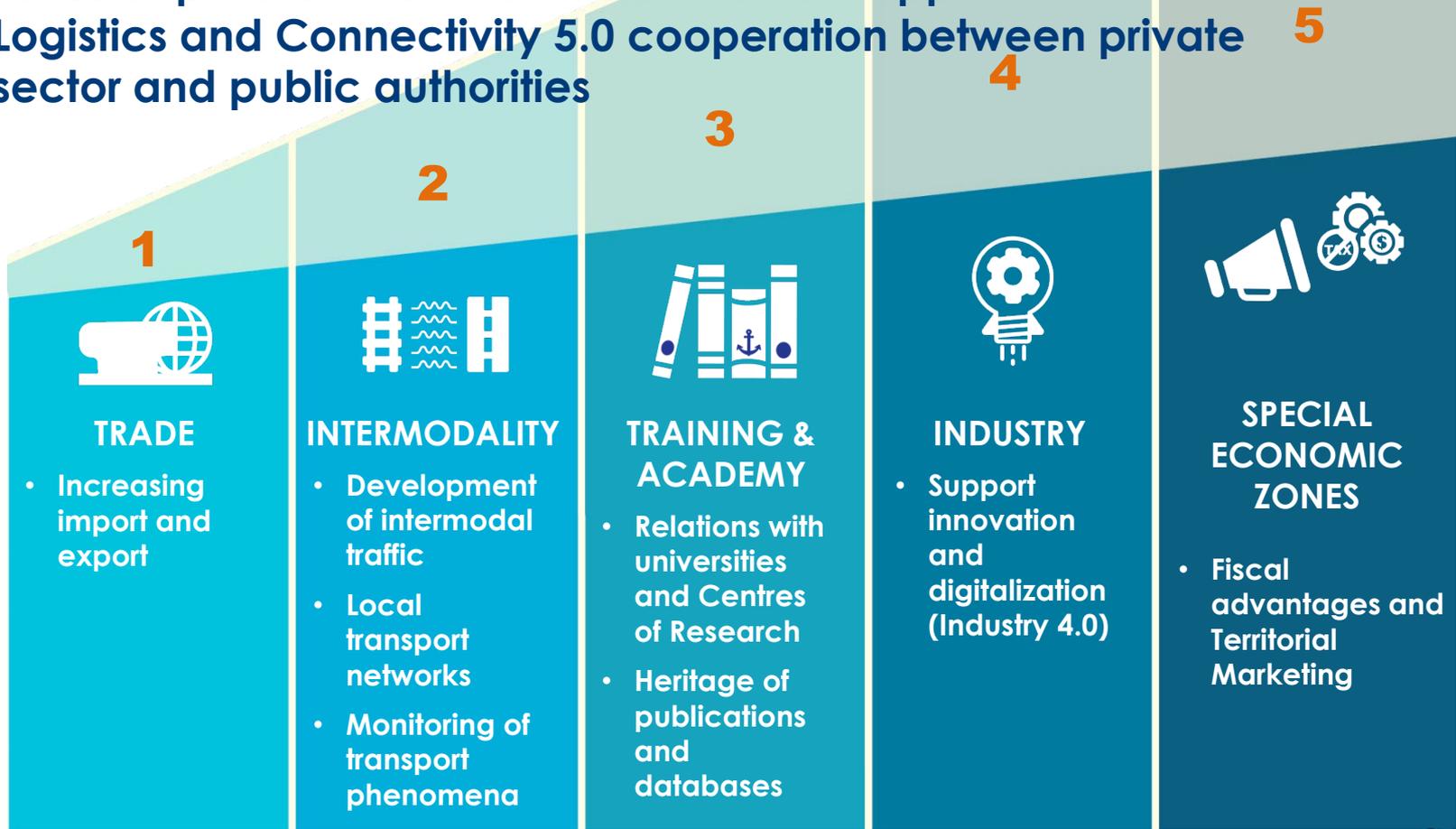


To foster the strategic role of logistics centers: *ports, land ports, industrial parks, incubators, interaction with universities, free zones. These are the tools for a partnership between private and public sectors*

Kazakhstan is on that way... with 11 special economic zones



To foster private investors we need a new approach: Logistics and Connectivity 5.0 cooperation between private sector and public authorities





Thank you for your attention

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