

**Worldwide trade and illegal activities.
The Port of Taranto and the counterfeiting as a
consequence of the increasing freight traffic from the East***

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Riassunto

Il presente lavoro si propone di dimostrare come lo sviluppo del porto di Taranto abbia generato anche fenomeni distortivi rispetto ai traffici consueti quali, ad esempio, l'importazione parallela e illegale di merci contraffatte. Negli ultimi anni il Mar Mediterraneo ha confermato la sua rilevanza ed importanza storica nelle rotte commerciali marittime. Così, alcuni porti del Sud Italia, come Taranto e Gioia Tauro, stanno beneficiando dell'assunzione di un nuovo ruolo, non solo limitato alla circolazione delle merci, ma, se ben delineato, anche cruciale per lo sviluppo urbano, come conseguenza degli investimenti diretti e indiretti. La crescente diffusione internazionale della contraffazione, come effetto inaspettato della globalizzazione, sta colpendo tutti i paesi che producono più beni. I protagonisti di questa attività illegale, sempre più, fanno uso di precise rotte commerciali internazionali e dei grandi porti di collegamento, tra cui, ovviamente quello di Taranto. L'analisi svolta delinea le principali caratteristiche del suddetto fenomeno.

Parole chiave: sviluppo, porto, contraffazione

1. *Introduction*

In recent years the Mediterranean Sea has confirmed its relevance and historical importance in maritime trade routes. Until the nineties,

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this vast basin was the recipient of secondary services in the traffic of short sea shipping. Since the mid-nineties, the process of “hub and spoke” organization and movement of traffic unitization has spread in the Mediterranean. As a consequence, major shipping companies have expressed the need to identify main hub ports on which to concentrate ships of greater capacity.

Thus, Ports in the South of Italy such as Taranto and Gioia Tauro are benefiting from a new role which is not only restricted to the movement of goods but is also crucial for urban development, due to the action of structuring direct and indirect investments. The port connections are substantially expanding their important role in the processes of economic development in diversified sectors such as tourism (particulary cruise tourism), agriculture and manufacturing. The appearance of these ports is undergoing a radical and constant change. They are called to not just play “the role of areas of concentration of property and equipment related to the transfer of cargo or industrial processing, mere physical infrastructure of transportation (whose growth tends inevitably to conflict with other dimensions of development), but are also a gateway of territorial systems in which the management of information flows, providing rare services, the creation of new functions in industrial added value. With the growing logistics skills these Ports are increasingly gaining importance as nodes of a cycle of transport and thereby possible attractors of new industrial and service-ranking metropolitan activities (less related to traditional maritime horizon). Therefore, in the modern processes of globalization they have become a the gateway to the world for to the local systems” (Soriani, 1999).

The purpose of this paper is to analyse the Mediterranean Sea and, in particular, the Adriatic Sea as a place of intense human and commercial relationships, there is an increasing emergence of precise guidelines for such reports. The analysis of the dynamics in the field of freight traffic in the Adriatic scenario provides some useful information on its continuous increase from the East, the Balkans and Turkey and also the opportunities created by the EU expansion to countries such as Bulgaria and Romania.

Tab. 1 - Distances (in miles) from Suez

Taranto	946
Gioia Tauro	958
Bari	991
Trieste	1.303
Venezia	1.305
Genova	1.422
Marsiglia	1.512
Barcellona	1.591

Source: Iafrate, 2007, p. 8

In this context, the role of port cities could become strategic and Apulia, particularly Taranto, has the potential to become the leader. A new strategic penetration by sea to the East, in fact, opens up tremendous prospects for the development and distribution of traffic flows in the Mediterranean Basin.

For several years both national and regional governments have highlighted the importance of the port system for local development. In fact, in 2005, the Apulian Region Government identified, through the Regional Transport Plan, the need for the construction of the Apulian port system as an essential element for the growth of regional competitiveness, economic development, increased employment and modal rebalancing of the transport system. The role of Puglia was specified in that Plan as “open to the Mediterranean port facilities in Europe and then North Africa, East Asia, the Middle East, particularly through the integration of logistics platforms, with particular reference to the link between behind the port and the port sector” (Regione Puglia, 2005, p. 7).

A study by The Ocean Shipping Consultants (in Bari Port Authority, 2007) had already highlighted a strong growth (between 79% and 95%) of trade flows between Southern Asia and Eastern Europe in the 2007-2010 period, with particular reference to the container traffic in the eastern Mediterranean and The Black Sea.

The estimated growth rates for China 's economy, as well as for India and other industrial nations of Southeast Asia, and the resulting volume of exchange should generate significant traffic volumes to western countries through the Suez Canal, except in cases of an economic downturn or financial crises such as those in progress. Table 1 shows the distance from Suez maritime ports in the central Mediterranean basin.

In this context, the port of Taranto has taken a leading role in container transport traffic on the main routes to and from East Asia. It is connected to the port and inland terminals of Nola, Bologna and Ancona by twenty weekly trains. Most of the transshipment traffic is linked to the development of global service networks by shipping lines which makes it economically viable for freight to be transferred from a feeder to a large vessel to the following ports: Bari, Malta, Venice, Gioia Tauro, Civitavecchia, Salerno, Thessaloniki, Piraeus, Constanta, Istanbul, Mersin, Alexandria, Port Said, Tunis and Thames Port (London).

Taranto's economy, characterized by large industrial facilities (Military Shipyard, Steelworks), has suffered a tremendous delay in the interaction and the pursuit of compatibility with the local society. In recent years the steel crisis and the reduction of the presence of the Navy have highlighted the most critical aspects of production decisions in this city. The political decision, in developing the port, through the acquisition of a cargo transshipment license operated by Taranto Container Terminal (TCT) SpA, part of the Taiwanese group Evergreen Marine Corporation, one of world's leading container shipping companies, has revealed to be the only way out of the progressive economic local downturn. However, the decline of the industrial pattern of the giant steel industry and the consolidation of local development with a strong specialized production have raised the need for trade diversification and tourism development. The port of Taranto has been projected in new commercial and transportation scenarios, due to the above position of centrality in the Mediterranean and the presence of favorable natural conditions and many facilities.

Tab. 2 - Customs of Taranto: retail activities conducted in 2008, 2009 and 2010

	2008 n.	2009 n.	2010 (January-June) n.	commercial value €
containers seized	26	60	158	
seizures for made in Italy	0	0	31.974	151.167,00
seizures for counterfeiting (brands and patents)	221.730	1.214.222	1.373.410	41.276.854,00
seizures for weapon smuggling	0	500.480	0	40.856,00
seizures for illicit international waste (Kg)	0	936.670	3.206.440	854.354,00
seizures for foreign tobacco smuggling	0	0	517.500	1.035.000,00
Smuggling and other criminal offenses	39.696	653.696	0	257.956,00
Total				43.616.187,00

Source: Customs of Taranto, 2010

2. *The activities of the port*

In the last decade, the activities of the port of Taranto have increased significantly. Between 1999 and 2006, freight traffic increased by about 13.4 million tons (from 36,051,047 to 47,221,400), representing a total increase of 26% in 7 years and an average of 7% on an annual basis. In 2007, despite a decline of 4.4% of the volume of cargo handled, Taranto remained the second Italian port as to cargo traffic with 47.2 million tons, consisting primarily of dry bulk and other goods (respectively 46.6% and 25.8% of the total) and of liquid bulk and containerized goods (respectively 17.6% and 10.1%) for the remaining portion. In 2008, factors such as the global economic crisis and high fluctuation in oil prices led to further decline in the volume of cargo handled from 47.2 million tons to 43.2 million tons. This downsizing of the activity is due mostly to reduced handling of liquid bulk and other goods (-23.7% and -16.8% respectively). In 2009 the effects of the global crisis have been evident with a considerable decrease in the amount of goods handled resulting in a negative balance of 36% (fig. 2 and following). The container terminal has not been particularly affected by the international economic crisis and, in

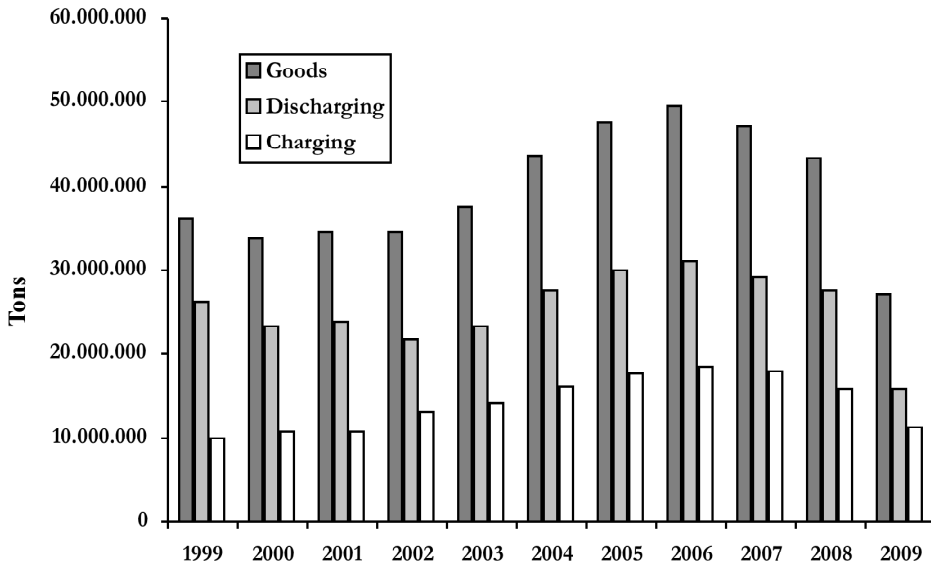
an area of about 930,000 square meters with a capacity of over 35,000 TEUS and an additional storage capacity of 45,000 TEUS of empty containers, it was, however, unable to transport more than 5 million tons of goods in 2009. Finally, the number of ship arrivals and departures at the port of Taranto has increased from 3,172 in 1999 to 5,231 in 2006 (+39%), but has decreased by about 2000 units in the last three years (fig. 4).

3. *Counterfeiting: the size of the phenomenon at the port of Taranto*

According to the World Trade Organisation (WTO), the phenomenon of counterfeiting concerns about one tenth of worldwide trade, in other words several hundred billion Euros. The World Customs Organisation has estimated this phenomenon to be 5% of world trade, and the OCSE basically confirms this estimate; but the European Commission is more inclined to assess the rate of counterfeiting as being close to 7%, mentioning an amount between 400 and 500 billion euros. Damage caused by the non-observance of intellectual property rights affects companies, artists and inventors, but it also often causes harm to the users themselves (Ofria, 2004). Within Europe, Italy holds the unenviable record of being the top European consumer of imitation products. But, more importantly, Italy itself, and in particular Southern Italy, is the European centre for counterfeiting and violating intellectual property rights in many industrial sectors: it is the top producer of imitation goods in Europe, and the third worldwide. The resulting damage to both Italian and Foreign companies, is extremely high, as well as the damage to the Public Administration as a result of tax evasion. However an exact estimate of this damage is not easy to calculate as, by definition, these are illegal activities and in the past they were linked to relatively small and badly organised groups: today these activities are much better organised and efficient, and are frequently coordinated by organised crime sectors.

The growing phenomenon of counterfeiting is associated with the development and the internationalization of trade and economy, the large-scale deployment of new technologies and the opening of new markets due

Fig. 1 - Port of Taranto: cargo handled from 1999 to 2009



Source: Based on data from the Port Authority

to globalization in its broadest sense. Counterfeiting is the reproduction or use, in whole or in part, of a trademark; that is the drawing of a model of a patent or copyright without the owner's permission. In the last 12 years counterfeit products are increasingly similar to the original ones and are gaining a growing slice of the market so much so that the increase of worldwide counterfeiting has doubled twenty times more [09].

The International Anti-Counterfeiting Coalition estimates the world counterfeit products between 5% and 7% of international trade annually. To get an idea of this phenomenon it is appropriated to look at the level of customs seizures of counterfeit and illegal products between Europe and the United States. Statistics on seizures in 2008 show that the amount of counterfeit and illegal items seized at the border of the EU was rising, increasing by almost 1000% compared to 1998.

Customs now seize more than 100 million items each year, and from 2003 to 2004 the number of customs operations relating to counterfeit operations increased from 22,311 in 2004 to 26,704 in 2005. The increase in counterfeit goods harmful to health and safety is constant.

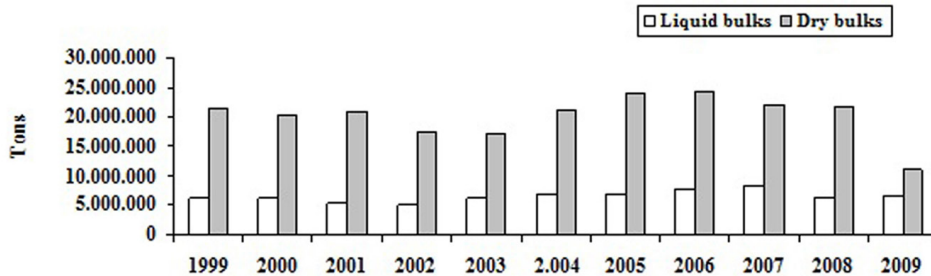
Seizures of counterfeit food products, beverages and alcohol have increased by 200% if compared to 2003. Instead the European Commission, supported by the World Customs Organization, estimates that the percentage of counterfeited products amounts to 10% of worldwide trade annually and assumes the corresponding economic value of reference between 200 and 300 billion Euro. In the 2000-2006 period, in the European Union alone there was an increase of 88% of seized counterfeited goods while the number of seized products passed from 68 million in 2000 to 128 million in 2006 (Izzi, 2008).

Counterfeiting continues to be perceived both as a “problem” of the most famous brands and the audiovisual industry and also a form of maintenance of immigrants and the unemployed. In fact, counterfeiting is a broad, complex and insidious criminal phenomenon supported by organized criminal groups that are able to move quickly in both the illegal and legal markets. Indeed, there is a “universe of false” which does not exclude any products from the risk of counterfeiting: such as food and beverages, pharmaceuticals, spare car and airplane parts, cigarettes, toys and baby products, furniture, glasses and accessories, personal care, cars, documents, software, books, pictures and more. It can be said that are the implications of certain correlation between the phenomenon of counterfeiting and the activities of organized crime.

According to the latest estimates, the phenomenon of counterfeiting in Italy continues to survive. The problem is evident in almost all Italian regions. The southern criminal organizations consider this territory as a logistics hub for counterfeit products; in fact, 57.9% of all fake seized products have been intercepted in the southern regions by the Customs Agency, while the Customs Officer has achieved a quarter of the counterfeiting operations. Estimates of the market value of the false reports have been more than 5 billion each year. In the Southern Italy, 23% of all Italian seizures were made by the Guardia di Finanza, the Italian Enforcement Agency [09].

Considering the study on the Port of Taranto, the details of the

Fig. 2 - Port of Taranto: liquid and dry bulks handled from 1999 to 2009



Source: Based on data from the Port Authority

activities carried out by The Customs in Taranto indicate a growing traffic of counterfeit goods on seizures in the 2008, 2009 periods and the first six months in 2010.

As shown in Table 2, the number of containers seized has increased considerably from 26 in 2008 to 158 in the first six months in 2010 (latest data available). Looking at the seizures only for the counterfeiting of trademarks and patents, the data are quite alarming: from 221.730 in 2008, to 1.214.222 in 2009 and to 1.373.410 in 2010, for a market value of over 41 million Euros.

In the thirty months considered in this study, the total trade value of goods seized was almost 44 million Euros. This datum is even more significant when one considers the damage suffered by the manufacturers of the original goods, both in money and image as a result of the “Easiness” of their products, considering that once those original products were considered to be exclusive and now they are easy to buy in the underworld counterfeiting markets.

Furthermore, the analysis of data provided by the Customs shows the geography and product category of counterfeiting; in particular the 158 containers seized in the first half of 2010 and used for the illicit trade of goods coming, in most cases, from China, Turkey, Singapore, Germany and sold to Vietnam, Tunisia, Croatia, Slovenia, Greece and Libya.

It is interesting to note the vast variety of seizure counterfeit goods ranging from: footwear, electronic products, CDs and DVDs, toys,

watches, sunglasses, cigarettes, food and special waste.

With reference to ports in the geographical areas involved in seizures of counterfeit goods, there are multiple horizontal and vertical relationships; the horizontal ones satisfies the function of connecting the economic agents with the characteristics of different places (eg. ports with weak customs controls, or most profitable markets); the vertical relationships favour, however, the movement of people, information and capital. For example, The Customs Officer recently has carried out an important operation in the Port of Taranto, that led to the arrest of nine people, including customs agents, employees of shipping agents and Chinese citizenship importers.

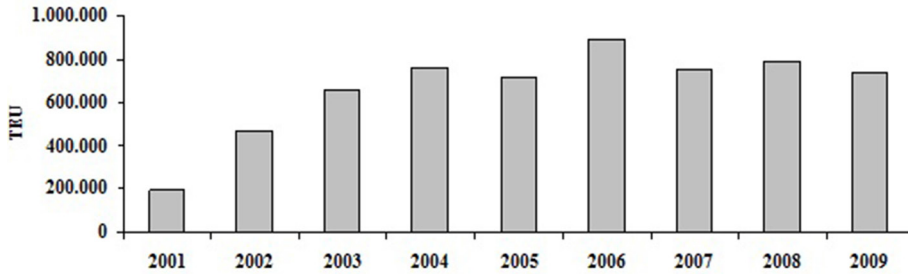
The criminal organization imported goods bearing counterfeit trademarks, in 10 containers, for a load of 125,942 pairs of men's footwear brands such as Nike, Gucci, Dsquared, Prada, Dolce & Gabbana, for an estimated market value of 15 million Euros.

Moreover, the organization introduced smuggled goods into the commercial circuit, through the use of new methods, using the introduction of the VAT (Value Added Tax) on deposits of goods by the "ghost company" or by companies wholly alien and unconscious. Therefore, this has caused an evasion of customs duties (import VAT and customs duties) for about one million Euros. Many crimes are been committed: criminal conspiracy, smuggling aggravated by ideological falsehood, fraud and introduction into Italian territory and trading of goods with false trademarks.

4. Concluding comments

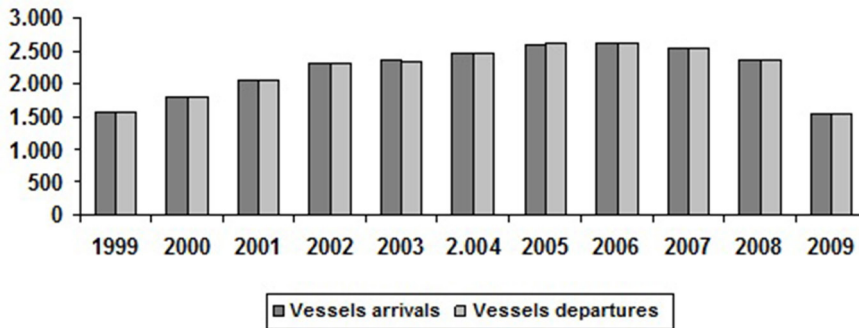
As it has been said, there is no doubt that the Port of Taranto enjoys great advantages of position considered in the regional or local scale. Its proximity to the Straits of Gibraltar and Suez makes the Port of Taranto one of the most strategic in the Mediterranean. In addition, its position in the Apulia region allows it to effectively serve both the European guidelines and North African and Middle Eastern ones, through a network of routes run by feeder ships and a road network for land transport by road and rail, with a subsequent reduction in the actual timing for the routing of

Fig. 3 - Port of Taranto: containers handled (TEU) from 2001 to 2009



Source: Based on data from the Port Authority

Fig. 4 - Port of Taranto: vessel arrivals and departures from 1999 to 2009



Source: Based on data from the Port Authority

cargo unitization. In the coming years, the real challenge, however, will be to affirm the new role of Mediterranean ports. The speed of response and overall efficiency of the supply chain in every port will be decisive. Moreover, the increased freight traffic in the Northern Europe ports shows that the greater proximity to end markets or origin of goods is not the only factor in the choice of international transport companies. There must also be other attractive elements such as organizational effectiveness, a more developed infrastructure and high quality standards. The speed and efficiency required in each joint of the supply chain also require secondary ports in the network of transit points to connect at the lowest cost and shortest time possible shipping lines with a number of markets located at great distances from the points of loading or unloading of goods.

Consequently, even the competitive factors which the success of the feeder airports depend on will be a consequence of the geographic location, the level of integration between the port and other intermodal facilities behind it, the speed and size of roads and railways, the technological content of the plants, the computerization of procedures, and finally flexibility and efficiency of workers. This will be possible through the continuous monitoring of the risks of leakage current port underworld activities. The data analyzed in this paper show how such activities are unfortunately rising, damaging the image of the port and, at the same time, subtracting resources for other more efficient uses.

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*Résumé**

Cet article vise à montrer comment le développement du port de Tarente a aussi généré des phénomènes de distorsion face au trafic habituel tels que, par exemple, l'importation parallèle de produits contrefaits et illégaux. Ces dernières années, la Méditerranée a confirmé son influence et son importance historique sur les voies du commerce maritime. Ainsi, certains ports de l'Italie du Sud, comme Tarente et de Gioia Tauro, sont en train d'assumer un nouveau rôle qui ne se limite pas uniquement à la circulation des marchandises mais qui, s'il est bien défini, peut devenir crucial pour le développement urbain, suite à des investissements directs et indirects. La propagation internationale croissante de la contrefaçon, comme effet inattendu de la mondialisation, affecte tous les pays qui produisent un nombre important biens. Les acteurs de cette activité illégale, empruntent de plus en plus souvent des routes commerciales internationales précises et touchent les principaux ports de connexion, y compris, bien sûr, Tarente. Cette analyse décrit les principales caractéristiques du phénomène énoncé.

Mots-clés: développement, port, contrefaçon

* révisée par Corinne Collomb

*Resumen***

Este trabajo pretende demostrar cómo el desarrollo del puerto de Taranto, también ha generado distorsiones respecto al tráfico habitual, como, por ejemplo, la importación paralela de productos falsificados e ilegales. Durante los últimos años el Mar Mediterráneo ha confirmado su relevancia e importancia histórica en las rutas de comercio marítimo. Por lo tanto, algunos puertos en el sur de Italia, como Taranto y Gioia Tauro, se están beneficiando de esta nueva situación, que no sólo se limita a la circulación de mercancías, sino que de ser bien delineado, podrá ser incluso crucial para el desarrollo urbano, como resultado de la inversión directa y indirecta. La creciente propagación internacional de la falsificación, como efecto inesperado de la globalización está afectando a todos los países que producen bienes en mayor cantidad. Los protagonistas de esta actividad ilegal, cada vez más, hacen uso de precisas rutas comerciales internacionales y de los principales puertos de conexión, incluyendo, por supuesto, a Taranto. El análisis describe las principales características de este fenómeno.

Palabras clave: desarrollo, puerto, falsificación

** revisado por Jordi Musté Sadurní