



REVIEW OF MARITIME TRANSPORT

2011



**REPORT BY
THE UNCTAD SECRETARIAT**



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UNCTAD/RMT/2011

UNITED NATIONS PUBLICATION

Sales No. E.11.II.D.4

ISBN 978-92-1112841-3

ISSN 0566-7682

ACKNOWLEDGEMENTS

The *Review of Maritime Transport 2011* was prepared by the Trade Logistics Branch of the Division on Technology and Logistics, UNCTAD, under the coordination of Jan Hoffmann, the supervision of José María Rubiato, and the overall guidance of Anne Miroux. The authors were Regina Asariotis, Hassiba Benamara, Hannes Finkenbrink, Jan Hoffmann, Jennifer Lavelle, Maria Misovicova, Vincent Valentine and Frida Youssef.

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ABBREVIATIONS AND EXPLANATORY NOTES

AEO	Authorized Economic Operator
AfDB	African Development Bank
AGF	United Nations Secretary-General's High-level Advisory Group on Climate Change Financing
AIS	Automatic Identification System
ASEAN	Association of Southeast Asian Nations
ATA	actual time of arrival
ATD	actual time of departure
ATL	actual total loss
BAF	bunker adjustment factor
bcm	billion cubic metres
BDI	Baltic Exchange Dry Index
BIMCO	Baltic and International Maritime Council
BIWTA	Bangladesh Inland Water Transport Authority
BLO	build-lease-own
BMP	best management practice
BOOT	build-own-operate-transfer
BOT	build-operate-transfer
BRIC	Brazil, Russian Federation, India and China
CBDR	Common but Differentiated Responsibilities and Respective Capabilities
CAC	CRCC Africa Construction
cbm	cubic metre
CO2	carbon dioxide
COMESA	Common Market for Eastern and Southern Africa
CMR	Convention on the Contract for the International Carriage of Goods by Road
CRCC	China Railway Construction Corporation
CSAV	Compañía Sudamericana de Vapores
CSR	corporate social responsibility
CTL	constructive total loss
DBO	design-build-operate
DHS	United States Department of Homeland Security
DIS	Danish International Ship Register
DP World	Dubai Ports World
dwt	deadweight ton

ECA	emission control area
ECDIS	electronic chart display and information
ECE	United Nations Economic Commission for Europe
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
EIA	United States Energy Information Administration
EEDI	Energy Efficiency Design Index
EEOI	Energy Efficiency Operational Indicator
EFTA	European Free Trade Association
EORI	Economic Operator Registration and Identification
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
ETS	emissions trading scheme
EU	European Union
FEU	40-foot equivalent unit
FTK	freight ton-kilometre
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GHG	greenhouse gas
GISIS	Global Integrated Shipping Information System
HPH	Hutchison Port Holdings
HRS	high-risk ship
HSBC	Hongkong and Shanghai Banking Corporation
IACS	International Association of Classification Societies
ICA	Infrastructure Consortium for Africa
ICC	International Chamber of Commerce
ICT	information and communications technology
IEA	International Energy Agency
IGP&I	International Group of P&I Clubs
ILO	International Labour Organization
IMB	International Maritime Bureau
IMO	International Maritime Organization
IRS	Indian Register of Shipping
ISO	International Organization for Standardization
ISPS	International Ship and Port Facilities Security
ISSC	International Ship Security Certificate
IT	information technology
km	kilometre

LDC	least developed country
LLDC	landlocked developing country
LNG	liquefied natural gas
LPG	liquefied petroleum gas
LRS	low-risk ship
LSCI	Liner Shipping Connectivity Index
MARPOL	International Convention for the Prevention of Pollution from Ships
MBM	market-based measure
mbpd	million barrels per day
MDG	Millennium Development Goal
MEPC	Marine Environment Protection Committee
MFN	most favoured nation
MLC	Maritime Labour Convention
MLM	Maritime Liens and Mortgages
MoU	Memorandum of Understanding
MSC	IMO Maritime Safety Committee
MSM	Maritime Security Manual
MSWG	Working Group on Maritime Security
n.a.	not available
NEPAD	New Partnership for Africa's Development
NIS	Norwegian International Ship Register
NYPE	New York Produce Exchange
OECD	Organization for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States
OPEC	Organization of the Petroleum Exporting Countries
P&I	protection and indemnity
PFSP	Port Facility Security Plan
PFSO	Port Facility Security Officer
PIDA	Programme for Infrastructure Development in Africa
PPP	public-private partnership
PSA	Port of Singapore Authority
RAKIA	Ras Al Khaimah Investment Authority
ro-ro	roll-on roll-off
RSO	Recognized Security Organization
RTA	regional trade agreement
SACU	Southern African Customs Union

SADC	Southern African Development Community
SAFE	Framework of Standards to Secure and Facilitate Global Trade
SAR	Special Administrative Region
SEEMP	Ship Energy Efficiency Management Plan
SIDS	small island developing State
SIN	ship identification number
SMEs	small and medium-sized enterprises
SoCPF	Statement of Compliance of the Port Facility
SOLAS	International Convention for the Safety of Life at Sea
SRS	standard-risk ship
SSA	Ship Security Assessment
SSAS	Ship Security Alert System
SSI	Sustainable Shipping Initiative
SSO	Ship Security Officer
SSP	Ship Security Plan
STCW	International Convention on Standards of Training, Certification and Watchkeeping for Seafarers
SVS-IP	Small Vessel Security Implementation Plan
SVSS	Small Vessel Security Strategy
TEU	20-foot equivalent unit
THC	terminal handling charge
ULCC	ultra-large crude carrier
UNCITRAL	United Nations Commission on International Trade Law
UNCLOS	United Nations Convention on the Law of the Sea
UNDOALOS	United Nations Division for Ocean Affairs and the Law of the Sea
UNFCCC	United Nations Framework Convention on Climate Change
UN-OHRLS	United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
VES	Vessel Efficiency System
VHSS	Hamburg Shipbrokers' Association
VIMSAS	Voluntary IMO Member State Audit Scheme
VLCC	very large crude carrier
VLOC	very large ore carrier
WCO	World Customs Organization
WS	Worldscale
WTO	World Trade Organization

* * *

Explanatory notes

- The Review of Maritime Transport 2011 covers data and events from January 2010 until June 2011. Where possible, every effort has been made to reflect more recent developments.
 - All references to dollars (\$) are to United States dollars, unless otherwise stated.
 - Unless otherwise stated, “ton” means metric ton (1,000 kg) and “mile” means nautical mile.
 - Because of rounding, details and percentages presented in tables do not necessarily add up to the totals.
 - Two dots (..) indicate that data are not available or are not separately reported.
 - A hyphen (-) signifies that the amount is nil or less than half the unit used.
 - In the tables and the text, the terms *countries* and *economies* refer to countries, territories or areas.
 - Since 2007, the presentation of countries in the *Review of Maritime Transport* has been different from that in previous editions. Since 2007, the new classification is that used by the Statistics Division, United Nations Department of Economic and Social Affairs, and by UNCTAD in its Handbook of Statistics. For the purpose of statistical analysis, countries and territories are grouped by economic criteria into three categories, which are further divided into geographical regions. The main categories are developed economies, developing economies, and transition economies. See annex I for a detailed breakdown of the new groupings. Any comparison with data in pre-2007 editions of the *Review of Maritime Transport* should therefore be handled with care.
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Vessel groupings used in the *Review of Maritime Transport*

As in the previous year's Review, five vessel groupings have been used throughout most shipping tables in this year's edition. The cut-off point for all tables, based on data from Lloyd's Register – Fairplay, is 100 gross tons (GT), except those tables dealing with ownership, where the cut-off level is 1,000 GT. The groups aggregate 20 principal types of vessel category, as noted below.

Review group	Constituent ship types
Oil tankers	Oil tankers
Bulk carriers	Ore and bulk carriers, ore/bulk/oil carriers
General cargo	Refrigerated cargo, specialized cargo, roll on-roll off (ro-ro) cargo, general cargo (single- and multi-deck), general cargo/passenger
Container ships	Fully cellular
Other ships	Oil/chemical tankers, chemical tankers, other tankers, liquefied gas carriers, passenger ro-ro, passenger, tank barges, general cargo barges, fishing, offshore supply, and all other types
Total all ships	Includes all the above-mentioned vessel types

Approximate vessel size groups referred to in the *Review of Maritime Transport*, according to generally used shipping terminology

<i>Crude oil tankers</i>	
ULCC, double-hull	350,000 dwt plus
ULCC, single hull	320,000 dwt plus
VLCC, double-hull	200,000–349,999 dwt
VLCC, single hull	200,000–319,999 dwt
Suezmax crude tanker	125,000–199,999 dwt
Aframax crude tanker	80,000– 124,999 dwt; moulded breadth > 32.31m
Panamax crude tanker	50,000– 79,999 dwt; moulded breadth < 32.31m
<i>Dry bulk and ore carriers</i>	
Large capesize bulk carrier	150,000 dwt plus
Small capesize bulk carrier	80,000–149,999 dwt; moulded breadth > 32.31 m
Panamax bulk carrier	55,000–84,999 dwt; moulded breadth < 32.31 m
Handymax bulk carrier	35,000–54,999 dwt
Handysize bulk carrier	10,000–34,999 dwt
<i>Ore/oil Carrier</i>	
VLOO	200,000 dwt
<i>Container ships</i>	
Post-Panamax container ship	moulded breadth > 32.31 m
Panamax container ship	moulded breadth < 32.31 m

Source: IHS Fairplay.

EXECUTIVE SUMMARY

Developments in international seaborne trade

The world economic situation has brightened in 2010. However, multiple risks threaten to undermine the prospects of a sustained recovery and a stable world economy – including sovereign debt problems in many developed regions, and fiscal austerity. These risks are further magnified by the extraordinary shocks that have occurred in 2011, which have included natural disasters and political unrest, as well as rising and volatile energy and commodity prices. Given that for shipping, all stands and falls with worldwide macroeconomic conditions, the developments in world seaborne trade mirrored the performance of the wider economy. After contracting in 2009, international shipping experienced an upswing in demand in 2010, and recorded a positive turnaround in seaborne trade volumes especially in the dry bulk and container trade segments. However, the outlook remains fragile, as seaborne trade is subject to the same uncertainties and shocks that face the world economy.

Structure, ownership and registration of the world fleet

The year 2010 saw record deliveries of new tonnage, 28 per cent higher than in 2009, resulting in an 8.6 per cent growth in the world fleet. Deliveries amounted to 11.7 per cent of the existing fleet; the previous peak had been in 1974, when deliveries amounted to approximately 11 per cent of the existing fleet.

The world merchant fleet reached almost 1.4 billion deadweight tons in January 2011, an increase of 120 million dwt over 2010. New deliveries stood at 150 million dwt, against demolitions and other withdrawals from the market of approximately 30 million dwt. Since 2005, the dry bulk fleet has almost doubled, and the containership fleet has nearly tripled. The share of foreign-flagged tonnage reached an estimated 68 per cent in January 2011.

The surge in vessel supply is the result of orders placed before the economic crisis. This, combined with lower-than-expected demand, has led to a situation where there is an excess supply of shipping capacity. In the dry bulk and container sectors especially, analysts

forecast an oversupply of tonnage in coming years. In both sectors, recent and upcoming record-sized newbuildings pose a further challenge to owners, who will need to find cargo to fill their ships.

Price of vessels and freight rates

The price of newbuildings was lower for all vessel types in 2010, reflecting market views that the capacity of the world fleet is sufficient to meet world trade in the short-term. In the second-hand market, the results were mixed. The larger oil tankers held their value, while smaller tankers and specialized product tankers declined in value. In the dry bulk sector, the price of medium-sized Panamax vessels decreased, while the price of smaller and larger vessels increased. The price for all sizes of second-hand container ships also rose in value during 2010 as trade volumes recovered.

Freight rates in the tanker sector performed better than the previous year, rising between 30 and 50 per cent by the end of 2010. Every month for all vessel types was better than the corresponding month for the previous year. However, tanker freight rates in general still remained depressed, compared with the years immediately preceding the 2008 peak. Freight rates in the dry bulk sector performed well for the first half of the year, but the Baltic Exchange Dry Index (BDI) lost more than half its value from the end of May 2010 to mid-July 2010. A partial rally occurred in August 2010 before the Index continued its downward trajectory. Between May 2010 and May 2011, the BDI declined by about two thirds. Container freight rates in 2010 witnessed a major transformation brought about by a boost in exports and measures introduced by shipowners to limit vessel oversupply. The result can be seen in the New ConTex Index, which tripled in value from early 2010 to mid-2011.

Port and multimodal transport developments

World container port throughput increased by an estimated 13.3 per cent to 531.4 million TEUs in 2010 after stumbling briefly in 2009. Chinese mainland ports continued to increase their share of total world container port throughput to 24.2 per cent. The

UNCTAD Liner Shipping Connectivity Index (LSCI) reveals that China continues its lead as the single most connected country, followed by Hong Kong SAR, Singapore and Germany. In 2011, 91 countries increased their LSCI ranking over 2010, 6 saw no change, and 65 recorded a decrease. In 2010, the rail freight sector grew by 7.2 per cent to reach 9,843 billion freight ton kilometres (FTKs). The road freight sector grew by 7.8 per cent in 2010 over the previous year with volumes reaching 9,721 billion FTKs.

Legal issues and regulatory developments

Important legal issues and recent regulatory developments in the fields of transport and trade facilitation included the entry into force on 14 September 2011 of the International Convention on Arrest of Ships, which had been adopted at a joint United Nations/International Maritime Organization (IMO) Diplomatic Conference held in 1999 under the auspices of UNCTAD. Moreover, during 2010 and the first half of 2011, important discussions continued at IMO regarding the scope and content of a possible international regime to control greenhouse gas (GHG) emissions from international shipping. Finally, there were a number of regulatory developments in relation to maritime security and safety, as well as in respect of trade facilitation agreements at both the multilateral and the regional levels.

Developing countries' participation in Maritime Businesses

Developing countries are expanding their participation in a range of different maritime businesses. They already hold strong positions in ship scrapping, ship registration, and the supply of seafarers, and they have growing market shares in more capital-intensive or technologically advanced maritime sectors such as ship construction and shipowning. China and the Republic of Korea between them built 72.4 per cent of world ship capacity (dwt) in 2010, and 9 of the 20 largest countries in shipowning are developing countries. Ship financing, insurance services and vessel classification are among the few maritime sectors that have so far been dominated by the more advanced economies. However, here, too, developing countries have recently demonstrated their potential to become major market players. India, for instance, joined the International Association of Classification Societies; through this it gains easier access to the global ship classification market. China now has two of the world's largest banks in ship financing.