The Intra-Mediterranean Container Trades

2023

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Covering container shipping services dedicated to the Mediterranean and connect one or more of:

Southwest Europe
The Adriatic
The Aegean
The Black Sea
The Levant
The Maghreb

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Front cover: View of Piraeus Container Terminal, Greece (Source: https://www.pct.com.gr/fotografies)

Service data collection and Annual Trade Capacity analyses for this study were undertaken in the third quarter of 2023.

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1 INTRODUCTION

1.1 Geography – defining the Mediterranean

The Mediterranean Sea is a part of the Atlantic Ocean yet is almost completely enclosed by land. It covers an approximate area of 2.5 million km² and is bordered by approaching thirty different countries, states and/or administrative regions.

The coastline totals about 46,000 km, 19,000 km of which are islands. A submarine ridge between Sicily and Africa divides the Mediterranean into two major basins: the West Med and the East Med.

The Strait of Gibraltar connects the West Mediterranean with the Atlantic. It is this Strait which marks the western edge of the Mediterranean. The Pillars of Hercules of antiquity could be considered as defining where the Mediterranean starts and finishes, these providing a gateway to a from the North Atlantic proper.

The northern pillar has always been considered as being in Gibraltar itself. The pillar opposite, to the south and on (north) Africa/Maghreb is still a matter of debate. Ceuta, the Spanish enclave to the southeast of Gibraltar and Jebel Musa (Mount Moses) in Morocco and a little to the west of Ceuta are considered likely candidates or rival claimants, whichever way one wishes to view it.

A little further to the west is Tangier-Med port, which despite its name is some 50km away by road from Tangiers itself. Tangier-Med port is actually less than 30km away from Ceuta. Further, it is still to the southeast of Gibraltar. It is here that Dynamar has taken as the 'end' of the Mediterranean after a near circumnavigation has been made after tracing the shoreline from Gibraltar in a clockwise direction until arriving at Tangier Med, much much later.

1.2 Selecting the services

In the context of this study, 'intra-Mediterranean' refers to shortsea container shipping services that start, finish and remain within the Mediterranean as defined. A few services do extend to the west of the 'Pillars of Hercules' to the Atlantic coasts of Morocco (Agadir, Casablanca), or Portugal (Lisbon, Leixoes, Sines) or Spain (Cadiz or Vigo). However, only those loops where at least half the ports on their itinerary are located within the Mediterranean basin have been included. Further, any Annual Trade Capacity allocated to those Atlantic ports has been removed from the intra-Mediterranean total.

Any deepsea services offering *de facto* intra-Mediterranean connections but then also cross the Atlantic, extend to northwest Europe or transit the Suez Canal, have not been included.

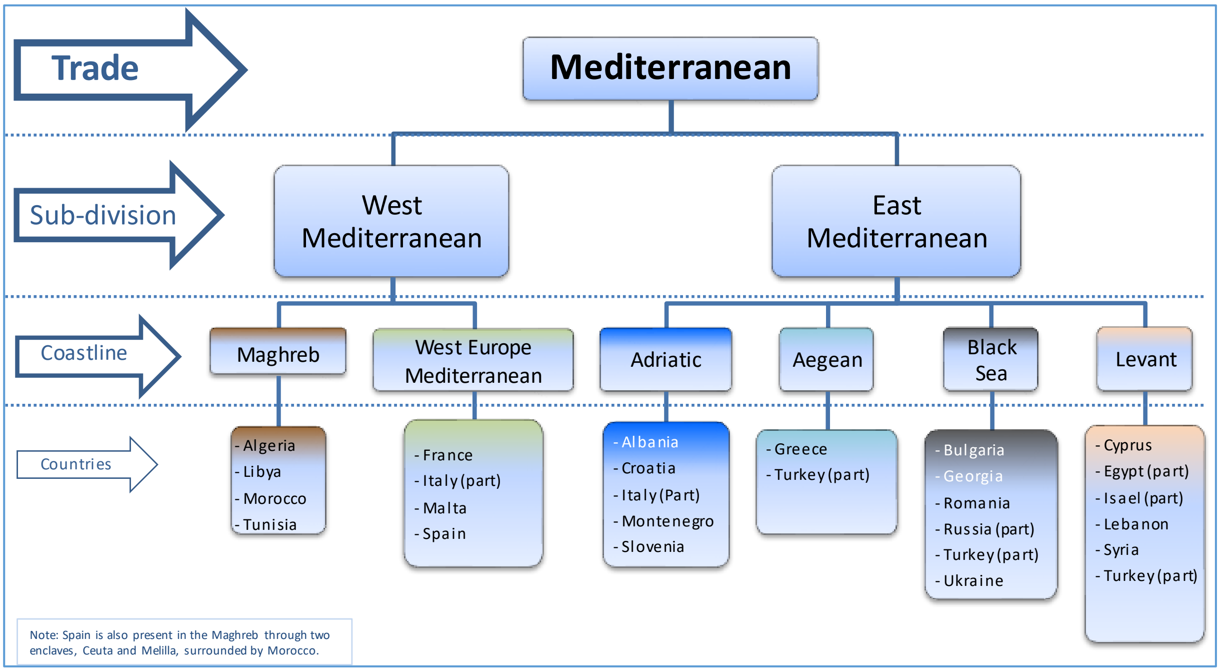
Finally, only those countries or territories with commercial cargo ports that appear on intra-Mediterranean shipping services have been included in this survey. As a result, the following jurisdictions have fallen outside the scope of this study: Gibraltar, Monaco, Bosnia Herzegovina, Moldova and the Gaza Strip.

1.3 Individual Mediterranean trades

In discussing the Mediterranean, throughout this publication the whole has been split into various parts. Occasionally the sub-divisions of West and East Mediterranean have been used although more often the specific coastlines comprising those halves have formed the basis of data and information collation, calculation, analysis and presentation.

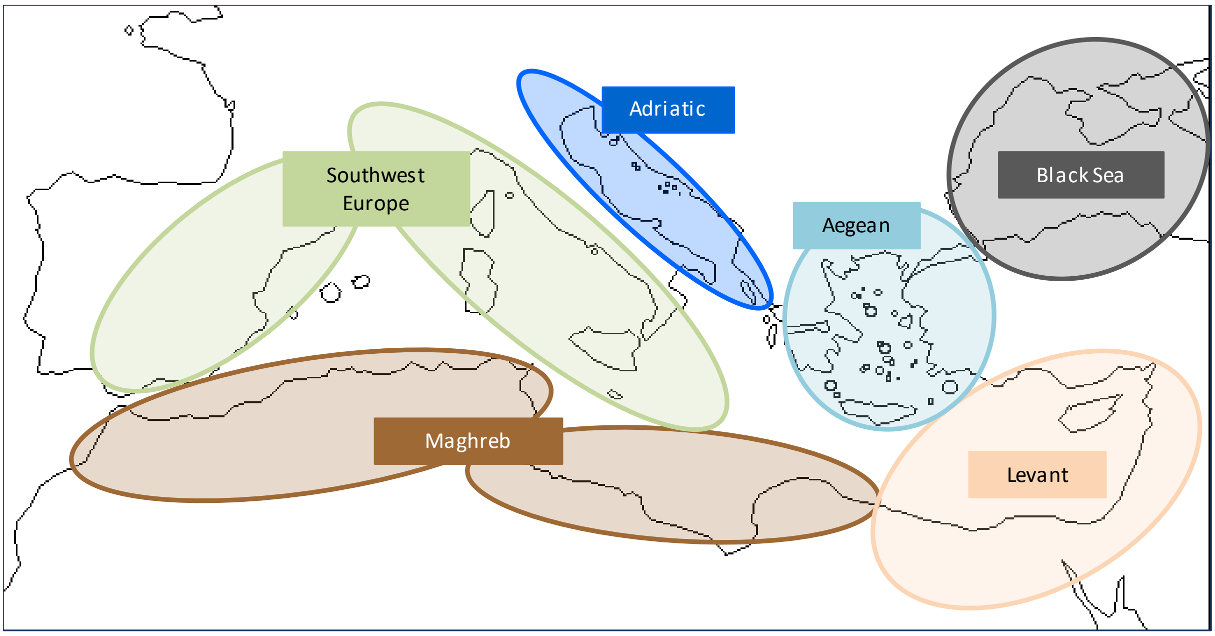
As such, six Mediterranean coastlines have been identified. Any service that connects two of those automatically forms or is part of an intra-Mediterranean trade lane. The various Mediterranean sub-divisions are illustrated in the following figure.

Figure 1: Structure of the Mediterranean, main trade through to individual countries



Throughout this publication the various coastlines are nearly always discussed in a clockwise direction starting from Southwest Europe moving eastwards through the Adriatic, Aegean and Black Sea before moving first south and then westwards through the Levant and ending up at the Maghreb. Similarly, discussion of individual routes connecting two or more coastlines follow the same principle, thus SW Europe-Adriatic will be first, SW Europe-Aegean second and all the way around to SW Europe-Maghreb before starting on Adriatic-Aegean, Adriatic-Black Sea and so on and so forth.

Figure 2: Map outline of Mediterranean coastlines



1.4 Merchandise trade and economies

The value of merchandise trade to and from the Mediterranean struggled from the 2018 to 2020 before bouncing back in the succeeding two years. At the start of this period, merchandise trade totalled USD 5,311 billion; at the end it had risen by only twenty-seven percent to USD 6,722 billion. In the intervening years, it had fallen to a low, in 2020 ('COVID' year), of USD 4,605 billion.

This performance is similar to that of economic development, although the fluctuations in GDP were not as severe. The economy as at end-2022 was 8.5% bigger at USD 11,613 billion than in 2018 when it was USD 10,706 billion. The low point was again reached in 2020 at USD 10,067 billion although this was only six percent down on 2018. For merchandise trade, the contraction was more than double that at thirteen percent.

Table 1: Mediterranean countries headline figures 2022

Country	Population	GDP	GDP p.Capita	Trade	Throughput
Albania	2.8 mn	USD 18 bn	USD 6,577	USD 13 bn	141,300 TEU
Algeria	44.9 mn	USD 190 bn	USD 4,242	USD 100 bn	366,100 TEU
Bulgaria	6.5 mn	USD 85 bn	USD 13,149	USD 108 bn	254,900 TEU
Croatia	3.9 mn	USD 69 bn	USD 18,002	USD 70 bn	420,000 TEU
Cyprus	1.3 mn	USD 27 bn	USD 21,338	USD 16 bn	371,700 TEU
Egypt	111.0 mn	USD 469 bn	USD 4,226	USD 135 bn	6,741,800 TEU
France	67.9 mn	USD 2,778 bn	USD 40,893	USD 1,436 bn	1,569,200 TEU
Georgia	3.7 mn	USD 25 bn	USD 6,780	USD 19 bn	475,000 TEU
Greece	10.6 mn	USD 222 bn	USD 21,011	USD 155 bn	5,166,600 TEU
Israel	9.6 mn	USD 527 bn	USD 55,199	USD 181 bn	2,951,000 TEU
Italy	58.9 mn	USD 1,997 bn	USD 33,929	USD 1,346 bn	11,575,000 TEU
Lebanon	5.5 mn	USD 52 bn	USD 9,541	USD 24 bn	530,000 TEU
Libya	6.8 mn	USD 41 bn	USD 5,994	USD 67 bn	759,600 TEU
Malta	0.5 mn	USD 17 bn	USD 32,778	USD 12 bn	2,892,900 TEU
Montenegro	0.6 mn	USD 6 bn	USD 9,943	USD 4 bn	24,300 TEU
Morocco	37.5 mn	USD 143 bn	USD 3,814	USD 113 bn	7,596,800 TEU
Romania	19.0 mn	USD 300 bn	USD 15,819	USD 229 bn	772,000 TEU
Russia	143.6 mn	USD 2,133 bn	USD 14,859	USD 869 bn	765,200 TEU
Slovenia	2.1 mn	USD 62 bn	USD 29,493	USD 139 bn	1,017,800 TEU
Spain	47.6 mn	USD 1,390 bn	USD 29,191	USD 912 bn	14,166,500 TEU
Syria	22.1 mn	-	-n/a-	USD 10 bn	267,300 TEU
Tunisia	12.4 mn	USD 46 bn	USD 3,746	USD 45 bn	447,500 TEU
Turkey	85.3 mn	USD 853 bn	USD 10,001	USD 618 bn	12,366,200 TEU
Ukraine	38.0 mn	USD 161 bn	USD 4,224	USD 100 bn	-n/a-
Total	741.8 mn	USD 11,613 bn	USD 15,655	USD 6,722 bn	71,638,700 TEU

Based upon IMF forecasts, from 2022 to 2027, the combined Mediterranean economy could grow by a further twenty-one percent to USD 14,103 billion.

1.5 Disasters, natural and un-natural

Earthquake and floods

Unfortunately, the Mediterranean has its fair share of disasters, be these natural or man-made. Early in 2023, the southeast of Turkey was impacted by a very substantial earthquake that had direct implications upon the port of Iskenderun. This port serves as a gateway not only for Turkey, but also parts of Syria – which also suffered from the earthquake – and Iraq. For a while, Iskenderun was essentially only open to vessels carrying humanitarian aid whilst it was repairing the damage it had suffered.

Whilst this publication was in preparation, in the first half of September 2023, 'Storm Daniel' hit the northeastern coast of Libya and dropped the equivalent of eight months worth of rain. This put enormous pressure on existing dam infrastructure, two of which ultimately gave way and which caused widespread flooding and subsequent destruction of infrastructure. The human cost, with the coastal town of Derna particularly affected, was estimated to be well in excess of 10,000 people dead or missing.

Negligence and belligerence

Negligence

Unfortunately, it is not only Mother Nature who can cause tragedy. People are quite capable of that as well. In August 2020, the port of Beirut suffered a massive explosion that started in a warehouse where more than 2.7 tonnes of confiscated ammonia nitrate had been stored for a number of years. Over two hundred lives were lost with another 7,500 people injured and thousands estimated to have been left homeless. Aside from the tragic human costs, the physical damage caused was estimated at as much as USD 15 billion.

Container services were diverted from Beirut to the much smaller Tripoli. Since the explosion – although it is difficult to draw a direct cause/effect relationship – Berirut's throughput has declined. In 2019 it handled 1.2 million TEU yet in 2022 this had dropped to 420,000 TEU.

Belligerence

Israel and the Palestinian territories

Unfortunately, instability through insurgency and/or conflict also stalk the Mediterranean. The situations in Syria and Libya were already present in the 2019 edition of this study such that these could now be considered endemic.

To these can be added situations that are war in all but name. The most recent was the early October attacks made by Hamas units out of Gaza upon Israel which elicited a severe response from Israel who conducted (is still conducting) a ground invasion into the Palestinian territory. Aside from the clearly much more serious and tragic human aspects, other than noting some limited disruption to vessels calling Israel, although at the time of writing (late 2023), this is still a fluid situation.

Ukraine and Russia

In contrast to the recent outbreak of armed conflict in the east Mediterranean, one of a currently much longer duration has had clear and measurable impacts upon container trade routes, namely the Russian invasion of its neighbouring country of Ukraine. Launched late in February 2022, it goes without saying that the tragedy of a de facto war taking place and all the human suffering that this entails is still uppermost in many a person's thoughts – sentiments that extend to all the tragedies summarised here.

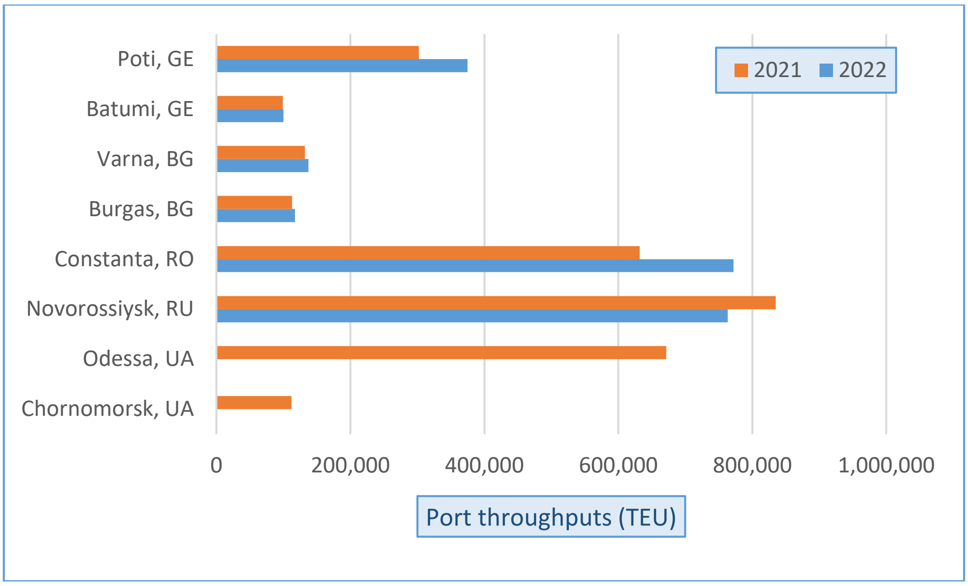
Alongside this very human element, plus the attendant damage and destruction to property and infrastructure, there has been substantial disruption to established trading patterns and relationships. By implication, this extends to container shipping, the impacts manifesting themselves at both local and international levels.

Understandably, once hostilities started, Ukraine immediately closed its main container ports of Odessa, Chornomorsk and Yuzhny. One containership, the 9,400 TEU 'Joseph Schulte' operated by CMA CGM, found itself trapped and only managed to leave Odessa in August 2023. This was the start of a partial re-opening of shipping to and from Ukraine, principally to compensate for the collapse of the agreement that allowed Ukraine to export grain via the Black Sea.

Going back to the start of the conflict, many countries around the world imposed even tighter sanctions on Russia than were already in place. This had the impact of redrawing the containerised supply lines to and from Russia with St. Petersburg in the Baltic losing its previously pre-eminent position. It found itself replaced as the country's main gateway as a plethora of new services cropped up – not always full container loops operating on nice weekly schedules – to the Russia Far East coastline and, to an extent, the Black Sea coastline, in particular, Novorossiysk.

When looking at tangible impacts of the conflict, for eight main Black Sea ports, their combined throughputs did reduce by a substantial twenty-two percent from the 2.9 million TEU of 2021 to 2.27 million in 2022. The Mediterranean average for that year, excluding the contributions of those eight ports, was a contraction of just 2.4%.

Figure 3: Black Sea throughputs, main ports, 2021-2022



These figures will cover all trades, not just the intra-Mediterranean. Despite the increased coverage Novorossiysk received from some opportunistic deepsea operations, its overall throughput still shrank. In contrast, that of Constanta and Poti in Georgia both grew significantly. Even though their combined gain of 213,000 TEU only managed to compensate for about one quarter of the 784,000 TEU throughput lost by Odessa and Chornomorsk, it did suggest a certain redrawing of trade flows in a Black Sea context.

To look specifically at the intra-Mediterranean context, comparisons can be made between the Annual Trade Capacity surveys of 2019 and 2023.

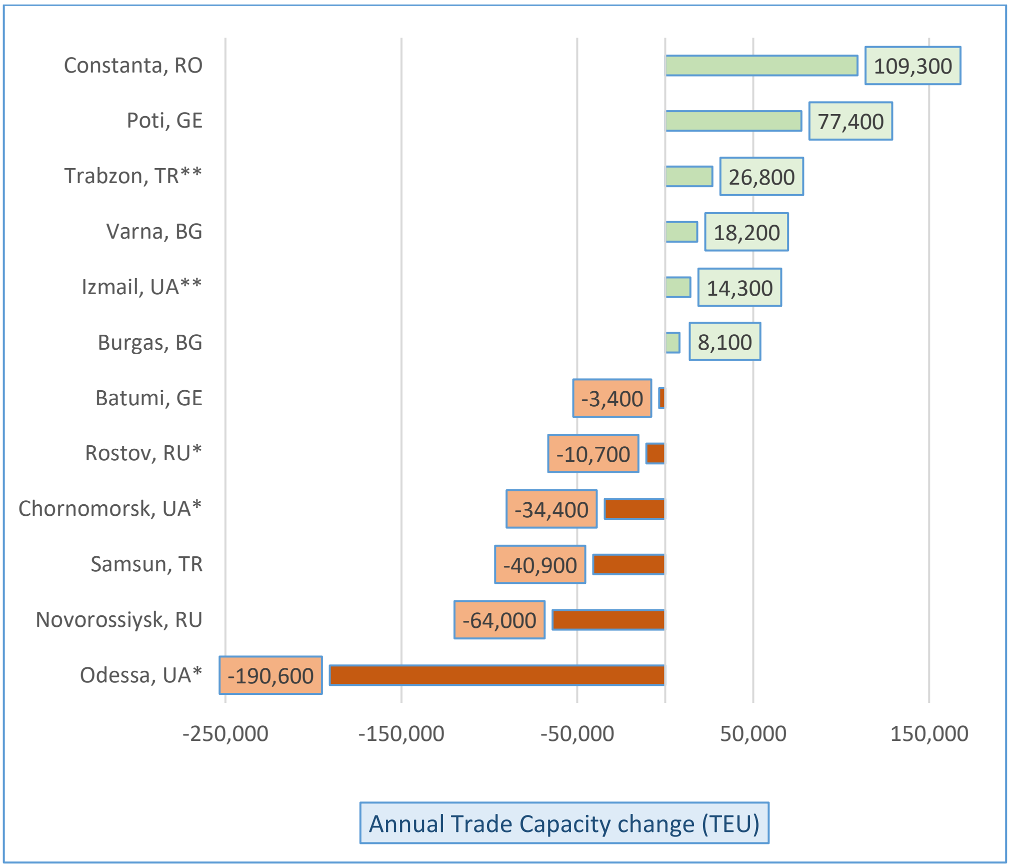
Despite the armed conflict, the Black Sea ports, as a whole, only lost 90,000 TEU in Annual Trade Capacity to arrive at just under 1.29 million TEU, albeit this is the smallest of all Mediterranean coastlines. However, underlying that relatively small change, there have been significant swings. Novorossiysk, which used to be the largest Black Sea port by intra-Mediterranean Annual Trade Capacity, has actually lost ground, whilst Constanta has gained significantly.

Part of the reason for Novorossiysk's reduced intra-Mediterranean activity could come from the extra deepsea calls it receives, as these would negate the requirement for transhipment and therefore intra-Mediterranean loops. However, more influential would be the changed nature of general trading relationships apropos Russia and several Mediterranean countries, which in turn would have an impact upon container trade levels.

For Constanta, its growth in activity can be attributed to perception as an alternative port of entry for Ukraine, which is understandable given the common borders that Romania and Ukraine share. The Ukrainian Danube River port of Izmail also makes an appearance in this edition[1], although the 14,000 TEU it receives in allocated Annual Trade Capacity is much smaller than the 225,000 TEU that Chornomorsk and Odessa attracted in 2019. For understandable reasons, neither of these Ukrainian outlets appear in the 2023 study.

The growth of Poti in Georgia can also be seen in the context of the Ukraine/Russia conflict. This is necessarily for Russia/Ukraine cargoes but rather for Europe-Asia cargoes that would have previously been routed overland through Russia and/or Ukraine. In particular, Poti is utilised as an anchor for the so-called Middle Corridor which is attracting a lot of attention from both China and the European Union. This runs from China, through Kazakhstan, across the Caspian Sea and then transits Azerbaijan – itself not free of conflict in 2023 – into Georgia. It is also possible that some of this Middle Corridor traffic makes its way across the Black Sea to Constanta.

Figure 4: Changes in Black Sea Annual Trade Capacity, 2023-2019, by port



(Ports asterisked* were present in 2019 study but not 2023. For those double asterisked**, the reverse is true)

[1] In fact, Izmail and another Ukraine Danube port, Reni, have been offered by carriers Maersk or Hapag-Lloyd as alternative Ukrainian gateways via barge connections out of Constanta. Unfortunately, Izmail has been the subject of drone and/or missile attacks in 2023 as it is also used as a port of exit for Ukrainian grain exports.