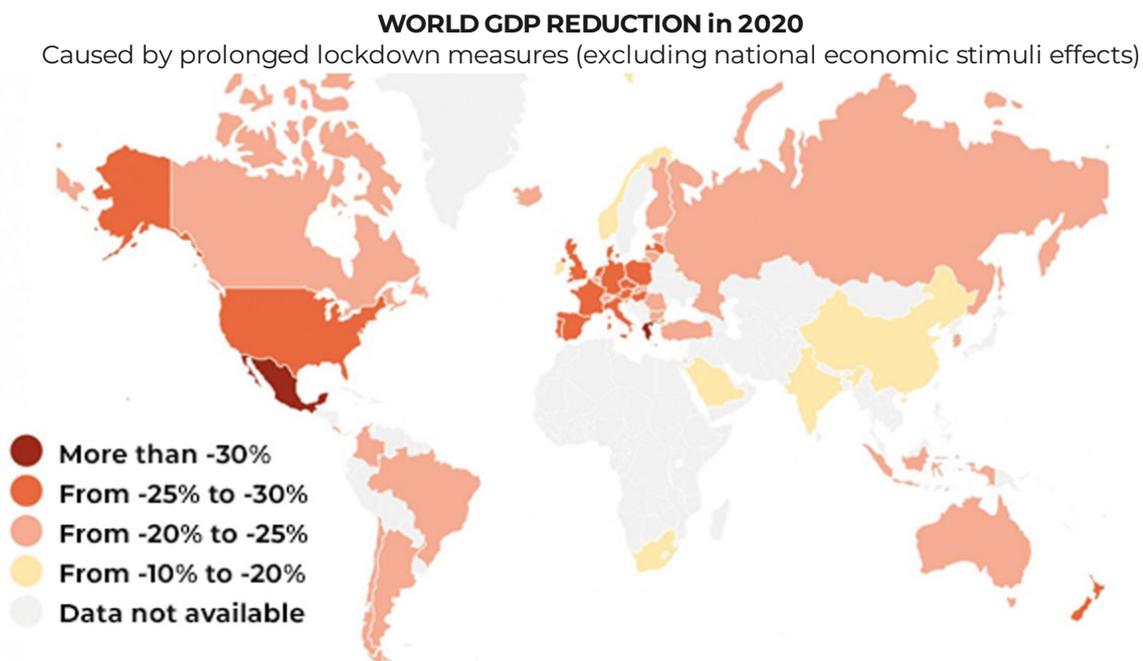


Global Economic Trends

WTO claims even the most optimistic scenario for 2020 is that trade would shrink by 13%, a bigger drop than in the 2008-09 recession and it warns there is the risk of a much gloomier outcome under which trade would shrink by 32%, on a par with the reduction seen between 1929 and 1932, if protectionist measures should be imposed by developed countries.



Source: ISPI (Istituto per gli Studi di Politica Internazionale) on OECD data

Container Shipping outlook

The global spread of the health emergency and the restrictions involving half of the world's population may leave the Far East production without customers: the whole global consumption and production system is shocked all over.

- According to Drewry new "Container Forecaster" quarterly, on the maritime side, 2020 will be characterized by a marked volatility, due to the trade off between transport demand and capacity supply: in the absence of actions by carriers, there is a risk of an oversupply around 15% that already caused the shipowners to cut 66 calls in April, corresponding to about 20% of the scheduled departures on the East-West routes.
- On the Far East-Med route, the three alliances announced the cut of 12 calls (out of a total of 43), and the trend is likely to continue in the following months.
- The Alliance has announced a new round of blank sailing on the Asia - Mediterranean and Asia - North America route. This involves a total of 27 cancellations, 11 of which concern Mediterranean ports, including the MD1 service (which includes the port of Genoa) for weeks 19, 21, 23 and 25 and the MD2 service (which also affects La Spezia) in weeks 20, 22, 24 and 26.
- The capacity cut has so far kept the freight rates fairly stable (normalized global index around 1,550 USD). On Far East Westbound routes there was a 9% reduction from Shanghai to Genoa (from 2,000 to 1,800 USD), following a sustained growth (+22%) since the beginning of the year.
- According to Port Economics, the cancellation of the call from a 15,000 TEU ship involves an expected reduction in demand between 5,000 and 7,000 TEU per call.

Ports of Genoa

Container traffic

- During Q1 container traffic overtook 630,000 TEU, in line with the 2019 performance.
- In March, container traffic closed with a drop of 10.3% compared with the same month of 2019.
- April is expected to close with a slowdown of 25% compared with the previous year, as result of the persisting lockdown in our country, that is affecting both imports and exports.



Container ship calls

- During March, PSA Genova Pra' lost 13 calls due to blank sailings and delays, while another 4 were lost due to the termination of a couple of services.
- SECH Terminal retains its services without any cancellation related to the COVID. Terminal San Giorgio recorded a decreasing traffic trend during March, with an overall -15% volume decline and reduced ship calls, due to blank-voyages and lower frequencies for container and MOS services. In April a further traffic contraction between 30%/40 % is expected.
- In the port of Savona, Grimaldi's Ro / Ro connections to Spain and North America and NYK automotive services between Far East and Europe continue to operate regularly at Sv Terminal Auto, although with decreasing volumes.
- Shipping services calling Vado Gateway and Reefer Terminal in the port of Vado Ligure are regular, although volumes reduction is expected in the coming months.

Emergency measures

The Italian Customs Agency, in accordance with the Ministry of Finance, informed that, due to the ongoing epidemiological emergency and in compliance with the provisions of Legislative Decree 18 of 17/03/2020, the deadline for the electronic submission of the INTRA models for intra-community exchanges is postponed to June 30 p.v. without any sanction.