



Port City Scenarios During and After Covid-19: The case of Livorno

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Avitem Webinar
The port at the heart of the crisis: vulnerability or resilience
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The port of Livorno and the role of the city in the dynamics of the port

Livorno is the main port of Tuscany region in Italy and it is a multi-purpose port of call of national importance as it is equipped with port areas, warehouses and modern handling facilities, in addition to highly skilled personnel with expertise in loading and unloading all kinds of cargo.



The port of Livorno is classified as a Big Regional (first level port) along the Tyrrhenian corridor.

It is equipped with infrastructures and equipment that can berth any vessel and handle any type of goods traffic (LO-LO, RO-RO, bulk solids and liquids, new cars, cruises, ferries, timber and timber derivatives, machinery etc.,).

The infrastructures connect the port to the main national rail and road networks and the airports of Pisa and Florence

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The Covid-19 crisis has changed the face of many cities as people change their lifestyles, mobility and consumption patterns. In port cities, it has had a serious impact on port and logistic activities. The Covid-19 crisis raises the question of how to manage urban life and socio-economic problems in the wake of a pandemic, and requires new scenarios.

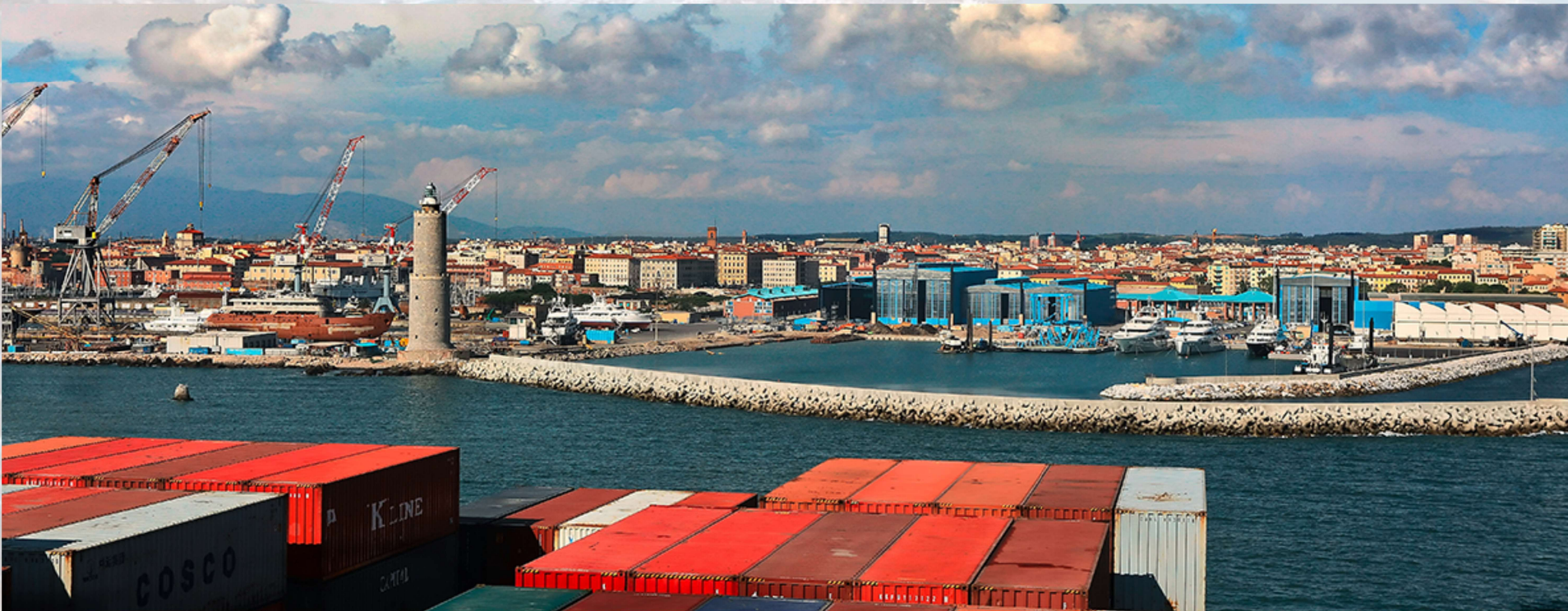


Source: Adsp MTS

The global Covid-19 containment policies have seriously affected sea transport, damaging trade flows and supply chains. In Livorno, as in other Italian ports, vessel traffic and shipping industry were severely impacted. Vessel traffic including ro-ro, lo-lo, container and break bulk dropped seriously within a few months.

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For the city of Livorno, the port is the main driver of development. It is therefore clear that in a moment of crisis, such as the one created by Covid-19, the city is deeply involved in looking for social and economic innovative solutions. The crisis affects not only the port, but also the city and the cruise line value chain.



Source: Adsp MTS

The most immediate danger from an urban point of view are the economic consequences of the crisis and the **social stability of the local community**. The preservation of employment was vital in order to guarantee social stability.

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From January to March 2020, the AdSP – North Tyrrhenian Sea Port Authority has reported reduced container traffic as well as lower cruise and ferry passenger numbers. A decrease in container traffic in the order of 7-8%, the collapse in cruise traffic (-60.6%) and ferries (-30%). These are the main effects of Coronavirus on the traffic of the port of Livorno



In those months a critical situation recorded for **commercial traffic** is for the new car sector due to the failure of dealers to collect their cars (sales collapse) and therefore overcrowding of storage areas near the quays is occurring.

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The port of Livorno is one of the main transit calls in the Mediterranean area for cruise ship. Cruise and ferry activity suffering most for the current restrictions: the situation for passenger vessels is continuously worsening following the cancellation of all cruise ship calls and the suspension of ferries ordered by the Ministry at a time when departures are normally intensified .



Source: Adsp MTS

	Total Expenditure/Investment	Expenditure/Investment made in Livorno	Share of expenditure made in Livorno economy
2016 Expenditure ashore by cruise passengers	36,852,226	10,315,762	28%
2016 Expenditure ashore by crew	2,687,834	2,687,834	100%
Expenditure for port services	10,894,000	10,894,000	100%
Annual investment expenditure on the Port	1,774,625	1,774,625	100%
Total expenditure 2016	52,208,684	25,672,221	49%

Category and amount of expenditure relating to the cruise industry: 2016. (Source: IRPET calculations on survey data).

In 2019, the city-port counted 835.500 passengers from cruises (+6,66% compared to the previous year). Tourists are mostly day-visitors; their consumption is mainly related to shopping, guided tours and on-land excursions. Not only the social and economic impact of the cruise sector is important for the city, but also the employment generated in the port terminal facilities and in the cruise integrated value chain.

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The Covid-19 crisis raises the question of how to manage urban life and socio-economic problems in the wake of a pandemic.



Source: Adsp MTS

The city of Livorno, with the new Councillor for port and port city integration play a more significant role in the running of the port.

Since 2019, the port and the city started a new open governance process with the aim of improve the city-port relations and build a new common vision for the port-city of Livorno.



The port of Livorno and the role of the city in the dynamics of the port: resilience and planning and reducing covid-19 risks activities.

Since covid-19 crisis started, The city and the port community needed to strengthen their relationship in order to discuss challenges that the port and the city are both facing, and to develop innovative solutions together. All the stakeholders have been involved in the process by developing a problem-solving approach.



The city and the port of Livorno developing joint solutions.

From the beginning of the crisis, the Mayor of the city of Livorno and the Councillor for port and port city integration decided to start a new governance strategy

Together with the North Tyrrhenian Port Network Authority, the harbour master, the main maritime and logistic associations (industrial, ship owners, shipping agent) and Labour unions have chosen to collaboratively supervise and manage the impact of Covid-19 on economic activities in both city and port.



Source: Adsp MTS

The port of Livorno and the role of the city in the dynamics of the port: the creation of a new open governance tool “Cabina di regia città-porto”.

The new open governance tool created by the Municipality of Livorno (the Mayor of Livorno and the Councillor for port and port-city integration), called “Cabina di regia città porto” (City-Port Direction Cabinet) aims to support companies and workers with socio-economic emergencies and help them face the uncertainties generated by the pandemic. The Cabina, coordinated by the City of Livorno, has been created to provide support to port operators, logistics companies and workers during Covid-19, discussing challenges and developing innovative coexistence solutions.

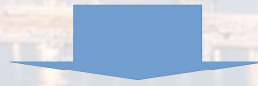


Source: Adsp MTS

The port of Livorno and the role of the city in the dynamics of the port: the creation of a new open governance tool “Cabina di regia città-porto”.

The first challenge that the stakeholders had to face was to **develop a coexistence solution to manage the cruise and ferry shut-down**. In the city-port of Livorno, the passenger terminal was seriously damaged by the government’s decision to stop all cruise and ferry ships.

In order to support the affected companies and manage the social and economic impact of the cruise sector crisis, the Cabina asked the North Tyrrhenian Port Network Authority to take action at the ministerial level, with the Ministry of Infrastructure and Transport.




Specifically, it asked to promote the extension of Art. 92 of the Cura Italia Decree (a 25 billion Euro incentive programme of the Italian national government) also to passenger terminals (concessionaires ex. Art. 36 of the Navigation Code) once converted into law.

The aim was to support the Livorno passenger terminals – Porto Livorno 2000 (concessionaires ex. Art. 36 of the Navigation Code) that was suffering for the cruise and ferry stop. It had been excluded from the financing provided for by the Curia Italia Decree. The extension of art. 92 was adopted in July.

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Other challenges that the stakeholders had to face was:

- To guarantee the adoption of all covid -19 safety national guidelines to reduce the risk of covid -19 when the ferry traffic in Livorno has restarted (June 2020)
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- To find a employment solution for cruise seasonal workers, without a job due to the cruise stop.
 - The Municipality also set up an inter-sectoral work group to support the Port Network Authority in developing an Implementation Plan to help Porto Livorno 2000 seasonal workers find employment solutions. After two months, all the seasonal workers were employed by the terminal with Covid-19 prevention tasks. This is was a very important goal for the city in order to preserve social stability.
 - In the first months of the crisis, it was necessary to find a operational solution to face the port terminal request of new added temporary areas for new car storage pending the reopening of the dealers.

The port of Livorno and the role of the city in the dynamics of the port: resilience and planning and reducing covid-19 risks activities.

The work of the Cabina continues in order to supervise and manage the impact of the pandemic to port and city economic activities.



The port and the city are working together in order to reducing the economic impact of covid-19 to port and logistic companies and workers by:

- keep monitoring the impact of covid -19 in vessels call, capacity utilization including warehousing and distribution activities, hinterland transport and social stability.
- opening a working table with the Region governement in order to find new tools to support companies – loans for investments in smart working and technological innovation; extension of social safety nets;simplification of bureaucratic processes etc..)
- opening a working table on Recovery Plan, studying solution to support social and economic recovery in local communities.

THANK YOU!

