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| RESEARCH PROJECT | THE NEW MARITIME SILK ROAD: NAVIGATION AND SECURITY IN THE TECHNOLOGICAL ERA

SCIENTIFIC COMMITTEE |

Andrea Caligiuri, Stefano Pollastrelli, Carmen Telesca

WEB | <u>giurisprudenza.unimc.it/cusmat</u> **INFO** | <u>cusmat@unimc.it</u>

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Greeting Addresses

Stefano Pollastrelli

Director of the Law Department and Director of CUSMAT | University of Macerata

Chairman

Andrea Caligiuri

Principal Investigator of the Research Project | University of Macerata

The Governance of Seaports in China: A Model for Competitiveness of the Ports along the Maritime Silk Route? Federica Monti | University of Macerata

Port Operations, Logistics and Supply Chain Security Towards New Trade Trends and Technology Disruptions Federico Franchina | University of Macerata

Croatian Legal Framework for Port Security Igor VIO | University of Rijeka

The management and security of the Port of Koper (Slovenia) and the new maritime silk road

Mitja Grbec | Maritime Law Association of Slovenia **Boris Jerman** | University of Ljubljana – Port of Koper

Q&A

Conclusions

Matteo Paroli | Central Adriatic Ports Authority

WEBINAR

THE IMPACT OF THE NEW MARITIME SILK ROAD ON PORT MANAGEMENT AND SECURITY IN THE ADRIATIC SEA

MACERATA, 21 MAY 2021 | 10H00-13H30

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ABSTRACTS

















THE GOVERNANCE OF SEAPORTS IN CHINA: A MODEL FOR COMPETITIVENESS OF THE PORTS ALONG THE MARITIME SILK ROUTE?

Federica MONTI

China's reform and *opening-up*, under the leadership of Deng Xiaoping in the late Seventies, has taken the People's Republic of China toward an unprecedent socio-economic and legal evolution, still ongoing.

From a system planned and directly under the control of authorities at central level, the country has moved to a 'centralized system with decentralization characteristics', where greater administrative (and regulatory) responsibilities (and powers) have been passed to lower level and local administrations.

That transformation had a significant impact on the governance of Chinese ports as well, which became from being wholly and/or predominantly State owned and controlled, to being a sector open to private and foreign investments and, even more important, under the control of local port authorities (at the same time, allowing local port groups and terminal operators to implement international strategies to expand their business).

Mainly, four key policy initiatives have influenced the 'reform' of the governance of Chinese ports: the reform of the public sector's corporate governance, the Go west Policy, the One Belt, One Road Initiative and the establishment of the Foreign Trade Zones. By the other side, three cardinal principles were behind above said policies: an increasing attention to port integration and cooperation, a stronger orientation to the development of inner areas of the Country and the opening of the Chinese port sector to investments both accepting investment from and investing in foreign entities. The study of this important evolution (not ignoring the regulatory references, in force) is essential for the purpose of correctly framing the current port governance models; a brief analysis of selected models will complete the presentation.

Keywords: China, Decentralization of powers; Foreign investments; Governance of ports, VIEs model.

















PORT OPERATIONS, LOGISTICS AND SUPPLY CHAIN SECURITY TOWARDS NEW TRADE TRENDS AND TECHNOLOGY DISRUPTIONS

Federico Franchina

Last ten years the world trade has seen some important changes with the confirmation of China as global power with its trade strategy and technology disruptions such as automation and the matter of big data and cyber domain.

In this sense the transport of goods by sea is one of the most affected area of these new trends as the globalized world – even hard hit by pandemic – still have at its center trade among countries.

The Chinese initiative "one bel one road" aims to be one evidence of the eastern power and also to counterbalance the Western predominance. Shipping lanes, ports and straits become of vital importance in order to allow goods to flow in a specific way and match the goal of the modern superpowers.

At the same time these fields become the eligible areas in the driving forces inducing the reversal of the trend towards international decision-making and the way in which security is treated.

Increased frequency of unlawful acts that took place at economic centers and/or transport nodes, disrupting transport processes. The limited spatial jurisdiction of national policies hampered their potential to turn to a holistic approach of tackling security issues in transport and global trade systems. Also, the structural changes of the world economy and the implementation of advanced technologies, which altered the way transport systems and ports are elements to be considered too.

Focusing on the EU this list of parameters should also include the economic importance of the port sector for the European economy.

Ports were affected by major economic (i.e. globalization and liberalization of world markets), technological (i.e. containerization) and organizational (i.e. implementation of just-in-time and door-to-door processes) changes. Following the rapid and pervasive restructuring of supply chains and logistics pathways, modern ports are not simply places that facilitate the interface of sea and inland transport modes. Ports are areas of commercial, industrial and distribution activities, which are embedded in value-driven chain systems.

This integration of ports in supply chains has certain security implications. By expanding the spatial area within which transport operations take place and due to the fact that intermediate goods are processed at various stage of the transport chain, one needs to secure the entire process which begins at the manufacturing site, rather than the parts of the supply chain.

Also, new technology and sources of energy (LNG) as well deserved more attention in the light of ports spatial planning and security implications.

Foreign investment in port operations activity and the seashore concessions are also a key factor for a new dimension of economic security that should be assessed.

The aim of the presentation is then to introduce the new shape of ports operation, logistic and supply chain in consideration of the traced game changers.

















CROATIAN LEGAL FRAMEWORK FOR PORT SECURITY (OUTLINE)

Igor VIO

- The Ships and Port Security Act (SPSA) regulates various aspects of the security of maritime ships and seaports open to international traffic in the Republic of Croatia.
- The SPSA prescribes a number of obligations that the port authority or the port concessionaire must fulfil in order to ensure the application and enforcement of security measures.
- Statement of Conformity of the port is issued by the Ministry of Maritime Affairs and it verifies whether the port meets the security protection requirements prescribed by the Act.
- Each port or port operating area to which this Act applies must have and maintain a valid port security plan made by a recognized port security organisation based on an approved port security assessment.
- The Port Security Plan defines the procedures, measures and activities for each security level.
- The levels of security for seaports in the Republic of Croatia is determined by the Ministry of Interior Affairs according to the basic and specific security indicators.
- The Port authority or the concessionaire of a special purpose port shall establish a service responsible for the security of the port, which must be operational 24 hours a day, managed by the person responsible for the security of the port.
- The person responsible for the security of the port is appointed by the Director of the Port Authority or the authorized person of the entity having a concession of a special purpose port.

















THE MANAGEMENT AND SECURITY OF THE PORT OF KOPER (SLOVENIA) AND THE NEW MARITIME SILK ROAD

Mitja GRBEC -Boris JERMAN

The Freight Port of Koper is the most important container port in the Adriatic Sea (967,000 TEU in 2018) and generally speaking a major hub (multipurpose port) for serving the main markets of Central Europe. It is connected with regular rail lines to main regional centres including Bratislava, Budapest, Belgrade and Munich. For Central European countries such as Slovakia, Austria or Hungary, the Adriatic ports of Koper, Rijeka and Trieste are of exceptional importance.

Trade between China and the EU has reached €1bn per day. In 2018, the EU's imports from China alone amounted to €394.8bn. China holds first place among exporters to the EU and is the bloc's second-biggest export market. This makes the ports in the AI region interesting for China as part of the Belt and Road Initiative (BRI) which aims to connect Asia with Europe and Africa by facilitating trade along land and maritime corridors. Noteworthy is the fact, that appx. 60 % of total TEU throughput from the Port of Koper is coming/going to regions beyond Suez.

The Port of Koper has seemingly already embarked on the new Silk Roads in June 2018 by signing a MoU with the Chinese port of Ningbo. In the framework of the international conference "Maritime Silk Road Port International Cooperation Forum", held in the Chinese city of Ningbo, the president of the management board of Luka Koper Dimitrij Zadel, and the representative of Ningbo Zhoushan Port Group Ni Chenggang, signed a Memorandum of understanding which aim is to strengthen trade between China and the Central and Eastern Europe countries, which carry a substantial part of their overseas trade through the Koper port. The signatories of the memorandum should seek to increase the number of shipping lines, thereby increasing the trade volume, which exceeded 2 million tonnes of cargo in 2018.

Furthermore, in 2019, the President of the management board of Luka Koper, Dimitrij Zadel accompanied Alenka Bratušek, at that time Minister of Infrastructure on her work visit to China, where they met the executives of COSCO, the largest Chinese shipping company and an important client of the Port of Koper. Minister seized the opportunity to introduce Slovenia's infrastructure plans in terms of transport connections between the Port of Koper and its hinterland. With its realisation, Slovenia will provide conditions for a further increase in container throughput in the Port of Koper where the number of handled TEUs is about to exceed the historical limit of one million in 2021.

When it comes to the management of the (Freight) Port of Koper reference should be made to the fact that there is not a special law addressing maritime domain and/or ports in the Republic of Slovenia, It is thereto necessary to apply different sets of national legislation (in addition to EU law), including the Waters Act, the Maritime Code, the Law on Public-Private Partnership, governmental and local communities decrees. In the freight port of Koper there is a situation, where the formal port operator (manager) is the Republic of Slovenia (Ministry of Insfrastructure/Transport, Maritime Administration), while the operational management of the port are performed by the private company Luka Koper d.d.. Another interesting characteristic is that a

















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substantial part of administration, management, development and regular maintenance of the port infrastructure has been transferred to the concessionaire, the private company Port of Koper d.d. Where it comes to port security within the freight port of Koper, the measures are undertaken primarily by the concessionaire, who manages port of Koper (Luka Koper d.d.). According to the provisions of the Concession Agreement, the concessionaire is obliged to ensure security in the port area. Port of Koper is in accordance with Critical Infrastructure Directive (2008/114/EC) designated as "critical infrastructure", which requires appropriate activities in this regard. The said activities are among other based on the Port of Koper Security Plan, which complies with the requirements established by the Solas Convention, ISPS Code and Regulation of the European Parliament and Council of Europe on increased protection of vessels and ports, and relevant national legislation. Security is planned at different levels and is controlled by competent governmental authorities. The inclusion of the (Northern) Adriatic ports within the new Maritime Silk Road will require new investment in port and transport infrastructure and due to increased cargo flows an even greater cooperation of all States in the region in the field of safety of navigation and prevention of marine pollution. There seems to be an agreement among users and policymakers alike, that the Adriatic (and Ionian) is, particularly with regard to maritime safety and prevention of marine pollution, a 'high risk area' (i.e. extremely dense traffic of cargo ships and tankers&increasing number of yachts and pleasure boats). Further Adriatic cooperation in this field should focus on the safety and security of navigation in the Adriatic – Ionian, primarily on the upgrading and further integration of the already existing measures (VTS-ADRIAREP, routing measures...). Proposals have been echoed also for the extension of existing compulsory (routeing) measures applicable in the Northern

Adriatic to other parts of the Adriatic Sea and for a further integration, upgrade and modernisation of the existing reporting system. Such views are among other reflected also in the document »A

Maritime Strategy for the Adriatic and Ionian Seas (COM (2012)713 final".







