Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation
11th Session

Maritime Transport in Times of Polycrisis

23-24 October 2024, Geneva

2024 Review of Maritime Transport

Navigating maritime chokepoints

Presentation By

Jan Hoffmann

UNCTAD

2024

Review of maritime transport

Navigating maritime chokepoints

UN trade & development
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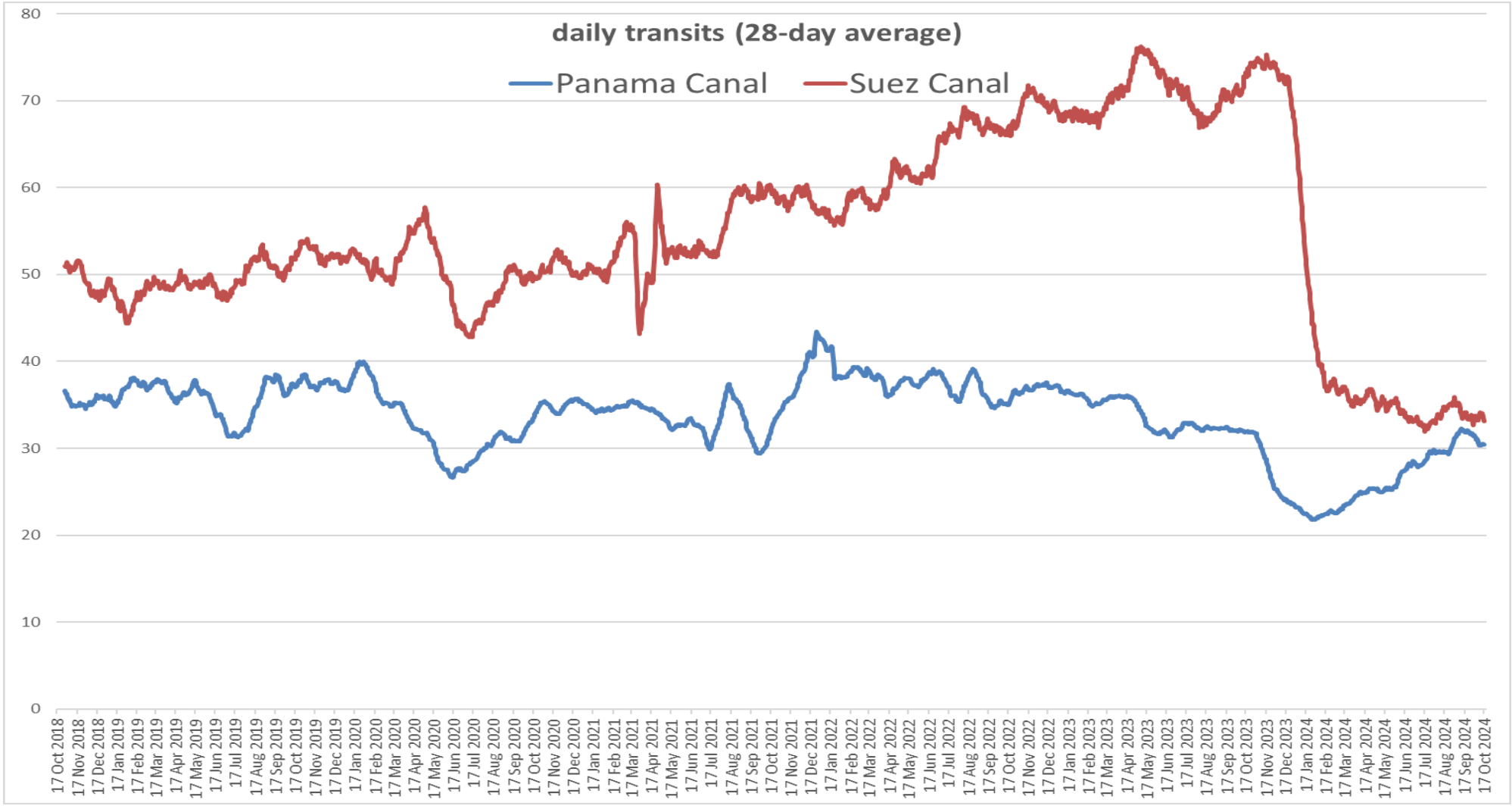
1. Choke points
2. Impacts
3. Outlook
4. Key data

Maritime chokepoints

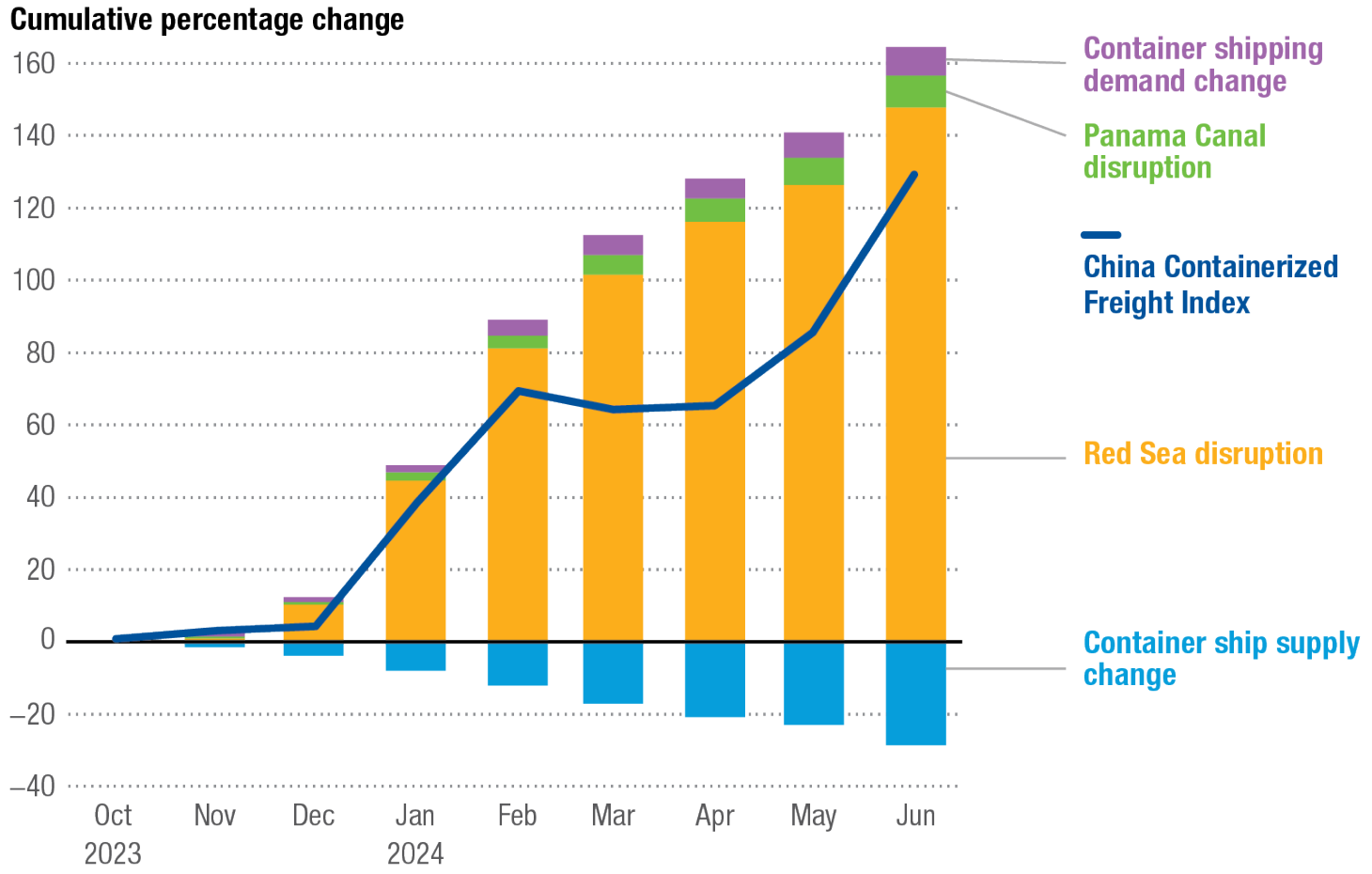
Maritime chokepoints are defined as critical points along transport routes that facilitate the passage of substantial trade volumes, which serve as vital arteries for global commerce, connecting important regions worldwide. Due to limited alternative routes, disruptions can lead to negative impacts in supply chains and to systemic consequences that affect food security, energy supply and the global economy.

Panama and Suez Canals: daily ship transits



UNCTAD calculations,
based on data from Clarksons Research Shipping Intelligence Network.

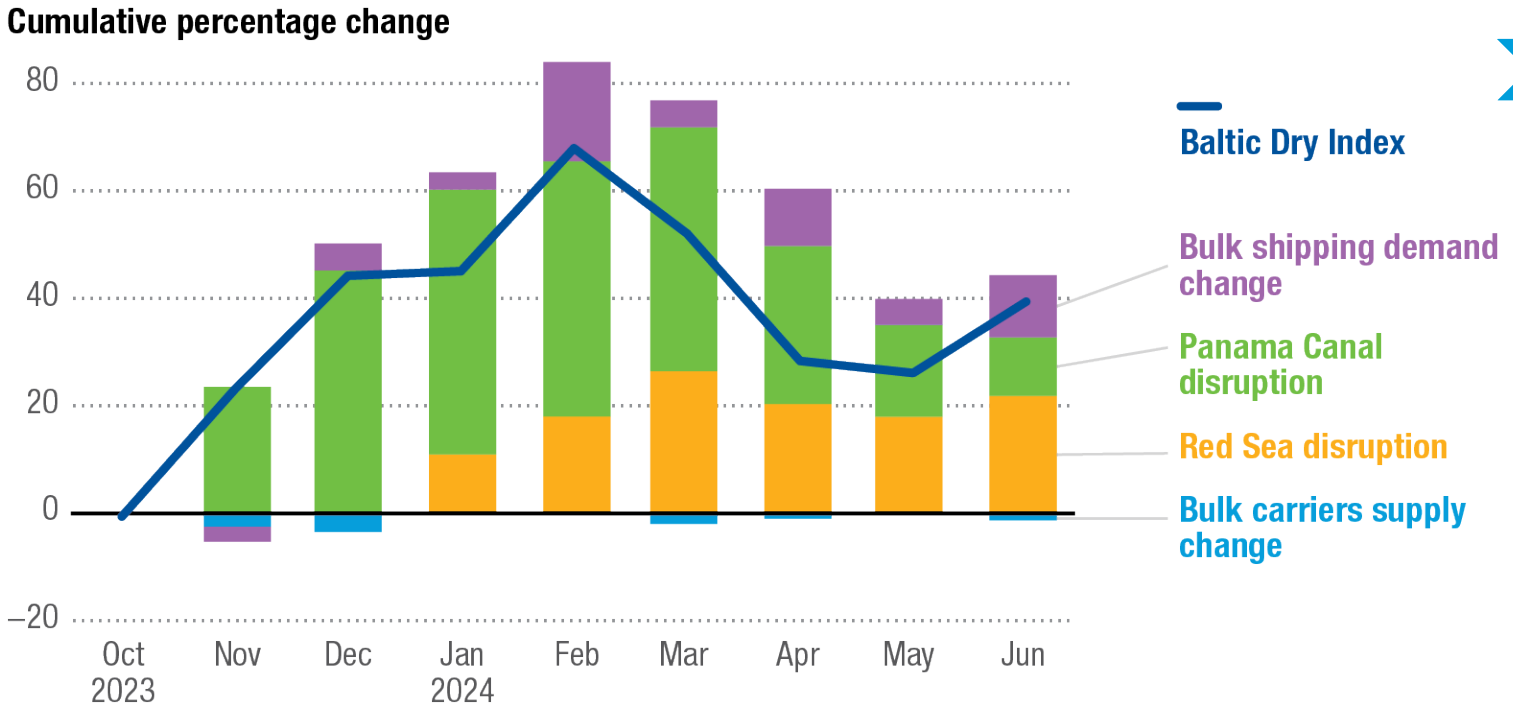
Red Sea disruption has significant impact on container shipping freight rates



China Containerized Freight Index and its breakdown

UNCTAD calculations, based on data provided by Clarksons Research, Shipping Intelligence Network and Maritech Services Limited, Sea.

Dry bulk freight rates were affected by the Panama Canal disruption



Baltic Dry Index and its breakdown

UNCTAD calculations, based on data provided by Clarksons Research, Shipping Intelligence Network and Maritech Services Limited, Sea.

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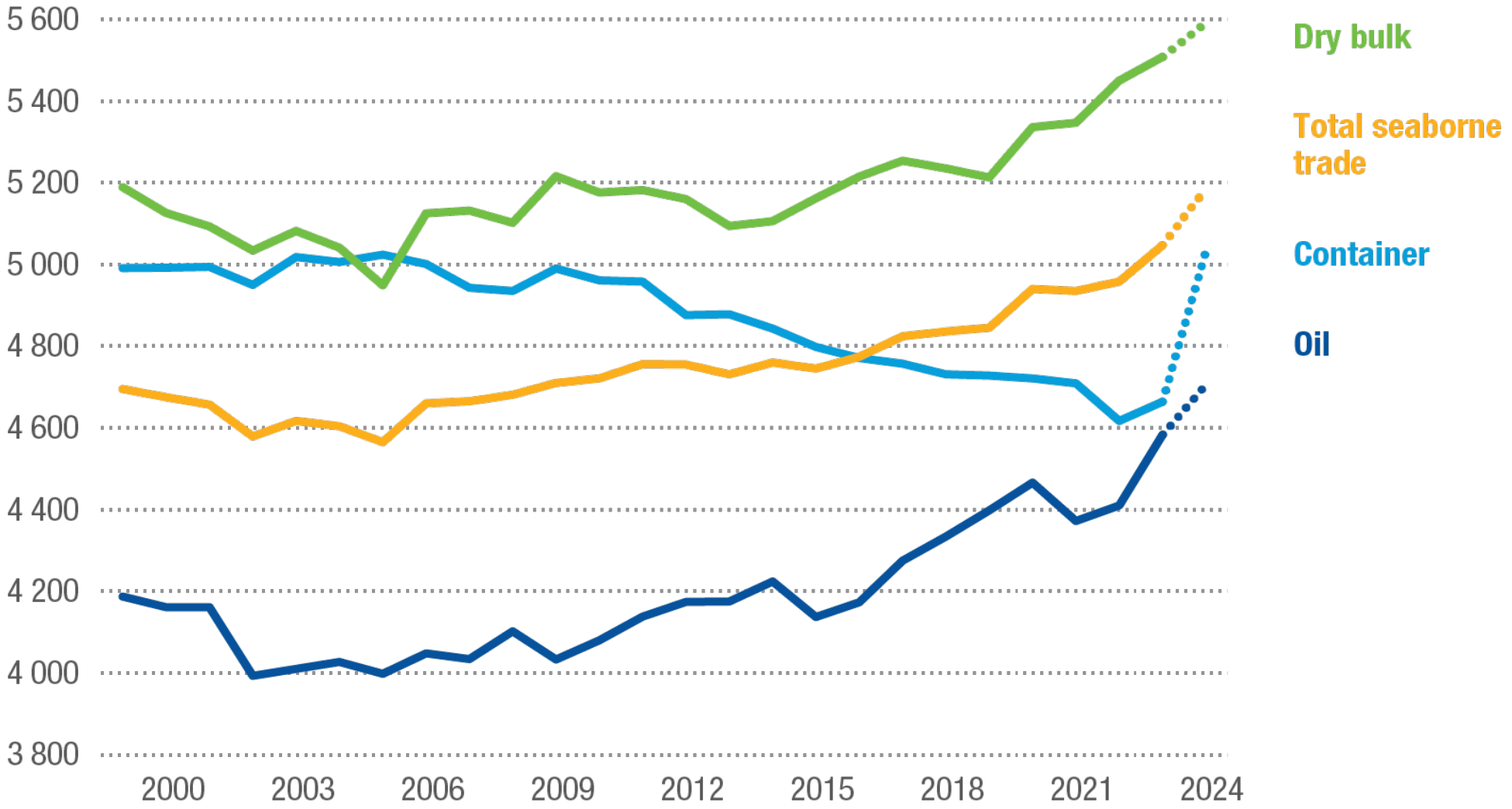
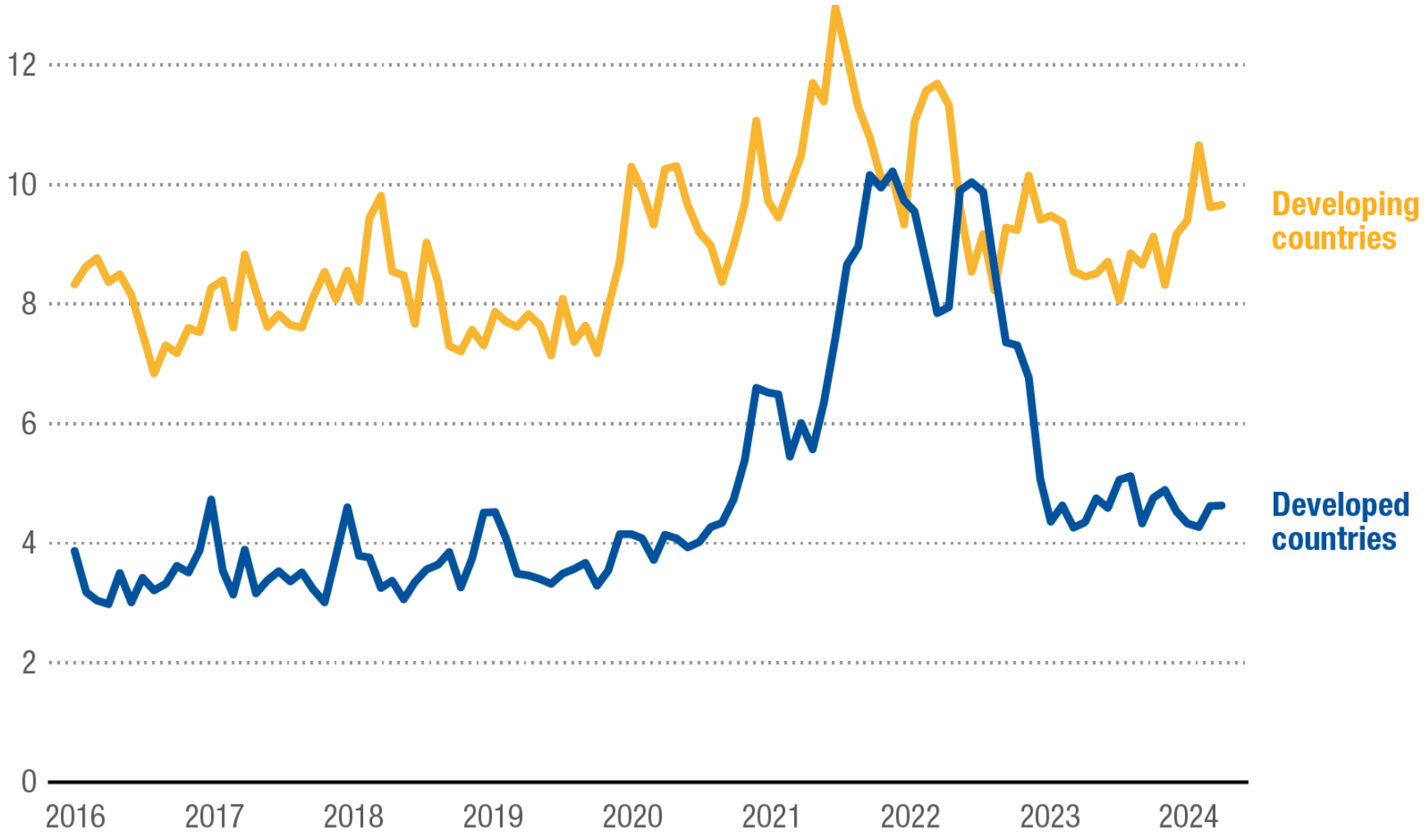
Distance travelled: no nearshoring



UNCTAD calculations, based on data from Clarksons Research.

Time in port:
Not yet return to normalcy

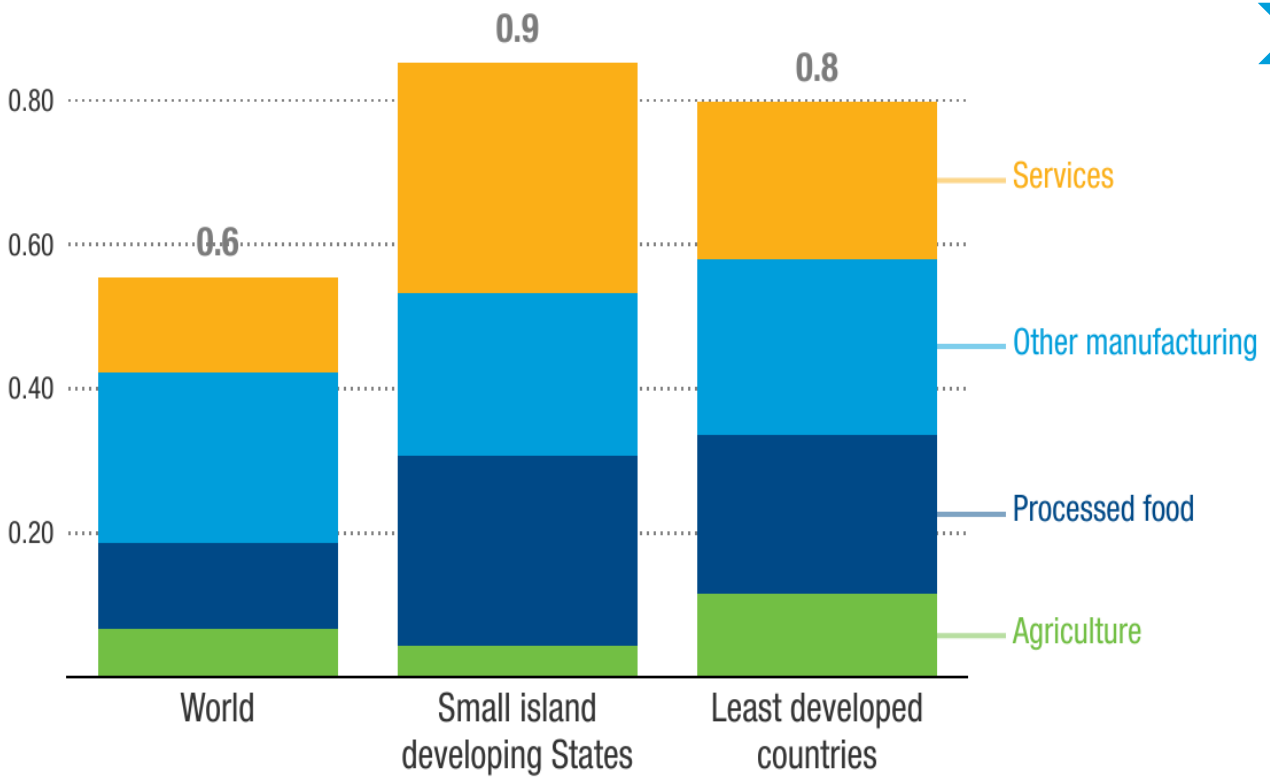


Average waiting times that container ships spent at port

(Hours)

UNCTAD calculations, based on data provided by Clarksons Research.

Simulating economic impact of freight rate increases: Higher impact on consumer prices and on gross domestic product in small island developing States



UNCTAD calculations, based on data provided by Clarksons Research, Shipping Intelligence Network and Maritech Services Limited, Sea.

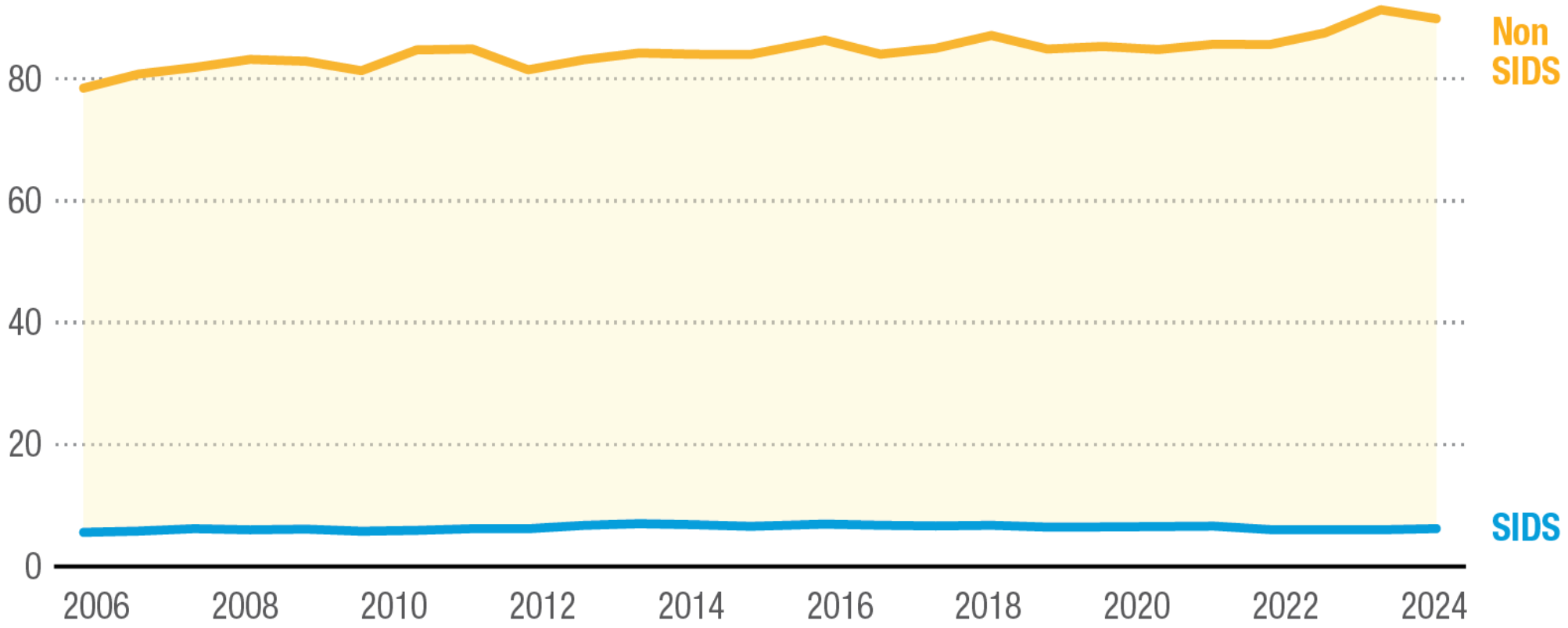
Impact of increased shipping rates due to disruptions in the Red Sea and Panama Canal on consumer price levels and real gross domestic product

Impact on consumer price index and its breakdown

The simulation concluded that global consumer price levels will increase by 0.6 per cent by around the end of 2025 due to the Red Sea crisis and the Panama Canal disruption

The connectivity divide

Average Liner Shipping Connectivity Index of small island developing States compared to the rest of the world.



UNCTAD calculations, based on data provided by MDS Transmodal.

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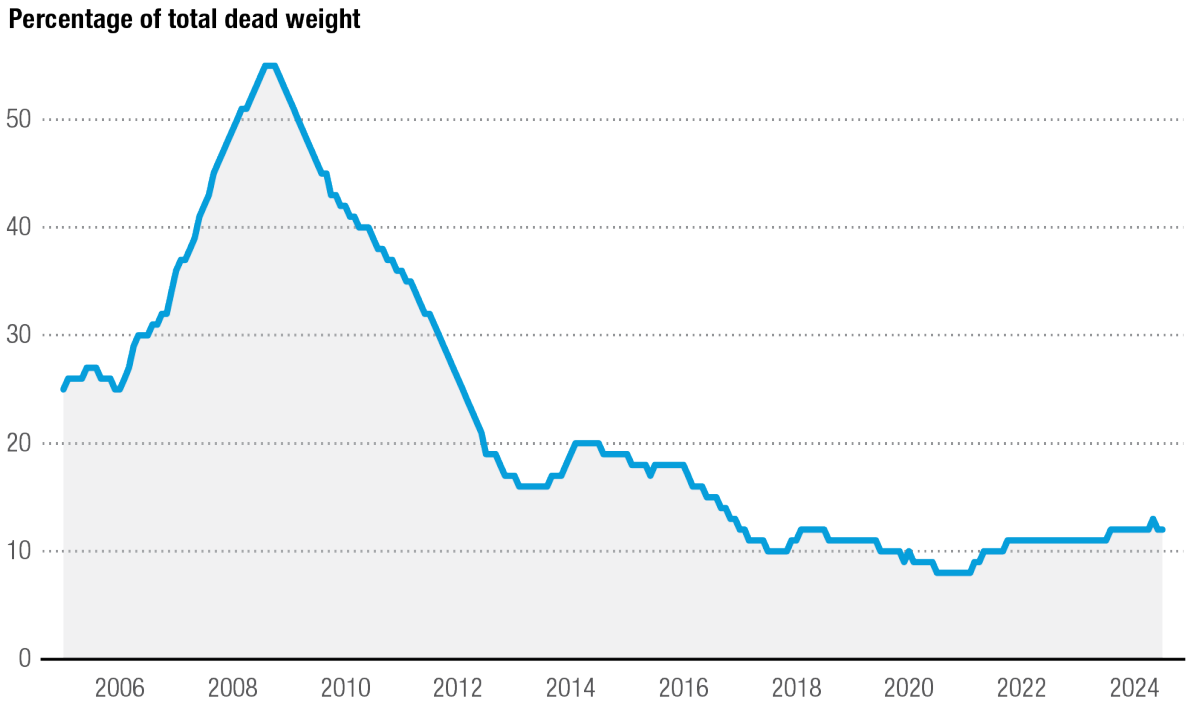
Fleet growth was moderate in 2023, with the ship orderbook remaining limited but greener



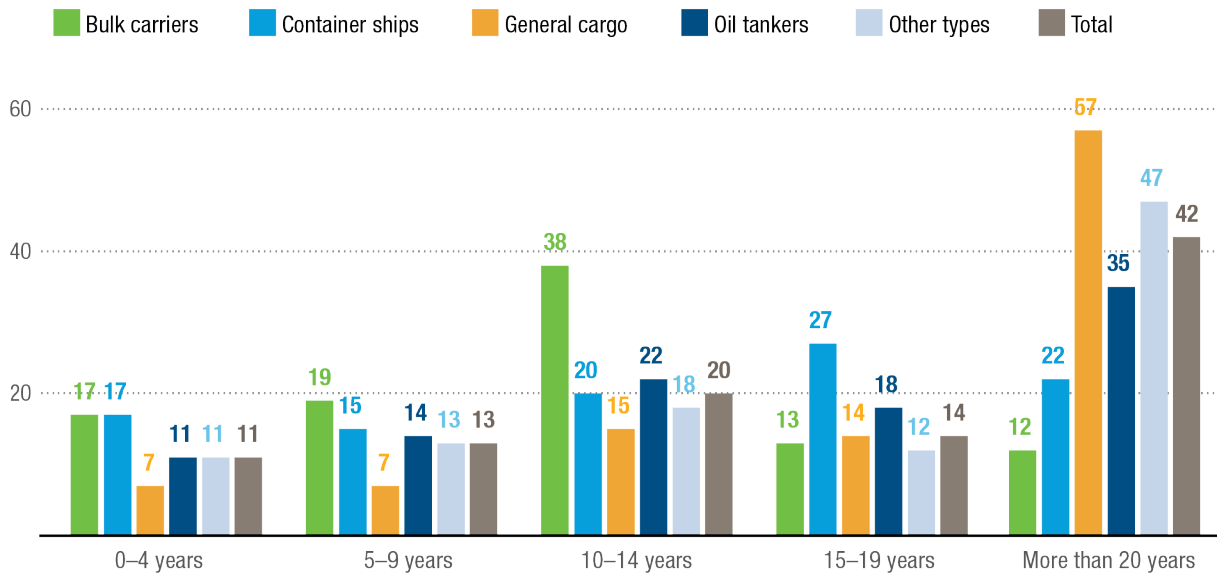
UNCTAD calculations, based on data from Clarksons Research.

Global ship capacity ordered as a percentage of the active fleet tonnage

At the start of 2024, the global ship orderbook represented 12 per cent of dead weight tonnage, totalling 4,870 vessels and 283 million tons. In terms of value, the orderbook reached $376.5 billion in the first quarter of 2024, marking a 12.6 per cent increase from the same period in 2023.

The world fleet is ageing; environmental targets are hardening but progress towards fleet renewal remains slow

Average age of world fleet, percentage number of vessels, 2024



UNCTAD calculations, based on data from Clarksons Research.

Retrofitting older vessels is one solution, as this helps extend a vessel's economic life and ensures the ship remains competitive while compliant with environmental regulations.

Policy considerations

Commercial parties, law and contracts need to adapt to better prepare for the future under climate change

Combating fraudulent ship registration and registries: State of play and a way forward

Fraudulent ship registration and fraudulent ship registries are a matter of global concern given their far-reaching implications for maritime safety and security, pollution, seafarer welfare and ocean governance.

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4. **Key data: Three selected charts**

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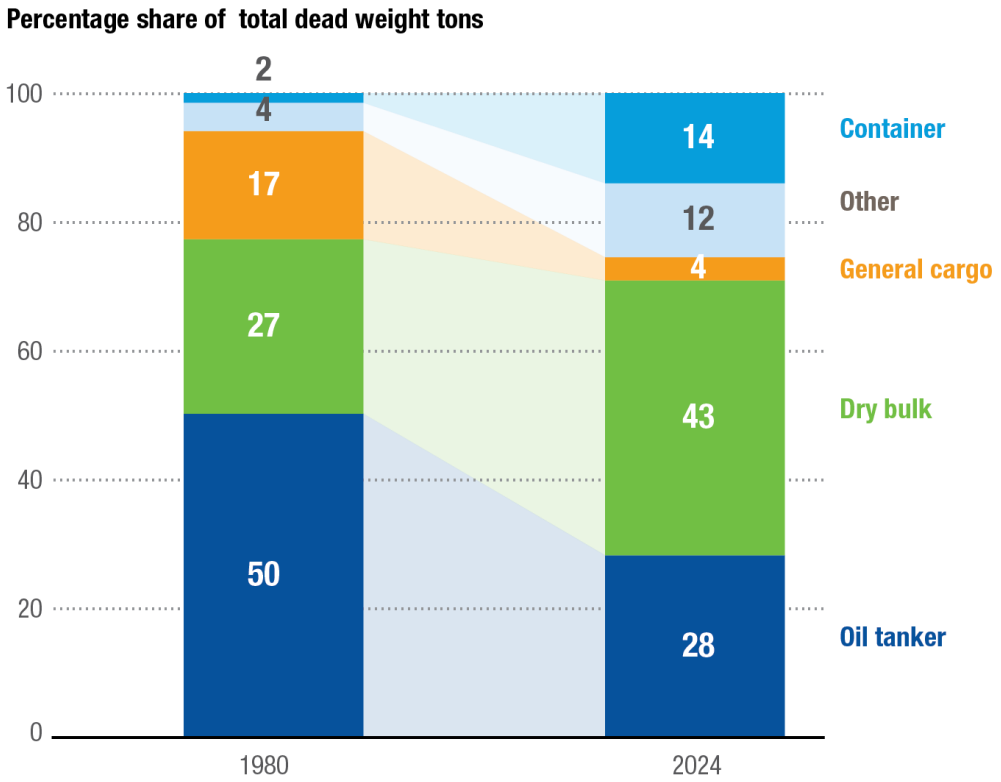
Changing trade
Changing fleet!

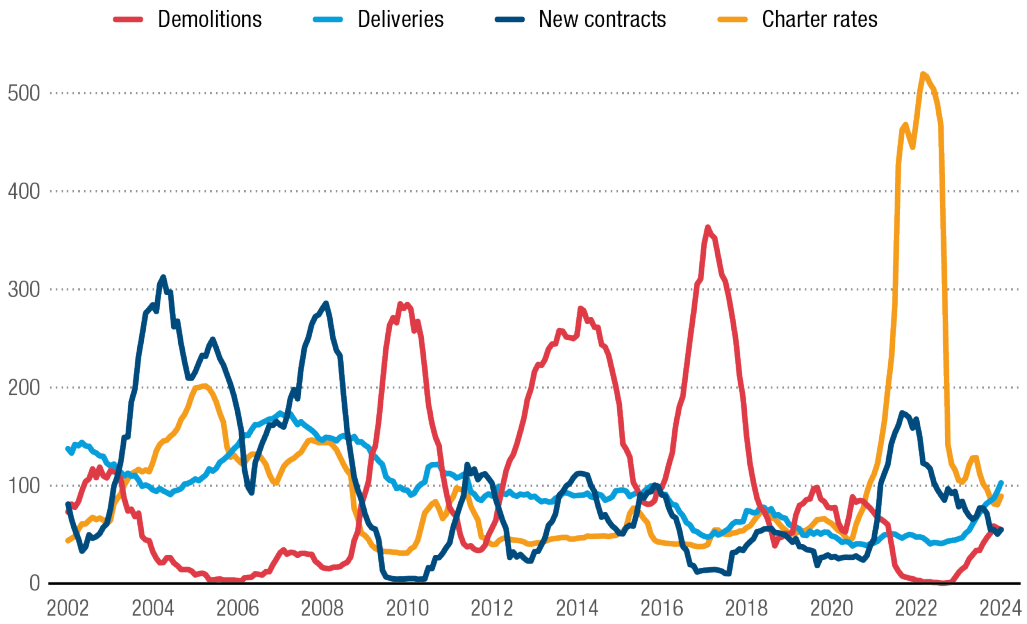


UNCTAD calculations, based on data from table II.1 of this report and UNCTAD statistics.

The shares of various ship types in the world fleet capacity, 1980 and 2024

Dry cargo, particularly bulk commodities such as iron ore, coal and grain, increased their share in maritime trade, overtaking oil cargo. Containerization has reduced the need for general cargo ships, with breakbulk cargo increasingly transported in containers. As result, over the years, the share of dry bulk carriers increased and outpaced the share of oil tankers. Meanwhile, the share of container ships and other specialized vessels continues to overtake that of general cargo ships

The shipping cycle



UNCTAD calculations, based on data from Clarksons Research.

Container shipping cycle patterns

The four variables (demolitions, deliveries, new contracts and charter rates) are behaving according to established patterns. For example, as charter rates and new contracts increase, ship demolition declines. At the same time, the magnitude of the change between charter rates and new contracts seems to have changed since the COVID-19 pandemic. Historically, new contracts and charter rates tend to increase and decrease in tandem, with new contracts typically recording larger changes. However, since the pandemic, the scale of these changes has noticeably altered, with charter rates now showing more significant fluctuations than new contracts.

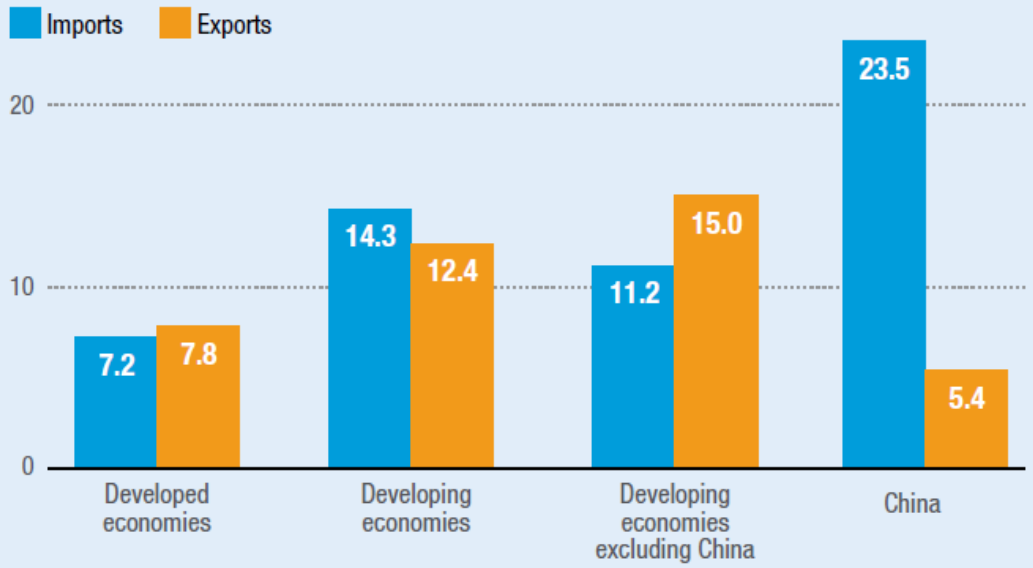
The transport work intensity per dollar of maritime trade in developing economies is double that of developed economies

As shown in figure I.2, TWI in developing economies is, on average, twice as high as TWI in developed economies. TWI for imports to developing economies as a group is 14.3, meaning that transporting goods worth one dollar requires an effort equivalent to moving 14.3 tons over 1 km—or 14.3 kg over 1,000 km; 7.2 ton-km per dollar of imports is required in developed countries. A similar trend is seen with regard to exports.

Figure I. 2

Transport work intensity of maritime trade, 2021

(Ton-km per dollar)



Source: UNCTAD and the World Bank Trade-and-Transport Dataset.
Note: Transport work intensity is calculated by multiplying the weight of the goods by the distance they need to be shipped and dividing by their value.

New insights on

the geography of trade

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