

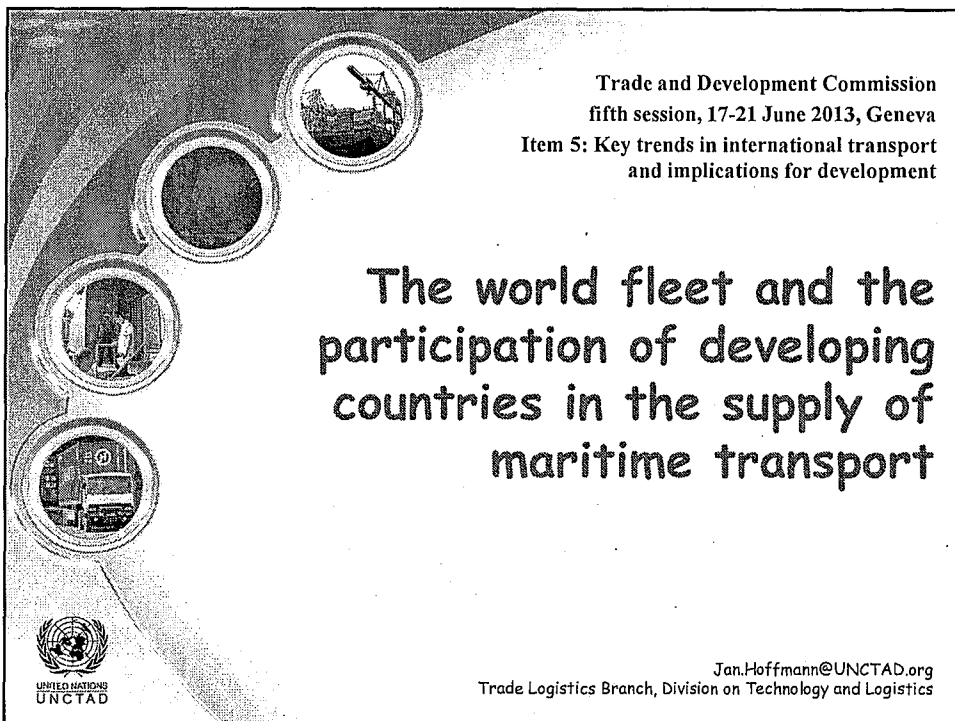
Trade and Development Commission
5th session

17-21 June 2013
Geneva

**The World Fleet and the Participation of
Developing Countries in the Supply of Maritime Transport**

By
Jan Hoffmann
Chief, Trade Facilitation Section
Trade Logistics Branch
Division on Technology and Logistics
UNCTAD

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

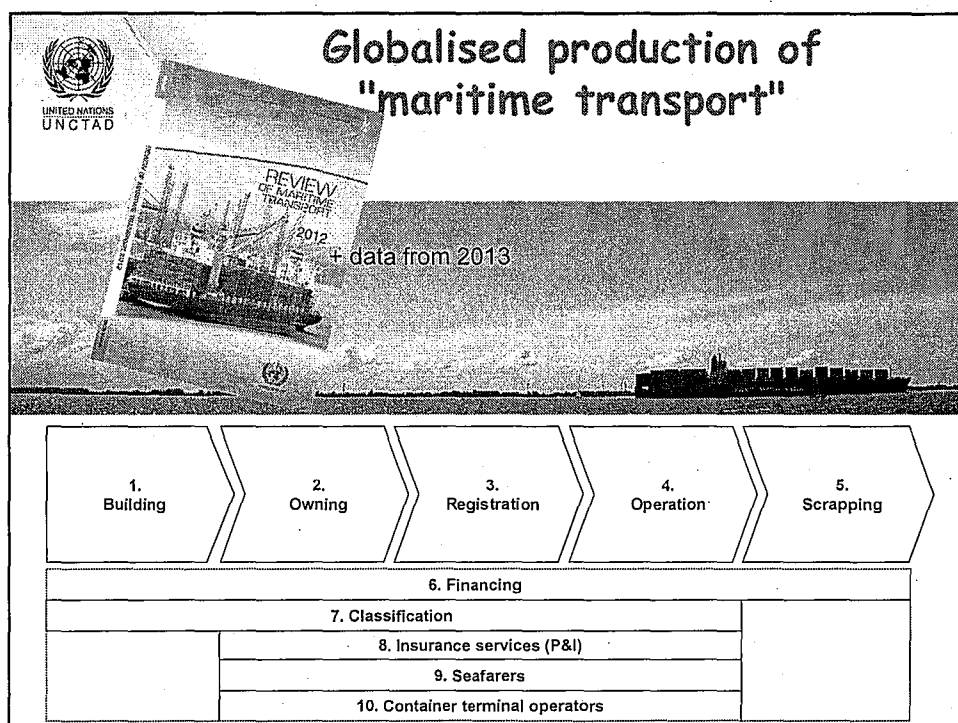


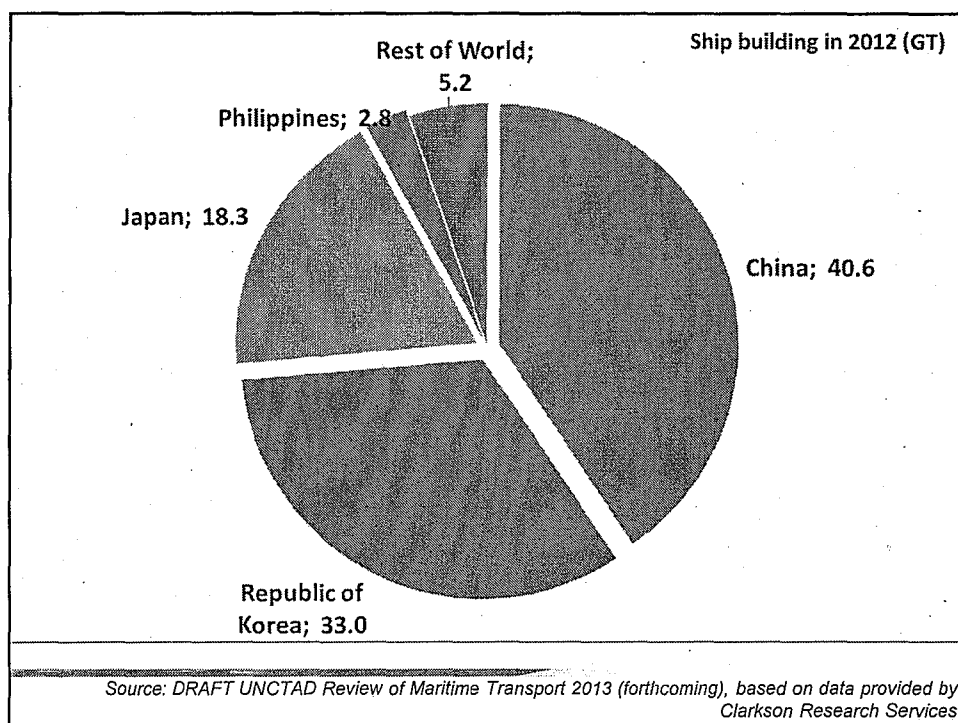
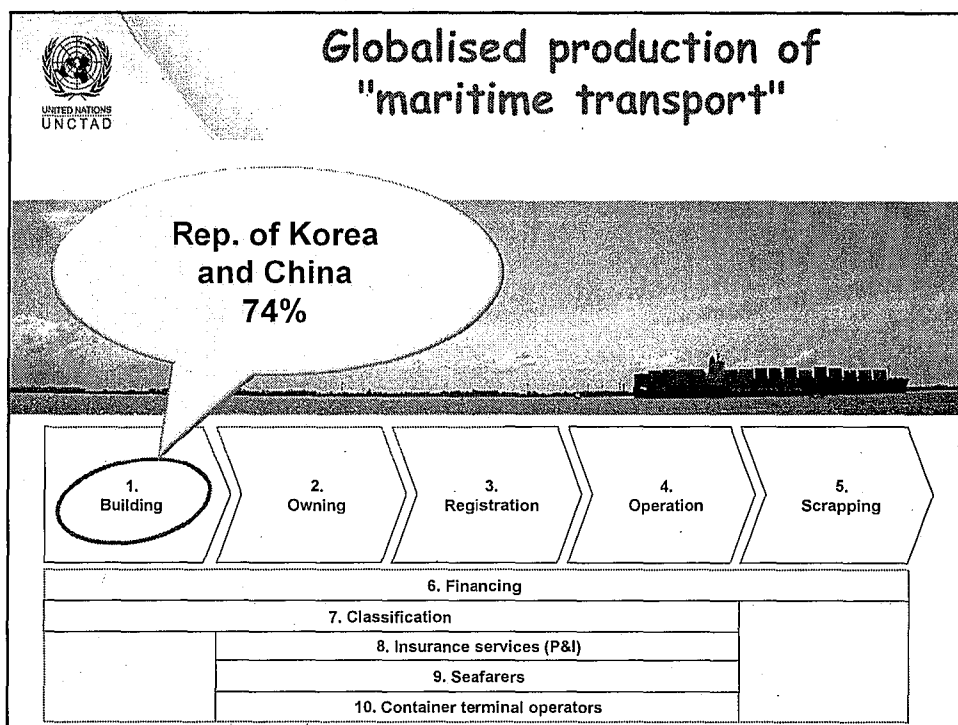
Trade and Development Commission
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Item 5: Key trends in international transport
and implications for development

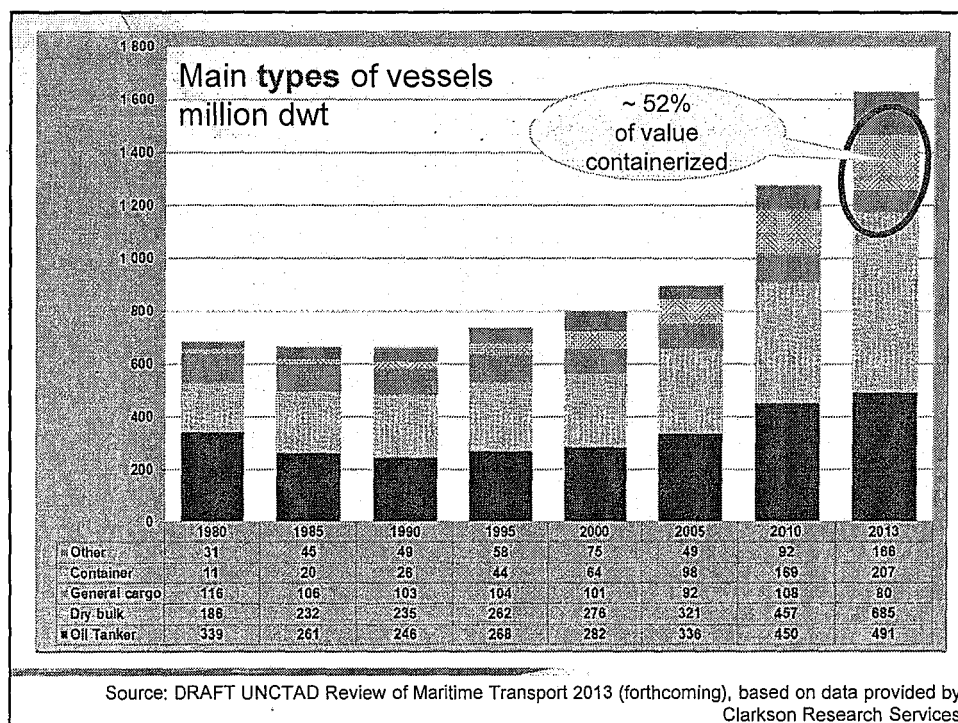
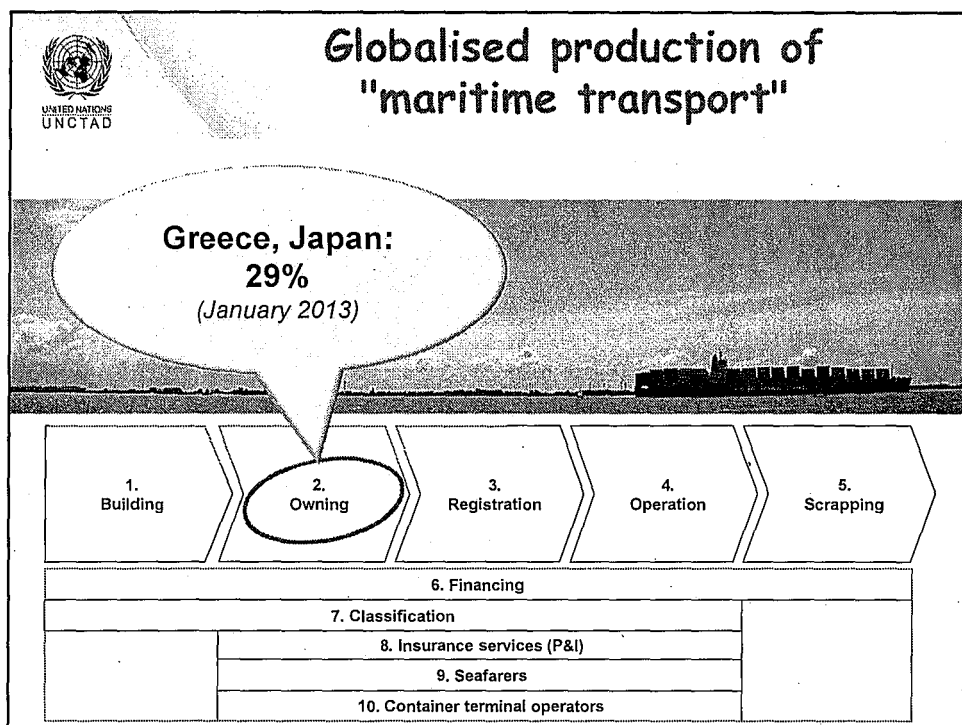
The world fleet and the participation of developing countries in the supply of maritime transport

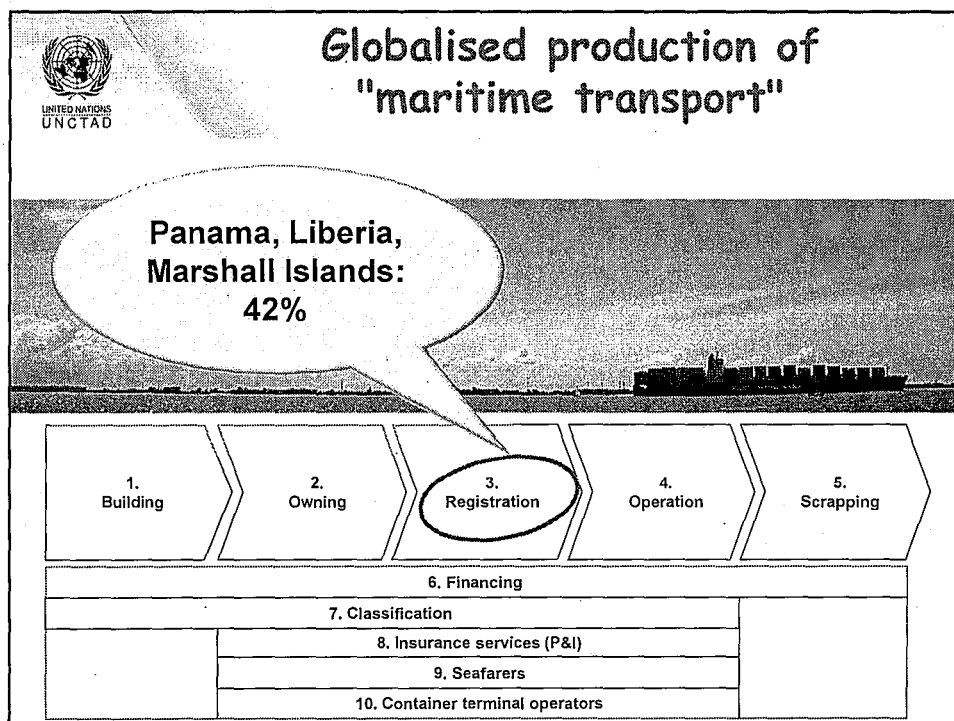
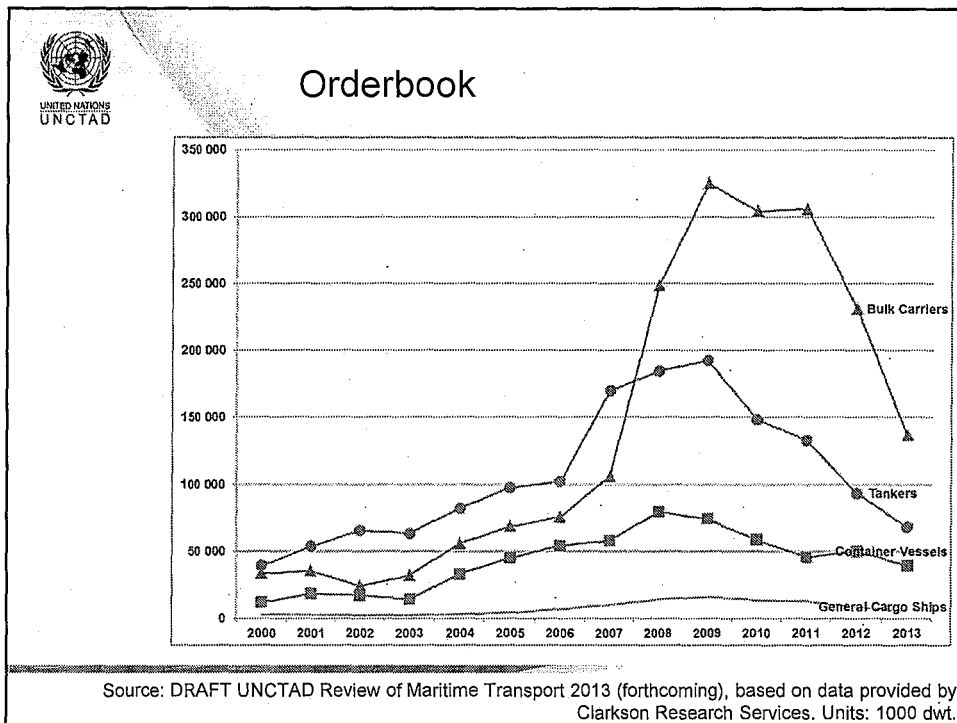
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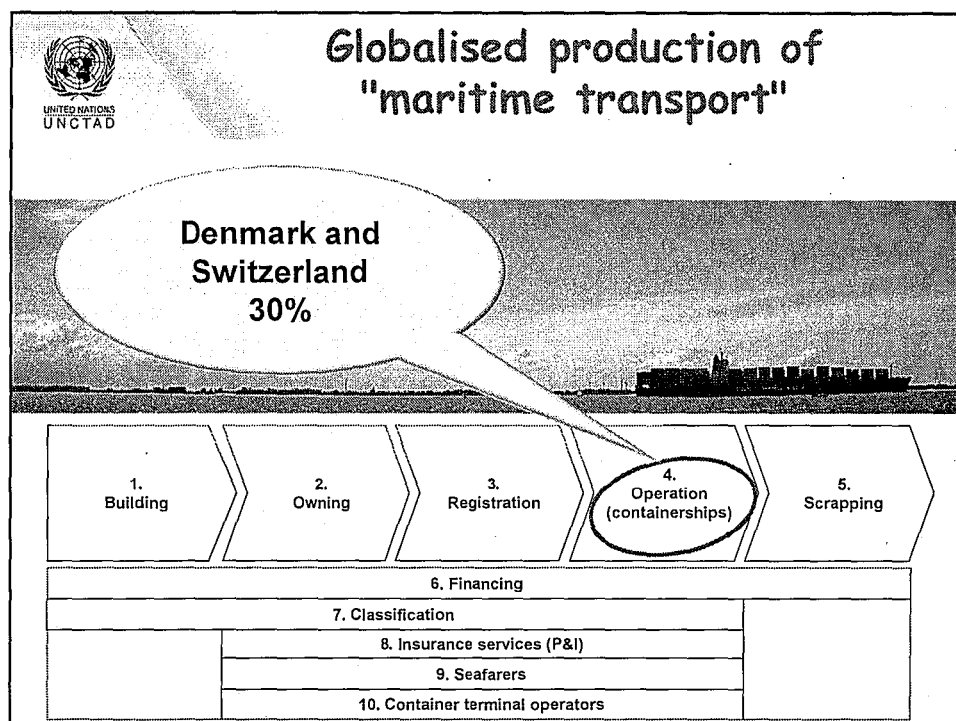
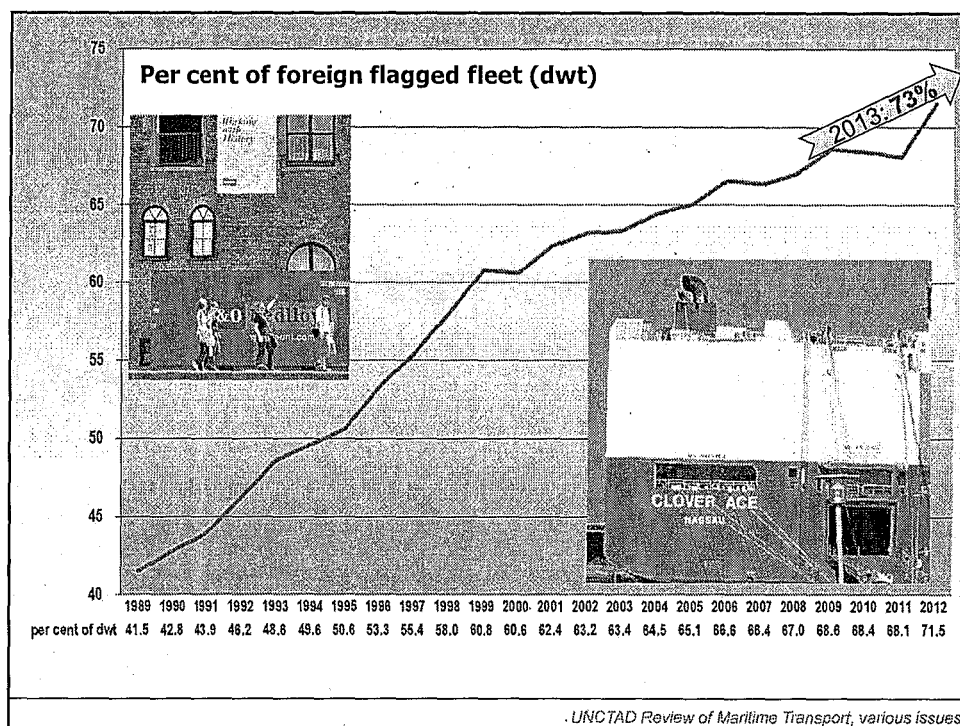
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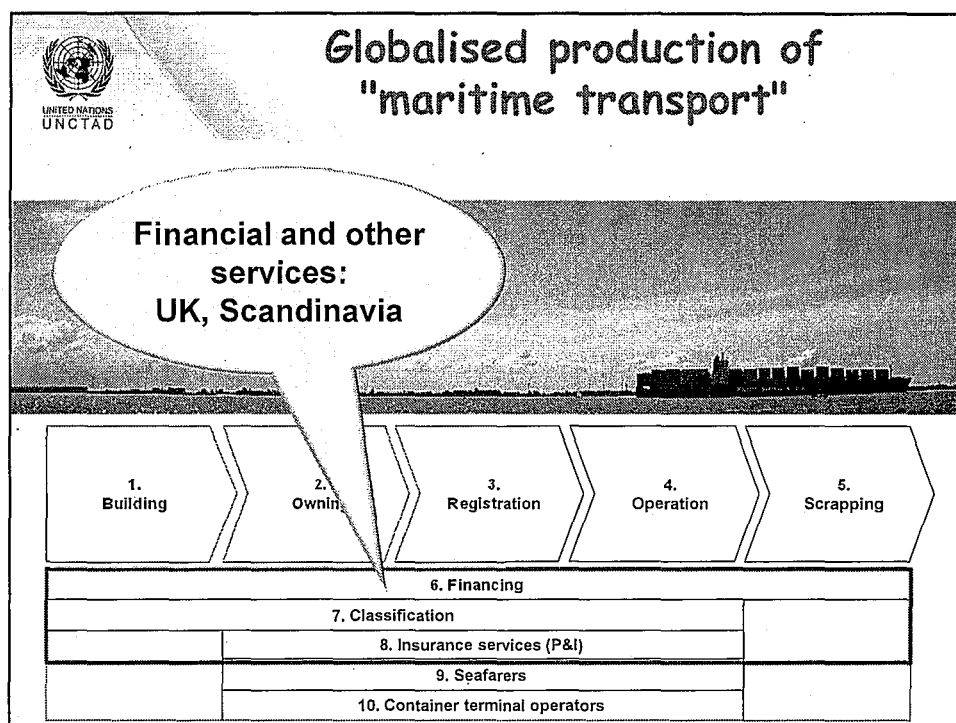
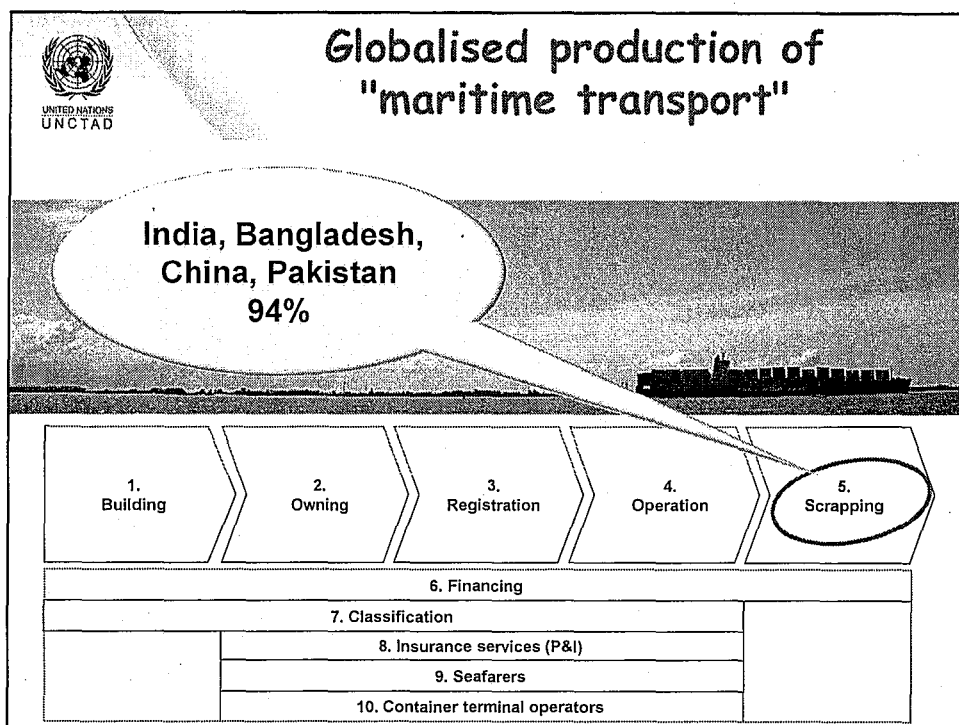


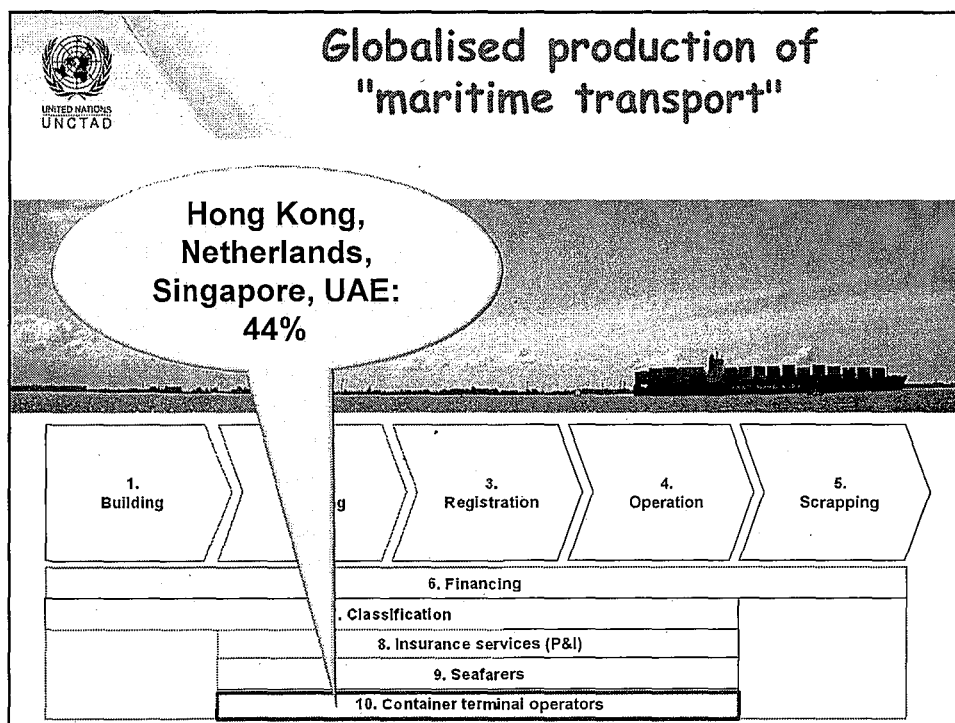
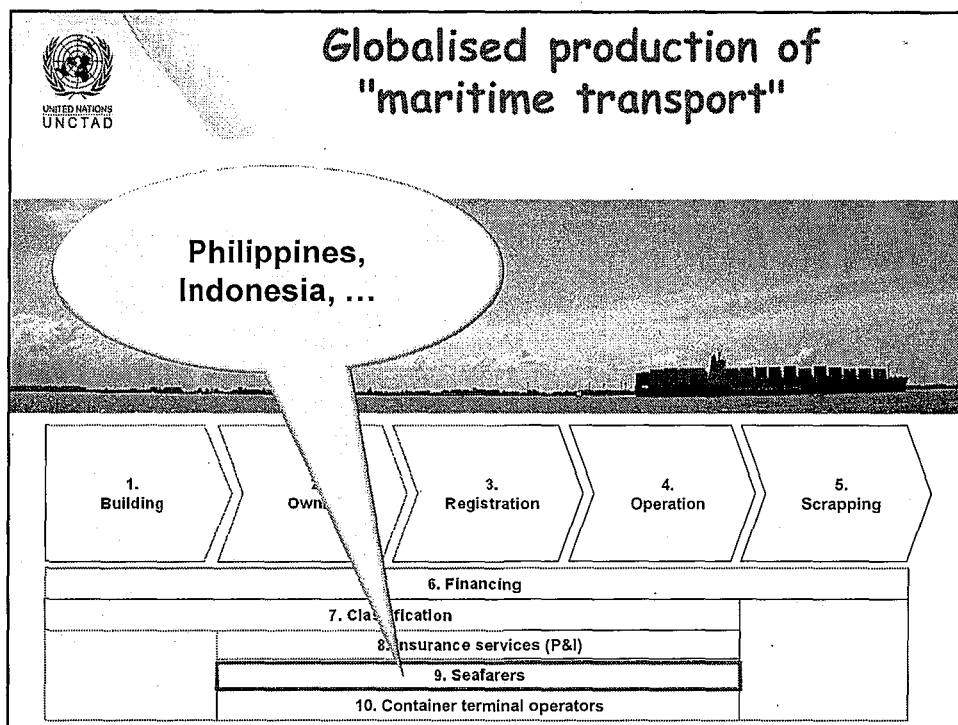





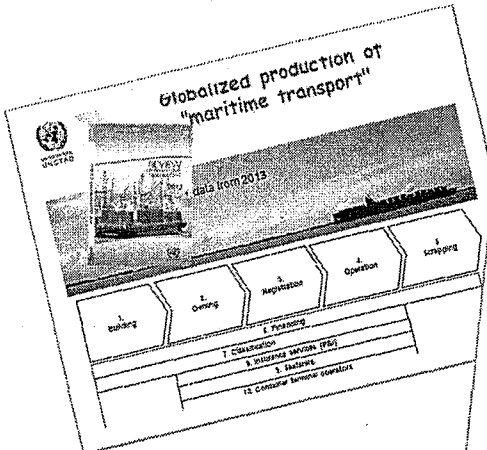
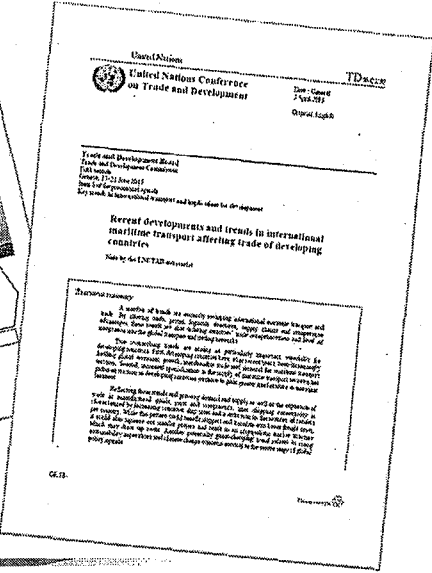







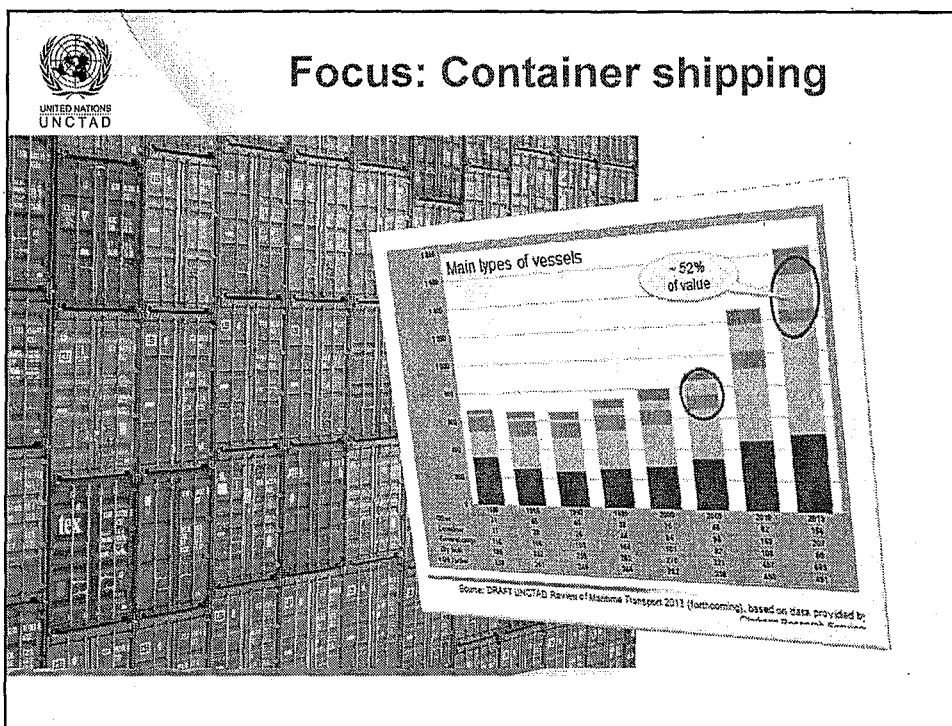


 **What could explain this specialization?**

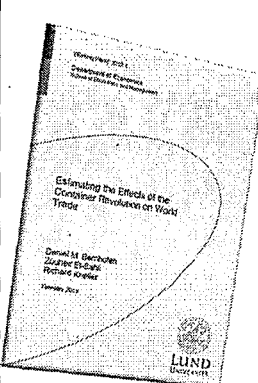



 **What could explain this specialization?**

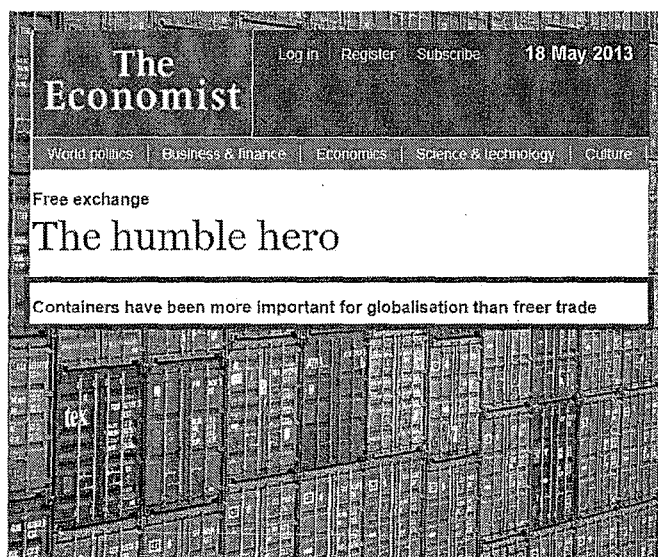
- Clusters: synergies from geographical concentration
- Labour costs and productivity: Some sectors require more/less qualified (and more/less expensive) human resources than others.
- First mover: Know-how and economies of scale
- Captive markets: A national or regional basis
- Policies: industrial policies and government support to establish and expand the exports of, for example, ships, port operating services, or seafarers.



Introducing containerization leads to more trade



(Bernhofen et al, 2013)



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Free exchange

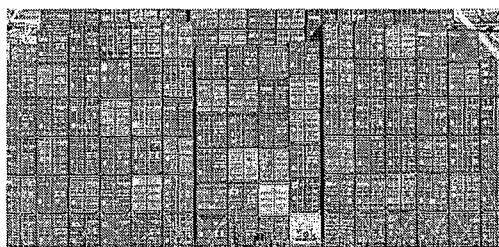
The humble hero

Containers have been more important for globalisation than freer trade



Containerization of trade, and access to containerized transport services are important determinants of countries' trade competitiveness

How can we measure this?



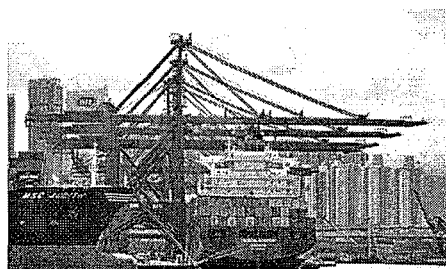
10th LSCI issued on 17 June 2013

UNCTAD's "Liner Shipping Connectivity Index" (LSCI):

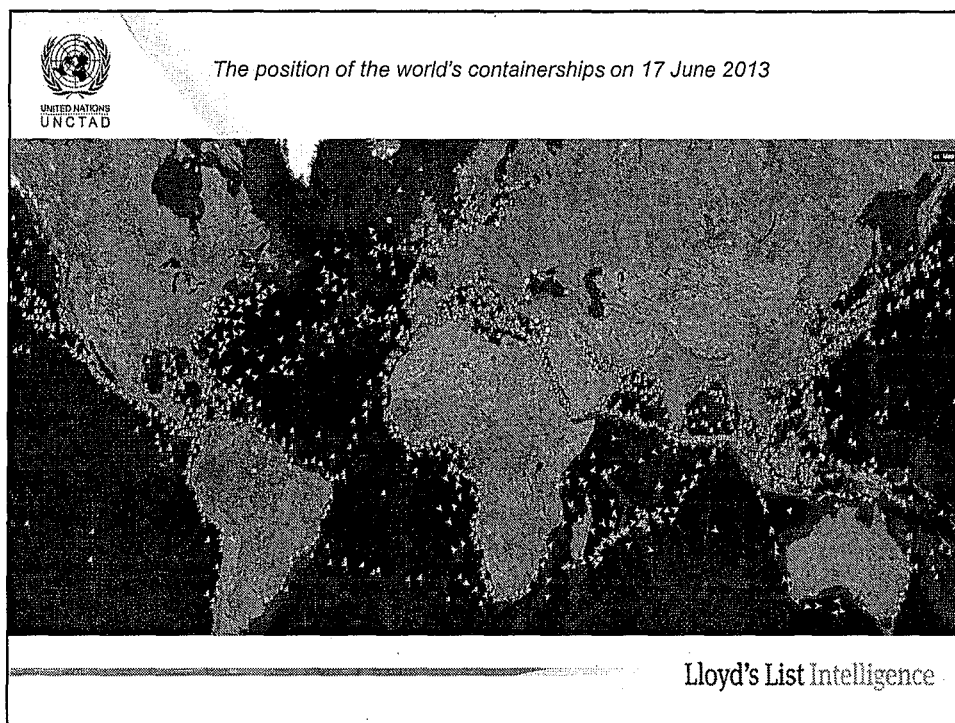
An indicator for the supply of liner shipping services

5 components, based on the deployment of ~6000 container ships:

- Ships
- TEU capacity
- Shipping companies
- Services
- Maximum ship sizes



Data from: Lloyd's List Intelligence



"Liner Shipping Connectivity"

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Summary

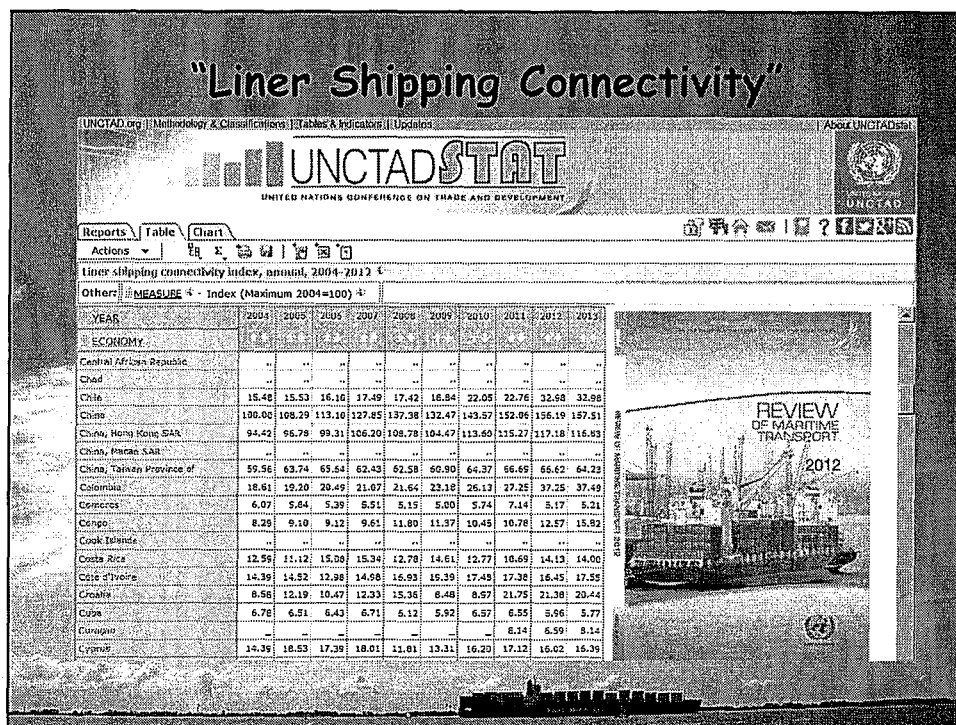
Liner shipping connectivity index, annual, 2004-2013

Title: Liner shipping connectivity index, annual, 2004-2013
Author: UNCTAD
Category: Maritime transport
Keywords: merchant, fleet, ship, maritime, transport, connectivity, ports, connections, index

Notes:

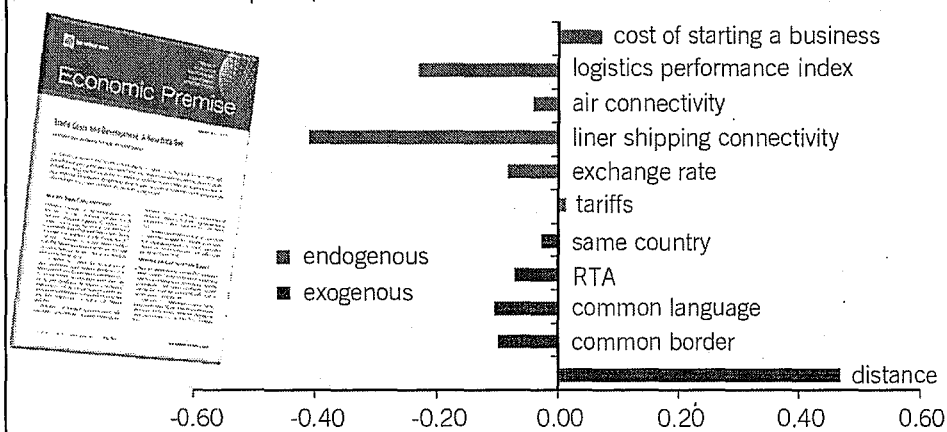
LSCI is generated from five components: (a) the number of ships; (b) the total container-carrying capacity of those ships; (c) the maximum vessel size; (d) the number of services; and (e) the number of companies that deploy container ships on services from and to a country's ports. The data are derived from Containerisation International Online. The index is generated as follows: For each of the five components, a country's value is divided by the maximum value of that component in 2004, and for each country, the average of the five components is calculated. This average is then divided by the maximum average for 2004 and multiplied by 100. In this way, the index generates the value 100 for the country with the highest average index of the five components in 2004.

130%

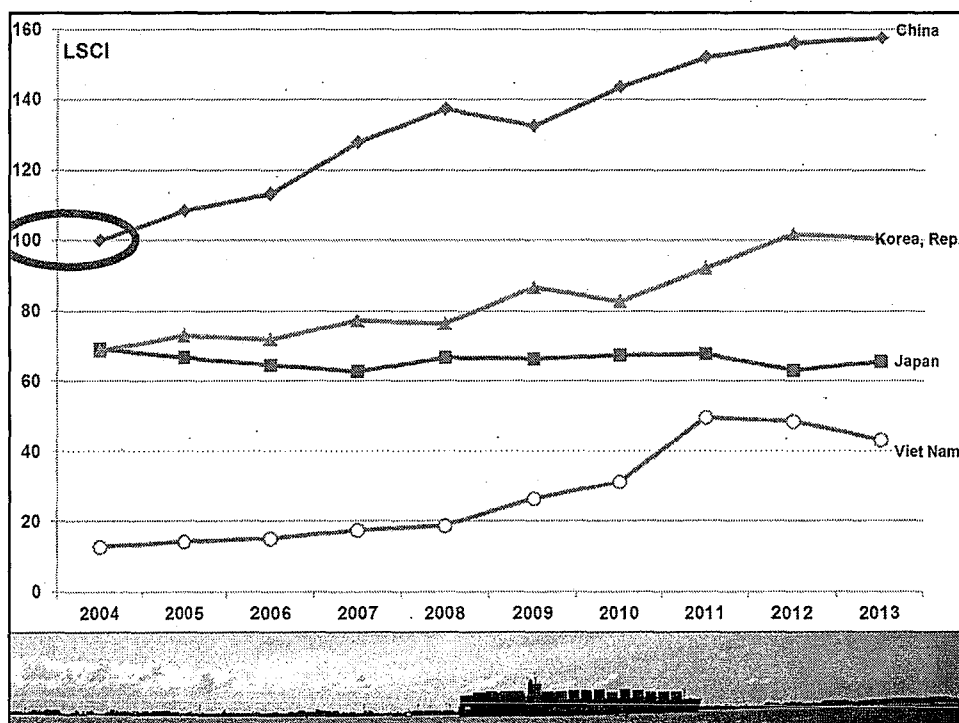


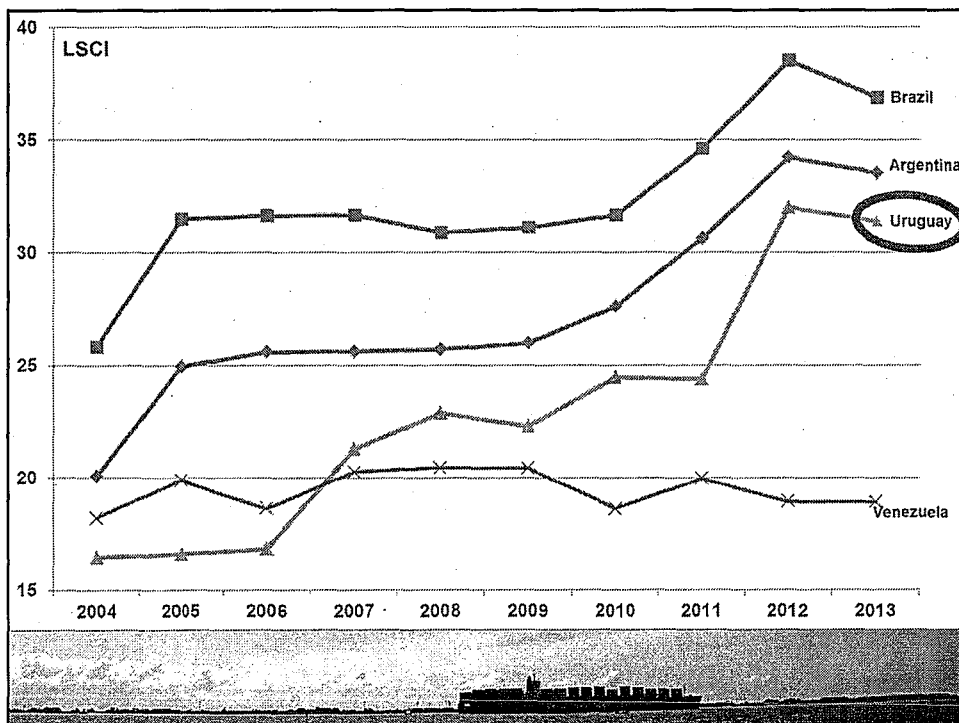
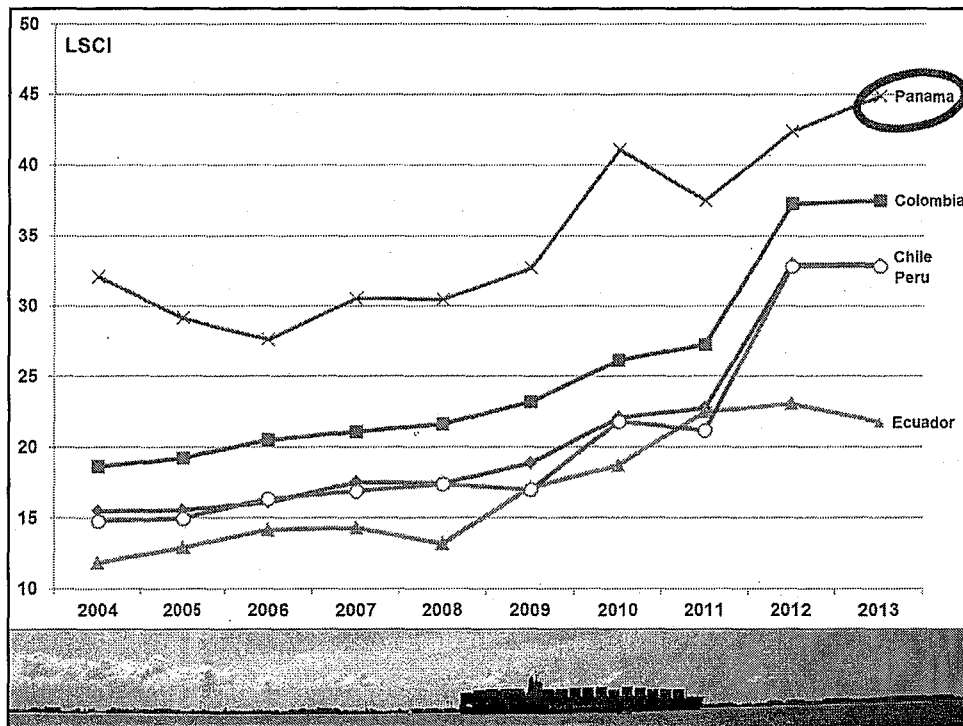
Higher Liner Shipping Connectivity leads to lower trade costs

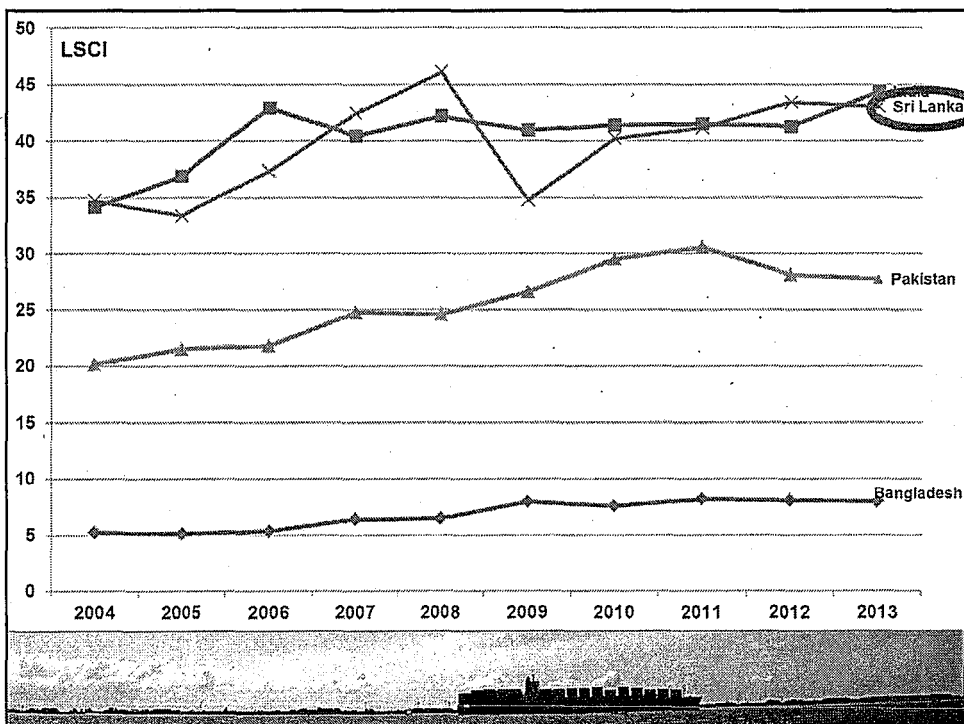
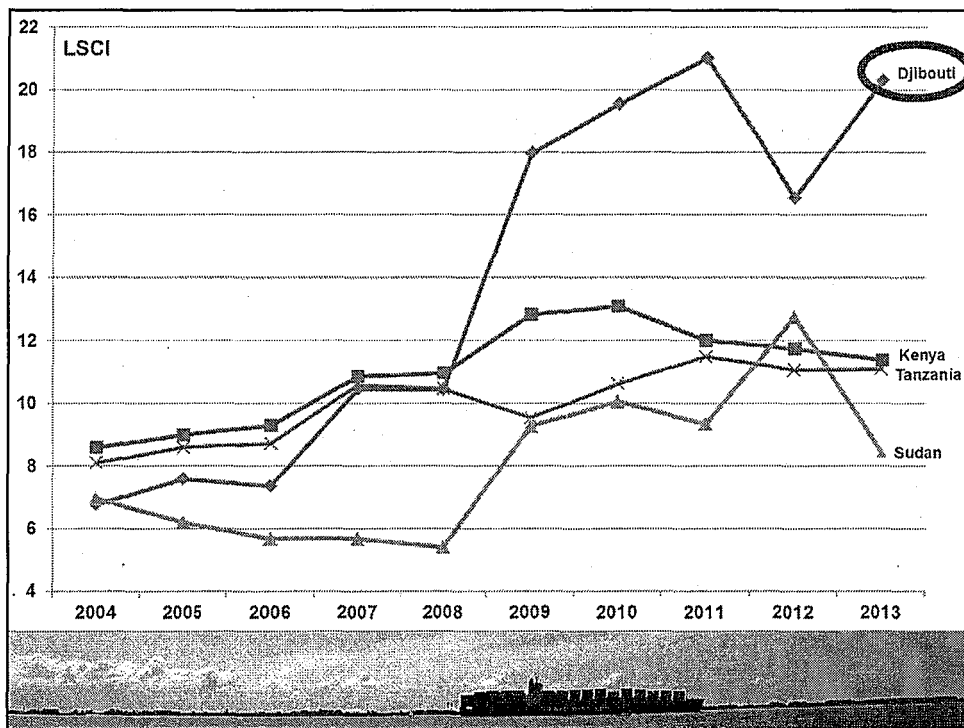
Figure 1. Relative Impact of Different Sources of Trade Costs
(normalized regression coefficients ["betas"] against the indicator measuring the cost component)

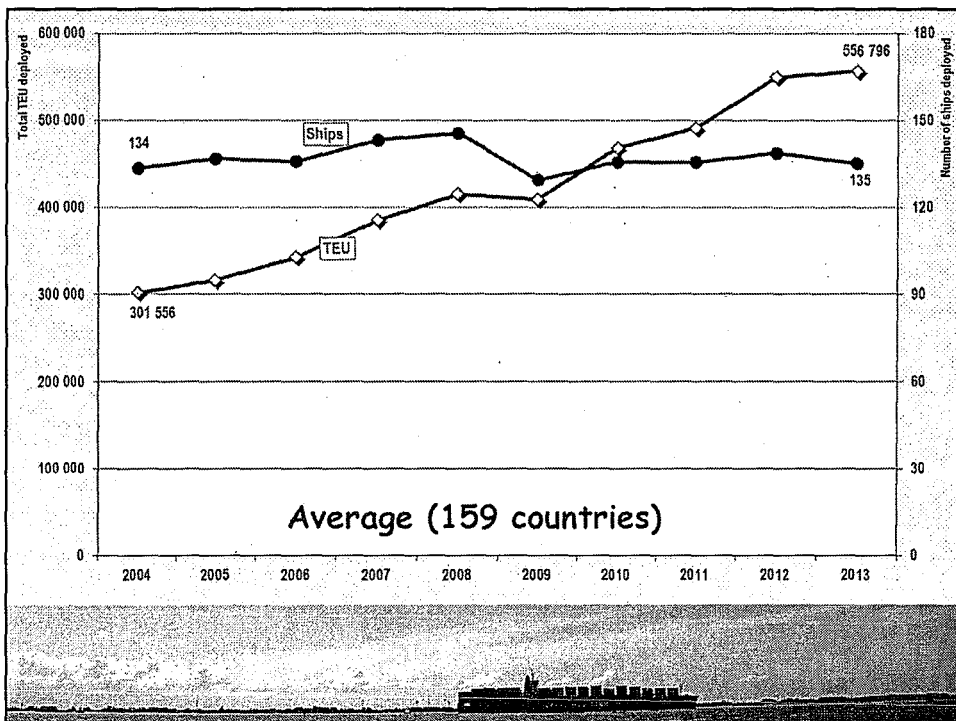
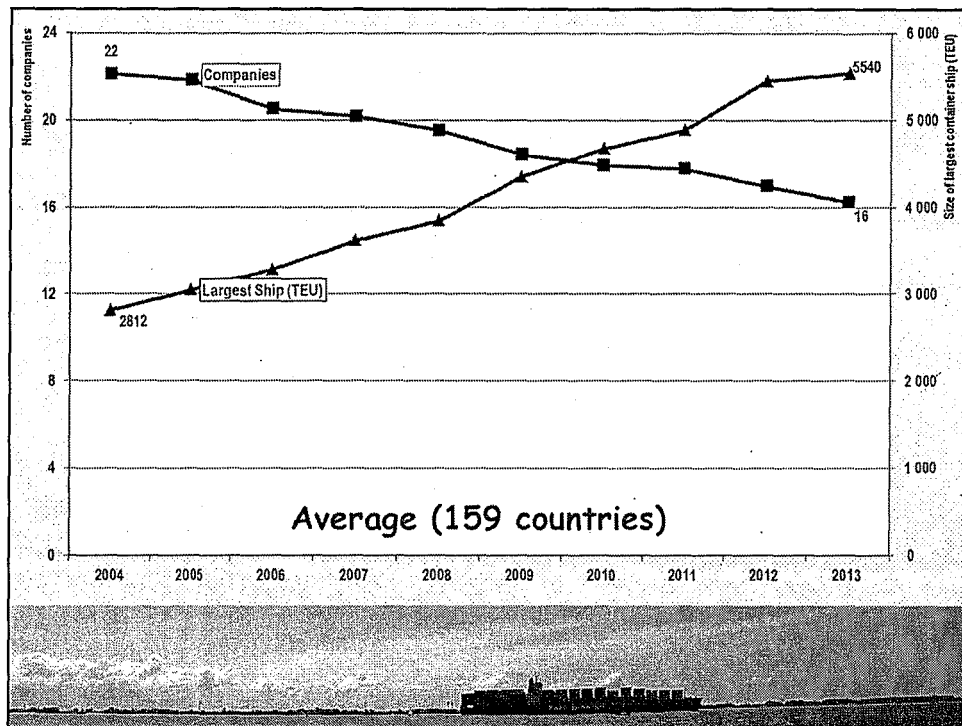


(Arvis et al, 2013)



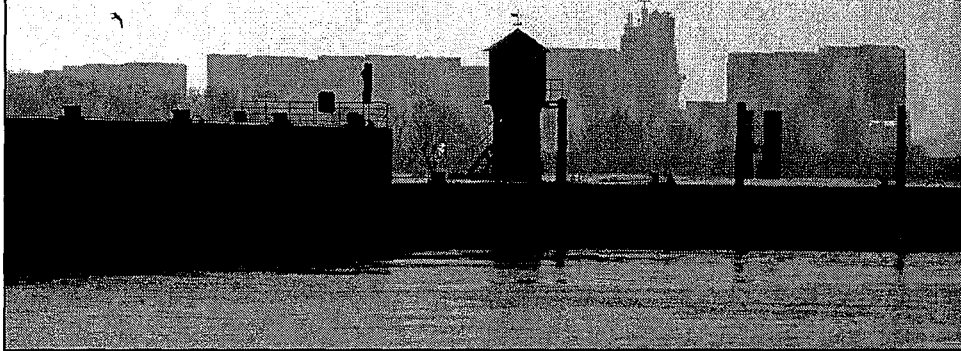






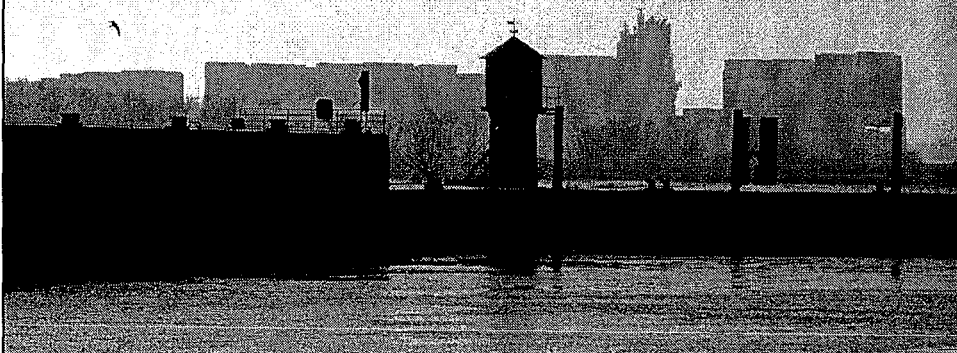
"The long term picture as regards the global liner shipping network is mixed.

On the **positive** side, larger ships and a higher total TEU carrying capacity can cater for the growing global trade in manufactured goods, and economies of scale help to reduce costs."

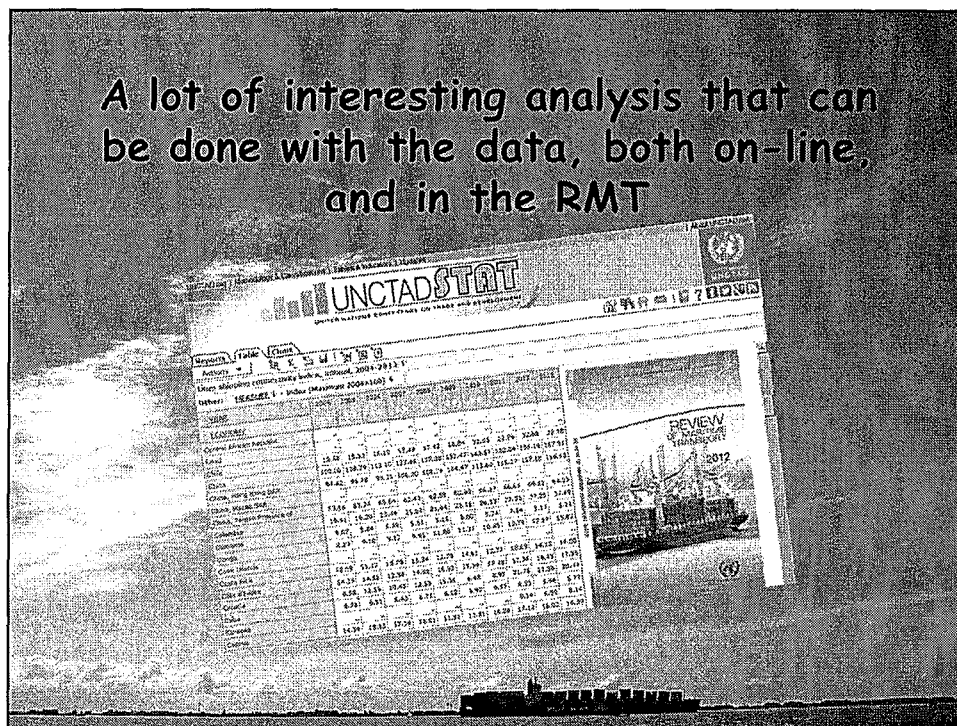


"... On the other hand, the larger ships also pose a **challenge** to smaller ports as regards the necessary investments in infrastructure.

The network as such is not expanding in terms of companies or services. The trend seems to be towards lower costs but also towards **less choice** for shippers."



A lot of interesting analysis that can
be done with the data, both on-line,
and in the RMT



Thank You

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