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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
CAF	currency adjustment factor
c.i.f.	cost, insurance and freight
CSF	The Special Register of Ships and Shipping Companies of the Canary Islands
DIS	Danish International Register of Shipping
dwt	deadweight tons
ESCAP	Economic and Social Commission for Asia and the Pacific
EU	European Union
FDI	foreign direct investment
FEU	40-foot equivalent unit
f.o.b.	free on board
GDP	gross domestic product
GT	gross tons
IMF	International Monetary Fund
IMO	International Maritime Organization
ISO	International Organization for Standardization
ISPS Code	International Ship and Port Facility Security Code
LNG	liquefied natural gas
LPG	liquefied petroleum gas
mbpd	million barrels per day
n.a.	not available
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
WCO	World Customs Organization
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 the tables and the text, the term *countries* refers to countries, territories or areas.
- The presentation of countries in this edition of the *Review of Maritime Transport* is different from that in previous editions. The new classification is that used by the Statistics Division, Department of Economic and Social Affairs (DESA), of the United Nations, as well as by UNCTAD in the *Handbook of Statistics*. For the purpose of statistical analysis, countries and territories are grouped by economic criteria into three categories which are further divided into geographical regions. The main categories are developed countries, developing countries and economies in transition. See annex I for a detailed breakdown of the new groupings. Any comparison with data in previous editions of the *Review* should therefore be handled with care

SUMMARY OF MAIN DEVELOPMENTS

The *Review of Maritime Transport* is an annual publication prepared by the secretariat of the United Nations Conference on Trade and Development (UNCTAD). 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 Asia are the subject of this year's special chapter.

1. Development of the world economy and seaborne trade

In 2006, strong growth in the world economy continued, fuelled by the expansion of some dynamic developing countries. World GDP grew by 4.0 per cent — the second highest increase in a decade. The strong and sustained growth of China, India and other dynamic developing countries is increasingly becoming the main driver of world economic activity. Developed countries expanded by 3.0 per cent, while developing countries and economies in transition experienced faster growth estimated at 6.9 per cent and 7.5 per cent, respectively.

During the same year, the volume of world merchandise trade recorded robust growth, increasing by 8.0 per cent. This is more than double the growth of the world economy, a fact that highlights the effect of increasing globalization and deepening economic integration. China remained in the lead, with an export growth rate of 22.0 per cent. Given the growing important linkage between economic growth, trade and demand for shipping services, world seaborne trade (goods loaded) increased in 2006, reaching 7.4 billion tons. Boosted by the need to diversify supply sources and the growing South–South trade, demand for maritime transport services measured in ton-miles increased by 5.5 per cent in 2006 and reached 30,686.

2. Development of the world fleet

The world merchant fleet expanded to 1.04 billion deadweight tons (dwt) at the beginning of 2007, a remarkable 8.6 per cent increase, surpassing even the 7.2 per cent growth of the previous year. The tonnage of oil tankers in 2006 increased by 8.1 per cent and that of dry bulk carriers by 6.2 per cent; these two types of ships together now represent 72.0 per cent of total tonnage. The fleet of general cargo ships increased by 4.9 per cent in 2006. The highest growth was recorded for containerships, which increased by 17 million dwt, or 15.5 per cent.

Tonnage on order at the end of 2006 consisted of 118 million dwt of oil tankers, 79 million dwt of dry bulk carriers, 8 million dwt of general cargo vessels, 51.7 million dwt of container ships and 45.6 million dwt of other vessel types. Total tonnage on order reached 6,908 vessels with a total tonnage of 302.7 million dwt.

The estimated average age of the world fleet dropped marginally to 12.0 years in 2006. By vessel type, the youngest fleet was that of container ships, with an average age of 9.1 years. The average age of tankers remained at 10 years, the average age of bulk carriers decreased slightly from 13.1 to 12.9 years, and general cargo vessels continued to be the oldest vessel type, with an average of 17.4 years and 56.8 per cent of vessels more than 19 years old.

As regards fleet ownership, at the beginning of 2007, developing countries controlled approximately 31.2 per cent of the world dwt, developed countries about 65.9 per cent, and economies in transition the remaining 2.9 per cent.

Since UNCTAD began recording the share of foreign-flagged dwt in 1989, this share had increased every year until 2006. Between January 2006 and 2007, however, the foreign-flagged share has for the first time decreased slightly, from 66.5 to 66.3 per cent of the world total. The 10 largest open and international registries together account for 53.7 per cent of the world fleet. Of the remaining tonnage, 18.9 per cent is registered in developed countries, 1.3 per cent in countries in transition and 27.7 per cent in developing countries.

3. 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 7.3 and 30.1 respectively. Both figures represented marginal decreases from the previous year.

World total surplus tonnage increased in 2006 to 10.1 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 (1.4 per cent of the total tanker fleet), while overcapacity in the dry bulk sector remained at 2.0 million dwt (0.6 per cent of the dry bulk fleet).

As regards supply and demand in container shipping, in 2006, for the first time since 2001, the growth of the fleet outstripped the growth of containerized trade. With an increase in the fleet of almost 1.4 million TEUs, capacity grew by 13.5 per cent in 2006; this was 2.5 percentage points higher than the growth of containerized trade, which reached 11 per cent in the same year.

4. Trade and freight markets

Although 2006 was a good year for all tanker market segments, these remained below the impressive levels recorded during the two previous years. Fuelled mainly by buoyant steel production in Asia, the dry cargo freight market fared better, with steady improvements in the Capesize sector and continued strong performances in the Panamax and Handy-size sectors. Despite the downward pressure on the containership market resulting from a large tonnage delivery and a large order book, the continuing strong demand helped maintain the rates at healthy levels. In relation to containerized trade, the world container fleet expanded by 7.8 per cent in 2006, reaching about 23.2 million TEUs. The share of ocean carriers in this total amounted to 57.2 per cent higher than their share in previous years.

In 2005, the share of global freight payments in import value increased and reached 5.9 per cent — higher than the previous year. The world total value of imports (c.i.f) increased by 13.4 per cent over the previous year, while total freight paid for transport services increased by 31.2 per cent. Developing countries and economies in transition continued to record the highest freight costs. Freight costs expressed as a percentage of the value of imports in 2005 increased for both country groups, reaching 7.7 per cent for developing countries and 7.6 per cent for economies in transition. Developed countries have the lowest freight costs, which were estimated at 4.8 per cent of the value of imports in 2005.

5. Port and multimodal transport developments

World container port throughput grew by 13.4 per cent to reach 440 million TEUs in 2006 after stumbling slightly in 2005 with 8.7 per cent growth after a gain of 12.8 per cent in 2004. Developing countries handled 265.4 million TEUs, or 65 per cent of the world total in 2006; this is up from 62.1 per cent for 2005. In 2006 there were 62 countries with a throughput of above 100,000 TEUs, and 24 countries with double-digit growth in 2006 compared with 22 in 2005. Together the top 20 world container ports handled 208.7 million TEUs, 51 per cent of the world total.

International rail freight transport expanded in 2006, with markets in China and India recording growth rates of 11 and 8 per cent, respectively. The global road transport market is estimated to have grown by 4.5 per cent in 2006. During the same year, the global freight forwarding and logistics market grew by 13.5 per cent. The total market size was estimated to be 93 billion euros: the European market accounted for one third, while the shares of the Asia-Pacific and North American markets stood at 27 per cent and 29 per cent each.

6. Legal issues and regulatory developments

Having been suspended in mid-2006, the negotiations on trade facilitation at the World Trade Organization (WTO) were resumed in February 2007. Meetings of the Negotiating Group on Trade Facilitation were very much geared to the development and discussion of text-based (or “third generation”) proposals concerning specific trade facilitation measures that would eventually form part of the anticipated agreement. Another issue was technical assistance and capacity-building, as well as “Special and Differential Treatment”.

Concerning other legal issues affecting transportation, a number of international organizations continue to be active in the preparation and refinement of standards and guidelines related to maritime and supply chain security, including the World Customs Organization (WCO), the International Maritime Organization (IMO) and the International Organization for Standardization (ISO). For its part, UNCTAD has published the results of a wide-ranging survey on the ISPS Code-related costs and financing (UNCTAD/SDTE/TLB/2007/1).

A new International Convention on the Removal of Wrecks was adopted in May 2007 under the auspices of IMO, and work is progressing on a draft International Convention for the Safe and Environmentally Sound Recycling of Ships.

7. Regional economic developments: Asia

Developing economies in Asia grew by about 7.6 per cent in 2006, while developed countries in the region grew by 2.2 per cent. The region's exports grew by an impressive 18 per cent, benefiting from healthy global demand. Azerbaijan, aided by the export of oil, recorded the highest GDP growth with a 31 per cent increase. Developing countries in the region continued to add to their already sizeable foreign exchange reserves, to reach the unprecedented sum of $2.5 trillion.

Global terminal operators headquartered in Asia include Cosco Pacific, DP World, Evergreen, Hanjing, Hutchison Port Holdings (HPH), ICTSI, NYK/Ceres and PSA International. Together they have a throughput of over 220 million TEUs and about half of the world's total throughput of containers. Asian ports continued to grow at a significant pace, led by Yantai, China, with a 112 per cent increase, followed by Yingkou, China, with 59 per cent, and Guangzhou, China, with 40 per cent. On average mainland Chinese ports grew by 35 per cent in 2006 compared with about 29 per cent in 2005. Ports in other developing countries which made double-digit gains include Colombo up 25 per cent, Jawaharlar 23 per cent, Gwangyang 22 per cent, Ambarli 21 per cent, Incheon and Ho Chi Minh 19 per cent, Dubai 17 per cent, Tanjung Pelepas 14 per cent, Port Klang 14 per cent, Chittagong 12 per cent and Laem Chabang 11 per cent, followed by Karachi and Bangkok with 10 per cent.

About a quarter of the world's bulk carriers fly an Asian flag, and one in four general cargo vessels. Twenty-one per cent of the world's fleet of vessels above 100 GT are registered in Asia. By far the largest registries are those of Hong Kong (China) and Singapore, each with about 32 million GT registered. Next are mainland China with 23 million GT, the Republic of Korea with 10 million, India with 8 million and Malaysia with 6 million, followed by Indonesia, the Islamic Republic of Iran and the Philippines with about 5 million each. Jordan had the largest increase in its merchant fleet — an impressive 145 per cent. Kazakhstan recorded a 70 per cent increase, Viet Nam 27 per cent, and Indonesia and Oman 20 per cent each. Those countries that also recorded double-digit growth are Qatar (17), the Republic of Korea (15), Turkmenistan (15) and Malaysia (11).

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 tons (GT), except those tables dealing with ownership, where the cut-off level is 1,000 GT. 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

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.