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# **REVIEW OF MARITIME TRANSPORT, 2001**

*Summary of main developments*



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## INTRODUCTION

The *Review of Maritime Transport* is an annual publication prepared by the secretariat of the United Nations Conference on Trade and Development. Its purpose is to identify the main developments in world maritime transport and to provide relevant statistical data. It focuses on developments of maritime activities in

developing countries as compared with other groups of countries. It also highlights the correlation between the development of global trade and maritime transport activities in general. Regional developments in East Asia trade and transport networks are the subject of this year's special chapter

## SUMMARY OF MAIN DEVELOPMENTS

### Development of the world economy and seaborne trade

- World output grew in 2000 by 4.0 per cent over 1999, the highest in a decade. The developed market-economy countries experienced growth of 3.5 per cent, while developing countries recorded an average increase of 5.1 per cent. In 2001, the output growth of the world is expected to drop, with the output of OECD countries dropping to 2.0 per cent.
- The growth in the volume of world merchandise exports increased by 11.9 per cent compared to 5.0 in 1999, while imports increased by 11.3 per cent compared to 6.1 per cent. This high growth was based on the performance of developing countries and also North America. The slowdown of the North American economy will significantly reduce trade growth in 2001.
- The total industrial production index of OECD increased by 6.0 per cent to 121.2 from 114.3 in 1999 (1995=100). The positive result was due to the performance of the United States and OECD European countries.
- World seaborne trade (goods loaded) recorded its fifteenth consecutive annual increase reaching a record high of 5.88 billion tons. The annual growth rate increased to 3.6 per cent compared to only 0.9 per cent in 1999.

Global maritime trade growth will likely decline to 2.0 per cent in 2001.

- Total maritime activities measured in ton-miles increased to 22,940 billion ton-miles, in comparison with 21,930 billion ton-miles in 1999.

### Development of the world fleet

- The world merchant fleet expanded to 808.4 million deadweight tons (dwt) at the end of 2000, a 1.2 per cent increase. Newbuilding deliveries were up by 9.6 per cent to 44.4 million dwt and tonnage broken up and lost declined by 27.7 per cent to 22.2 million dwt leaving a net gain of 9.4 million dwt.
- The fleet of oil tankers and dry bulk carriers, which together make up 70.1 per cent of the total world fleet increased by 1.1 per cent and 2.0 per cent respectively. There was a 8.8 per cent increase from 63.6 to 69.2 million dwt in the container ship fleet and a 6.9 per cent increase from 17.3 to 18.5 million dwt in the liquefied gas carriers fleet.
- The average age of the world fleet remained around 14 years with almost 34 per cent of the fleet 20 years and over. General cargo vessels had the oldest average age at 17.0 years and container vessels were the youngest at 10.4 years.

- Registration of ships by developed market-economy countries and major open-registry countries accounted for 25.2 and 48.5 per cent of the world fleet respectively. Open registries increased their tonnage by 1.9 per cent and two thirds of this beneficially-owned fleet is owned by market-economies and developing countries. Developing countries share reached 19.4 per cent or 157.0 million dwt of which 115.7 million dwt is registered in Asia.

### **World fleet productivity and supply and demand**

- The main operational productivity indicators for the world fleet, tons carried per dwt and thousands of ton-miles per dwt increased to 7.19 and 28.38 respectively. This was an increase of 1.0 per cent and 3.3 per cent from 1999.
- World total surplus tonnage continued to decrease and stood at 18.4 million dwt in 2000 or 2.3 per cent of the world merchant fleet. The surplus capacity in the tanker sector declined to 13.5 million dwt, while overcapacity in the dry bulk sector dropped to 3.8 million dwt from 7.9 million dwt in 1999.

### **Freight markets**

- The year 2000 was a good year for the tanker market. The overall volume of seaborne crude oil trade increased by 3.3 per cent. The average freight indices for VLCC, medium-size crude carriers and small crude and product carriers increased by 104.2, 77.9 and 73.3 per cent respectively.
- In 2000, seaborne shipments of the main bulks, particularly iron ore and coal, increased by 7.4 per cent. The improved balance between supply and demand resulted in higher rates for both time- and trip-charters with annual average increases in the indices of 63.6 per cent and 11.8 per cent.
- Again, by the end of 2000 the level of freight rates in the main containerized routes — transpacific, transatlantic and Asia-Europe were mostly above the levels that prevailed at the end of 1999. The eastbound legs were the

only ones to show a deterioration in rates: 11.7 for the Pacific and 4.3 for the Atlantic. The westbound legs showed healthy rates of improvement: 11.7 for the Pacific and 11.3 for the Atlantic. The route Asia-Europe showed a marginal increase of 0.3 per cent, considerably less than the 2.7 increase in rates along the Europe-Asia route.

### **Total freight costs in world trade by groups**

- World total freight payments as a proportion of total import value decreased to 5.39 per cent in 1999, down from 5.69 per cent in 1998. The freight factor was 4.50 per cent for developed market-economy countries compared to 4.83 per cent in 1998, while for developing countries it was down to 8.21 per cent from 8.34 per cent in 1998. The freight factor for the developing countries in Africa increased to 12.0 per cent and for developing countries in the Americas to 7.9 per cent. For Asian developing countries the freight rate factor decreased to 7.8 per cent while for those in Oceania the factor remained unchanged at 12.0 per cent.

### **Port development**

- World container port traffic continued to expand at a rate of 7.3 per cent over 1998, reaching 192.3 million TEUs. Ports of developing countries and territories handled 80.9 million TEUs or 41.4 per cent of the total. In 1999 there were 48 developing countries and territories with terminals that handled more than 100,000 TEU.

### **Trade and transport efficiency**

- The technological developments in international transport have standardized transport activities around the world. The Compendium of Trade Facilitation Recommendations for rationalizing procedures and documentation for international trade was updated in 2000. However, the lack of a uniform legal framework governing multimodal transport has resulted in individual Governments and regional and subregional intergovernmental bodies taking the initiative of enacting legislation to overcome uncertainties which presently exist.

- The development of cargo rail services proceeded during the year in several regions. Regulators slowed down the pace of consolidation in North America. The container leasing industry seemed to rebound along with the increased in trade. Container manufacturing continued to be dominated by China.

### **Review of regional developments**

- The growth of output reached by countries in East Asia (Japan; Republic of Korea; China; Hong Kong, China; Taiwan Province of China; and the major ASEAN countries) showed that the recovery from the financial crisis of 1998 has endured. Merchandise trade had a booming year in 2000. Most of the major countries in the region reached double digit growth in the volume of exports and imports. Total fleet, including that beneficially owned in open registries, reached

298.9 million dwt at the end of 2000 (37.0 per cent of the world fleet) with an average age of 12.2 years lower than the world average.

- The transport network in East Asia embraces all transport modes and its functioning implies streamlined procedures and enabling legislation to accompany the efficient movement of goods. In South East Asia the transport network is anchored by hub-centres of varying capacity such as Singapore, Port Klang and Bangkok with links provided by vessels of companies that are slowly recovering from the financial crisis of 1997. New areas, such as the Mekong River Basin, are being incorporated to international trade. The high cost and cumbersome trading procedures of landlocked countries such as Lao People's Democratic Republic are issues that need to be addressed to reap the benefits of trade