

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT  
Geneva

# **REVIEW OF MARITIME TRANSPORT 2000**

## **Chapter I**

### **Development of International Seaborne Trade**



UNITED NATIONS  
New York and Geneva, 2000

## 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<sup>1</sup>

#### (a) World output

##### *General*

1. The year 1999 was characterized by a comparatively significant stabilization of global economic conditions and a revival of world production and trade. The widely anticipated major disruptions, and even the threat of global recession, arising from the "Y2K computer bug", turned out to be a non-event. Although the risk itself may have been exaggerated, the absence of serious disruptions is perhaps a reflection of the massive business spending undertaken to cope with the problem. While there are no reliable figures, the most widely quoted amounts for such expenditure on global information technology (IT) range from \$300 billion to \$600 billion,<sup>2</sup> which is some 1B2 per cent of global GDP. It appears to have provided an important boost to the world economy, giving an additional stimulus to the United States and helping recovery in East Asia.

2. World GDP picked up significantly in 1999 to reach 2.7 per cent, having slowed to 1.8 per cent in 1998 from 3.4 per cent in 1997 (see table 1). Of particular significance is the turnaround from recession to growth in Japan and the transition economies as well as the recovery in developing countries. The major factor underlying faster growth in developing countries as a whole was the steep rebound in East Asia, which more than compensated for a mild slowdown in Africa and a more severe one in Latin America. As a consequence, overall growth in developing countries was again higher than that of developed countries, for the second time since 1988.

3. In 1999, United States output continued to maintain its expansion at a pace faster than 4 per cent. Its sustained import demand was the main driving force behind the improvement in the global economy and particularly in Asia and Europe. Following its recession in 1998, the Japanese economy rebounded sharply in the first half of 1999 but slowed again later in the year. Growth in the European Union (EU) was significantly lower in 1999 than in 1998 but developments during the year were positive. Despite increased monetary and financial convergence, growth rates continued to diverge considerably among EU countries.

##### *Prospects and forecasts*

4. While the prospects for the global economy have become considerably more optimistic since the end of 1999, the risk that global imbalances may create another financial disruption has become increasingly evident. The better-than-expected performance in 1999, in particular of the United States, East Asia and Brazil, has led to an upward revision of short-term forecasts of growth for all major economic regions. This tendency has been reinforced by the fact that the global economy has continued to gather strength as the expansion of demand and output has become more widespread. However, perceptions of such developments vary widely among various international organizations and other institutions. The forecast of world output growth in 2000 ranges from 3.5 per cent to 4.3 per cent, compared to an estimate of only 2.7 per cent, achieved in 1999. There are also significant differences in growth rates forecast for different regions. For example, there is much uncertainty associated with the widely expected slowdown of the United States economy and the recovery in Japan and Europe, while in the developing world there are

Table 1

**World output, 1990-1999**  
(percentage change)

Country/region	1990-1995	1996	1997	1998	1999 <sup>a</sup>
<b>World</b>	2.1	3.5	3.4	1.8	2.7
<b>Developed market-economy countries</b>	1.8	3.1	2.9	2.0	2.5
<i>of which:</i>					
<b>United States</b>	2.5	3.6	4.2	4.3	4.2
<b>Japan</b>	1.4	5.0	1.6	-2.5	0.3
<b>European Union</b>	1.6	1.6	2.5	2.7	2.3
<i>of which:</i>					
<b>Germany</b>	2.0	0.8	1.5	2.2	1.5
<b>France</b>	1.1	1.1	2.0	3.4	2.7
<b>Italy</b>	1.3	1.1	1.8	1.5	1.4
<b>United Kingdom</b>	1.6	2.6	3.5	2.2	2.0
<b>Transition economies</b>	-6.9	-0.1	2.2	-0.6	2.4
<b>Developing countries</b>	4.9	5.7	5.5	1.3	3.4
<i>of which:</i>					
<b>Africa</b>	1.3	5.2	3.0	3.0	2.7
<b>Latin America</b>	3.6	3.6	5.3	1.9	0.1
<b>Asia</b>	6.1	6.8	5.9	0.9	5.1
<i>of which:</i>					
<b>China</b>	12.0	9.6	8.8	7.8	7.1

Source: UNCTAD secretariat calculations, based on data in 1995 dollars.

<sup>a</sup> Estimate.

questions concerning the sustainability of the rapid expansion in the Republic of Korea and the likelihood of recovery in Argentina.

5. There are already some clear signals that suggest that the United States economy is starting to slow from its rapid pace of growth at the turn of the year, while the vigour of economic activity in Europe appears to be broadening but without great momentum. This has led some forecasters to start to mark down their optimistic forecasts for these economies. Recovery in most developing economies in East Asia has been stronger than expected, but there are signs of deceleration. The slowdown in China appears to have bottomed out, but the Chinese authorities still consider stimulus necessary. While recovery in Latin America is under way, the situation in Argentina remains fragile, the financial crisis in Ecuador is unresolved, and the sustainability of

recovery in Brazil is crucially dependent on conditions in world markets.

**(b) Merchandise trades**

*Recent developments in international trade*

6. The deep recession and rapid recovery in emerging markets, together with the diverse movements of commodity prices, including oil, have given rise to sharp swings in international trade flows over the past few years as well as to considerable shifts in the commodity terms of trade. The widespread decline in economic activity during 1997B1998 was accompanied by a slowdown in the growth of world trade volumes. The decline in trade in 1998 was discernible in varying degrees in all developing regions and in the transition economies, but it was especially sharp for African exports and Asian imports.

7. The revival in world trade in 1999 in the wake of a similar pattern. The increase was greater in value than in volume on account of disparate movements in the prices of internationally traded goods and services. With the major exception of the transition economies, there was a sharp turnaround in all regions, particularly in value terms, as price declines levelled off. The return of financial stability and improved growth prospects in the crisis-stricken Asian economies led to a modest recovery in certain non-oil commodity prices of interest to developing countries.

8. The expectation for 2000 is for a moderate acceleration in the growth of the volume of world trade, mainly as the result of somewhat faster growth on the part of the EU economies, and economic recovery in Latin America and the transition economies. However, prospects are significantly dependent on developments in the pace and pattern of demand generation, primarily in industrial countries, as well as on movements in exchange rates, and hence on international capital flows.

#### *Trends in imports and exports*

9. The volume of world imports grew by some 5 per cent in 1999, a modest improvement over 1998, when it slowed sharply as the combined effects of the emerging-market financial crises resulted in massive cuts in imports in East Asia, Latin America and the transition economies (table 2). The improvement in 1999 was due mainly to a recovery in developing countries and also to sustained growth in developed countries, albeit at a relatively lower rate than in the previous year, whereas import volumes in the transition economies contracted by 10 per cent.

10. Among the developed countries, the United States economy maintained double-digit growth in import volumes for the third successive year. There was also a surge in Japan following a decline in 1998. By contrast, there was a significant deceleration in the EU countries. In the developing world, performance was also mixed. In Latin America, the volume of imports contracted after a relatively rapid expansion in the previous year. In Africa it stagnated, following moderate growth in 1998. For developing Asia, however, there was a sharp upturn from a contraction of almost 10 per cent in 1998 to an increase of some 7 per cent, in large part due to the impressive rebound in East Asia.

11. The volume of world exports is estimated to have risen less than in 1998. The slowdown is accounted for by a contraction of exports in the transition economies as well as somewhat slower export growth in developing

the economic recovery in East Asia followed countries. For developed countries as a whole the export volume growth rate was maintained at the previous year's level. The sharp rebound in Japan, together with a high rate of expansion for the third successive year in the United States, compensated for the deceleration in the EU. Among the developing regions, there was a notable rebound in Africa and Asia, in contrast to a moderate slowdown in Latin America.

#### **(c) OECD countries' industrial production**

12. The industrial production of the OECD countries is another fundamental indicator for the global maritime transport sector. In 1999, the total OECD industrial production index (1995=100) rose moderately by 3.0 per cent to 113.4 from 110.1 in 1998, when it experienced a relatively poor increase of 1.8 per cent. The OECD's positive development sustained in 1999 was primarily due to the United States industrial production, which grew by 3.5 per cent, while the European OECD countries and Japan experienced below-average growth of 1.5 per cent and 0.4 per cent respectively. World seaborne trade increased by only 1.3 per cent in 1999 as compared to 1998, when it increased by 2.2 per cent (see graph 1).

### **B. WORLD SEABORNE TRADE**

#### **(a) Overall seaborne trade**

13. Expanding world seaborne trade recorded its fourteenth consecutive annual increase in 1999, reaching a record high of 5.23 billion tons. Annual growth, however, slowed to a rate of 1.3 per cent. Sustainable demand in the United States and the Asian recovery were the main engines of the global trade expansion in 1999. The strength of United States private consumption helped the recovery in Asia. In 1999, the United States recorded a continuous import growth of consumer goods. Import expansion of Asia in 1999 offset the import contraction in terms of dry cargo volume in the previous year. On the other hand, crude oil imports to Europe from non-European countries registered a deceleration. Countries of Central and Eastern Europe recorded a marginal increase in imports, mainly due to the slowdown of imports into Russia and the Ukraine. Imports into Africa increased slightly in 1999. Socialist countries of Asia substantially increased their dry cargo imports in 1999. Despite relatively lower intraregional trade, Latin America recorded a favourable export expansion of dry cargo in 1999. Asian export growth improved substantially as

Table 2

**Exports and imports by major regions and economic groupings, 1996-1999**  
(percentage change in volume over the previous year)

Country/region	Export volume				Import volume			
	1996	1997	1998	1999	1996	1997	1998	1999
<b>World</b>	6.1	10.7	4.7	3.9	6.9	10.0	4.5	5.3
<b>Developed market-economy countries</b>	4.9	10.0	4.3	4.3	5.3	9.3	8.0	6.5
<i>of which:</i>								
<b>Japan</b>	1.0	12.0	-1.5	2.0	5.5	1.5	-5.5	9.5
<b>United States</b>	6.3	11.9	2.3	3.2	5.6	12.1	11.7	11.5
<b>European Union</b>	5.5	9.5	6.0	3.5	5.0	8.5	8.5	4.0
<b>Transition economies</b>	6.5	10.5	5.0	-3.0	16.0	13.5	5.0	-10.0
<b>Developing countries</b>	6.9	12.4	5.6	5.3	6.4	10.8	-3.8	4.2
<i>of which:</i>								
<b>Africa</b>	8.9	6.5	-1.2	3.3	1.0	9.7	5.3	0.3
<b>Latin America</b>	11.0	11.5	7.5	7.0	8.5	22.5	8.5	-2.0
<b>Asia</b>	5.4	12.5	3.8	7.2	5.5	6.7	-9.7	7.3
<i>of which:</i>								
<b>Newly-industrializing economies<sup>a</sup></b>	9.1	11.6	3.8	5.9	6.6	7.4	-10.0	6.9
<b>ASEAN-4<sup>b</sup></b>	4.8	12.1	11.0	11.2	2.0	5.0	-22.7	9.8
<b>China</b>	-0.8	20.5	3.7	8.3	7.5	5.5	2.3	13.1
<b>Memo item:</b>								
<b>ASEAN-4 plus Republic of Korea</b>	10.9	17.7	13.7	11.2	6.3	3.5	-22.0	18.1

Source: UNCTAD secretariat calculations, based on data available from the World Trade Organization (WTO).

<sup>a</sup> Hong Kong (China), Republic of Korea, Singapore and Taiwan Province of China.

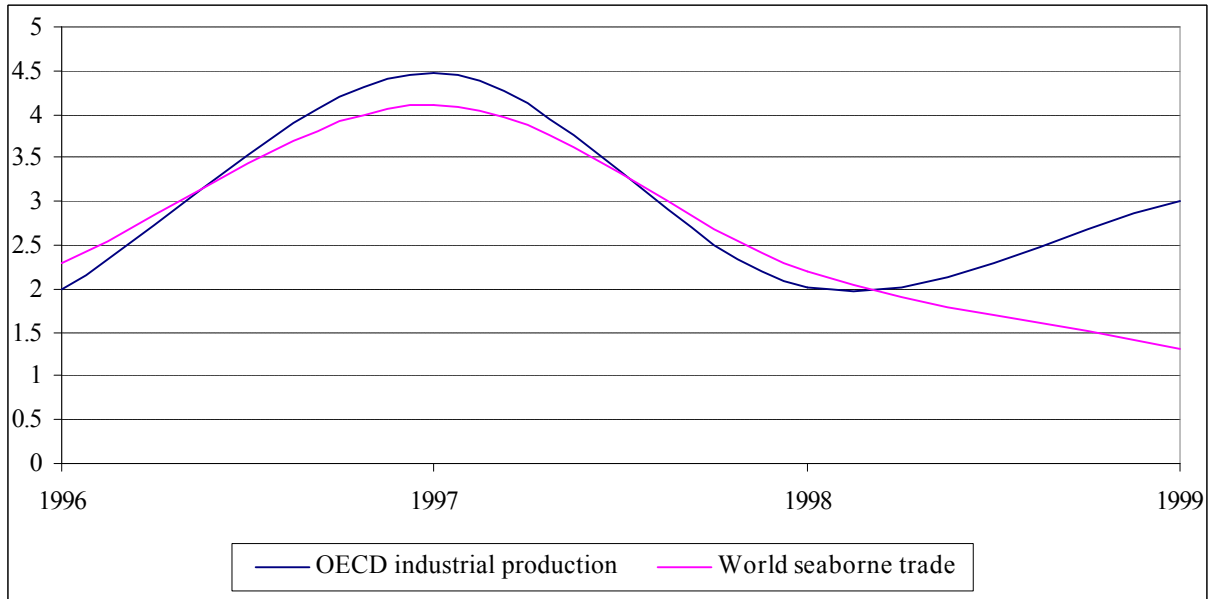
<sup>b</sup> Indonesia, Malaysia, the Philippines and Thailand.

both Japan's exports recovered and the five Asian developing countries (Indonesia, Malaysia, the Philippines, Thailand and the Republic of Korea), which had been affected considerably by the 1997-1998 financial crises, achieved favourable growth in their combined exports of dry cargo in 1999. The United States exports accelerated due to the dynamic performance of its intraregional trade. Export growth of Europe in the sector of dry cargo recorded a substantial

increase in 1999. Countries of Central and Eastern Europe increased their exports marginally. Crude oil exports of Africa decreased considerably, but dry cargo increased moderately in 1999. Socialist countries of Asia recorded a moderate increase in exports in 1999. Preliminary data available indicate that global maritime trade growth in 2000 is expected to be 2.0 per cent (see graph 2 and table 3).

Graph 1

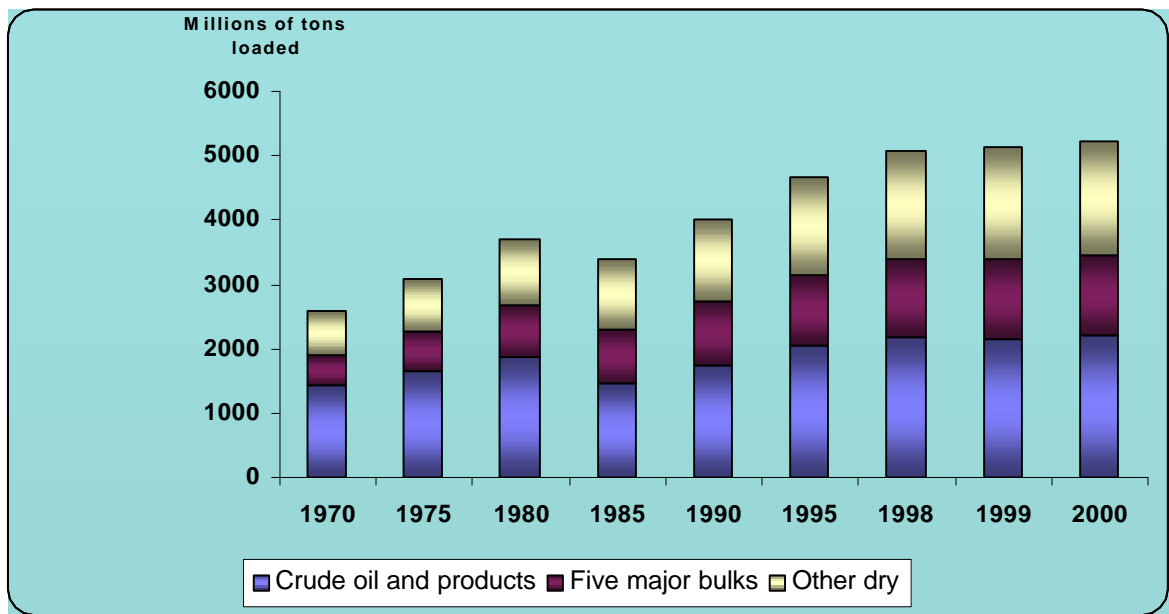
**Annual change in OECD industrial production and world seaborne trade, 1996-1999**



Source: OECD, *Main Economic Indicators*, April 2000.

Graph 2

**International seaborne trade for selected years**



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

Table 3

**Development of international seaborne trade, selected years <sup>a</sup>**  
(goods loaded)

Year	Tanker cargo		Dry cargo				Total (all goods)	
			Total		of which: main bulk commodities <sup>b</sup>			
	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		2 566	
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	
1995	2 049		2 602		1 082		4 651	
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	2 159	-1.0	2 970	3.0	1 233	2.8	5 129	1.3
2000 <sup>c</sup>	2 202	2.0	3 028	2.0	1 257	1.9	5 230	2.0

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

<sup>a</sup> Including international cargoes loaded at ports of the Great Lakes and St. Lawrence system for unloading at ports of the same system.

<sup>b</sup> Iron ore, grain, coal, bauxite/alumina and phosphate.

<sup>c</sup> Estimates.

## (b) Seaborne trade in tankers

### Crude oil production

14. In 1999, world crude oil production decreased by 1.5 per cent or nearly 1.0 million barrels per day from the previous year. This decrease reflects production cuts in the producing regions, specifically the Organization of Petroleum Exporting Countries (OPEC). OPEC output declined by 3.9 per cent to 26.745 million barrels per day as compared to 27.828 million barrels per day in 1998. NonOPEC production rose slightly by 0.2 per cent to 39.357 million barrels per day from 39.265 million barrels per day in the previous year. Total growth in production was marginalized, mainly because of OPEC's production curtailment. United States production decreased substantially by 5.2 per cent to 5.916 million barrels per day in 1999 as compared with its output in 1998, while Canada's output was also down by 4.9 per cent to 2.072 million barrels per day. Mexico significantly reduced its output by 5.3 per cent, to 2.913 million barrels per day. Output of the Middle East members of OPEC

declined by 3.2 per cent to 18.508 million barrels per day in 1999, while other OPEC output was also reduced, dropping by 5.4 per cent to 8.237 million barrels per day. Meanwhile, North Sea production increased strongly by 7.7 per cent to 5.967 million barrels per day, and Russia's production remained almost unchanged, standing at 5.967 million barrels per day in 1999. All other countries' total production decreased by 1.5 per cent to 13.300 million barrels per day in 1999 as compared to 13.077 million barrels per day in the previous year.<sup>3</sup>

15. OPEC's oil production restraint and the consequent considerable price increase on world markets resulted in less trade in crude oil in 1999. Thus, crude oil shipments, accounting for 75 per cent of total oil trade, declined by about 2.0 per cent in 1999, while petroleum products rose 2.0 per cent. Overall petroleum shipments in 1999 declined by 1.0 per cent in terms of trade volume from the level of the previous year. In 2000, when petroleum markets tighten and OPEC's production restraint eases, total tanker cargo volume growth is expected to rebound to around 2.0 per cent.

### *Crude oil shipments*

16. In 1999, the world's crude oil shipments decreased significantly by 2.0 per cent to 1,600 million tons from 1,633 million tons recorded in the previous year. The trade structure of crude oil continues to change. The United States has been diversifying its imports from the Middle East Gulf to other regions such as Latin America and West Africa. European countries have been procuring more crude oil from European sources, relying less on other markets, in particular the Middle East Gulf producers. On the other hand, Asian economies including Japan remain largely dependent on Middle East Gulf oil. In 1999, OPEC's sustained production cut reduced export volume from most of the cartel's members. Exports from the Middle East Gulf were constrained by the production cuts by several OPEC members, although the reduction was offset somewhat by increased exports from Iraq. The volume from West Africa declined as a result of Nigeria's reduced output. Reductions in Venezuela, and in Mexico (a non-OPEC member) also curbed crude oil exports from Latin America, while Indonesia's restraint helped to trim the total volume from South-East Asia. As a result, crude oil imports fell in 1999 in major import markets. In the United States, crude oil imports declined slightly in 1999, despite rising demand. A similar decline was observed in crude oil importing countries in Asia. Over the next couple of years, crude oil seaborne trade is likely to return to an annual growth of 2 per cent, which approximately matches global oil-demand growth. This trade will be led by Middle East Gulf shipments to Asia, which represent part of a pattern of regionalization in the global crude oil trade. Latin America will increase its supply to North America, while Eastern Europe, mainly the former Soviet Union, and West Africa will supply Western Europe.

### *Petroleum product shipments*

17. The global trade in petroleum products in 1999 continued to increase steadily by 2.0 per cent to 560 million tons. One of the reasons for this sustained growth is the recovery of Asian demand, specifically the Far East newly industrialized economies (NIEs). Half of the NIEs' petroleum product imports are intra-NIEs shipments, the remainder being obtained from Japan, the United States and the Middle East Gulf. India commenced full-scale production at several refineries in 1999, thus reducing the volume of its off-shore procurements, mainly from the Middle East Gulf. In other major import markets, no significant changes were observed. The United States demand remained steady,

comparatively more being imported from Latin America and Europe than from the Middle East Gulf. European demand for petroleum products remains more regionalized, thus resulting in less imports from non-European countries. This growth trend in volume terms and the prevailing pattern of trade are expected to continue for the next couple of years.

### **(c) Dry cargo shipments**

#### *General developments*

18. In 1999, overall dry cargo shipments grew at a rate of 3.0 per cent, reaching approximately 2,970 million tons, consisting of main dry bulk cargo (1,233 million tons), minor dry bulk cargo (762 million tons) and other dry commodities including containerized cargo (975 million tons). This figure is down from the 3.7 per cent growth recorded in 1998. According to the preliminary data available, the growth of seaborne trade of total dry cargo in 2000 is expected to drop further to 2.0 per cent. The increase in main dry bulk commodities, which make up nearly 42 per cent of the total dry cargo trade, will continue to be supported by coal shipments with its trade expected to grow at more than 4 per cent in 2000. Limited growth of iron ore shipments is anticipated, while shipments of bauxite, alumina and phosphate rock will remain unchanged. Forecasts are difficult to make for the seaborne grain trade mainly because of unpredictable harvests, which primarily depend on weather conditions.

#### *World crude steel production*

19. World crude steel production in 1999 increased by 1.3 per cent to 787 million tons, which is the second largest quantity after the volume of 800 million tons which was registered in 1997. Asia's production regained momentum in 1999, increasing by 3.6 per cent to 308 million tons or 39.2 per cent of the world total. Most of this expansion was attributable to the increased volume in China, with its production growing by 8.0 per cent to 124 million tons or 15.7 per cent of the world total. Production in India, Japan and the Republic of Korea returned to a favourable production course, registering increases of 3.5, 0.7 and 2.9 per cent respectively. Their combined output of 160 million tons was 20.3 per cent of the world total. On the other hand, the European Union's production shrank by 3.1 per cent to 155 million tons, or 19.7 per cent of the world total, mainly due to the decreases in Germany (-4.5 per cent), Italy (-3.3 per cent)



and the United Kingdom (-5.9 per cent). Among the major producers in the European Union, only France recorded a positive but marginal increase of 0.4 per cent. The production of the United States declined by 1.4 per cent to 97 million tons or 12.4 per cent of the world total. The combined volume of the three major crude steel-producing regions, Asia, the European Union and North America, increased by 1.0 per cent to 593 million tons in 1999, and dominated world crude steel production with a combined share of 75.4 per cent of world output.<sup>4</sup>

#### *World steel consumption*

20. World steel consumption in 1999 increased marginally by 0.8 per cent to 699 million tons, approaching the record level of approximately 700 million tons in 1997. The steel consumption of Asia increased by 6.0 per cent to 303 million tons, while that of North America and the European Union declined by 5.9 per cent and 1.8 per cent respectively to 135 million tons each. The combined steel consumption of these three major regions increased slightly by 1.2 per cent to 572 million tons or 81.8 per cent of total world consumption. The consumption quantity of the three major regions corresponds to their production quantity (593 million tons). Based on the analysis by country, China's consumption in 1999 increased by 9.7 per cent to 125 million tons. Conversely, the Japanese steel market declined by 2.8 per cent to 68 million tons. Civil engineering was the only market showing growth in 1999. However, the Government of Japan's stimulus packages encouraged steel consumption. The Republic of Korea's steel consumption recovered remarkably by 28.9 per cent to 32 million tons. The United States reduced its consumption by 7.3 per cent to 109 million tons, registering, however, an import surge from Japan and the Republic of Korea.<sup>5</sup>

#### *Iron ore trade*

21. Although there was a small increase in total world steel production with Asia's increase offset by declines in the European Union and the United States, the total volume of seaborne trade in iron ore in 1999 decreased by 1.7 per cent to 410 million tons. In 1999, changes in the regional distribution of steel production have affected iron ore import patterns, with trades into Asia increasing, but those into Europe decreasing. This change in the distribution of steel production has impacted the exporters of iron ore. Exports from Australia to Asia increased by 3 per cent, whereas those from Brazil, which supplies Europe, declined by 5 per

cent. Canada's iron ore exports were reduced significantly by 14 per cent and Sweden's trade also fell 13 per cent. On the basis of the preliminary data it is expected that total world iron ore shipments in 2000 will recover as demand strengthens in Asia (Japan, China, the Far Eastern NIEs) and Northern Europe.<sup>6</sup>

#### *Coal trade*

22. Coal shipments were again the largest dry bulk cargo in 1999, increasing by 1.5 per cent to 480 million tons. Thermal coal expanded by 3.3 per cent to 306 million tons, whereas coking coal decreased by 1.7 per cent to 174 million tons. Total sales from Australia, the largest exporter, showed continued strong growth in 1999, increasing by 4 per cent. Australia strengthened her dominant supply position to Japan, while Japan's imports from the United States and Canada fell. Overall coal exports from the United States dropped by 23 per cent to approximately 40 million tons from 52 million tons in 1998. Canada also reduced its coal exports by 3 per cent in 1999. Most of the increased demand of the Far Eastern NIEs was satisfied by the supply from Australian, Chinese and South-East Asian mines rather than those in North America. China's exports rose significantly by 19 per cent while Indonesia's exports increased similarly by about 20 per cent. Shipments to the Indian subcontinent remained strong, benefitting Australian and other Asian suppliers. South Africa's exports in 1999 are expected to decrease by about 3 per cent. Various forecasts indicate that total coal shipments will grow significantly by more than 4 per cent in 2000.<sup>7</sup>

#### *Grain trade*

23. World grain shipments increased by 7.1 per cent to 210 million tons in 1999. On the supply side, exports from the United States expanded remarkably by 18.3 per cent to 87.9 million tons, while Canada's exports increased by 6.2 per cent to 19.3 million tons. Australia's supply increased by 8.7 per cent to 20.6 million tons, whereas Argentina's exports plummeted by as much as 28.7 per cent to 17.3 million tons. Exports from the European Union to third countries expanded by about 17.2 per cent as compared with the results of the previous year, reaching 18.2 million tons. On the import side, shipments moving from Australia to the Far East and from Europe to the Middle East in 1999 were greater than in previous years. Japanese demand is expected to shrink by about 5 per cent in 1999. In contrast, demand by the other Far Eastern countries in that year is expected to

have recovered from its decline of 4.5 per cent in 1998. While the United States serves as a major supplier to world markets, its producers will be confronted with intensified competition from other suppliers, including Latin American and European producers, as well as those in Australia. According to preliminary data, the overall grain market will slow again in 2000 as small declines in European and Middle Eastern demand will offset an equally small improvement in Asian demand.<sup>8</sup>

**(d) Liner shipments of containerized cargo**

24. Total world liner shipments of containerized cargo in 1999 are expected to reach approximately 50 million TEUs C an increase of 1.0 per cent compared with the volume of the previous year, reflecting a substantial recovery from the Asian crisis and its aftermath. In 1999, the Asian economies continued to push up the trade volume of major liner routes such as Transpacific, Europe/Asia and intra-Asia. On the other hand, the sustained expansion of Asian exports has been causing a serious trade imbalance between the trade routes in the Transpacific and the Europe/Asia trades.

25. In 1999, the eastbound Transpacific trade recorded a continuation of the strong expansion representing 5.5 million TEUs in 1999. The strong import growth of the United States encouraged cargo movement mainly from the Republic of Korea, Taiwan Province of China and other South-East Asian countries. Growth will slow in 2000, as greater development in import and export trades with Japan and Hong Kong (China) remains uncertain. The Transpacific westbound trade increased marginally to 3.3 million TEUs in 1999 with greater expansion expected in 2000. The Europe/Asia trade produced a relatively small increase in volume in 1998, with a drop in eastbound business offsetting an increase in westbound trade. Recovery was clearly under way in 1999 with a total volume of 3.6 million TEUs in the westbound trade and 2.7 million TEUs on the eastbound leg. The imbalance will remain in 2000, as eastbound trade will increase slowly, but westbound trade with consumer goods and electrical goods, accounting for over 60 per cent of the total, will accelerate. Transatlantic trade in 1999 was made up of strong westbound trade (European exports to the United States) of 1.7 million TEUs and flat eastbound trade (United States exports to Europe), representing 1.4 million TEUs. In 2000, eastbound traffic will grow moderately, while westbound growth will slow considerably as the United States imports from Northern

Europe are expected to decline from the high growth rate in 1999.

26. Intra-Asia liner trade, the world's largest, is growing again strongly and steadily, with a total volume of 9.7 million TEUs moved in 1999. China is the major market for its Asian neighbours, accounting for 30 per cent of the intra-Asian imports and growing at 16 per cent in 1999, with a 6 per cent forecast in 2000. Other outstanding examples of recovery are Taiwan Province of China and the Republic of Korea, each growing at about 15 per cent in 1999 with a 13 per cent forecast in 2000. Hong Kong (China), which accounted for 14 per cent of the imports in 1999, will grow again in 2000. Japan, representing 13 per cent of the imports, is expected to expand at 6 per cent in 1999 and to be flat in 2000. The combined import volume of South-East Asian countries, making up 26 per cent of the imports, increased by 4 per cent in 1999 and is likely to expand at 8 per cent in 2000. From the export perspective, Taiwan Province of China is leading the market, accounting for 24 per cent of intra-Asian exports; these grew by 14 per cent in 1999 and are expected to increase by 8 per cent in 2000. It is also expected that Japanese and South-East Asian exports will grow faster in 2000 than in 1999, and that China's exports, accounting for 16 per cent of the intra-Asia total in 1999, will expand at the rate of 10 per cent in 2000.<sup>9</sup>

**(e) World shipments by country groups**

27. World seaborne trade in 1999 increased by 1.3 per cent compared with its figure in the previous year. Summarized data on world seaborne trade by major cargo segments and country groups are shown in table 4 and graph 3. The share of developed market-economy countries in goods loaded and unloaded in 1999 is 43.9 per cent and 65.5 per cent respectively of total world volume. For these countries, crude oil and petroleum products account for 11.7 per cent and 33.0 per cent of total world exports, while imports account for 71.3 per cent for crude oil and 72.0 per cent for petroleum products. In terms of the regional groupings, Europe, including the Mediterranean and United Kingdom, and intra-regional trades, remains the most important exporter and importer of crude oil and petroleum products, its combined share of the world total representing 14.6 per cent for exports and 29.0 per cent for imports. By country, the United States and Japan are the major importers of crude oil and petroleum

Table 4

**World seaborne trade <sup>a</sup> in 1970, 1980, 1990, 1997-1999 and 2000 (estimates),  
by types of cargo and country groups <sup>b</sup>**

Country group	Year	Goods loaded				Goods unloaded			
		Oil		Dry cargo	Total all goods	Oil		Dry cargo	Total all goods
		Crude	Products <sup>c</sup>			Crude	Products <sup>c</sup>		
(Trade in millions of tons)									
<b>World total</b>	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	4 008	1 335	466	2 365	4 166
	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	545	2 993	5 169
	1999	1 601	559	2 970	5 129	1 598	557	3 081	5 236
	2000	1 635	568	3 028	5 230	1 631	566	3 133	5 330
(Percentage share of each category of goods in total)									
<b>World total</b>	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	49.5	100.0
	1990	32.1	11.7	56.2	100.0	32.0	11.2	56.8	100.0
	1997	32.8	11.0	56.1	100.0	32.3	10.4	57.4	100.0
	1998	32.2	10.8	57.0	100.0	31.6	10.5	57.9	100.0
	1999	32.1	10.7	57.2	100.0	31.4	10.4	58.2	100.0
	2000	31.6	10.7	57.7	100.0	31.0	10.4	58.6	100.0
(Percentage share of trade by groups of countries)									
<b>Developed market-economy countries</b>	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	77.9	61.7	66.6
	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	72.5	61.7	65.9
	1999	11.7	33.0	63.2	43.9	71.3	72.0	61.3	65.5
	2000	11.6	33.1	63.1	43.8	71.0	72.2	61.1	65.3
<b>Countries of Central and Eastern Europe</b>	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	4.1
	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	9.4	3.2	3.7	1.4	0.2	4.5	3.1
	2000	2.8	9.3	3.2	3.7	1.4	0.2	4.6	3.2
<b>Socialist countries of Asia <sup>d</sup></b>	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	4.6	3.4	3.0
	1997	1.6	0.9	2.3	1.9	1.8	6.0	3.6	3.4
	1998	1.5	0.9	2.3	1.9	2.4	6.1	3.6	3.5
	1999	1.5	1.3	2.3	1.9	2.4	6.3	3.7	3.6
	2000	1.5	1.2	2.3	1.9	2.5	6.4	3.7	3.6
<b>Developing countries</b>	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	17.2	29.1	26.2
	1997	83.7	56.0	31.3	51.2	26.0	20.8	29.9	27.7
	1998	84.2	56.6	31.2	51.0	24.8	21.1	30.2	27.5
	1999	83.9	56.4	31.3	50.5	24.8	21.5	30.5	27.8

Country group	Year	Goods loaded				Goods unloaded			
		Oil		Dry cargo	Total all goods	Oil		Dry cargo	Total all goods
		Crude	Products <sup>c</sup>			Crude	Products <sup>c</sup>		
	2000	84.1	56.3	31.4	50.6	25.1	21.2	30.6	27.9
<i>of which:</i> <b>Africa</b>	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	2.2	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	22.7	5.3	3.7	9.8	5.0	1.9	3.8	4.0
	2000	22.6	5.4	3.8	9.8	5.0	2.0	3.8	4.0
<b>America</b>	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	3.6	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	3.2	4.1	4.3
	1999	16.7	13.8	12.8	14.1	5.2	3.4	4.1	4.3
	2000	16.8	13.8	12.8	14.2	5.2	3.3	4.1	4.3
<b>Asia</b>	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	10.5	19.9	16.4
	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	15.0	21.5	18.6
	1999	44.5	37.0	14.1	26.1	14.1	15.3	21.9	18.8
	2000	44.6	36.8	14.1	26.1	14.4	15.0	21.6	18.9
<b>Europe<sup>d</sup></b>	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	0.4	0.6	0.6
	2000	-	0.2	0.3	0.2	0.5	0.4	0.6	0.6
<b>Oceania<sup>d</sup></b>	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	-	0.4	0.1	0.1
	2000	-	0.1	0.4	0.2	-	0.4	0.1	0.1

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

<sup>a</sup> Including international cargoes loaded at ports of the Great Lakes and St. Lawrence system for unloading at ports of the same system.

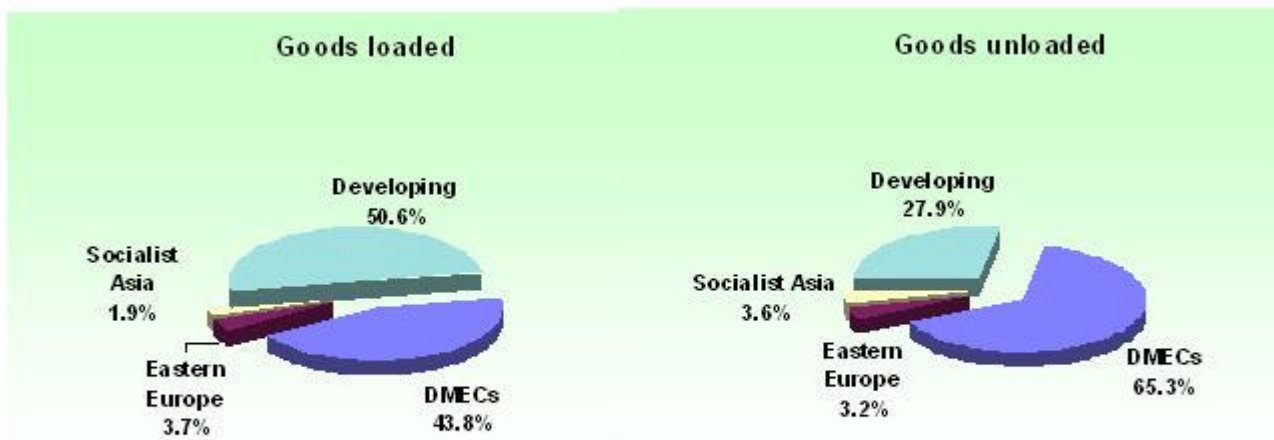
<sup>b</sup> See annex I for the composition of these groups, and note 4 thereto regarding the recording of trade of landlocked countries.

<sup>c</sup> Including liquefied natural gas (LNG), liquefied petroleum gas (LPG), naphtha, gasoline, jet fuel, kerosene, light oil, heavy fuel oil and others.

<sup>d</sup> Estimates.

Graph 3

**World seaborne trade by country groups**



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

products, with 23.7 per cent and 16.4 per cent respectively of total world imports. In the dry bulk segment, developed market-economy countries remain at 63.2 per cent for exports and 61.3 per cent for imports. Based on regional distribution, Europe is also the largest dry cargo market for exports and imports, with 21.2 per cent and 32.5 per cent respectively. A constant increase in the volume of intra-regional trade has been observed, while overall dry cargo export and import trades with third country groups are comparatively flat or slightly downward. By country, the United States' exports in 1999 were driven by grain shipments, representing an 18 per cent increase over the previous year. The increase in cargo unloaded is mainly attributable to the continued expansion of liner cargo from Asia. In 1999, Australia increased its exports of three major commodities C iron ore, coal and grain C by 3.0, 4.0 and nearly 9 per cent respectively. Japan's coal imports from Australia in 1999 expanded, whilst those from the United States and Canada weakened. Its demand for grain shrank in 1999, offsetting somewhat the expansion of other main dry bulk commodities.

28. The developing countries' share in total world exports remained at 50.5 per cent, while their share of imports stood at 27.8 per cent in 1999. Their trade

structure in terms of volume reflected a sharp contrast with that of developed market-economy countries. The developing countries' combined share in crude oil and its products represented 76.8 per cent for exports and 24.0 per cent for imports in the world total, while in the case of the developed market-economy countries their combined share was at 17.2 per cent for exports and 71.5 per cent for imports. In the dry cargo segment, the developed market-economy countries share as a group in exports and imports represented 63.2 per cent and 61.3 per cent, which was almost double the developing countries' group share of 31.3 per cent for exports and 30.5 per cent for imports.

29. There are some variations observable in the volume of goods loaded or unloaded among the developing countries, specifically in Asia. In 1999, Asian countries maintained 26.1 per cent and 18.8 per cent for exports and imports respectively of total world trade. The majority of crude oil exports (44.5 per cent of the world total or 53.0 per cent of the developing countries' total) was shipped in 1999 from Western Asia (the Middle East Gulf). Petroleum products loaded (37.0 per cent of the world total or 65.7 per cent of the developing countries' total) were traded mainly in the intra-Asian markets, including Japan. The increasing

share in the volume of dry cargo loaded reflected primarily the expansion of Asia's containerized trades in both international and intra-Asian markets. In the import segment, Asian countries kept a relatively higher share of 21.9 per cent in world shipments or 71.8 per cent of the developing countries' total. The majority of dry cargo unloaded consisted of three main dry bulk commodities from non-Asian countries.

30. The share of shipments for the developing countries of America has remained stable at 13-14 per cent for exports and unchanged at 4.3 per cent for imports since the early 1990s. Crude oil and petroleum products from Mexico and Venezuela, iron ore from Brazil and grain from Argentina are dominant in the region's outward trade volume, boosting the region's total dry cargo share to 12.8 per cent of the world total, while the dry cargo imports of the region remains at 4.1 per cent. The majority of these represent trades of manufactures with the United States and Europe, and imports of coking coal from North America and Australia.

31. The share of goods loaded by African developing countries continued to shrink to slightly lower than 10 per cent of the world total. In 1999 their share in loading crude oil, petroleum products and dry cargo was 22.7 per cent, 5.3 per cent, and 3.7 per cent respectively in total world trade. Crude oil shipments are generated mainly in Western and Northern Africa. Coal exports from southern Africa share a major portion of dry cargo exports. For imports, their trades have been stagnant at the low level of 4 per cent of world trade since the 1980s, distributed evenly over crude oil and petroleum products, and the dry cargo group. The share of countries in Central and Eastern Europe in 1999 continued to be stagnant at 3.7 per cent for loading, mainly owing to a marginal increase in both crude oil and its products. Their imports have remained at 3.1 per cent since the middle of the 1990s. Figure for the socialist countries in Asia have primarily reflected the trade activities of China, which are composed mainly of exports of coal and manufactures, and imports of iron ore.

#### (f) Demand for shipping services

32. Table 5 provides data on total demand for shipping services in terms of ton-miles. World seaborne trade in volume increased marginally by 1.3 per cent to 5,129 million tons in 1999, whilst the total shipping performance measured in ton-miles decreased to 21,480 billion ton-miles in 1999 from 21,492 billion ton-miles in the previous year. This represents the second consecutive decline after 14 years of continuous growth. By commodity, crude oil shipments in volume dropped by 2.0 per cent due to OPEC's production cuts, whereas oil products increased by 2.0 per cent. In terms of transportation performance, crude oil decreased by 3.8 per cent to 7,500 billion ton-miles, whilst petroleum products increased by 2.0 per cent to 2,010 billion ton-miles. The decrease in ton-miles for crude oil was attributable mainly to the shortening of average transport distances brought about by changing trade routes as a result of production cuts in the Middle East Gulf OPEC members and the reduction in trade. One of the reasons for the increase in ton-miles for petroleum products may be that India and the Republic of Korea increased production, so the Middle East Gulf refineries had to develop markets in other consumer areas such as Europe and the United States. Consequently, average transportation distances for petroleum products increased.

33. In the dry bulk segment in 1999, iron ore decreased in volume for the second consecutive year. Accordingly, its transport performance declined by 3.7 per cent to 2,220 billion ton-miles. Coal and grain increased in volume by 4.2 per cent and 10.0 per cent respectively, pushing their shipping demand up to the highest level of 2,430 billion ton-miles and 1,170 billion ton-miles respectively. The shipping performance for the three main dry bulk commodities combined increased by 0.5 per cent to 5,820 billion ton-miles in 1999. In the category of other cargo, shipping performance also improved by 3.5 per cent to 6,150 billion ton-miles in 1999. The trade in containers is the most important commodity affecting the performance in ton-miles.

Table 5

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

Year	Oil		Iron ore	Coal	Grain <sup>a</sup>	Other cargo	Total trade
	Crude	Products					
<b>1970</b>	5 597	890	1 093	481	475	2 118	10 654
<b>1980</b>	8 385	1 020	1 613	952	1 087	3 720	16 777
<b>1985</b>	4 007	1 150	1 675	1 479	1 004	3 750	13 065
<b>1990</b>	6 261	1 560	1 978	1 849	1 073	4 440	17 161
<b>1995</b>	7 225	1 945	2 287	2 176	1 160	5 395	20 188
<b>1996</b>	7 363	2 040	2 227	2 217	1 126	5 705	20 678
<b>1997</b>	7 830	2 050	2 444	2 332	1 169	6 000	21 825
<b>1998</b>	7 793	1 970	2 306	2 419	1 064	5 940	21 492
<b>1999</b>	7 500	2 010	2 220	2 430	1 170	6 150	21 480

Source: Fearnleys (Oslo), *Review 1999*.

<sup>a</sup> Including wheat, maize, barley, oats, rye, sorghum and soya beans.