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REVIEW OF MARITIME TRANSPORT 1999

Chapter I : Development of International Seaborn Trade



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Chapter I

DEVELOPMENT OF INTERNATIONAL SEABORNE TRADE

The first chapter of the Review provides an overview of the demand for global maritime transport services, together with background information on the world economic situation, and a review and forecast of developments in world seaborne trade.

A. WORLD ECONOMIC BACKGROUND ¹

(a) World output

General

1. The setback to the world economy triggered by the Asian crisis in the middle of 1997 had repercussions throughout 1998. World output growth fell to 2.0 per cent in 1998 from 3.3 per cent in 1997, and the slowdown affected almost all regions and economic groupings (see table 1). Growth in developing countries was strongly influenced by the impact of the crisis on trade and commodity prices, capital inflows and financing costs, as a result of which it slowed dramatically from 5.4 per cent to 1.8 per cent. For the first time since 1988, growth in developed market-economy countries exceeded that of developing countries.

2. Despite this general slowdown, the fears of a global recession sparked by a downturn in the United States economy have proved unfounded, and by the beginning of 1999 there were already signs that conditions might be stabilizing. Widely anticipated in the aftermath of the global liquidity crisis in the autumn of 1998 which was triggered by the financial crisis in the Russian Federation, a global recession now appears less likely in the face of rapid reductions in interest rates, first in the United States and somewhat later in Europe, continued strong expansion in the United States, recovery of global equity markets and the relatively moderate impact of the Brazilian crisis. The United States economy maintained its 1997 growth rate of some 4 per cent, and unemployment fell to nearly 4 per cent without any appreciable impact on inflation. Although the deterioration of its trade balance resulted in a leakage of demand by almost 1.5 per cent of the gross domestic product (GDP), growth remained strong thanks to a rapid expansion of domestic demand. After expanding by 5 per cent in 1997, output in developing Asia (excluding China) contracted slightly.

3. Declining commodity prices and a strong dollar have contributed to the sustained growth in the United States by generating higher purchasing power and easing price pressures, but these factors had the opposite effect in developing countries. Thus, the brunt of the widely forecast adverse impact of the Asian crisis on growth in developed countries has in fact been borne by developing countries, particularly in Latin America, where growth fell from 5.4 per cent in 1997 to 2.1 per cent in 1998. The combination of declining terms of trade and reduced capital inflows necessitated restrictive domestic policies at the very time when world demand conditions were weakening. Nor did the transition economies escape the fallout from the Asian crisis, with output contracting by 1.3 per cent in 1998 after an increase - the first for several years - of 1.4 per cent in 1997.

4. While global recession has been avoided, disparities in economic performance among major developed market-economy countries have produced serious imbalances. Growth in the European Union was only slightly higher in 1998, while the Japanese economy contracted by nearly 3 per cent.

(b) Merchandise export

5. Growth in the volume of world trade, which began to slow with the onset of the Asian crisis in the middle of 1997, decelerated abruptly in 1998, along with a significant slowing of world output growth. Trade performance differed widely among regions, reflecting the changing pattern of demand and output growth and the impact of the decline in most

commodity prices. Sustained output growth in the United States and the European Union in 1998 was a key factor offsetting the slowdown in other regions, notably the severe contraction in Asia.

6. Growth in the volume of imports slowed down in all regions, with the exception of the European Union, but was particularly sharp in developing regions, and in Asia there was an absolute decline (see table 2). Among the developed countries, import growth was particularly strong in the United States, in continuation, at a slightly

slower rate, of the expansion of the previous year, whereas in Japan there was also an absolute decline.

7. Differences in regional export performance were far less pronounced than for imports. The volume of exports rose most in the transition economies and the expansion was above the world average in the European Union and the United States. In Asia, export volume growth was substantially below the world average, especially with respect to intraregional trade, and in Japan there was even a small absolute contraction.

Table 1

World output, 1990-1999
(percentage change)

Country/region	1990-1995	1996	1997	1998 ^a	1999 ^a
World	1.9	3.3	3.3	2.0	1.9
Developed market-economy countries	1.7	2.9	2.9	2.2	1.9
<i>of which:</i>					
United States	2.3	3.4	3.9	3.9	3.4
Japan	1.4	5.0	1.4	2.8	1.3
European Union	1.3	1.6	2.5	2.7	1.8
<i>of which:</i>					
Germany	1.7	0.8	1.8	2.3	1.5
France	1.1	1.1	2.0	3.2	2.2
Italy	1.1	0.9	1.5	1.4	1.4
United Kingdom	1.2	2.6	3.5	2.1	0.6
Transition economies	8.2	1.5	1.4	1.3	0.6
Developing countries	4.9	5.8	5.4	1.8	2.1
<i>of which:</i>					
Latin America	3.3	3.6	5.4	2.1	0.8
Africa	1.1	3.9	2.7	2.9	2.6
Asia	6.4	7.1	5.8	1.6	3.3
<i>of which:</i>					
China	12.4	9.6	8.8	7.8	6.6

Source: UNCTAD secretariat calculations, based on data in 1990 dollars.

^a Estimate.

Table 2

Exports and imports by major regions and economic groupings, 1990 - 1998
(percentage change in volume over previous year)

	Exports				Imports			
	1990-1995 annual average	1996	1997	1998	1990-1995 annual average	1996	1997	1998
World	6.0	5.5	10.5	3.5	6.5	6.0	9.5	4.0
Developed market-economy countries	5.3	5.2	10.2	3.4	5.6	5.4	8.5	7.4
<i>of which:</i>								
European Union	5.5	5.5	9.5	5.0	4.5	5.0	7.0	7.5
Japan	1.5	1.0	12.0	1.5	6.5	5.5	1.5	5.5
United States	6.4	6.3	11.8	2.4	6.9	5.6	12.1	10.9
Transition economies	5.0	6.5	12.5	10.0	2.5	16.0	17.0	10.0
Developing countries	9.0	6.9	12.3	3.4	10.1	6.6	10.8	4.5
<i>of which:</i>								
Africa	0.6	6.4	4.9	1.3	3.5	0.8	9.0	0.6
China	17.2	0.8	20.5	3.6	17.9	6.5	5.1	3.6
Latin America	8.0	11.0	11.0	6.5	12.0	8.5	22.0	9.5
Asia	12.6	6.2	12.4	1.4	13.7	5.8	7.0	10.1

Source: UNCTAD secretariat calculations, based on statistics of the WTO.

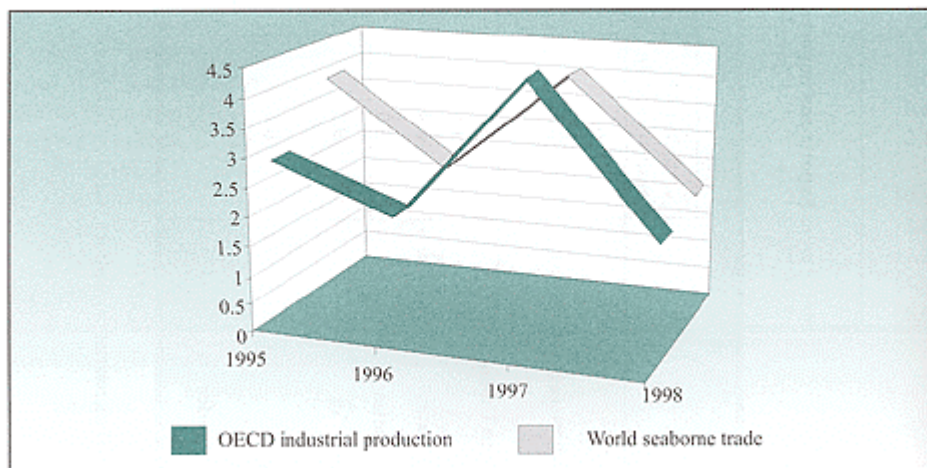
8. In value terms, world trade not only failed to grow; it underwent its strongest decline since 1982, with exports falling by 2 per cent (f.o.b.) and imports by 1 per cent (c.i.f.). And, for the first time in the post-war period, the share of primary products in world trade fell below 20 per cent, due to a continued increase in the value of trade in manufactures and a decline of trade in agricultural products, metals and fuels. The European Union was the only major region to record an increase in the value of exports (3 per cent), while in Japan there was a decrease of 8 per cent. The appreciation of the dollar in 1997 and most of 1998, together with the decline in prices of commodities (including oil), contributed to a decline in the dollar value of export earnings of developing countries for the first time since 1991. The decline was particularly severe in the Middle East (21 per cent) and Africa (16 per cent). While the value of imports rose in the European Union, North America and Latin America by around 5 per cent, there was a steep fall in Asia.

(c) **OECD countries= industrial production**

9. Apart from world output, industrial production of OECD countries (Organisation for Economic Co-operation and Development) is another fundamental indicator of the development of world seaborne trade. In 1998, the OECD industrial production index (1990=100) rose moderately by 2.01 per cent to 116.9 from 114.6 in 1997, when it had increased substantially by 4.48 per cent. This slowdown was not only due to an absolute decline in Japanese industrial production of -6.39 per cent, but also to some extent to moderate growth of only 3.67 per cent in the United States. The European OECD countries= industrial production in 1998 (index 111.4) slowed down very marginally from that in 1997 (index 107.7). World seaborne trade increased by a relatively small growth of 2.2 per cent in 1998, in a remarkable comparison with 1997, when it increased by 4.1 per cent (see graph 1).

Graph 1

Annual change in OECD industrial production and world seaborne trade, 1995–1998



Source: OECD, *Main Economic Indicators*, March 1999.

B. WORLD SEABORNE TRADE

(a) Overall seaborne trade

10. In close correlation to the development of world output, global maritime trade expanded at around 3 per cent per annum between 1990 and 1996. As growth of world economic activity increased to 3.3 per cent in 1970 and subsequently slowed down to 2.0 per cent in 1998, seaborne trade followed this pattern by growing 4.1 per cent in 1997 and 2.2 per cent in 1998. In line with the expected development of world output,

seaborne trade growth in 1999 is expected to reach a similar rate as in 1998, as United States output is expected to grow at 3.4 per cent and that of the European Union at 1.8 per cent, while Japan will gradually recover from the negative growth of -2.8 per cent to approximately -1.3 per cent in 1999. Given these present developments and the prevailing expectations that Asian markets will continue their path to recovery, growth in total world maritime trade is expected to rebound to some 3 to 3.5 per cent in the year 2000 (see table 3 and graph 2).

Table 3

Development of international seaborne trade, selected years^a (goods loaded)

Year	Tanker cargo		Dry cargo				Total (all goods)	
			Total		of which: main bulk commodities ^b			
	Millions of tons	Percentage annual change	Millions of tons	Percentage annual change	Millions of tons	Percentage annual change	Millions of tons	Percentage annual change
1970	1 442		1 124		448		1 125	
1975	1 644		1 428		635		3 072	
1980	1 871		1 833		796		3 704	
1985	1 459		1 923		857		3 382	
1990	1 755		2 253		968		4 008	
1991	1 790	2.0	2 330	3.4	1 005	3.8	4 120	2.8
1992	1 860	3.9	2 360	1.3	990	-1.5	4 220	2.4
1993	1 945	4.6	2 385	1.1	993	0.3	4 330	2.6
1994	2 007	3.2	2 478	3.9	1 028	3.5	4 485	3.6
1995	2 049	2.1	2 602	5.0	1 082	5.3	4 651	3.7
1996	2 127	3.8	2 631	1.1	1 092	0.9	4 758	2.3
1997	2 172	2.1	2 781	5.7	1 157	6.0	4 953	4.1
1998	2 181	0.4	2 884	3.7	1 200	3.7	5 064	2.2
1999 ^c	2 223	1.9	2 950	2.3	1 227	2.3	5 173	2.2
2000 ^d	2 256	1.5	3 099	5.1	1 289	5.1	5 355	3.5

Sources: UNCTAD secretariat on the basis of annex II and data supplied by specialized sources.

^a Including international cargoes loaded at ports of the Great Lakes and St. Lawrence system for unloading at ports of the same system.

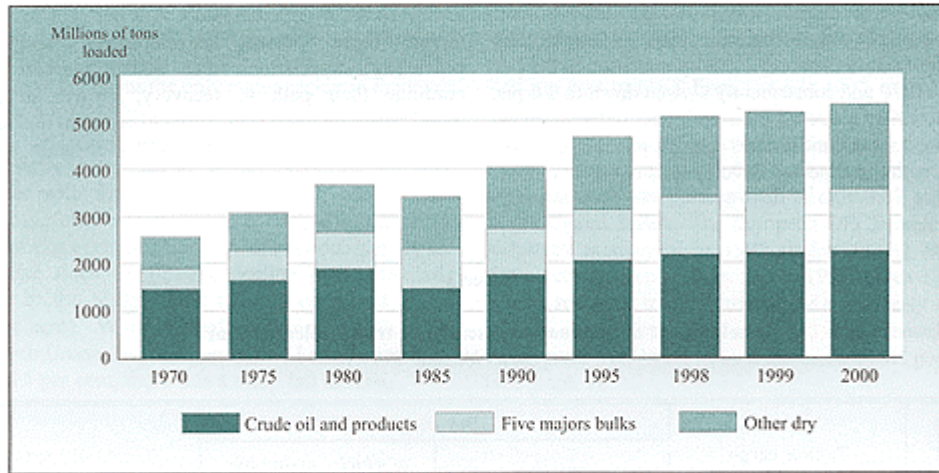
^b Iron ore, grain, coal, bauxite/alumina and phosphate.

^c Estimates.

^d Forecast.

Graph 2

International seaborne trade for selected years



Source: *Review of Maritime Transport*, various issues.

(b) Tanker shipments

11. After a decade of negative growth of 0.6 per cent per annum in the 1980s, world tanker shipments revived in the 1990s, reaching an average annual growth rate of 3.4 per cent between 1990 and 1997. Growth in 1998 was, however, minimal at 0.4 per cent, resulting in a seaborne volume of 2.2 billion tons. The serious financial crisis that has prevailed in Asian countries since 1997 has been a hefty impediment to development of their economic activities, resulting in reduced oil demand in the major Asian economies.

12. Crude oil shipments increased marginally by 0.4 per cent to 1,633 million tons in 1998, from 1,626 million tons in 1997. The shipments are expected to grow at a relatively low rate of between 1 per cent and 2 per cent to 1,660 to 1,680 million tons in 1999. In parallel, trade structures continued to change. The major importers of crude petroleum are switching to securing crude oil from closer regional markets. This trend has particularly affected exports from the Middle East Gulf, which have thus suffered from a loss of market shares since the second half of the 1990s, as the United States and European countries have diversified their imports to other regions. Asian economies remain dependent largely on Middle East Gulf crude oil, and are expected to do

so over the next several years. Crude oil shipments from Latin America will increase substantially over the next few years. Predictably, the United States remains the primary market for Latin American crude oil, and is expected to receive approximately 90 per cent of all Latin American shipments for the years ahead. Exports from the Mediterranean, West Africa and Asia will suffer from stagnant trade in the next couple of years. At the receiving end, in particular, more than 80 per cent of Japan's crude oil are supplied by the Middle East Gulf, while northern and southern Europe's crude oil imports from non-European sources continue on a declining trend. These European countries should continue their reliance on European crude stocks, dampening the demand for imports from other regions, specifically from the Middle East Gulf. China's imports of crude oil are expected to slow down for the next couple of years.

13. The global trade in petroleum products in 1998 increased very marginally by 0.4 per cent. These shipments are expected to regain strength and to develop along the average growth path of between 2.0 and 3.0 per cent for the period of 1990-2000. The Far East serves as the largest source of seaborne

petroleum product exports, even though exports from Japan could decline over the next few years as exports to the Far East newly industrialized economies (NIEs) are expected to contract. The NIEs remain both a major supplier and a major consumer of petroleum products. Half of its petroleum product imports are intra-NIEs shipments, while the region receives shipments from Japan, the United States and the Middle East Gulf. In major import markets, total United States? demand will remain steady with an average annual growth rate of over 2.0 per cent for the near future. Inbound shipments from Latin America and Europe will satisfy most of the increasing United States demand. Japanese imports will continue to grow, however, at a slower pace than the demand in the United States. European demand for petroleum products is becoming more regionalized, while imports from non-European countries are expected to decline gradually after 1999.

(c) Dry cargo shipments

14. Total seaborne dry cargo trades grew at an annual rate of 5.7 per cent during the 10-year period from 1970 to 1980, based primarily on the strong growth of main dry bulk commodities of nearly 8 per cent per annum. Growth fell to 2.3 per cent a year during the next decade of the 1980s, when average rates were pushed down by trade performance in 1982 and 1983, because dry cargo movements suffered a decline of 2.6 per cent per annum. Since 1990, average growth rates have picked up again with trade expanding by 3.5 per cent a year. In 1998, the volume of overall dry cargo shipments grew by 3.7 per cent, reaching 2,884 million tons, while in 1999 trade is expected to grow at a lower rate of 2.3 per cent.

World crude steel production

15. In 1998, world crude steel production decreased by 2.8 per cent to 776 million tons. This production volume was, however, the second largest, following that of 800 million tons registered in the previous year. Regional analysis shows that Asia's share declined in 1998 by 2.3 per cent to 299 million tons, or 38.5 per cent of the world total. Most of this decline was due to reduced outputs in Japan, the Republic of Korea and India with production decreasing 10.5, 6.2 and 2.9 per cent, respectively. China and Taiwan Province of China, on the other hand, increased their share by 5.0 and 5.6 per cent. The European Union's share increased marginally by 0.1 per cent to 160 million tons in 1998 based on increases in France (1.8 per cent), Spain (8.3 per cent) and Belgium (6.4 per cent). Production decreases were recorded in Germany (-2.1 per cent), Italy (-

0.2 per cent) and the United Kingdom (-6.4 per cent). The output of North American producers was down by a marginal 0.4 per cent to 129 million tons, thus ending a seven-year period of consecutive production increases. The combined volume of the three major crude steel-producing regions decreased by 1.5 per cent to 588 million tons in 1998, but continued to dominate world steel production with a combined share of 76 per cent of world output.

World crude steel consumption

16. World steel consumption in 1998 declined marginally by 1.4 per cent to 690 million tons as compared with the record level of approximately 700 million tons in 1997. About 170 million tons of the total demand were traded on board ships. Steel consumption among the developed market-economy countries of the United States, Canada, Japan and Western Europe combined is estimated at nearly 380 million tons or 55 per cent of the total consumption, and is expected to maintain this level for the next couple of years. China is another major steel-consuming country, demanding 114 million tons in 1999, which is 7 million tons more than the demand of the previous year. China has been maintaining a steady year-on-year growth since the middle of the 1990s.¹

Iron ore trade

17. Based on the decreased world steel production, the total volume of seaborne trade in iron ore also declined by 2.3 per cent to 420 million tons in 1998. It is expected that the world total iron ore shipments will fall to nearly 410 million tons in 1999, with some pick-up in volumes expected in 2000 and onwards.ⁱⁱ Changes in the regional distribution of steel production have of course also shaped iron ore import patterns in recent years, with the predominance of the European Union and Japanese markets declining in response to major rationalization programmes among the largest steel producers. At the same time, the new growth markets of China, the Republic of Korea and Taiwan Province of China are replacing the traditionally influential import markets. Specifically, Japanese steel production slowed down in 1998 and is expected to remain stagnant in 1999. Consequently, iron ore imports will decline further by around 4 per cent in 1999, but will recover in the year 2000. Iron ore shipments to NIEs and other Asian developing economies stagnated in 1998 and are expected to fall around 5 per cent in 1999 with recovery foreseen in the year 2000. On the other hand, European demand remains fairly robust, increasing by around 5 per cent both in 1999 and 2000.

This increased demand will be satisfied primarily by supply of iron ore for European steel production. At the global level, the two largest export markets, Australia and Brazil, generate more than three quarters of the seaborne iron ore shipments, with very distinct trade patterns. Australian exports are destined primarily to Asian markets, with 80 per cent of shipments going to steel producers in that region, i.e. Japan, China, Republic of Korea and Taiwan Province of China. Brazilian exports are less concentrated on one single import region, with Europe accounting for approximately 40 per cent and Asia around 45 per cent of export shipments.

Coal trade

18. Seaborne trade in coal has climbed by just over 7 per cent per annum on average to reach a level of 460 million tons in 1997 since 1980 when approximately 200 million tons were shipped. In 1998, coal was again the most important commodity traded, with volumes increasing to 465 million tons. Thermal coal rose to 288 million tons from 279 million tons in 1997, whereas the coking coal trade decreased to 177 million tons from 181 million tons. The overall coal trades are expected to expand at the average annual rate of 4.5 per cent for the next couple of years. Australia, the largest exporter, accounting for one third of the world total, increased its exports by less than 1 per cent in 1998 to 153 million tons. With over half of Australia's exports shipped to Japan, and another 17 per cent traded to the NIEs, Australia's market remains susceptible to any additional contractions by these markets in the future. Its coal shipments are expected to grow at 3.8 per cent per year for 1999 and 2000. Exports of the United States and Canada, the second-largest coal suppliers, decreased by nearly 1 per cent to 130 million tons in 1998. Both countries' exports will recover in 1999 and 2000 as the main shipments to Europe and Japan are expected to increase. Coal shipments from South Africa recorded a 2 per cent growth to almost 50 million tons in 1998. Most growth in South African exports will involve exports to Europe and is expected to grow at over 7 per cent per year in the next couple of years. Chinese coal exports, recording 35 million tons, will experience strong growth in 1999 and 2000, with the annual rate to exceed 8 per cent over the next few years. Asia, specifically Japan, remains the largest market for coal imports, with a total of 230 million tons imported in 1998. Reduced steel production led to lower demand for coking coal in these countries despite some modest growth in demand for thermal coal imports. Imports of both Japan and the NIEs are expected to

Brazil, the major source of recover in 1999 and 2000. Europe imported about 145 million tons in 1998. European demand will continue to grow for the next few years, based primarily on increases in thermal coal imports.ⁱⁱⁱ

Grain trade

19. The 1998 grain shipments decreased by 6.4 per cent to 190 million tons from 203 million tons in the previous year. Part of the decrease is due to increased production and stock piling in many of the world's major markets. El Niño's impact on grain production does not appear to have reduced production in Australia and Argentina greatly, but led to increased harvest in the United States in 1998. Grain shipments are slated to fall marginally in 1999 from the 1998 level but to increase again at the annual average rate of 2 per cent from 2000 and onwards. Exports from the United States recovered in 1998 from the declines in the previous year, exporting 96 million tons (92 million tons in 1997), as increased demand from the Middle East, Japan and Latin America boosted trade levels. These factors will result in United States' exports continuing to expand over the next few years. Exports from Canada in 1998 remained unchanged at 26 million tons in 1997, while Australia expanded significantly by nearly 10 per cent to 13 million tons. Both countries' traffic levels are expected to be flat over the period up to 2000. Latin America, mainly Argentina, decreased export shipments slightly to 26 million tons in 1998 as the trades with southern Europe and the Far East NIEs diminished. Exports from Latin America will revive at about 3 per cent per annum for the next couple of years. Japan's imports increased by nearly 1 per cent in 1998, and are expected to expand at about 2 to 3 per cent per year over the next few years. This could help United States' exports to Japan to increase as in 1998 two thirds of Japanese imports were traded with the United States. Unlike Japan, demand in the Far East NIEs has declined gradually since 1995 when 62 million tons were imported to 53 million tons in 1998, and this downward trend is expected to continue over the forthcoming couple of years. Middle Eastern countries' imports increased by over 5 per cent to 37 million tons in 1998. This trend will continue in 1999; thereafter the growth will, however, diminish to 3 to 4 per cent per year. Demand for northern Europe fell slightly this year to 24 million tons but is expected to recover in 1999 and onwards. Latin America's imports recovered from the decline in 1997, with overall levels up by 11 per cent to 21 million tons in 1998. After 1999, the market will slow down somewhat, with an average annual growth rate of approximately 5 per cent over 2000 and onwards.^{iv}

(d) Liner shipments of containerized cargo

20. Total world liner trades continued to grow despite the Asian crisis and its repercussions. Total world liner shipments of containerized cargoes in 1998 reached 49.51 million TEUs C an increase of 1.8 per cent as compared with the volume of the previous year when the growth was registered at 8.5 per cent. It is expected that liner trades will recover only moderately in 1999, reflecting the fact that Japan's trades continue to be depressed, while those of the United States and Canada continue to expand, albeit at a slower rate than in 1998. Growth in overall liner trades will regain momentum in 2000 and onwards. The United States' liner trade grew by 5.1 per cent in 1998, but showed increasing direction imbalances. Imports increased by 14 per cent while exports reported a 5 per cent decline. The high increase in United States' imports is a result of the Asian financial crisis and the accompanying export boom following currency devaluations. The effects are expected to taper off in 1999 and 2000. In 1999, United States' liner trades are expected to grow at about 3 per cent (4 per cent for imports and less than 2 per cent for exports), and in 2000, reflecting the forecast recovery of Asian markets, expand at 5 to 6 per cent (6 per cent for imports and 5 per cent for exports). The pick-up of export trades will have a particularly beneficial impact on the provision of maritime services, as it provides for a relative decrease in directional imbalances and consequently a prerequisite for a sustained recovery of maritime markets. In 1998, Europe's combined imports and exports registered a moderate increase of 3.7 per cent, representing a total of 15.9 million TEUs (8.1 per cent for imports and -0.3 per cent for exports). North America and Latin America together account for about 40 per cent of Europe's imports. The Far East and Japan together account for about 35 per cent of Europe's imports. The Americas account for 37 per cent of Europe's exports while Asian trade accounted for 26 per cent of Europe's 1998 exports. These trades are expected to increase moderately in 1999, by 6 per cent for imports and 2 to 3 per cent for exports, and in 2000, by over 6 per cent for imports and over 4 to 5 per cent for exports. In 1998, Japan experienced a negative combined import and export growth of -2.3 per cent to 7.2 million TEUs (a decrease of 4.1 per cent for imports and a small increase of 0.5 per cent for exports). Japan's imports are dominated by trades with the United States and with Asian countries in terms of volume. Both import trades decreased by 6 per cent and 8 per cent respectively in 1998, will stagnate or marginally decline in 1999 and possibly recover in 2000. Japan's exports to the United States, Europe and

Latin American countries increased in 1998 and will continue this upward trend in 1999 and 2000, whilst exports to other Asian countries, which account for 45 per cent of its total exports, declined by as much as 13 per cent in 1998, and will deteriorate further by 6 per cent in 1999, before recovering in 2000. Far Eastern NIEs (Hong Kong (China), the Republic of Korea and Taiwan Province of China) decreased their combined imports and exports by 5.6 per cent to 9.9 million TEUs in 1998 (a decrease of 10.1 per cent in imports and an increase of 0.6 per cent in exports). On the import side, the situation is expected to improve somewhat in 1999, with moderate growth resuming thereafter. A similar situation in their exports is forecast for the period 1999-2000. South-East Asian countries registered a growth of -3.7 per cent for combined imports and exports (-7.8 per cent for imports and 0.3 per cent for exports) in 1998. While the Asian crisis has lasted longer and spread more widely than initially expected, it is predicted that overall imports and exports will turn favourably in 1999 and expand moderately in 2000 and onwards.^v

(e) World shipments by country groups

21. World seaborne trades stagnated at an annual average rate of 0.8 per cent between 1980 and 1990. They are expected to recover at an annual average rate of 3.4 per cent for the next decade of 1990-2000. In terms of regional trading activities, developing countries' trading volume in terms of goods loaded showed a negative annual average growth of -0.5 per cent during the period 1980-1990, but recovered in the 1990s reaching an annual average rate of growth of 3.9 per cent between 1990 and 1998. For cargo unloaded, developing countries' total volume increased at an annual rate of 3.0 per cent between 1980 and 1990. Growth improved in the 1990s to 3.8 per cent per annum since the beginning of the decade.

22. In the 1980s, the volume of goods loaded in developed market-economy countries grew at a moderate but above average rate of 2.8 per cent per annum. In the 1990s, growth slightly improved to 3.4 per cent per annum in line with average rates of growth of world trade. The development of cargo unloaded in the 1980s reflected movements in world trade with average growth rates of 0.7 per cent being attained. In the 1990s, the rate of growth of cargoes unloaded recovered, reaching some 3.0 per cent a year on average.

23. Summarized data on world seaborne trade by major cargo segments and country groups are shown in graph 3 and table 4. In terms of regional distribution, developing countries continue to be major exporters of crude oil (84 per cent of world exports) and generated 56 per cent of the world oil product shipments. Their share in dry cargo shipments, however, has been stagnating at around 31 per cent. Their share in world total exports remains at 51 per cent, while their share of goods unloaded stands at 28 per cent. The relatively lower import share basically reflects low participation in crude oil and oil product imports of 25 and 22 per cent of the world total imports, respectively. Their dry cargo import share stands at 30 per cent.

24. Among the developing countries, Asian countries maintained the highest share in goods loaded. In 1998, 44 per cent of crude oil, 37.3 per cent of products and 13.8 per cent of world dry cargo trade originated in developing countries of Asia. The majority of crude oil exports was shipped from Western Asia (the Middle East Gulf). Products loaded were traded nearly exclusively with other Asian countries. The share of crude oil exports has remained relatively stable during the 1990s, but is considerably below that of the 1970s and 1980s when around 57 per cent of world crude oil exports originated in Asian countries. At the same time, the share of product loadings has increased considerably reflecting the effort of oil-producing countries to further engage in downstream activities. The increasing share in dry cargo loadings reflects largely Asia's growing share in manufactures trades. This has resulted in expanding containerized general cargo loadings in both intercontinental and intra-Asian trades. In imports, Asian countries represent a relatively higher share of 22 per cent in world shipments of dry cargo, the majority of which are made up of coal from Australia, iron ore from Australia and South America and grain from North America and Australia.

25. The share of developing countries of America in goods loaded has remained relatively stable over the last 30 years at around 15 per cent. Nevertheless, there have been some structural changes with the share of crude oil loadings increasing to some 17 per cent of world trade. In parallel however, the share in products loaded decreased from 36 per cent in 1970 to 28 per cent in 1980 and 13.7 per cent in 1998. The majority of crude oil and oil products which are generated mainly by Mexico and Venezuela, are exported to the United States. Exports of iron ore from Brazil and grain from Argentina constitute the majority of dry cargo loadings of the region. Their share for unloading shows 5 per cent for crude oil,

3.3 per cent for oil products and 4 per cent for dry cargo. Dry cargo includes coking coal from the United States and Australia, and containerizable general cargo from North America, Europe and the Far East.

26. The share of goods loaded by African developing countries decreased considerably in the 1970s and has been relatively stagnant at around 10 per cent since 1980. In 1998, their share in goods loaded stood at 22.8 per cent of crude oil, 5.3 per cent of products and 3.8 per cent of dry cargo. Coal exports from southern Africa share a considerable portion of dry cargo exports. Crude oil exports, which hold the second largest share of the world total crude oil exports, are generated mainly in western and northern Africa. In terms of goods unloaded, their imports remain at a low level of 4 per cent of world trade, which is distributed fairly evenly over the three cargo groups.

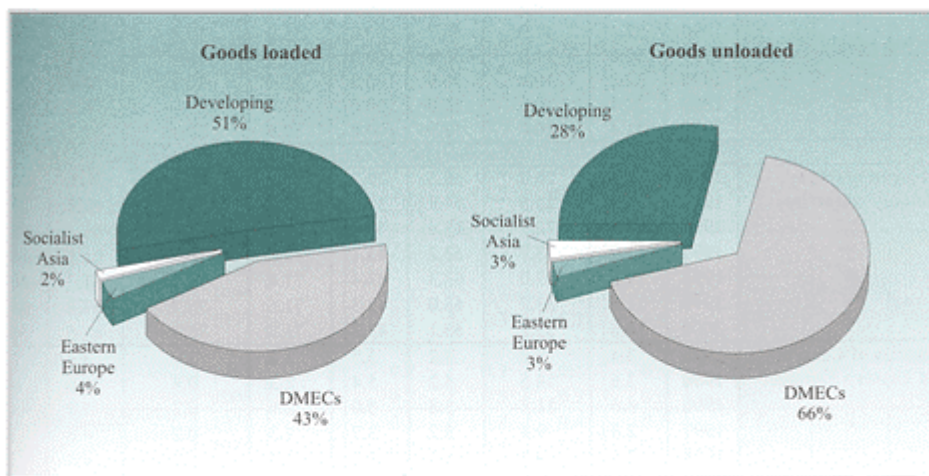
27. The share of developed countries in goods loaded is maintained at around 43 per cent of world trade. Following considerable increases in the 1970s and 1980s, this share has been fairly constant since 1990 with only minor fluctuations. Crude oil and oil products account for 11.5 per cent and 33.5 per cent of the world total exports, while their imports account for 71.5 per cent for crude oil and 75.5 per cent for oil products. The United States remains the largest importer of crude oil growing at a rate of 2 to 3 per cent annually. Similarly, total United States' imports for oil products continue to grow at the same rate. Because of economic problems, Japanese crude oil imports will decline marginally in 1999 and afterwards will regain some momentum. Patterns in the oil product trades have seen some changes, the major ones being declines in Japanese exports to the Far Eastern NIEs and growing shipments from Europe to the United States. Europe's imports from non-European sources have been declining over the last years. In the dry bulk segment, developed market-economy countries have maintained market shares of 63 per cent for exports and 62 per cent for imports. Australia's coal shipments suffer from the drop in Asian demand, but are expected to recover in 1999 and onwards, with anticipated growth of 3 to 4 per cent annually. North America's coal exports to the Far Eastern NIEs should remain depressed over the next few years. Australia's iron ore shipments fell as Asian demand shrank. Grain exports from the United States appeared to have recovered from the decline that occurred in 1997 as increased demand from the Middle East and Latin America boosted shipment levels. These factors should result in United States' exports continuing to expand over 1999 and 2000. Exports from both Canada and Australia

will suffer from reduced Asian demand. Of the total dry cargo shipments for exports and imports of the developed market-economy countries containerizable liner cargo accounts for around 15 per cent each in exports and imports in terms of weight. These shipments are expected to grow at 2 to 3 per cent in 1999 and at a higher rate in 2000. The 1999 share of

the countries of Central and Eastern Europe is expected to increase to 3.8 per cent from 3.7 per cent in 1998 for loading, resulting from a marginal increase in crude oil exports. The share in oil imports of the socialist countries of Asia in 1999 will decline marginally owing to China's limits on oil imports.

Graph 3

World seaborne trade by country groups
(percentage distribution of tonnage, 1998)



Sources: UNCTAD secretariat on the basis of data supplied by reporting countries and other specialized sources.

Table 4

World seaborne trade^a in 1970, 1980, 1990, 1997-1998 and 1999-2000 (estimates), by types of cargo and country groups^b

Country group	Year	Goods loaded				Goods unloaded			
		Oil		Dry cargo	Total all goods	Oil		Dry cargo	Total all goods
		Crude	Products ^c			Crude	Products ^c		
(Trade in millions of tons)									
World total	1970	1 110	332	1 124	2 566	1 101	298	1 091	2 490
	1980	1 527	344	1 833	3 704	1 530	326	1 823	3 679
	1990	1 287	468	2 253	4 007	1 315	446	2 365	4 126
	1997	1 626	546	2 781	4 953	1 625	522	2 890	5 037
	1998	1 633	548	2 884	5 064	1 631	525	2 993	5 149
	1999	1 663	560	2 950	5 173	1 658	536	3 062	5 256
	2000	1 681	575	3 099	5 355	1 676	550	3 216	5 442
(Percentage share of each category of goods in total)									
World total	1970	43.3	12.9	43.8	100.0	44.2	12.0	43.8	100.0
	1980	41.2	9.3	49.5	100.0	41.6	8.9	49.6	100.0
	1990	32.1	11.7	56.2	100.0	31.9	10.8	57.3	100.0
	1997	32.8	11.0	56.1	100.0	32.3	10.4	57.4	100.0
	1998	32.2	10.8	56.9	100.0	31.4	10.2	58.4	100.0
	1999	32.1	10.8	57.0	100.0	31.6	10.2	58.3	100.0
	2000	31.4	10.7	57.9	100.0	30.8	10.1	59.1	100.0
(Percentage share of trade by groups of countries)									
Developed market-economy countries	1970	1.5	26.7	58.5	29.7	79.9	80.6	78.0	79.1
	1980	6.3	25.5	64.7	37.0	72.0	79.5	67.8	70.5
	1990	13.4	32.7	63.4	43.8	71.4	81.4	61.7	66.9
	1997	11.9	33.7	63.2	43.1	71.6	76.7	61.9	66.9
	1998	11.6	33.0	63.3	43.4	71.4	75.3	61.7	66.1
	1999	11.6	33.7	63.0	43.3	71.6	75.7	61.8	66.3
	2000	11.6	33.7	63.1	43.8	71.7	75.7	61.8	66.2
Countries of Central and Eastern Europe^d	1970	3.4	7.9	7.2	5.7	1.2	1.0	3.8	2.3
	1980	3.6	14.6	5.2	5.4	2.3	0.4	6.0	4.0
	1990	4.6	11.8	3.8	5.0	2.6	0.3	5.8	4.2
	1997	2.8	9.4	3.2	3.7	1.3	0.2	4.6	3.1
	1998	2.8	9.5	3.2	3.7	1.4	0.2	4.6	3.1
	1999	2.9	9.5	3.2	3.8	1.4	0.2	4.6	3.1
	2000	2.9	9.5	3.2	3.8	1.4	0.2	4.6	3.2
Socialist countries of Asia^e	1970	-	-	1.2	0.5	0.5	0.1	2.2	1.2
	1980	1.4	1.7	1.0	1.2	1.4	1.6	4.0	2.7
	1990	2.5	0.9	2.0	2.0	1.8	0.3	3.4	2.5
	1997	1.6	0.9	2.3	1.9	1.1	2.3	3.6	2.7
	1998	1.5	0.9	2.3	1.9	2.4	2.5	3.6	3.1
	1999	1.5	0.9	2.3	1.9	2.3	2.4	3.6	3.1
	2000	1.5	0.9	3.2	1.9	2.3	2.4	3.6	3.1
Developing countries	1970	95.0	65.4	33.2	64.1	18.4	18.3	16.0	17.3
	1980	88.7	58.2	29.0	56.3	24.3	18.5	22.3	22.8
	1990	79.5	54.7	30.8	49.2	24.2	18.0	29.1	26.3
	1997	83.7	56.0	31.3	51.2	26.0	20.8	29.9	27.7
	1998	84.1	56.6	31.2	51.0	24.8	21.9	30.2	27.6
	1999	84.0	55.9	31.5	51.0	24.6	21.7	30.0	27.5
	2000	84.0	55.9	31.4	50.6	24.6	21.7	30.1	27.6

Country group	Year	Goods loaded				Goods unloaded			
		Oil		Dry cargo	Total all goods	Oil		Dry cargo	Total all goods
		Crude	Products ^c			Crude	Products ^c		
<i>of which:</i> Africa	1970	25.4	2.3	9.4	15.4	1.7	4.2	3.8	2.9
	1980	19.0	1.5	5.6	10.8	4.0	2.9	4.7	4.2
	1990	24.1	7.6	4.3	11.0	5.5	2.3	4.3	4.5
	1997	23.8	5.7	3.8	10.6	5.0	2.0	3.9	4.0
	1998	22.8	5.3	3.8	10.1	4.9	2.0	3.9	4.0
	1999	22.6	5.1	3.8	10.0	4.9	2.1	3.9	4.0
	2000	22.6	5.1	3.8	9.8	4.9	2.1	3.9	4.0
America	1970	12.2	36.0	14.3	16.2	10.5	5.2	4.6	7.3
	1980	12.4	28.4	13.2	14.3	13.3	4.9	5.4	8.7
	1990	13.3	11.9	13.2	13.1	5.6	3.8	4.0	4.5
	1997	15.8	12.6	13.0	13.9	5.0	3.2	4.0	4.3
	1998	16.9	13.7	12.9	14.3	5.1	3.3	4.1	4.3
	1999	17.2	13.5	13.0	14.4	5.0	3.3	4.1	4.3
	2000	17.2	13.5	13.0	14.3	5.0	3.3	4.0	4.3
Asia	1970	57.4	27.0	8.6	32.0	6.1	8.4	7.4	7.0
	1980	57.3	28.1	9.7	31.0	6.9	9.8	12.0	9.7
	1990	42.1	34.9	12.6	24.7	12.4	10.9	19.9	16.5
	1997	44.1	37.4	13.8	26.4	15.5	14.8	21.4	18.8
	1998	44.4	37.3	13.8	26.2	14.3	15.6	21.5	18.6
	1999	44.2	37.1	14.0	26.2	14.2	15.6	21.4	18.5
	2000	44.2	37.1	14.0	26.0	14.2	15.6	21.5	18.7
Europe^e	1970	-	-	-	-	-	-	-	-
	1980	-	-	-	-	-	0.2	-	-
	1990	-	0.2	0.3	0.2	0.7	0.5	0.7	0.7
	1997	-	0.2	0.3	0.2	0.5	0.4	0.6	0.5
	1998	-	0.2	0.3	0.2	0.5	0.5	0.6	0.6
	1999	-	0.2	0.3	0.2	0.5	0.5	0.6	0.6
	2000	-	0.2	0.3	0.2	0.5	0.5	0.6	0.6
Oceania^e	1970	-	0.1	0.8	0.4	0.1	0.5	0.3	0.2
	1980	-	0.2	0.5	0.2	0.1	0.7	0.2	0.2
	1990	-	0.1	0.4	0.2	-	0.5	0.2	0.1
	1997	-	0.1	0.4	0.2	-	0.4	0.1	0.1
	1998	-	0.1	0.4	0.2	-	0.5	0.1	0.1
	1999	-	0.1	0.4	0.2	-	0.5	0.1	0.1
	2000	-	0.1	0.4	0.2	-	0.5	0.1	0.1

Sources: UNCTAD secretariat on the basis of data supplied by reporting countries and other specialized sources.

- a Including international cargoes loaded at ports of the Great Lakes and St. Lawrence system for unloading at ports of the same system.
- b See annex I for the composition of these groups, and note 4 thereto regarding the recording of trade of landlocked countries.
- c Including liquefied natural gas (LNG), liquefied petroleum gas (LPG), naphtha, gasoline, jet fuel, kerosene, light oil, heavy fuel oil and others.
- d Including the former USSR in data for 1970 and 1980.
- e Estimates.

(f) Demand for shipping services

28. Data on total demand for shipping services in terms of ton-miles are provided in table 5. World seaborne trade in volume increased marginally by 2.2 per cent to 5,064 million tons in 1998 (see table 3), whilst the total shipping performance measured in ton-miles in 1998 decreased by 1.1 per cent to 21,425 billion ton-miles, as compared with a 4.8 per cent increase to 21,672 billion ton-miles in 1997. The decrease in ton-miles was attributable mainly to further changing trade structures and consequent reductions in average transport distances of oil products and some major dry bulk commodities such as coal and grain. In terms of market segments, demand for crude oil transport increased slightly by 1.9 per cent to 7,820 billion ton-miles in 1998, whereas the ton-miles for oil product shipments decreased by 3.9 per cent to

1,970 billion ton-miles. Crude oil and oil products are expected to grow at 1.5 per cent and 2.5 per cent per annum respectively, but annual average transport distances for oil and oil products have recently declined by nearly 1 per cent. On the basis of these preliminary data, it is expected that ton-miles of oil and oil products will remain almost unchanged or marginally increase in 1999. Transport services for the three major dry bulk commodities in 1998 decreased by 4.2 per cent, with iron ore down slightly by 0.6 per cent to 2,430 billion ton-miles, and coal and grain down substantially by 5.0 and 10.2 per cent to 2,215 and 1,050 billion ton-miles respectively. Iron ore and coal shipments are expected to grow at a rate of 4 to 5 per cent annually and grain at 1 to 2 per cent annually in the next couple of years. The average transport distance is expected to increase very marginally for iron ore and by 2 per cent per annum for coal, but remain unchanged for grain.

Table 5

World shipping performance by types of cargo, selected years
(billions of ton-miles)

Year	Oil		Iron ore	Coal	Grain ^a	Other cargo	Total trade
	Crude	Products					
1970	5 597	890	1 093	481	475	2 118	10 654
1980	8 385	1 020	1 613	952	1 087	3 720	16 777
1985	4 007	1 150	1 675	1 479	1 004	3 750	13 065
1990	6 261	1 560	1 978	1 849	1 073	4 440	17 161
1993	7 391	1 775	2 001	1 949	1 038	4 840	18 994
1994	7 469	1 860	2 165	2 014	992	5 100	19 600
1995	7 225	1 945	2 287	2 176	1 160	5 395	20 188
1996	7 363	2 040	2 227	2 217	1 126	5 705	20 678
1997	7 677	2 050	2 444	2 332	1 169	6 000	21 672
1998	7 820	1 970	2 430	2 215	1 050	5 940	21 425

Source: Fearnleys (Oslo), *Review 1998*.

^a Including wheat, maize, barley, oats, rye, sorghum and soya beans.