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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.

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ABBREVIATIONS AND EXPLANATORY NOTES

Abbreviations

ASEAN	Association of South East Asian Nations
BAF	bunkering adjustment factor
bcm	billion cubic metres
CAN	Community of Andean Nations
c.i.f.	cost, insurance and freight
COMESA	Common Market for Eastern and Southern Africa
DMECs	developed market-economy countries
dwt	deadweight tons
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
EU	European Union
FDI	foreign direct investment
FEU	40-foot equivalent unit
f.o.b.	free on board
GCC	Gulf Cooperation Council
GDP	gross domestic product
grt	gross registered tons
IICL	Institute of International Container Lessors
IMF	International Monetary Fund
IMO	International Maritime Organization
LDC	least developed country
ldt	light displacement ton
LNG	liquefied natural gas
LPG	liquefied petroleum gas
mbpd	million barrels per day
MCCA	Central American Common Market
MERCOSUR	Southern Common Market
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
THC	Terminal Handling Charges
ULCC	ultra-large crude carrier
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department of Economic and Social Affairs
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 Latin America are the subject of this year’s special chapter.

SUMMARY OF MAIN DEVELOPMENTS

Development of the world economy and seaborne trade

- In 2004, world output grew by 4.1 per cent over that of 2003 (when it had grown 2.7 per cent) – the highest increase in a decade. The developed market-economy countries experienced growth of 3.2 per cent, while developing countries recorded an average increase of 6.5 per cent. For 2005, growth forecasts for world output are cautiously conservative, around 3.1 per cent.
- The volume of world merchandise exports grew by 13 per cent, compared with 6 per cent in 2003. This growth reflects the strong performance of China and some developing countries.
- The total OECD industrial production index increased by 2.9 per cent, reflecting the performance of the United States, Japan and, to a lesser extent, European OECD countries.
- World seaborne trade (goods loaded) recorded another consecutive annual increase, reaching a record high of 6.76 billion tons. The annual growth rate was 4.3 per cent, well below the 5.8 per cent increase for 2003. Global maritime trade growth is likely to continue to grow during 2005.
- Total maritime activities measured in ton-miles increased to 27,635 billion ton-miles, compared with 25,844 billion ton-miles in 2003.

Development of the world fleet

- The world merchant fleet expanded to 895.8 million deadweight tons (dwt) at the beginning of 2005, a 4.5 per cent increase. Newbuilding deliveries increased marginally to 49.4 million dwt, and tonnage broken up and lost was more than halved to 10.6 million dwt, leaving a net gain of 38.8 million dwt.
- The fleets of oil tankers and dry bulk carriers, which together make up 73.3 per cent of the total world fleet, increased by 6.1 per cent and 4.2 per cent respectively. There was a 8.4 per cent increase from 90.5 to 98.1 million dwt in the container ship fleet and a 7.6 per cent increase from 20.9 to 22.5 million dwt in the liquefied gas carriers fleet.
- The average age of the world fleet dropped marginally to 12.3 years, with almost 27.3 per cent of the fleet 20 or more years old. General cargo vessels had the highest average age (17.5 years) and container vessels the lowest (9.4 years).
- Registration of ships by developed market-economy countries and major open-registry countries accounted for 27 and 45.1 per cent of the world fleet respectively. Open registries increased their tonnage marginally; two thirds of this beneficially owned fleet is owned by market-economy and developing countries. Developing countries' share reached 22.6 per cent or 202.3 million dwt, of which 155.9 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 – reached 7.5 and 30.8 respectively. The first figure was a decrease of 1.3 per cent from 2003 and the second an increase of 2 per cent.
- World total surplus tonnage continued to decrease and in 2004 stood at 6.2 million dwt, or 0.7 per cent of the world merchant fleet. The surplus capacity in the tanker sector was almost halved to 3.4 million dwt, while overcapacity in the dry bulk sector fell to 2.1 million dwt.

Freight markets

- The year 2004 was a bright one for the tanker market. The overall volume of seaborne crude oil trade increased by 4.2 per cent. The average freight indices for all types of tankers were above those recorded in 2003, which was also a good year for tanker owners. Average freight indices for VLCC/ULCC, Suezmax and Aframax tonnage increased by 35.8, 27.4 and 12.2 per cent respectively.
- In 2004, seaborne shipments of the main bulks, particularly iron ore and coal, increased by 7.6 per cent. The improved balance between supply and demand resulted in higher rates for both time and trip charters, with annual average index increases of 51.3 per cent and 107.7 per cent.
- Again, by the end of 2004, freight rates on the main containerized routes – trans-Pacific, transatlantic and Asia–Europe – were mostly above the levels that prevailed at the end of 2003. The Asia–Europe route fared particularly well with rates increasing by 10.6 per cent (westward) and 2 per cent (eastward). Rates on the trans-Pacific and trans-Atlantic routes increased by modest single-digit figures.

Total freight costs in world trade by groups

- World total freight payments as a proportion of total import value decreased to 5.4 per cent in 2003 from 5.5 per cent in 2002. The freight factor was 3.9 per cent for developed market-economy countries compared with 4.1 per cent in 2002, while for developing countries it stood at 9.1 per cent. There was a minor increase in the freight factor for developing countries in Africa to 11.9 and a larger one for those in Oceania to 12.3 per cent. For developing countries in the Americas, the freight factor decreased to 9.8 per cent, while a minor increase was recorded for those in Asia (to 8.6 per cent) and a larger one for developing countries in Europe (to 9.1 per cent).

Port development

- World container port traffic continued to expand at a rate of 9.6 per cent over that of 2003, reaching 303.1 million TEUs. Ports of developing countries and territories handled 122.4 million TEUs, or 40.4 per cent of the total. In 2003, there were 57 developing countries and territories with terminals that handled more than 100,000 TEUs. In 2004, the top 20 world container ports handled 166.6 million TEUs.

Trade and transport efficiency

- Negotiations on trade facilitation were covered in the 1 August 2004 Decision of the World Trade Organization's General Council, the so-called July package. WTO Members have since then started negotiations that focus on improving GATT 1994 Articles V, VIII and X, which deal respectively with transit issues, fees and formalities, and the transparency of trade procedures.
- The world container fleet expanded 7.7 per cent during 2004 to reach 19.3 million TEUs. Sea carriers' share in this total reached 54.3 per cent owing to extensive procurement during the year.

Review of regional developments

- During the period 2002–2004, the economies of Latin America and the Caribbean rebounded from the depths of the crisis generated in the previous year by the collapse of Argentina’s economy, which had resulted in the regional GDP’s contracting by 0.5 per cent in 2002. In the following two years, the GDP expanded by 1.9 and 5.5 per cent respectively. The commercial balance was positive for the period as a result of import contraction at the start of the period and a boost in exports, particularly to Asian countries, by the end of it.

- The merchant fleet owned by developing countries of Latin America and the Caribbean, excluding major open registries, has represented around 4 per cent of the world fleet since the year 2000. In 2004, the total tonnage owned by these countries reached 36.7 million dwt, about three quarters of which was owned by the three minor open registries of Antigua and Barbuda, Cayman Islands and Saint Vincent and the Grenadines. The shares of

tankers and container ships have increased in the last few years and are now 23.6 and 14.5 per cent respectively. The fleet’s age was 16.7 years in 2004 – higher than that of the world fleet and of the developing-country fleet as a whole.

- Port investment was uneven in these countries, with large undertakings realized in countries around the Caribbean, often in connection with trans-shipment traffic, while calls for support were made in several South American countries. The new toll structure proposed by the Panama Canal Authority in 2002 was subject to intense scrutiny, and the decision was made to implement it in phases over the period 2005–2007.

- The section on inland transport development focuses on the intervention of regional financial development bodies for infrastructure investments along priority axes in South America. Private-sector entities were active in developing rail networks to provide logistics services to shippers in Mercosur countries.

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.

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.

