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

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
The world fleet and the participation of developing countries in the supply of maritime transport

Globalised production of "maritime transport"

1. Building
2. Owning
3. Registration
4. Operation
5. Scrapping
6. Financing
7. Classification
8. Insurance services (P&I)
9. Seafarers
10. Container terminal operators
Globalised production of "maritime transport"

Rep. of Korea and China 74%

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2. Owning
3. Registration
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Source: DRAFT UNCTAD Review of Maritime Transport 2013 (forthcoming), based on data provided by Clarkson Research Services

Ship building in 2012 (GT)

- China: 40.6
- Republic of Korea: 33.0
- Japan: 18.3
- Philippines: 2.8
- Rest of World: 5.2

7/2/2013
Globalised production of "maritime transport"

Greece, Japan: 29% (January 2013)

Main types of vessels

Source: DRAFT UNCTAD Review of Maritime Transport 2013 (forthcoming), based on data provided by Clarkson Research Services.
Globalised production of "maritime transport"

Panama, Liberia, Marshall Islands: 42%

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Globalised production of "maritime transport"

Denmark and Switzerland 30%

1. Building
2. Owning
3. Registration
4. Operation (containerships)
5. Scrapping
6. Financing
7. Classification
8. Insurance services (P&I)
9. Seafarers
10. Container terminal operators
### Globalised production of "maritime transport"

India, Bangladesh, China, Pakistan 94%

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### Financial and other services: UK, Scandinavia

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Globalised production of "maritime transport"

Philippines, Indonesia, ...

Hong Kong, Netherlands, Singapore, UAE: 44%

Globalised production of "maritime transport"
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.
Focus: Container shipping

Introducing containerization leads to more trade

The Economist
18 May 2013

Free exchange
The humble hero

Containers have been more important for globalisation than free trade

(Bernhofen et al., 2013)
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
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.
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)
Some examples
Developments over the last 10 years
"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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