

UNCTAD/RMT/2002

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
Geneva

**REVIEW OF
MARITIME TRANSPORT
2002**

SUMMARY OF MAIN DEVELOPMENTS



UNITED NATIONS
New York and Geneva, 2002

REVIEW OF MARITIME TRANSPORT, 2002

SUMMARY OF MAIN DEVELOPMENTS

Development of the world economy and seaborne trade

- “ World output in 2001 grew by 1.3 per cent over that of 2000, about one-third of the remarkable growth of the previous year. The developed market-economy countries experienced growth of 1 per cent, while developing countries recorded an average increase of 2.1 per cent. In 2002, growth in world output is expected to be between 1.4 and 2.4 per cent and contingent on developments following the events of 11 September 2001.
- “ The volume of world merchandise exports decreased by 1.5 per cent compared to the increase of 11.9 per cent in 2000, while imports increased by just 0.9 per cent, compared to the previous increase of 11.3 per cent. These results were based on the performance of North America and countries in Asia. The volume of world merchandise exports would probably risen in 2002.
- “ The total industrial production index of OECD decreased by 2.6 per cent to 117.7 from 120.8 in 2000 (1995 = 100). The result was due to the performance of the United States and Japan.
- “ World seaborne trade (goods loaded) contracted after 15 consecutive years of annual increases reaching 5.83 billion tons. The annual growth rate was negative – 1 per cent compared to the 3.9 per cent increase of 2000. Global maritime trade growth is expected to stay flat in 2002.
- “ Total maritime activities measured in ton-miles decreased to 22,682 billion ton-miles, in comparison with the total of 23,016 billion ton-miles reached in 2000.

Development of the world fleet

- “ The world merchant fleet expanded to 825.6 million deadweight tons (dwt) at the end of 2001, a 2.1 per cent increase. New building deliveries were up by 1.8 per cent to 45.2 million dwt, and tonnage broken up and lost increased by 25.2 per cent to 27.8 million dwt, leaving a net gain of 17.4 million dwt.
- “ The fleets of oil tankers and dry bulk carriers together make up 70.3 per cent of the total world fleet. The fleet of oil tankers was steady, while the fleet of dry bulk carriers increased by 4.6 per cent. There was an impressive 11.4 per cent increase from 69.2 to 77.1 million dwt in the container ship fleet and a 3 per cent increase from 18.5 to 19.1 million dwt in the liquefied gas carriers fleet.

- “ The average age of the world fleet remained at 13.9 years with almost 34 per cent of the fleet 20 years and older. General cargo vessels had the highest average age at 16.2 years, and container vessels were the youngest at 11 years.
- “ Registration of ships by developed market-economy countries and major open-registry countries accounted for 25.1 and 48.7 per cent of the world fleet respectively. Open registries increased their tonnage by 2.6 per cent, and two-thirds of this beneficially owned fleet is owned by market economies and developing countries. Developing countries' share reached 19.3 per cent, or 159 million dwt, of which 117 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, decreased to 7.1 and 29.5 respectively. This was a decrease of 2.7 per cent and 4.5 per cent from the figures for 2000.
- “ World total surplus tonnage continued to decrease and at the end of 2001 stood at 21.5 million dwt, or 2.6 per cent of the world merchant fleet. Surplus capacity in the tanker sector increased to 17.9 million dwt, while overcapacity in the dry bulk sector dropped to 2.9 million dwt from 3.8 million dwt in 2000.

Freight markets

- “ The year 2001 was a bad year for the tanker market. The overall volume of seaborne crude oil trade increased by less than 1 per cent. The average freight indices for VLCC, medium-size crude carriers and small crude and product carriers decreased sharply – by 74.3, 56.7 and 63 per cent respectively.
- “ In 2001, seaborne shipments of the main bulks, particularly iron ore and coal, increased by 1.2 per cent. The improved balance between supply and demand resulted in mixed performance by time and trip–charter indexes, which closed the year down 35.2 per cent and up 1 per cent respectively.
- “ By the end of 2001, freight rates in the main containerized routes – trans-Pacific, transatlantic and Asia-Europe – were below the levels that prevailed at the end of 2000. Rates across the Atlantic fared better than those across the Pacific and in the Asia-Europe route. Westbound transatlantic rates fell by 2.1 per cent while those in the opposite direction fell by 8.9 per cent. Rates in the Pacific fell evenly by 16.8 per cent while those from Asia to Europe fell by 17.1 per cent and those from Europe to Asia declined by an impressive 28.7 per cent.

Total freight costs in world trade by group

- “ World total freight payments as a proportion of total import value increased to 6.21 per cent in 2000, up from 5.52 per cent in 1999. The freight factor was 5.21 per cent for developed market-economy countries, compared to 4.53 per cent in 1999, while for developing countries it was up to 8.83 per cent from 8.39 per cent in 1999. The freight factor for the developing countries in Africa increased to 12.97 per cent and the factor for developing

countries in America to 8.58 per cent. For Asian developing countries, the freight rate factor increased to 8.51 per cent, while for those in Oceania the factor decreased to 11.94 per cent.

Port development

- “ World container port traffic continued to expand at a rate of 15.4 per cent over 1999, reaching 225.3 million TEUs. The ports of developing countries and territories handled 94.2 million TEUs, or 41.8 per cent of the total. In 2000 there were 54 developing countries and territories handling above 100,000 TEU.

Trade and transport efficiency

- “ The Declaration of the Fourth Ministerial Conference (Doha) paved the way for the negotiation process in WTO and a potentially binding rule on trade facilitation. UNCTAD convened two meetings to consider matters related to information and communication technology in transport and trade facilitation and to regulation of multimodal transport services.
- “ The development of cargo rail services proceeded during the year in several regions, and consolidation in North America and joint services in Europe were used to improve the quality of service. Container production slumped in 2001 to 1.25 million TEU – a decrease of 34.2 per cent. Factories reported surplus capacity of up to 50 per cent in China. Prices also decreased by 3.3 per cent.

Review of regional developments

- “ Since 1998, Latin America and Caribbean countries have been on an economic roller coaster. After recovery from the 1997 crisis, the year 1998 saw a 2.3 per cent increase in output followed by a meagre 0.4 per cent increase in output for 1999. In 2000 output increased a healthy 4.1 per cent in line with the booming world economy; this rise was followed by a modest 0.5 per cent increase for 2001. Rates of volume growth for exports and imports in 2000 were 11 and 13.9 per cent respectively, but the estimates for 2001 were much more modest. About 60 per cent of the exports of these countries and 50 per cent of imports go to North America. Intra-regional trade accounts for about 15 per cent a share, slightly above the corresponding figure for trade with Europe.
- “ International trade is conducted mainly by sea, with the percentages above 70 per cent for most countries. The exception is Mexico, a NAFTA partner, which conducts a sizeable share, up to 60 per cent by volume, of its trade overland with the United States. The merchant fleets of these countries, except the major open registries of the Bahamas, Bermuda and Panama, reached 34.5 million dwt – 4.2 per cent of the world fleet, and an increase over the 3.5 per cent share reached in 1990.
- “ Main bulk commodities, such as crude oil, iron ore, coal and grain, are exported from mechanized dedicated terminals and ports often forming part of an integrated industrial operation.
- “ Exports and imports of liner and other cargoes go through public ports, which over the last few years have been opened to private-sector operation and investment. Freight rate levels

for tramp services and liner cargoes have been decreasing in line with the general trend in shipping. Inland transport in South America is still underdeveloped, but the presidents of the countries of this subregion have decided to address this issue. The cost factor for import trades for these countries in 2000 was 8.58 per cent, slightly below the average for developing countries, and masks differences between countries, with those in the Caribbean having higher averages.

- “ The development of cargo rail services proceeded during the year in several regions, and consolidation in North America and joint services in Europe were used to improve the quality of service. Container production slumped in 2001 to 1.25 million TEU – a decrease of 34.2 per cent. Factories reported surplus capacity of up to 50 per cent in China. Prices also decreased by 3.3 per cent.

Review of regional developments

- “ Since 1998, Latin America and Caribbean countries have been on an economic roller coaster. After recovery from the 1997 crisis, the year 1998 saw a 2.3 per cent increase in output followed by a meagre 0.4 per cent increase in output for 1999. In 2000 output increased a healthy 4.1 per cent in line with the booming world economy; this rise was followed by a modest 0.5 per cent increase for 2001. Rates of volume growth for exports and imports in 2000 were 11 and 13.9 per cent respectively, but the estimates for 2001 were much more modest. About 60 per cent of the exports of these countries and 50 per cent of imports go to North America. Intra-regional trade accounts for about 15 per cent a share, slightly above the corresponding figure for trade with Europe.
- “ International trade is conducted mainly by sea, with the percentages above 70 per cent for most countries. The exception is Mexico, a NAFTA partner, which conducts a sizeable share, up to 60 per cent by volume, of its trade overland with the United States. The merchant fleets of these countries, except the major open registries of the Bahamas, Bermuda and Panama, reached 34.5 million dwt – 4.2 per cent of the world fleet, and an increase over the 3.5 per cent share reached in 1990.
- “ Main bulk commodities, such as crude oil, iron ore, coal and grain, are exported from mechanized dedicated terminals and ports often forming part of an integrated industrial operation.
- “ Exports and imports of liner and other cargoes go through public ports, which over the last few years have been opened to private-sector operation and investment. Freight rate levels for tramp services and liner cargoes have been decreasing in line with the general trend in shipping. Inland transport in South America is still underdeveloped, but the presidents of the countries of this subregion have decided to address this issue. The cost factor for import trades for these countries in 2000 was 8.58 per cent, slightly below the average for developing countries, and masks differences between countries, with those in the Caribbean having higher averages.