The 21st Century Maritime Silk Road: an opportunity to catch

Challenges and strategies for the growth of multimodal freight transport

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The new Chinese empire

“China now has more neighbours than any other country in the world, and [...] **today its strategy is to avoid conflict while maneuvering to control supply chains. The result will be a functional map that harks back seven centuries to Eurasia’s mighty Mongol Empire. [...] the de facto map is quickly coming to resemble that of the thirteenth-century Mongol emperor Kublai Khan, whose Golden Horde ruled modern-day Siberia and Korea, conquered all of China, and stretched as far as Ukraine and Iran.**” (P. Khanna – Connectography)
The New Silk Roads and the « maritime » route

The 21st Century Maritime Silk Road (MSR) represents a special point of interest for Italy, because of:

✓ The country strategic position in the Mediterranean
✓ The current patterns of industry localisation in China (near the East cost) and the kind of goods exchanged (both finished products and raw materials)
✓ The special role that the sea freight traffic plays in the Italian modal split
✓ The perspectives of the global trade which see the import/export from/to South-East Asia, Oceania and East-Africa countries to develop in the next 20 years
The Maritime Silk road: a challenge for the italian railway system

✓ Why is the Maritime Silk Road so important for rail?
  ▪ From a strategic point of view rail and sea shipping are not competitive but complementary transport modes
  ▪ Goods arriving in Italy from China through sea are currently forwarded by road mainly
  ▪ The MRS represents a great potential for shifting traffic from road to rail

✓ What actions is Italy putting in place to catch this opportunity?
  ▪ investing in maritime ports
  ▪ working to make intermodal transport more competitive addressing the bottlenecks at hand-over point from rail to ports/terminals
  ▪ Improving national rail interoperability standards
  ▪ Strengthening the cooperation between IMs and the key stakeholders within the Rail Freight Corridors

Modal split of freight traffic in Italy (2015)

<table>
<thead>
<tr>
<th>Modal Split</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
<tr>
<td>Sea</td>
<td>58%</td>
</tr>
<tr>
<td>Road</td>
<td>37%</td>
</tr>
<tr>
<td>Rail</td>
<td>5%</td>
</tr>
<tr>
<td>Aviation</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Analyses and forecast of the freight transport in Italy (Confcommercio, October 2017)
Meeting the challenge through promoting multimodality: last mile and upgrading of ports and terminals

Investment plan for linking TEN-T Core Ports to the railway network

Upgrade of the handover stations linking the railway network to ports

Upgrade of the handover stations linking the railway network to the main freight terminals and shunting yards

Source: RFI business plan 2017-2026
Meeting the challenges through ensuring rail interoperability: upgrading the network (1)

Axle load

Loading Gauge

Timeline for implementation of TEN-T parameters (in % of TEN-T Core Network freight lines)

<table>
<thead>
<tr>
<th>Year</th>
<th>Axle Load</th>
<th>Gauge</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>83%</td>
<td>51%</td>
</tr>
<tr>
<td>2021</td>
<td>83%</td>
<td>76%</td>
</tr>
<tr>
<td>2026</td>
<td>91%</td>
<td>82%</td>
</tr>
</tbody>
</table>

Source: RFI business plan 2017-2026, February 2018
Meeting the challenges through ensuring rail interoperability: upgrading the network (2)

Timeline for implementation of TEN-T parameters (in % of TEN-T Core Network freight lines)

<table>
<thead>
<tr>
<th>Year</th>
<th>T. Length</th>
<th>ERTMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>30%</td>
<td>5%</td>
</tr>
<tr>
<td>2021</td>
<td>62%</td>
<td>36%</td>
</tr>
<tr>
<td>2026</td>
<td>83%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Source: RFI business plan 2017-2026
The role of Rail Freight Corridors for maximising the use of the upgraded infrastructure

- Promoting actions aimed at fostering interoperability
- Launching a systematic approach in addressing cross-border issues
- Key-Word: «Coopetition»
- Pushing the harmonisation of operational processes and rules
- Economies of scale in developing and implementing innovative IT tools