

Owners repeat calls to Rome for shipping reform

Out-dated legislation is preventing Italian shipping from improving its competitive position, says Confitarma president Paolo D'Amico



ANGELO SCORZA — GENOA

THE financial storm that has rocked Italy may have led to sweeping changes in its political leadership, but the maritime industry's concerns that bureaucracy is damaging its competitiveness are no closer to being resolved.

Speaking at the second annual Shipping and the Law conference, hosted in Naples last month Confitarma's president Paolo D'Amico repeated the assertion that Italian shipping was being held back from achieving a better competitive position by out-dated and bureaucratic legislation.

"Since the 2008 crisis erupted even a minimal advantage is commercially imperative; we need measures to relaunch our competitiveness. Politicians have to understand that we are calling for a new policy which updates

rules and regulations: good and strong measures, both theoretical and operational, are urgently needed," he said.

According to a recent Federmare and Censis publication 'IV Report of the Economy of the Sea', Italian shipping industry is one of the most dynamic segments of the Italian economy, contributing €39.5bn (\$53bn) of gross domestic product (2.6% of the total and 11% of transport) and employing 2% of the country's workforce.

Referring to the report at a Confitarma event last month, Mr D'Amico said: "I must pinpoint how the shipping system has maintained its position thanks to an upgrade programme which has made it more competitive against foreign markets. Following the 1998 reform of international merchant shipping, more than €35bn was invested in newbuildings, doubling the Italian fleet and allowing it to become one of the largest in the world.

"Even 1994 reform of ports, although still needing to be revamped, upgraded Italy as a maritime importer and exporter as well as a top tourist destination for cruises," said Mr D'Amico, who is also the president Federmare.

But he called on Rome "to foster our sector's competitiveness, first of all by maintaining Italian and European rule on competitiveness of maritime flags, by implementing better connections between ports and inland transport networks and by reducing of bureaucratic and fiscal hindrances."

At the same event Censis chief executive Giuseppe Roma urged the maritime industry to upgrade its logistic hubs to and seize growing trade flows in the Mediterranean.

"The shipping cluster will have to focus on emerging markets such as East Asia, the south Mediterranean (40% trade to/from Italy), the Adriatic-Balkan area and the Middle East Gulf where it can be a leader," he says.

Shortly before at Confitarma's meeting, Mr D'Amico also alluded to the delicate issue of tax relief, which is at risk of being cancelled by the Ministry of Economy and Finance. He focused specifically on a possible cancellation of the International Registry, which was introduced in 1998.

"Obtaining financial resources from cutting the International Registry would be insubstantial and would see ships flee the Italian flag. This would be followed by a relocation of shipowning industry and by drastic drop in maritime staff recruitment," Mr D'Amico said.



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He added that in 13 years the whole fleet has been modernised and expanded, soaring from 8.5m gt to 18m gt, reaching 11th position in the global world ranking and employing 60,000 workers, compared with 38,000 in 1998.

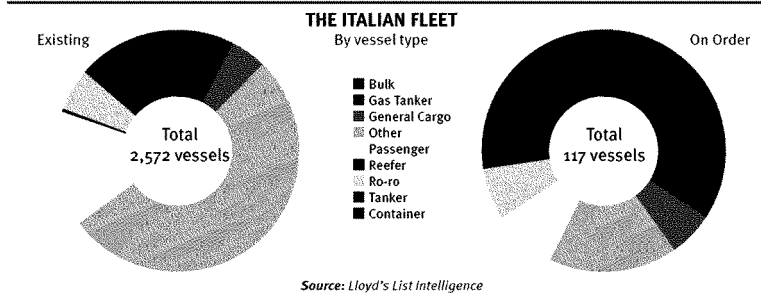
Should the government proceed with this move, Italian shipowners are likely to flee abroad with Malta seen by many as a preferred administration because it offers political steadiness, the same country rating, an attentive commitment to shipping sector and fewer bureaucratic hindrances.

Confitarma was founded in 1901 and its members include 230 shipowners, operating a fleet of 1,664 ships totalling 18m gt. In 2010, Italian shipowners ordered 109 newbuildings for delivery 2012-2013 and took delivery of 300 vessels between 2007 and 2010. ■

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Pillar of strength: the shipping industry is one of the most dynamic segments of the Italian economy, contributing €39.5bn to gross domestic product.



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