



*Autorità di Sistema Portuale
del Mar Tirreno Settentrionale*



Porti di Livorno, Piombino,
Portoferraio, Rio Marina,
Cavo, Capraia Isola

LIVORNO PORT TRAFFIC REPORT 1ST SEMESTER 2020

In the first six months of this year goods traffic in the port of Livorno fell by 16.6% with a total of 15.5 million tonnes, compared to 18.6 million tonnes in the same period of 2019. Livorno, like all national and international ports, has been adversely affected by the Coronavirus and the measures adopted globally to contain the COVID-19 pandemic. All the traffic indicators in this first semester have been down, with the only exception of forest product handling which recorded an 8.6% increase in tonnage.

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Port of Livorno - Key traffic indicators	Jan - Jun 2020	Jan - Jun 2019	Var. %
Total throughput (tonnes)	15.555.245	18.650.485	-16,6%
Number of vessels berths	2.925	3.854	-24,1%
TEUs	367.393	407.611	-9,9%
Ro/Ro (n° of commercial vehicles)	217.012	260.856	-16,8%
Passengers (units)	286.265	900.040	-68,2%
Cruise passengers (units)	18.459	289.044	-93,6%
New cars (units)	195.564	362.695	-46,1%
Forest products (tonnes)	872.073	802.877	8,6%

The port statistics of the 1st semester 2020, compared with the data of the same period of 2019, show a total port tonnage throughput down by 16.6%, container traffic with a 9.9% drop in TEUs, the number of ro-ro units embarked/disembarked down by 16.8%, a 46.1% downturn in new car traffic, a 24.1% reduction in the number of arrivals/ship, as well as a slump in the passenger sector with 93.6% less cruise passengers and 68.2% less ferry passengers.

Overall, the data for this first semester therefore presents a negative scenario in Livorno. These results must, however, be contextualized in the current general emergency situation that has not spared any port in terms of the downturn in traffic throughputs.



Total throughput (tonnes)	2020	2019	Δ % 2020/2019
Port	Jan - Jun	Jan - Jun	
Trieste	26.296.714	30.721.066	-14,4%
Venezia	11.093.854	12.671.286	-12,4%
Ravenna	10.723.820	13.359.866	-19,7%
Genova	21.797.554	26.852.519	-18,8%
Livorno	15.555.255	18.650.484	-16,6%
Spezia	6.610.101	8.167.421	-19,1%
Savona	6.563.717	7.488.036	-12,3%
Napoli	7.800.000	9.020.000	-13,5%
Salerno	6.500.000	6.792.000	-4,3%

The graph above shows the results recorded by the main Italian ports in terms of tonnes handled in this first part of the year.

According to some operators' estimates, Italian ports could close 2020 with a 20-25 per cent drop in volumes compared to 2019, in terms of tonnage throughput. The regional survey carried out by SRM identifies the passenger/cruise sectors among those most affected by the coronavirus. By now the season is considered compromised and losses of 70%-80% for cruises and 15%-20% for ferries have been estimated. Likewise, ro-ro traffic and the car carrier segment risks a 30% - 35% loss.

A recovery in the goods sector in the second quarter of this year is expected and conceivable, but uncertainty about the estimated impact of COVID-19 on shipping remains high because many factors need to be taken into account. These include global economic uncertainty caused by the spread of the Coronavirus, the length and extent of lockdowns, effectiveness of measures to support economies put in place by governments, possible new restrictions, etc.

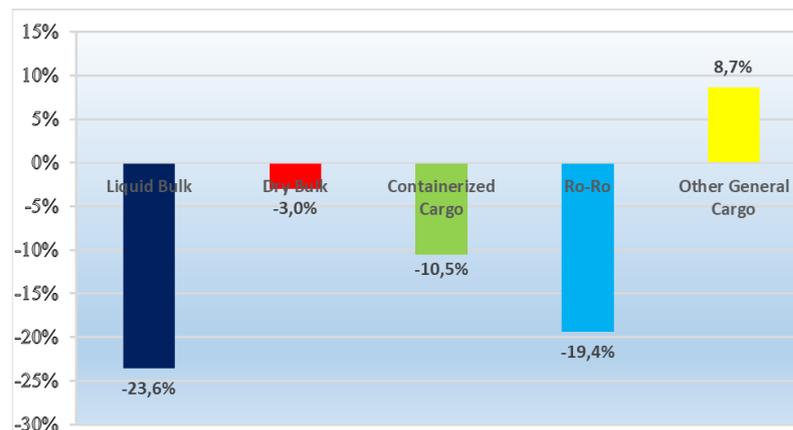
Despite a general world-wide slackening in the lockdown measures taken to contain the Covid-19 pandemic, in fact, even in June, according to OECD, trade remained at a level close to the minimum caused by the health emergency that was recorded in May, because while some economies are showing signs of



recovery (Asia and to a lesser extent in Europe), international trade continues to slow down in the Americas).

Commercial sector

In absolute terms of tonnes handled, the most important downturn was recorded for the breakbulk sector which, overall, totaled 11.5 million tonnes (13.4 million tonnes in 2019), down 14.5% compared to the first 6 months of 2019, despite the positive result for general cargo (especially forest products) which closed this first part of the year, with an increase of 8.7%.



Significant reductions were recorded for the ro-ro (-19.4%) and containerized goods sectors (-10.5%). The double-digit downturn in the breakbulk sector must in fact be attributed to 63.2% of the overall reduction in the port's traffic in the first half of this year, amounting to over 3 million tons.

The negative performance in terms of tonnage throughput was also driven by the liquid bulk sector (-23.6%) and the dry bulk sector, albeit to a lesser extent, (-3%). The decline affected both imported and exported goods in equal percentage terms. A total of 9,017,691 tons of imported goods were handled (-

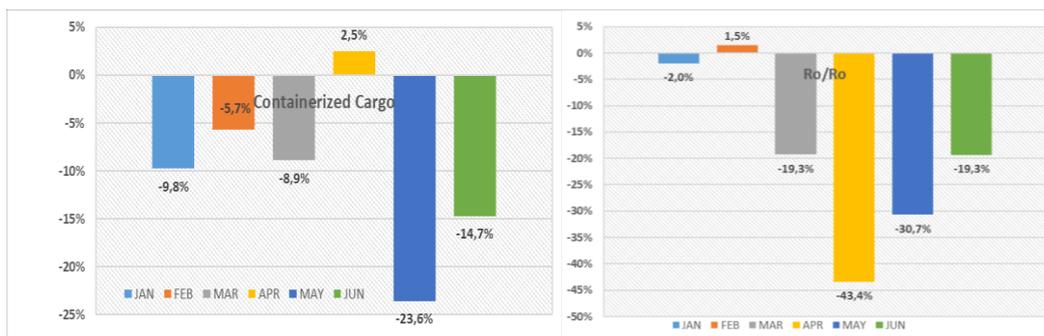


16.6% compared to 2019) and 6,537,5642 tons of goods being exported (-16.6%).

As far as liquid bulk is concerned, the monthly trend reveals that this segment is virtually unaffected by the current epidemic as the most important negative results were recorded mainly in the first two months of the year. Solid bulk, on the other hand, had a fluctuating monthly trend, typical of the sector, with an even higher throughput than last year in March, April and May where the following increases were recorded: +20%, +24.2%, 69.2%.

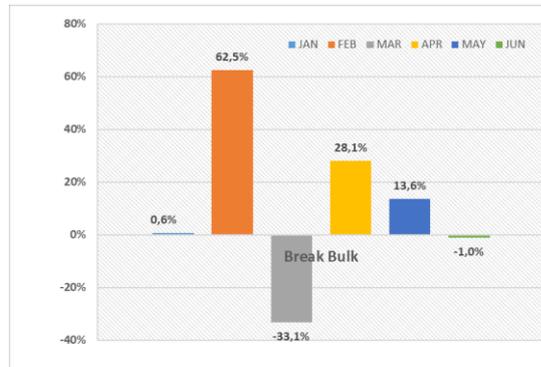


For the ro-ro and containerized goods sectors, on the other hand, we can see a marked reversal in the trend from March onwards, in line with the main measures adopted at global level to contain the spread of COVID-19 and a gradual recovery from June following their slackening.

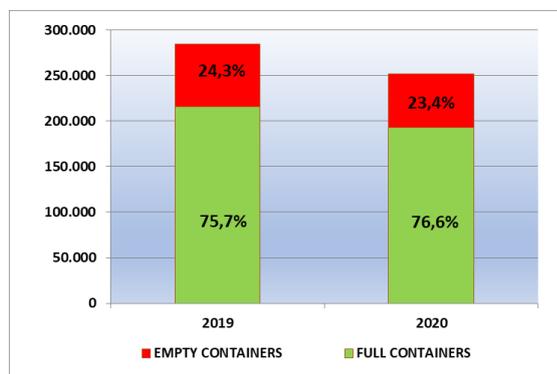




On the other hand, the situation is completely different for general cargo, which, thanks to the good performance of forest products (the first half of 2020 closed with a +8.6%), recorded a significant negative trend only in March.



As far as container handling is concerned, the first half of 2020 closed with a total traffic of 367,393 TEUs compared to 407,611 TEUs in 2019, with a percentage decrease of 9.9%. Likewise, there has been a downturn in hinterland traffic from/for the port (-11.5%) and transshipment traffic (-6%) that continues to constitute over 30% of the total volumes handled by the port. Net of transshipment operations, downward trends have been recorded both for full containers (-10.5%) and empty containers (-14.8%) compared to 2019, above all for exports (-26.2%). As a result of this trend, the percentage share of full containers increased in this first part of the year from 75.7% in 2019 to 76.6% in 2020.

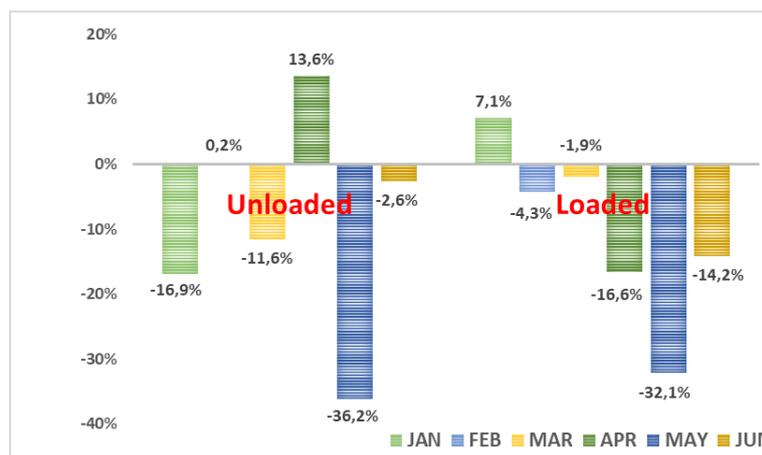




For full containers we can see that the downturn has affected both imports and exports with similar trends. At the end of this first semester, the percentage decrease compared to the first half of 2019 was -9.9% for imports and -10.9% for exports.

CONTAINER THROUGHPUT	JAN - JUN 2020	JAN - JUN 2019	DIFFERENCE	
			TEU diff.	% diff.
FULL CONTAINERS	193.047	215.628	-22.581	-10,5
Unloaded	84.347	93.641	-9.294	-9,9
Loaded	108.700	121.987	-13.287	-10,9
EMPTY CONTAINERS	58.969	69.181	-10.212	-14,8
Unloaded	43.836	48.677	-4.841	-9,9
Loaded	15.133	20.504	-5.371	-26,2
TOTAL CONTAINERS	252.016	284.809	-32.793	-11,5
Unloaded	128.183	142.318	-14.135	-9,9
Loaded	123.833	142.491	-18.658	-13,1

For full containers, May was the worst month both for imports and exports. Compared to last year, in terms of TEUs handled imports were down by 36.2% and exports by 32.1%.



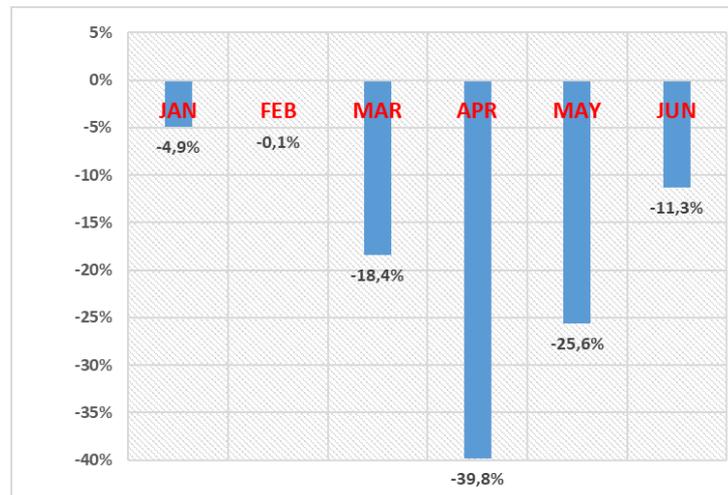
From the month of May onwards, in fact, the port of Livorno witnessed a reduction in the frequencies of calls by certain scheduled services, like Hapag-



Lloyd's MGX service. The graph below also shows that the downward trend in exports has worsened considerably since April, most likely also as a result of trade difficulties between Europe and North America (the port of Livorno's traditional key market) which obviously affect the Italian economy and shipping and port activities. Although the numbers of containerized shipments by sea to the United States are slowly improving, forecasts for the coming months are considerably lower than last year. At least until next autumn, due to the continuing impact of the coronavirus, according to retail experts, trade will not return to pre-Covid levels.

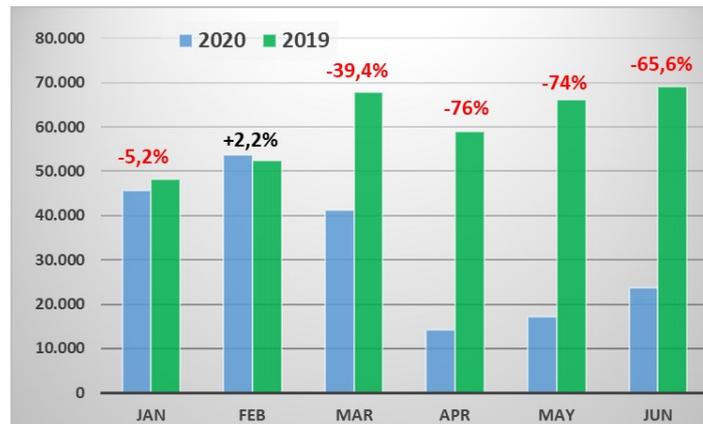
Alphaliner has also calculated, in over 250 containerized liner services, the number of blank sailings by shipping companies in the second quarter of 2020 (equal to 30% of the hold capacity of some routes) in order to reduce and contain costs.

Negative data also for the port's ro-ro traffic that, after the good performances and the continuous records in the last few years, has recorded a 16,8% downturn in terms of the number of commercial units handled. The downward trend regards both imports and exports. In percentage terms, compared to the first six months of last year, there has been a 16.3% drop in imports and a 17.3% drop in exports. However, the total number of commercial vehicles handled was 217,012, 106,756 of which were disembarked and 110,256 were embarked.



The monthly performance of the sector shows, however, that there was also a downturn in the month of January (-4,8%) which then worsened considerably in the months of March (-18,4%), April (-39,8%) and May (-25,6%) following the measures taken by the Ministry for Infrastructure and Transport to reduce the mobility of people in the context of the health emergency from Covid-19 with the shutdown of ro/pax connections to/from Sardinia and Sicily. The month of June was also down, albeit to a lesser extent (-11.3%), despite the progressive reopening of maritime traffic to/from Sardinia and Sicily.

The final figures for the first half of the year also show negative trends for new car traffic expressed in units, in line with the drop in sales and the consequent lack of pickups by dealers. The number of new cars handled in this first part of the year totaled 195,564 compared to 362,695 last year, recording a loss of 46.1%. As in the case of ro-ro traffic, the downturn was mainly due to the reduction in volumes starting in March with the collapse of the automotive industry, as shown in the graph below.



In the January-June period 2020, the car market in the wider EU area including Efta and the United Kingdom, with 5,101,669 registrations, was in fact down 39.5% compared to the same period in 2019, while in the major markets (Germany, France, Spain, United Kingdom, Italy) the market fell slightly more than the European average, - 42%. In Italy, from January to June only 584,052 new cars were registered, -46%, the equivalent of 499 thousand cars less sold than last year. In the port of Livorno, in these first six months, 167 thousand new cars less have been handled compared to 2019. Likewise, in June, the second month after the end of the lockdown, the market is still in strong decline, even if less than in the two preceding months.

Forest products as a whole (cellulose, kraft paper rolls and wood) were the only positive commercial traffic with a throughput of 872,073 tonnes. Compared to the first half of 2019, the volumes handled registered a percentage increase of 8.6% with a 5.2% increase in exports and a strong increase in imports where the tonnage throughput almost tripled (however, they represent only 5% of the total port throughput).



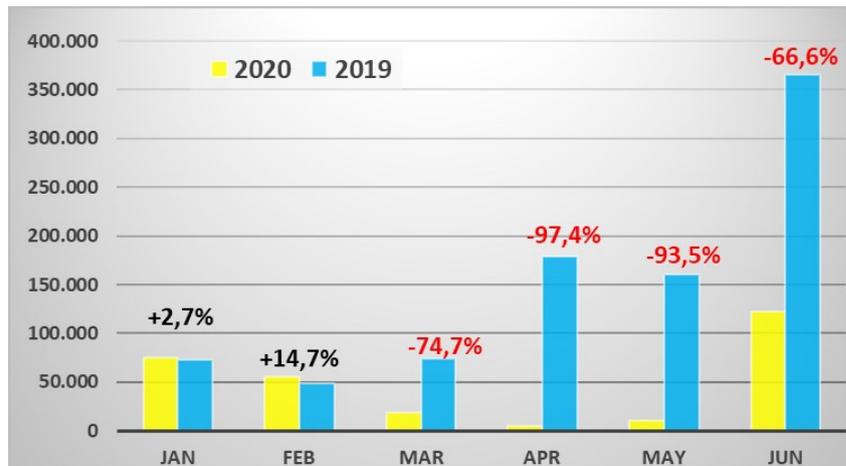
Forest products	Jan - Jun 2020	Jan - Jun 2019	% Difference
Import	827.391	786.810	5,2%
Export	44.682	16.067	178,1%
Total	872.073	802.877	8,6%

The health precautions imposed by the COVID-19 have in fact increased the demand for disposable tissues, paper rolls and towels, toilet paper, etc. These products are manufactured by Lucca's paper mills which, as is well known, are supplied almost exclusively by the forest products that arrive at Livorno port.

Passenger sector

Negative results also for ferry passengers, which in the first half of 2020 totaled 286,265 units disembarked/embarked. The overall downturn was 68.2% compared to 2019, i.e. almost 614 thousand fewer passengers. However, it should be noted that the first two months of the year had closed positively with over 9 thousand passengers more than in January and February 2019 (+7.5%) embarking/ disembarking from the port.

From March onwards, however, following the measures taken by the Ministry for Infrastructure and Transport to reduce the mobility of people in the context of the Covid-19 health emergency, there has been a fall in traffic with percentage decreases of 74.7% in March, 97.4% in April, 93.5% in May and 66.6% in June. The June result demonstrates a slow recovery in the sector which continues to be strongly influenced by the coronavirus pandemic.



For the cruise sector, with cruise activity at a complete standstill since March, losses have been even heavier with a 93.6% drop in both the number of cruise passengers and the number of calls (132 fewer than in 2019).

