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Administrative support together with the overall desktop publishing was undertaken by Florence Hudry. Additional desktop publishing was carried out by Wendy Juan. Graphic support was provided by Nadège Hadjemian and the publication was edited by Daniel Sanderson.

This publication was externally reviewed by the following persons:

Chapter 1: Philippe Crist, Kevin Cullinane, Melissa Dawn Newhook, Liliana-Annovazzi-Jakab.

Chapter 2: Pierre Cariou, Hercules Haralambides, Wayne K. Talley, Tengfei Wang.

Chapter 3: Michele Acciaro, Shuo Ma, Lourdes Trujillo Castellano.

Chapter 4: Okan Tuna, Aleksandra Pieczek, Dirk Visser.

Chapter 5: Alf Baird, Ki-Soon Hwang.

Chapter 6: Mahin Faghfouri, André Stochniol.

Chapter 7: John Moon, James Wang, Tengfei Wang.

This publication was also internally reviewed in full by Vladislav Chouvalov, Anne Miroux, José Maria Rubiato and Vincent Valentine.

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ABBREVIATIONS AND EXPLANATORY NOTES

Abbreviations

AEO	Authorized Economic Operator
AfDB	African Development Bank
AFTA	ASEAN Free Trade Agreement
ALADI	Latin American Integration Association
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ASYCUDA	Automated System for Custom
AU	African Union
BAF	bunker adjustment factor
bcm	billion cubic metres
BDI	Baltic Exchange Dry Index
BIMSTEC	Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation
BWM Convention	International Convention for the Control and Management of Ships' Ballast Water and Sediments
CAF	currency adjustment factor
cbm	cubic metres
CBP	United States Customs and Border Protection
CDM	Clean Development Mechanism
CGPCS	Contact Group on Piracy off the Coast of Somalia
CIS	Commonwealth of Independent States
CO_2	carbon dioxide
cSt	centiStokes
C-TPAT	Customs–Trade Partnership Against Terrorism
DHS	United States Department of Homeland Security
DIS	Danish International Register of Shipping
dwt	deadweight tons
EEDI	Energy Efficiency Design Index
EEOI	Energy Efficiency Operational Indicator
EIA	Energy Information Administration
EORI	Economic Operator Registration and Identification
ETS	emissions trading scheme
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

GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GHG	greenhouse gas
GMS	Greater Mekong Subregion
GT	gross tons
HNS Convention	Hazardous and Noxious Substances Convention
ICC	International Chamber of Commerce
ICT	information and communications technologies
IEA	International Energy Agency
ILO	International Labour Organization
IMB	International Maritime Bureau
IMDG Code	International Maritime Dangerous Goods Code
IMF	International Monetary Fund
IMO	International Maritime Organization
ISO	International Organization for Standardization
IT	information technology
ISPS Code	International Ship and Port Facility Security Code
LDC	least developed country
ldt	light displacement ton
LLDC	landlocked developing country
LNG	liquefied natural gas
LPG	liquefied petroleum gas
LSCI	Liner Shipping Connectivity Index
MARPOL	International Convention for the Prevention of Pollution from Ships
MBM	market-based measure
mbpd	million barrels per day
MDG	Millennium Development Goal
MEPC	Marine Environment Protection Committee
MLC	Maritime Labour Convention
MRA	mutual recognition agreement
MSC	Maritime Safety Committee (IMO)
mtoe	million tons oil equivalent
n.a.	not available
NIS	Norwegian International Ship Register
OECD	Organization for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States
OPEC	Organization of the Petroleum Exporting Countries
pb	per barrel
ro-ro	roll on-roll off

RTA	regional trade agreement
RTG	rubber-tyred gantry
SAARC	South Asian Association for Regional Cooperation
SAFE Framework	Framework of Standards to Secure and Facilitate Global Trade
SAFTA	South Asian Free Trade Area
SAPTA	South Asian Preferential Trading Agreement
SDRs	Special Drawing Rights
SEEMP	Ship Energy Efficiency Management Plan
SIDS	small island developing State
SIECA	Secretaría de Integración Económica Centroamericana
SMEs	small and medium-sized enterprises
SOLAS Convention	International Convention for the Safety of Life at Sea
STEEM	Ship Traffic, Energy and Environment Model
TEU	20-foot equivalent unit
THC	terminal handling charges
TSR	Trans-Siberian Railroad
UASC	United Arab Shipping Company
ULCC	ultra-large crude carrier
UN/CEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UNCITRAL	United Nations Commission on International Trade Law
UN-DESA	United Nations Department of Economic and Social Affairs
UNFCCC	United Nations Framework Convention on Climate Change
UNODC	United Nations Office on Drugs and Crime
VES	Vessel Efficiency System
VHSS	Hamburg Shipbrokers' Association
VLCC	very large crude carrier
VLOC	very large ore carrier
VLOO	very large ore oiler
WAEMU	West African Economic and Monetary Union
WCO	World Customs Organization
WS	Worldscale
WTO	World Trade Organization

Explanatory notes

- The Review of Maritime Transport 2010 covers data and events from January 2009 until June 2010. Where possible every effort has been made to reflect more recent developments.
- All references to dollars ($) are to United States dollars, unless otherwise stated.
- Unless otherwise stated, "ton" means metric ton (1,000 kg) and "mile" means nautical mile.
- 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 terms *countries* and *economies* refer to countries, territories or areas.
- Since 2007, the presentation of countries in the *Review of Maritime Transport* is different from that in previous editions. Since 2007, the new classification is that used by the Statistics Division, United Nations Department of Economic and Social Affairs, 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 economies, developing economies, and transition economies. See annex I for a detailed breakdown of the new groupings. Any comparison with data in pre-2007 editions of the *Review of Maritime Transport* should therefore be handled with care.

Vessel 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, roll on-roll off (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, double-hull	350,000 dwt plus
ULCC, single hull	320,000 dwt plus
VLCC, double-hull	200,000–349,999 dwt
VLCC, single hull	200,000–319,999 dwt
Suezmax crude tanker	125,000–199,999 dwt
Aframax crude tanker	80,000– 124,999 dwt; moulded breadth > 32.31m
Panamax crude tanker	50,000– 79,999 dwt; moulded breadth < 32.31m
Dry bulk and ore carriers	
Large capesize bulk carrier	150,000 dwt plus
Small capesize bulk carrier	80,000–149,999 dwt; moulded breadth > 32.31 m
Panamax bulk carrier	55,000–84,999 dwt; moulded breadth < 32.31 m
Handymax bulk carrier	35,000–54,999 dwt
Handysize bulk carrier	10,000–34,999 dwt
Ore/oil Carrier	
VLOO	200,000 dwt
Container ships	
Post-Panamax container ship	moulded breadth > 32.31 m
Panamax container ship	moulded breadth < 32.31 m

Source: Lloyd's Register – Fairplay.

EXECUTIVE SUMMARY

Developments in international seaborne trade

The year 2009 witnessed the worst global recession in over seven decades and the sharpest decline in the volume of global merchandise trade. In tandem with the collapse in economic growth and trade, international seaborne trade volumes contracted by 4.5 per cent in 2009. While no shipping segment was spared, minor dry bulks and containerized trades suffered the most severe contractions. This reflected the weak consumer confidence which depressed the retail sector, and the low level of capital investment, as well as a slowdown in the real estate and housing sectors, especially in advanced economies. In contrast, iron ore and coal trade volumes held strong on the back of China's robust import demand, driven, in particular, by China's large stimulus package.

By early 2010, a global recovery led by fast-growing developing economies was under way, although it was uneven and fragile. The sustainability of the recovery is challenged, among other things, by the fragile conditions in most advanced economies and the risk of a premature winding-up of the stimulus packages.

From the shipping perspective, uncertain demand outlook is only part of the picture. Prospects for shipping remain difficult and uncertain, due in particular to the significant size of the ship supply capacity and the impact of the demand/supply mismatch on shipping markets. An added challenge relates to the evolving global regulatory framework, driven by emerging global challenges including energy security, a potential seafaring crisis, and supply chain security, as well as environmental sustainability and, more specifically, the climate change challenge and the related mitigation and adaptation imperatives. Assuming the recovery takes holds and there are no new upheavals on the global scene, the shipping industry and seaborne trade are expected to recover in 2010, although with more of the ground lost in 2009 likely to be recovered in 2011 and beyond.

Record new deliveries lead to 7 per cent growth of fleet

By the beginning of 2010, the world merchant fleet had reached 1,276 million deadweight tons (dwt) – an increase of 84 million dwt over 2009. This growth resulted from a record in new deliveries of 117 million dwt, against demolitions and other withdrawals from the market of approximately 33 million dwt. New deliveries grew by 42 per cent over 2008 because of ships ordered prior to the downturn in demand. The resulting oversupply of tonnage then led to an over 300 per cent surge in demolitions of older tonnage.

Developments in China are particularly noteworthy with regard to the supply of and demand for shipping services. On the demand side, Chinese containerized exports make up a quarter of the world total. On the supply side, Chinese shipping companies are among the fastest-growing, and the country is home to the most important container and crane manufacturers. Between 2008 and 2009, China overtook Germany as the third-largest shipowning country, Japan as the second-biggest shipbuilding country, and India as the busiest ship-recycling country.

Productivity of the world fleet, and supply and demand in world shipping

Against a decline in world seaborne trade of 4 per cent in 2009 as compared to 2008 (see chapter 1), the world fleet continued to grow by 7 per cent during 2009 (see chapter 2). Accordingly, the overall fleet productivity in 2009 – measured in tons of cargo carried per deadweight ton – decreased further compared to the 2008 figures. The global average volume of cargo in tons per carrying capacity dwt decreased, and the average ship was fully loaded only 6.6 times in 2009 compared to 7.3 times in 2008. The productivity of oil tankers in terms of tons carried per dwt decreased by a further 5.6 per cent, from 6.7 in 2008 to 6.3 in 2009; for dry bulk it decreased by 5.5 per cent, from 5.3 to 5.0 tons; and the cargo volumes carried by the residual fleet decreased by a staggering 18.3 per cent, from 10.7 to 8.7 tons per dwt.

The resumption of manufacturing activity and global trade in containerized goods led to a recovery of demand for liner shipping services in early 2010. In 2009, however, the market was particularly bad for container shipping, as demand plummeted by 9 per cent while supply continued to see positive growth of 5.1 per cent – the difference between the two being a staggering 14.1 percentage points.

Freight rates

2009 was a bleak year for freight rates in the tanker, major dry bulk and liner sectors. The deepening of the global financial crisis severely affected demand for commodities and goods. By the end of 2009, rates in all sectors had recovered from their earlier lows, although they were still significantly beneath their 2008 levels. Freight rates for 2010 and beyond remain uncertain, as doubts surround the recovery from the global economic crisis. In the tanker and liner sectors, freight rates were boosted by absorbing supply rather than by an increase in demand. In the bulk sector, much of the recovery was attributed to imports by China, which took advantage of the low commodity prices and freight rates to increase stockpiles of raw materials. The oversupply of vessels, combined with weak operating results in 2009, could lead to consolidation by shipowners in 2011 through mergers and acquisitions.

Port and multimodal transport developments

World container port throughput declined by an estimated 9.7 per cent to 465.7 million TEUs in 2009. Chinese mainland ports accounted for approximately 23.3 per cent of the total world container port throughput. UNCTAD's Liner Shipping Connectivity Index reveals that between 2004 and 2010, the ranking of the least developed countries (LDCs) improved by just 1 point. The average ranking of LDCs in 2010 was 111, compared to an average ranking of 78 for other developing countries and 64 for developed countries.

The global trucking sector registered a compound annual growth rate in revenue of 7.8 per cent between 2004 and 2008. In the rail sector, freight and passenger services achieved a compound annual growth rate in revenue of 6.3 per cent during the period 2003–2007. Inland water transportation continues to be underutilized in many economies.

Legal issues and regulatory developments

During 2009 and the first half of 2010, discussions continued at the International Maritime Organization (IMO) regarding the scope and content of an international regime to control greenhouse gas emissions from international shipping. Moreover, a Protocol on the 1996 HNS Convention was adopted, in April 2010, with a view to facilitating the entry into force of the Convention. Standard-setting activities and other measures are continuing in the field of maritime and supply-chain security, in particular under the auspices of various international organizations such as the World Customs Organization, the International Maritime Organization and the International Organization for Standardization, but also at the national and regional level.

Review of regional developments in Asia and the Pacific

In contrast with the last review period of 2004 to 2006, when economic growth and trade in the region were booming, the current review period is characterized by a downturn in economic growth and trade. Reflecting the wide geographical spread of the global economic crisis of late 2008 and subsequent recession, GDP growth in the Asia-Pacific region decelerated to 4 per cent in 2009, its lowest level in 8 years. Consequently, growth in international merchandise trade in the region decelerated in 2008, and trade volumes contracted in 2009 with merchandise exports falling at the double-digit rate of about 12 per cent. Container trade volumes on the trans-Pacific and the Asia–Europe trades plummeted in 2009 due to a sharp decline in developed countries' import demand for consumer and manufactured goods – the main exports of the region – as did intra-Asian container volumes and the Asia-Pacific port container throughput. By mid-2010, economic indicators were showing a recovery in the region's economic growth and trade, with some economies already displaying signs of a return to pre-crisis growth and export levels. However, the potential for recovery should be viewed with caution. Recovery is subject to the assumption that the world remains on the same stabilization path, that the region continues to experience strong domestic demand, that debt positions do not deteriorate, that commodity prices remain relatively stable, and that Asian policymakers continue to enact fiscal stimulus packages. In other words, recovery remains fragile and is subject to downside risks.

With 12 landlocked countries being located in Asia, some of the challenges faced by these geographically disadvantaged countries are also considered. These countries currently face prohibitive transport costs and are in urgent need for progress to be made in trade facilitation.