UNCTAD/RMT/2004

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
Geneva

REVIEW OF MARITIME TRANSPORT, 2004

Summary

UNITED NATIONS

New York and Geneva, 2004

NOTE

The *Review of Maritime Transport* is a recurrent publication prepared by the UNCTAD secretariat since 1968 with the aim of fostering the transparency of maritime markets and analysing relevant developments. Any factual or editorial corrections that may prove necessary, based on comments made by Governments, will be reflected in a corrigendum to be issued subsequently.

*

*   *

Symbols of United Nations documents are composed of capital letters combined with figures. Use of such a symbol indicates a reference to a United Nations document.

*

*   *

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

*

*   *

UNCTAD/RMT/2004

UNITED NATIONS PUBLICATION

Sales No. E.04.II.D.34

ISBN 92-1-112645-2

ISSN 0566-7682

CONTENTS

LIST OF TABLES, FIGURES AND BOXES

ABBREVIATIONS AND EXPLANATORY NOTES

Abbreviations

BAF	bunkering adjustment factor
c.i.f.	cost, insurance and freight
DMECs	developed market-economy countries
dwt	deadweight tons
ECLAC	Economic Commission for Latin America and the Caribbean
EEC	European Economic Community
EU	European Union
FDI	foreign direct investment
FIO	free in and out
f.o.b.	free on board
GDP	gross domestic product
grt	gross registered tons
IICL	Institute of International Container Lessors
IMF	International Monetary Fund
IMO	International Maritime Organization
IT	information technology
LDC	least developed country
LNG	liquefied natural gas
LPG	liquefied petroleum gas
mbpd	million barrels per day
NAFTA	North American Free Trade Agreement
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of the Petroleum Exporting Countries
TEU	20-foot equivalent unit
ULCC	ultra-large crude carrier
UNCTAD	United Nations Conference on Trade and Development
VLCC	very large crude carrier
WS	Worldscale
WTO	World Trade Organization

Explanatory notes

- All references to dollars ($) are to United States dollars, unless otherwise stated.
- "Tons" refers to metric tons, unless otherwise stated.
- 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 some tables, the data shown for earlier years have been revised and updated and therefore differ from those shown in previous issues of the *Review*. This relates in particular to the distribution of world tonnage according to country groups, specifically the classification of major open-registry countries. Up to the 1994 edition of the Review, the majority of tables included four countries and one territory in this group, namely the Bahamas, Bermuda, Cyprus, Liberia and Panama, while some tables also included Malta and Vanuatu. In 1995, Malta and Vanuatu were included in all tables referring to major open-registry countries. This reclassification primarily affected the share of developing countries in Europe in total world tonnage. As in the previous edition of the *Review of Maritime Transport*, coverage of open-registry countries covers nine countries and three territories. Separate data for six of them, namely the Bahamas, Bermuda, Cyprus, Liberia, Malta and Panama, are provided, while data for the other four countries and two territories, namely Antigua and Barbuda, the Cayman Islands, Gibraltar, Luxembourg, Saint Vincent and the Grenadines, and Vanuatu, are shown together in one group.
- In the tables and the text, the term *countries* refers to countries, territories or areas.

INTRODUCTION

The *Review of Maritime Transport* is an annual publication prepared by the secretariat of the United Nations Conference on Trade and Development. Its purpose is to identify the main developments in world maritime transport and to provide relevant statistical data. It focuses on developments concerning maritime activities in developing countries as compared with other groups of countries. It also highlights the correlation between the development of global trade and maritime transport activities in general. Regional developments in Asian are the subject of this year's special chapter.

SUMMARY OF MAIN DEVELOPMENTS

Development of the world economy and seaborne trade

- World output grew in 2003 by 2.6 per cent over 2002, slightly below the 2.7 per cent average output growth for the period 1990–2000. The developed market-economy countries experienced growth of 2.0 per cent, while developing countries recorded an average increase of 4.5 per cent. For 2004, forecasts of output growth for the world are cautiously optimistic — around 3.5 per cent.

- Growth in the volume of world merchandise exports increased by 4.5 per cent compared with 3.0 in 2002. This growth was based on the performance of China and some developing countries.

- The total industrial production index of OECD increased by 1.2 per cent. The positive result was due to the performance of the United States, Japan and, to a lesser extent, OECD European countries.

- World seaborne trade (goods loaded) recorded another consecutive annual increase, reaching a record high of 6.17 billion tons. The annual growth rate increased to 3.7 per cent, well above the 1.0 per cent increase for 2002. Global maritime trade growth is likely to continue to grow during 2004.

- Total maritime activities measured in ton-miles increased to 24,589 billion ton-miles, compared with 23,217 billion ton-miles in 2002.

Development of the world fleet

- The world merchant fleet expanded to 857.0 million deadweight tons (dwt) at the beginning of 2004, a 1.5 per cent increase. Newbuilding deliveries increased marginally to 49.2 million dwt and tonnage broken up and lost declined by 16.1 per cent to 25.6 million dwt, leaving a net gain of 23.6 million dwt.

- The fleet of oil tankers and dry bulk carriers, which together make up 72.9 per cent of the total world fleet, increased by 4.1 per cent and 2.5 per cent respectively. There was a 9.3 per cent increase from 82.8 to 90.5 million dwt in the container ship fleet and a 7.6 per cent increase from 19.5 to 20.9 million dwt in the liquefied gas carriers fleet.

- The average age of the world fleet dropped marginally to 12.5 years, with almost 27.7 per cent of the fleet 20 years and over. General cargo vessels had the oldest average age at 17.4 years and container vessels were the youngest at 9.2 years.

- Registration of ships by developed market-economy countries and major open-registry countries accounted for 26.9 and 46.6 per cent of the world fleet respectively. Open registries increased their tonnage marginally, and two thirds of this beneficially owned fleet is owned by market-economies and developing countries. Developing countries' share reached 5.9 per cent or 181.4 million dwt, of which 136.0 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 — increased to 7.2 and 28.7 respectively. This was an increase of 2.9 per cent and 4.3 per cent from 2002.

- World total surplus tonnage continued to decrease and stood at 10.3 million dwt in 2003 or 1.2 per cent of the world merchant fleet. The surplus capacity in the tanker sector declined to 6.0 million dwt, while overcapacity in the dry bulk sector fell to 3.6 million dwt in 2003.

Freight markets

- The year 2003 was a good year for the tanker market. Overall volume of seaborne crude oil trade increased by 3.4 per cent. The average freight indices for all types of tankers, except all-size clean carriers, were as good as those recorded in 2000, which was a good year for tanker owners. Average freight indices for VLCC/ULCC, medium-size crude carriers and small crude and product carriers increased by 83.3, 68.4 and 55.0 per cent respectively.

- In 2003, seaborne shipments of the main bulks, particularly iron ore and coal, increased by 9.1 per cent. The improved balance between supply and demand resulted in higher rates for both time- and trip-charters, with annual average increases in the indices of 44.0 per cent and 13.3 per cent.

- Again, by the end of 2003 the level of freight rates on the main containerized routes — trans-Pacific, transatlantic and Asia–Europe — were mostly above the levels that prevailed at the end of 2002. The trans-Pacific eastbound leg recorded the highest increase — 23.7 per cent — followed by the westbound routes Asia–Europe and Europe–United States, which recorded increases of 16.1 and 15.8 per cent respectively. The two other routes originating in the United States recorded single-digit reductions in freight rates.

Total freight costs in world trade by groups

- World total freight payments as a proportion of total import value increased to 6.64 per cent in 2002 from 6.11 per cent in 2001. The freight factor was 5.76 per cent for developed market-economy countries compared with 5.12 per cent in 2001, while for developing countries it increased slightly to 8.80 per cent from 8.70 per cent in 2001. The freight factor for the developing countries in Africa actually decreased to 12.43 per cent, but for developing countries in the Americas it increased to 9.16 per cent. For Asian developing countries the freight rate factor stood at 8.33 per cent, while for developing countries in Oceania the factor decreased to 11.41 per cent.

Port development

- World container port traffic continued to expand at a rate of 9.2 per cent over 2002, reaching 266.3 million TEUs. Ports of developing countries and territories handled 103.6 million TEUs or 38.9 per cent of the total. In 2002 there were 50 developing countries and territories with terminals that handled more than 100,000 TEUs. In 2003 the top 20 world container ports handled 144.9 million TEUs.

Trade and transport efficiency

- An Expert Meeting on the Development of Multimodal Transport and Logistics Services, convened by UNCTAD, was held in Geneva from 24 to 26 September 2003. Experts called on UNCTAD to continue to review and analyse developments relative to efficient transport and trade facilitation, including support to developing countries in implementing security-related measures.

- Container production exceeded for the first time the 2 million TEU mark in 2003, with China being responsible for more than 90 per cent of this output.

Review of regional developments

- Asian developing and socialist countries showed a rapid and sustained expansion of their economies. The growth rates for merchandise trade measured in value for most of the countries were indeed impressive. The average export and import growth rates for 40 selected economies reached 14.8 per cent in 2003. The highest growth rates for exports were registered for Kuwait (+40 per cent), Lebanon (+39 per cent), China (+35 per cent), Kazakhstan (+33 per cent) and Yemen (+ 26 per cent). The highest growth rates for imports were achieved by Azerbaijan (+58 per cent), China (+40 per cent), Qatar (+30 per cent), Kazakhstan (+27 per cent) and Viet Nam (+26 per cent).

- Asian countries were major players in world maritime transport, with sizeable shares in several activities. These countries accounted for 35.8 per cent of containership ownership, 45.7 per cent of containership operation, 60.4 per cent of seamen, 62.3 per cent of container port throughput, 64.7 per cent of container port operators, 83.2 per cent of containership shipbuilding and 99 per cent of ship demolition. In addition to being one of the focuses of the main east-west shipping routes articulated around world port leaders such as Hong Kong (China) and Singapore, it is also the focus of an intensive and significant intra-Asian shipping trade.

- In China, 70.5 per cent of port throughput (tons) is cabotage traffic, and 37.7 per cent takes place in inland ports. Between 1980 and 2003, waterway transport increased its share from 45.6 per cent to 54.9 per cent of ton-km of national transport in China, reaching 2,972 billion ton-km in 2003. During these 23 years, waterway ton-km increased by an average annual growth rate of 7.8 per cent.

- The plight of Asian landlocked countries, such as the Lao People's Democratic Republic and several Central Asian countries, facing abnormal transport costs, is also present in this diverse region. Border crossings are lengthy and costly. At some borders, the average cost and time can be as much as $650 and 280 hours. Further costs are added owing to the need for empty back hauling of trucks.

Box 1

Vessel and registry 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 registered tons (grt), except those tables dealing with ownership, where the cut-off level is 1,000 grt. 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, 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

The following guidelines are offered by Lloyd's Register – Fairplay for the tables in this year's *Review* relating to fleet development.

Former Yugoslavia

Most ships have been allocated to either Croatia (CRT) or Slovenia (SLO), with very few left under Yugoslavia (YUG).

Major open-registry countries

Ships in this group fly the flag of the Bahamas, Bermuda, Cyprus, Liberia, Malta or Panama.

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

Crude oil tankers	
ULCC	300,000+ dwt
VLCC	150,000–299,999 dwt
Suezmax	100,000–149,999 dwt
Aframax	50,000– 99,999 dwt
Dry bulk carriers	
Cape-size	80,000 dwt plus
Panamax	50,000–79,999 dwt
Handymax	35,000–49,999 dwt
Handy-size	20,000–34,999 dwt

Source: Lloyd's Register – Fairplay.