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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	Common Market of the South
NAFTA	North American Free Trade Agreement
n.e.s.	not elsewhere specified
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
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 until the 1994 edition of the *Review*, the majority of the 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 UNCTAD 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 sub-Saharan Africa are the subject of this year’s special chapter.

SUMMARY OF MAIN DEVELOPMENTS

Development of the world economy and seaborne trade

- In 2005, world output grew by 3.6 per cent, which was about one fifth lower than in 2004 (when it grew by 4.1 per cent). The developed market-economy countries experienced growth of 2.7 per cent, while developing countries recorded an average increase of 6.2 per cent. For 2006, growth forecasts for world output are cautiously conservative, at around 3.6 per cent.

- The volume of world merchandise exports grew by 6.0 per cent, compared with 9.5 per cent in 2004. This growth reflects the resilience of economic performance in China and some developed countries.

- The total OECD industrial production index increased by 2.2 per cent, this increase 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 7.11 billion tons. The annual growth rate was 3.8 per cent, below the 5.3 per cent increase for 2004. Global maritime trade growth is likely to continue to grow during 2006.

- Total maritime activities measured in ton-miles increased to 29,045 billion ton-miles, compared with 27,635 billion ton-miles in 2004.

Development of the world fleet

- The world merchant fleet expanded to 960.0 million deadweight tons (dwt) at the beginning of 2006, a remarkable 7.2 per cent increase, and the highest since 1989, when world merchant fleet started the recovery of the 1980s slump. Newbuilding deliveries increased to 70.5 million dwt, and tonnage broken up and lost was a modest 6.3 million dwt, which left a net gain of 64.2 million dwt.

- The fleets of oil tankers and dry bulk carriers, which together make up 72.9 per cent of the total world fleet, increased by 5.4 per cent and 7.9 per cent respectively. There was a 13.3 per cent increase from 98.1 to 111.1 million dwt in the container ship fleet and a 7.5 per cent increase from 22.5 to 24.2 million dwt in the liquefied gas carriers fleet.

- The average age of the world fleet dropped marginally to 12.2 years, with almost 27.1 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 26.9 and 45.0 per cent of the world fleet respectively. Open registries increased their tonnage by 6.9 per cent; two thirds of this beneficially owned fleet is owned by market-economy and developing countries. Developing countries' share reached 22.7 per cent, or 218.3 million dwt, of which 171.6 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 7.4 and 30.3 respectively. Both figures represented marginal decreases from the previous year.

- World total surplus tonnage increased marginally in 2005 to 7.2 million dwt, or 0.7 per cent of the world merchant fleet — the same as the previous year. The surplus capacity in the tanker sector remained modest at 4.5 million dwt, while overcapacity in the dry bulk sector fell to 2.0 million dwt.

Freight markets

- The year 2005 was a mixed one for the tanker market. Although the overall volume of seaborne crude oil trade increased by 4.5 per cent, the average freight indices for four of the five categories of tankers were below those recorded in 2004, which was a good year for tanker owners. However, only two of those five indices actually came down during 2005. Freight indices for VLCC/ULCC, Suezmax and Aframax tonnage increased during 2005 by 86.2, 40.6 and 27.6 per cent respectively.

- In 2005, seaborne shipments of the main bulks, particularly iron ore and coal, increased by 7.2 per cent. The balance between supply and demand resulted in lower rates for both time and trip charters, with annual average index decreases of 20.0 per cent and 12.2 per cent respectively.

- Again, by the end of 2005, freight rates evolution on the main containerized routes — trans-Pacific, transatlantic and Asia–Europe — was mixed when compared with rates prevailing at the end of 2004. On the transpacific and Asia–Europe routes the dominant directions, from Asia to North America and Europe, witnessed a drop in rates of 2.3 and 7.0 per cent respectively. But there were gains of 10.1 and 7.3 per cent in the other directions of these routes. Rates on the transatlantic route increased by 20.2 per cent (westwards) and by 18.6 per cent (eastwards).

Total freight costs in world trade by groups

- World total freight payments as a proportion of total import value stood at 3.6 per cent in 2004. The freight factor was 3.1 per cent for developed market-economy countries compared with 2.9 per cent in 2003, while for developing countries it was 5.9 per cent lower than the 6.1 per cent recorded in 2003. There were decreases in the freight factor for developing countries in Africa (9.9 per cent, compared with 10 per cent in 2003), Asia (6.5 per cent, compared with 6.7 per cent in 2003) and Oceania (15.4 per cent, compared with 15.6 per cent in 2003). But developing countries in America and Europe saw the freight factor increase to 4.3 per cent (4.1 per cent in 2003) and 2.8 per cent (2.6 per cent in 2003) respectively

Port development

- World container port traffic continued to expand at the rate of 12.6 per cent in 2004, reaching 336.9 million TEUs. Ports of developing countries and territories handled 137.0 million TEUs, or 40.7 per cent of the total. In 2004, there were 56 developing countries and territories with annual throughputs above 100,000 TEUs. In 2005, the top 20 world container ports handled 186.1 million TEUs.

Trade and transport efficiency

- In December 2005, in the Ministerial Declaration of the World Trade Organization meeting in Hong Kong (China), the Ministers reaffirmed the mandate and modalities for negotiations on trade facilitation contained in annex D of the "July Package".

- The size of the world container fleet grew by 9.0 per cent during 2005 to reach 21.6 million TEUs. Sea carriers' share in this total reached 55 per cent owing to extensive procurement during the year.

Review of regional developments

- During the period 2003–2005, the economic performance of countries in Sub-Saharan Africa remained below the one recorded by developing economies as a whole. Although some countries recorded annual increases in GDP above the target deemed appropriate for achieving the United Nations Millennium Development Goal of halving poverty by 2015, the vast majority failed to reach that target. In 2004 sub-Saharan African countries accounted for 45.5 per cent of African exports and 41.1 per cent of imports, with the balance being covered by South Africa and countries of North Africa. The increase in trade was been particularly good in oil-producing countries of West and Central Africa.

- In 2005 the total tonnage of the African merchant fleet, including the open registry of Liberia, reached 98,563 thousand dwt, or 10.3 per cent of the world fleet. Without the Liberian open registry the total tonnage of the African merchant fleet reached 5,537 thousand dwt, or 2.1 per cent of the world fleet. Sub-Saharan African countries have been increasing their share in the African fleet without open registry — it increased from 33 per cent in 2002 to 41.7 per cent in 2005. The African fleet without open registry is evenly spread between different types of vessels, the exception being containerized tonnage, which totalled only 3.4 per cent in 2005. The average age of this fleet is 20.5 years, considerably older than the world average.

- Public and private partnerships have been established in several countries to modernize and expand existing port and rail infrastructure. By connecting national networks, the latter might ease access to seaports for landlocked countries in East and Southern Africa. Containerized international sea freight of sub-Saharan African countries is heavily imbalanced in favour of imports and focuses on Europe. Recent developments, however, might work in expanding traffic to North America and the Far East, notably China.

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 and territories

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.