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Study on the Analysis and Evolution of International and EU Shipping

ECASBA / FONASBA meeting 3 March 2015

Menno Langeveld
5 December 2014

maritime-insight

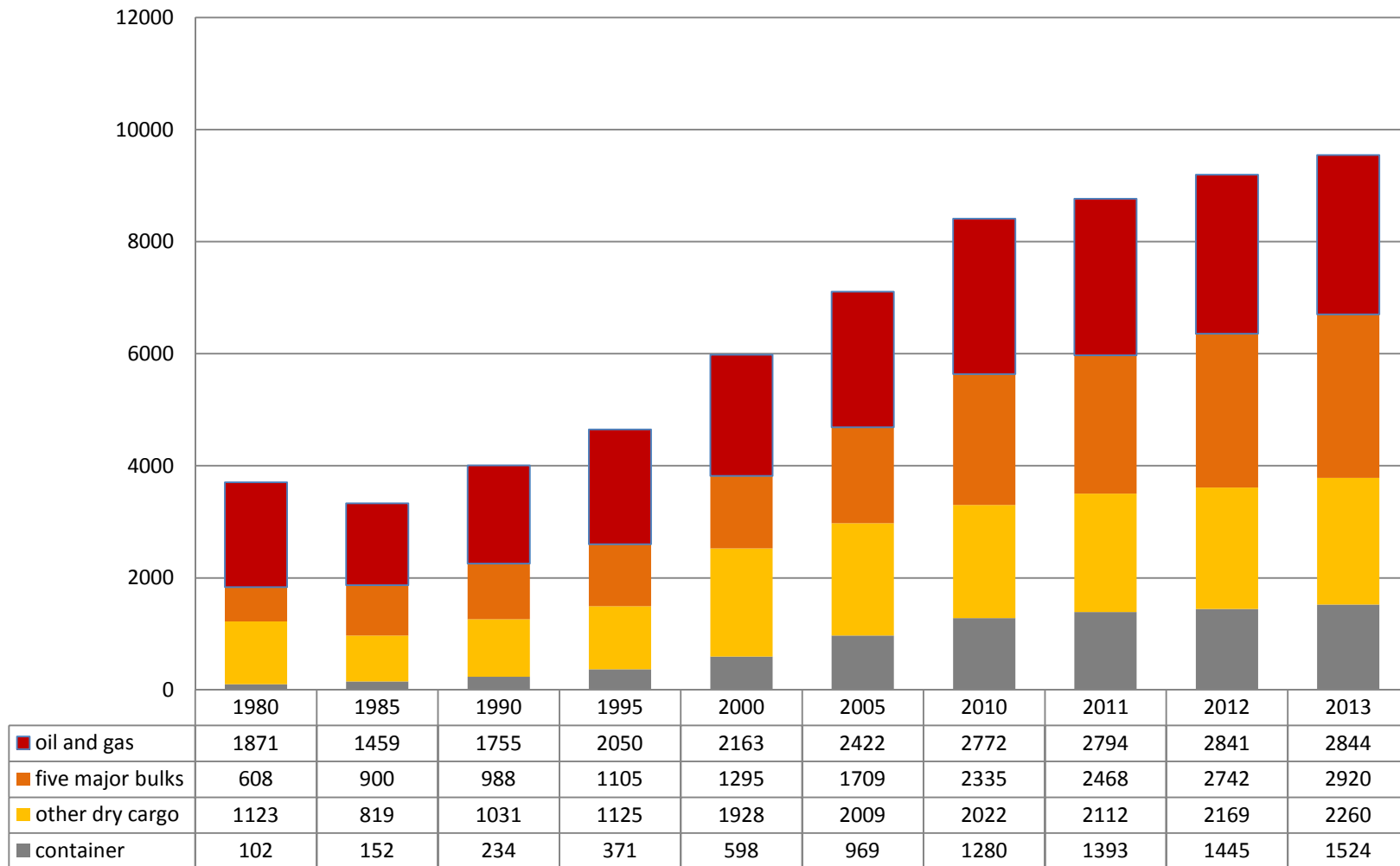


TPR
Department of Transport and Regional Economics
University of Antwerp

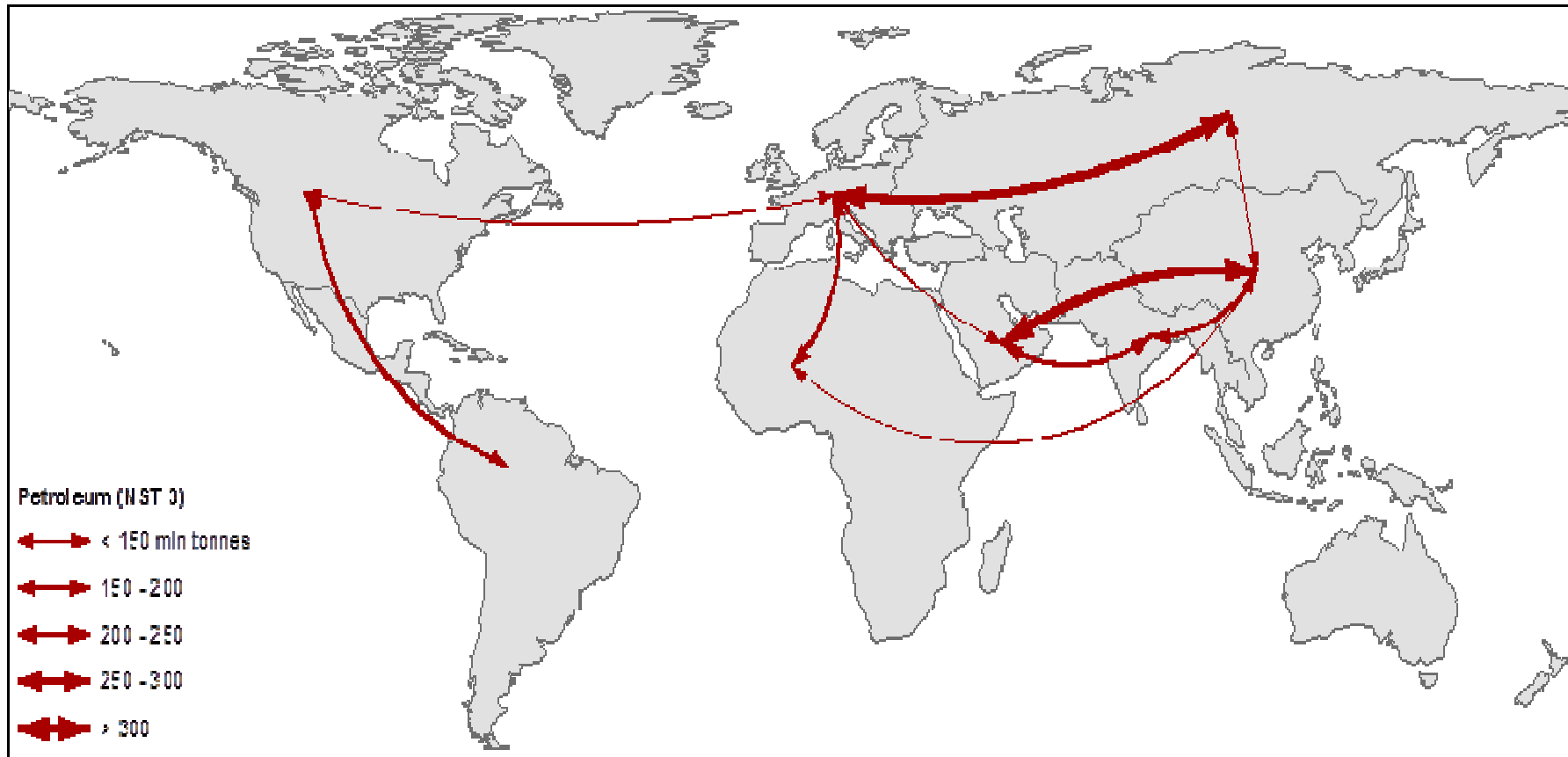
Scope of the overall analysis

	Vessel ownership	Deadweight tonnage	Flag of registration	Gross weight tonnage	List approved by the Commission
1	China	Japan	Panama	Russia	Russia
2	Japan	China	Liberia	USA	USA
3	USA	Republic of Korea	Marshall Islands	Brazil	Brazil
4	Singapore	Singapore	Hong Kong	Turkey	Singapore
5	Russia	USA	Singapore	Norway	China
6	Turkey	Taiwan	Bahamas	China	Turkey
7	Republic of Korea	of Bermuda	China	Egypt	Republic of Korea
8	Indonesia	Turkey	Japan	Algeria	Japan
9	Vietnam	Hong-Kong	Republic of Korea	Colombia	India
10	Taiwan	India	India	Saudi Arabia	Panama

International seaborne trade, selected years (millions of tons loaded)



The ten largest petroleum product flows in 2010 (million tonnes)



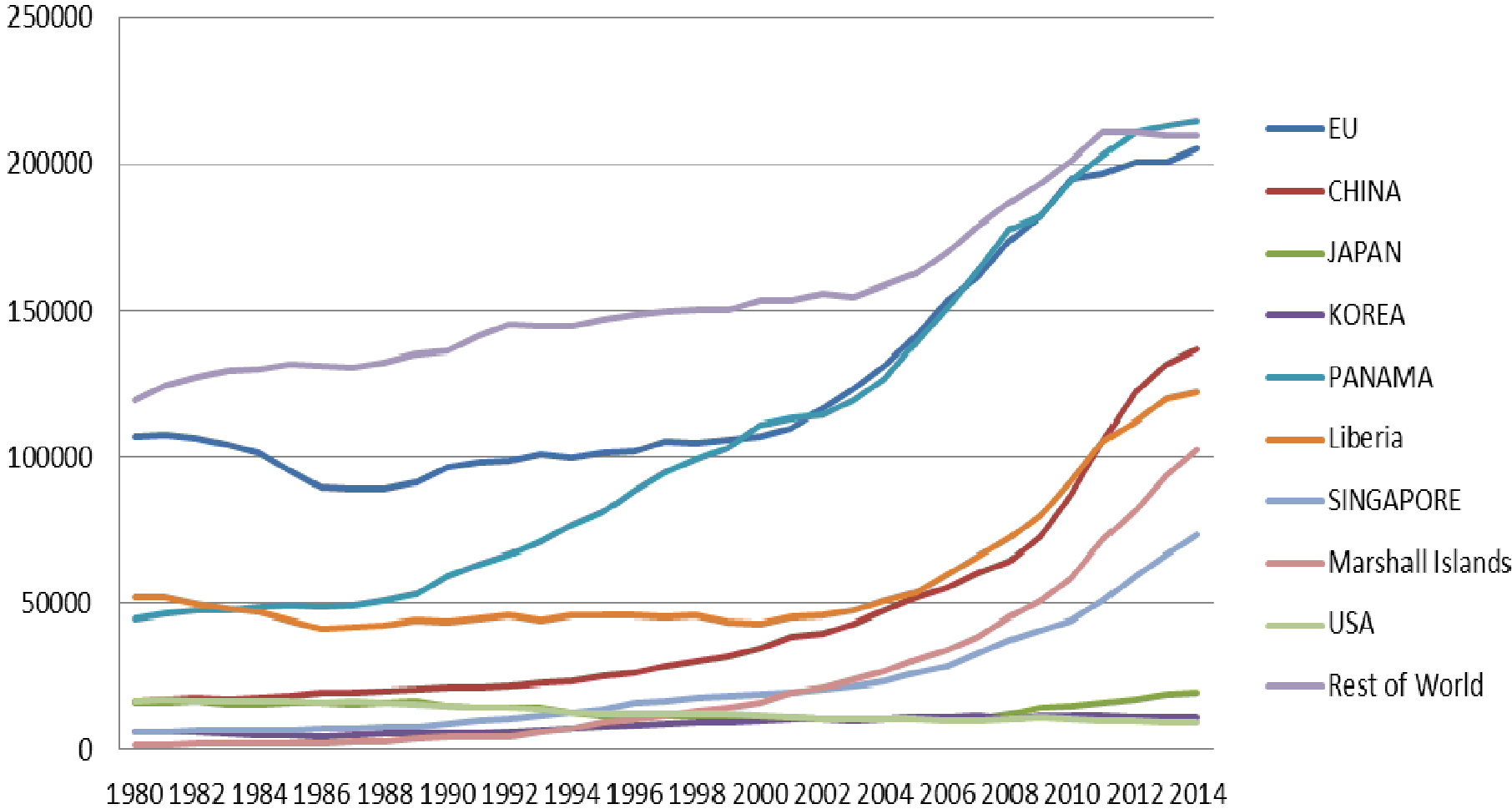
Ten largest manufactured product flows in 2010 (million tonnes)



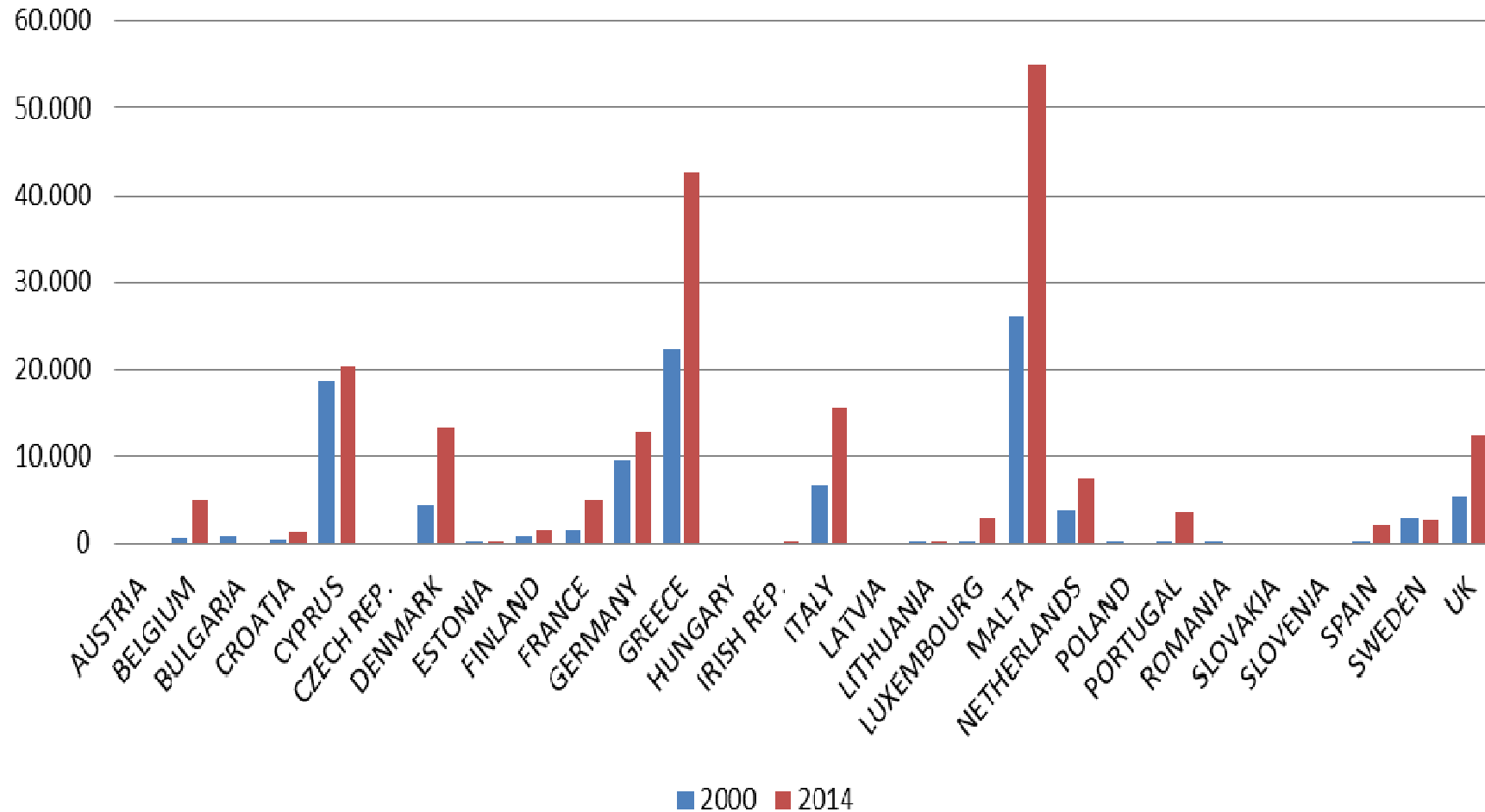
Ten largest product flows for all other products in 2010 (million tonnes)



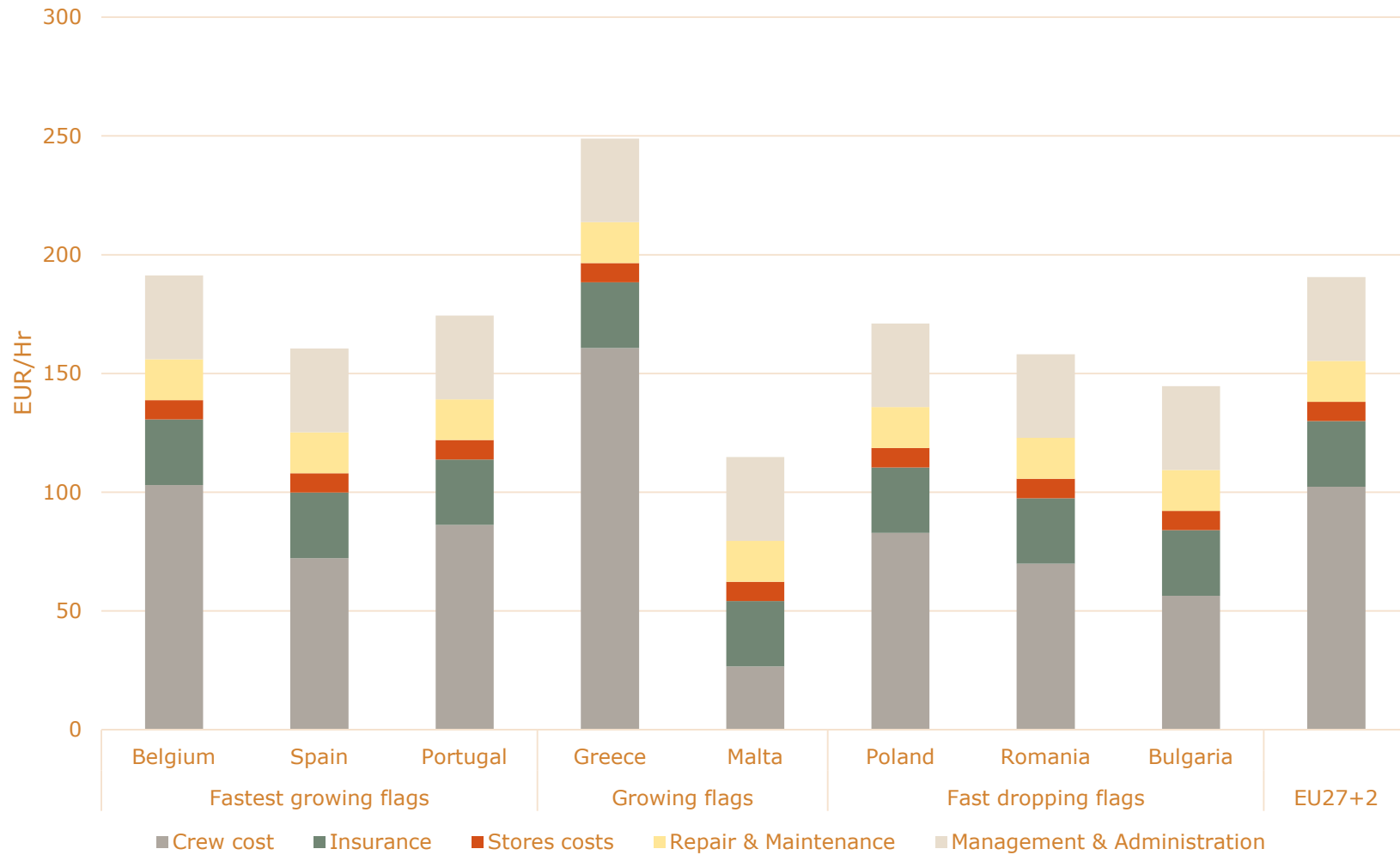
Fleet development by flag (in thousands of GT)



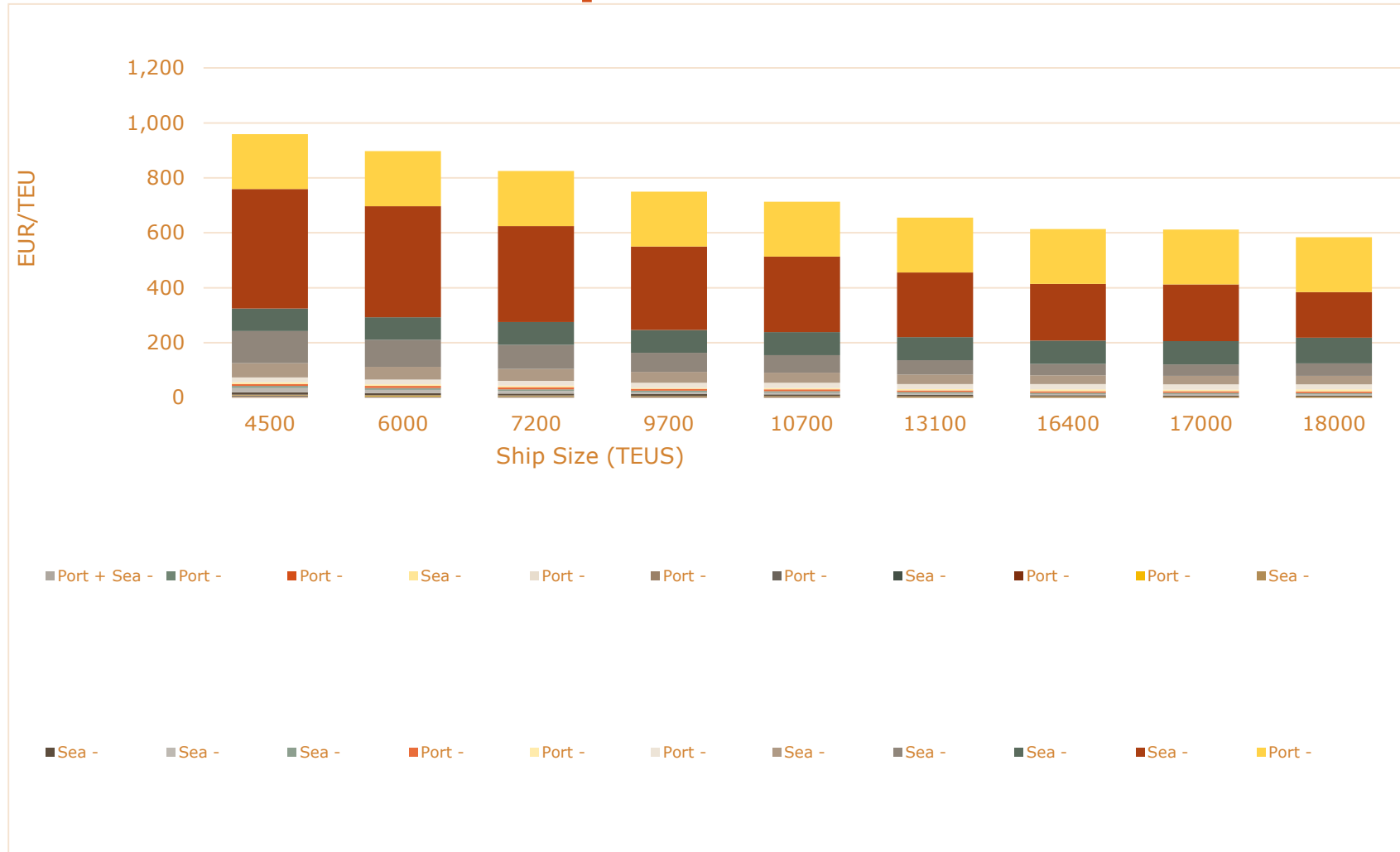
Flagging by EU country (in thousands GT)



Ship Operating Costs 2015 est. per hr.



Port and Sea costs structure by Ship Size in a North Europe to Far East trade lane



Challenges

- Cargo sharing
- Cabotage
- Feeder of international cargo
- Relay of international cargo
- Access to port services and maritime auxiliary services
- Commercial presence
- Social, environmental and safety clauses
- Movement of empty containers
- Offshore services

Overview of existing agreements with maritime relevance

- Bilateral/Multilateral Agreements with relevant maritime clauses between the EU/MS and the top 10 countries
- EU's trade agreements
- Trade Agreements with no or limited relevance to maritime transport
- PCAs examined

Overview of existing agreements with maritime relevance

- Cargo-sharing arrangements have declined in the agreements of the EU and its Member States, and most agreements include a prohibition on introducing cargo-sharing clauses in future bilateral agreements.
- Cabotage operations have been largely excluded from any liberalisation effort on the international level, partly due to their politically sensitive nature in many countries. This general trend to exclude cabotage is well reflected in all agreements which specifically exclude this aspect from any liberalisation.
- Most bilateral agreements do not address feederling and relay of international cargo. However, both of these services form part of cabotage operations when the transport of international cargo happens between ports of the same country. Therefore, these services are generally prohibited for EU shipping companies.

Overview of existing agreements with maritime relevance

- Access to port services is generally liberalised, except in some service sectors, namely pilotage, pushing and towing services which remain generally reserved to vessels carrying the national flag.
- The movement of empty containers has gained increasing importance over the past years. Despite this, repositioning remains an issue in many countries.
- The offshore service segment is of growing importance for the EU shipping industry (especially the Nordic countries). The growing competition from Asia as well as the lack of clarity on whether State aid can be granted to this sector makes it difficult for the EU operators to remain competitive on this market. The offshore market seems particularly relevant in Brazil, US, and Russia.

Scenario's

	Sus (SSP1)	Low (SSP3)	High (SSP5)
Total factor productivity (TFP) drivers			
TFP frontier growth	Medium	Low	High
Convergence speed	High	Low	Very High
Openness	Medium	Low	High
Natural resources drivers			
Prices	Low	High	High
Resources	Conventional: medium Unconventional: Low	Conventional: medium Unconventional: high	Oil: Low Gas: High
Demographic drivers			
Population growth	Low-medium	Low-High	Low-High
Education	High	Low	High
Physical capital investments	medium	Low	High

Scenario's

Maritime aspects			
	Sus (SSP1)	Low (SSP3)	High (SSP5)
Maritime trade growth	Medium/low	Low	High
Energy carriers	Low resources intensity, shift to clean energy	Medium energy demand, local resources (shale gas, tar oil)	High energy demand , Fossil fuels (Oil, gas, coal)
Competition shipping sector	Competitive	Less competitive	Competitive
Environmental requirements	strict	low	Low
Safety	Internationally arranged	Standards by country and region	Internationally arranged
Technological development	High, alternative fuels and propulsion, less labour intensive	Low technological progress	Optimizing existing systems, less labour intensive
Labour regulation	Increased international standardization	Standards by country and region	Increased international standardization
New intercontinental routes	No	No	Yes



Survey: shipping.panteia.eu

Questionnaire

THE EU & INTERNATIONAL SHIPPING SURVEY 2014-2015
(EUISS 2014-2015)

Informed consent form

Thank you for your
introduction

This interview is part of
the EU maritime to

The study is part of reliable sources. It and recommendations for future EU's maritime agreements, the following inform

The questions only refer to:
General information
General information
Your view following 1 and 2
Based on

1. General information

Name of organisation
Address
Postal code

11. Is your organization part of a group? Each organization's head office is also part of a group?
Yes No In self

12. Which are currently the organization's members?
Main shipping

Date and location of:
Participant's name
Job title
Phone
Fax
Email

Treatment of company
Participant's signature

Responsible scientist
Responsible scientist

- A. Dry bulk
- B. Liquid bulk
- C. Motor cars specialised
- D. Forest products specialised
- E. Refrigerated specialised
- F. Oil
- G. Chemicals
- H. Gas (incl. liquefied)
- I. Loose cargo
- J. Pallets/flats
- K. Containers
- L. Offshore
- M. Ferries
- N. Other (specify):

13. Which are the main shipping markets your organisation members' serve? Please rank them from 1 (the most important) and 10 (for the last in importance)

- A. Russia
- B. USA
- C. Brazil
- D. Singapore
- E. China
- F. Turkey
- G. Republic of Korea
- H. Japan
- I. India
- J. Panama
- K. Other International Countries (specify)

17. What is your general assessment of the economic performance of your organisation over the last four years (2010-2014)? Please elaborate your answer gross margins, revenues, financial income and expenses, investment in fixed assets, operating assets, corporate income

2. Assessment of EU maritime agreements with non-EU countries

15. In which shipping sectors you are engaged?
engine power, ship transport ca

- A. Dry bulk
- B. Liquid bulk
- C. Motor cars specialised
- D. Forest products specialised
- E. Refrigerated specialised
- F. Oil
- G. Chemicals
- H. Gas (incl. liquefied)
- I. Loose cargo
- J. Pallets/flats
- K. Containers
- L. Offshore
- M. Ferries
- N. Other (specify):

21. Considering this list of countries, do you see any other future studies and maritime agreements? (non-EU countries: China, Turkey, South Korea, Japan, India, and Panama.)
Country: _____ Reason for inclusion in the f

22. With which of the top 10 countries have your organisation interlining or relay of international cargo, in the last four years? Please explain the problems encountered.

Countries	Feeder	Interlining
1. Russia	<input type="checkbox"/>	<input type="checkbox"/>
2. USA	<input type="checkbox"/>	<input type="checkbox"/>
3. Brazil	<input type="checkbox"/>	<input type="checkbox"/>
4. Singapore	<input type="checkbox"/>	<input type="checkbox"/>
5. China	<input type="checkbox"/>	<input type="checkbox"/>
6. Turkey	<input type="checkbox"/>	<input type="checkbox"/>
7. South Korea	<input type="checkbox"/>	<input type="checkbox"/>
8. Japan	<input type="checkbox"/>	<input type="checkbox"/>
9. India	<input type="checkbox"/>	<input type="checkbox"/>
10. Panama	<input type="checkbox"/>	<input type="checkbox"/>
11. Other	<input type="checkbox"/>	<input type="checkbox"/>

23. In your members' experience, in the last four years, have you faced any changes in your flagging status over the last four years (2010-2014)? If so, what was the reason for this? If so, from to?

Country
1. _____
2. _____
3. _____
4. _____

24. In your members' experience, in the last four years, have you faced any changes in your flagging status over the last four years (2010-2014)? If so, what was the reason for this? If so, from to?

Countries
1. Russia
2. USA
3. Brazil
4. Singapore
5. China
6. Turkey
7. South Korea
8. Japan
9. India
10. Panama
11. Other

25. Had your members' faced any changes in your flagging status over the last four years (2010-2014)? If so, what was the reason for this? If so, from to?

Country
1. _____
2. _____
3. _____

26. For each of the top 10 select MS levels. Are you familiar with Maritime Agreement, and what clauses are most relevant?

Clauses
1. _____
2. _____
3. _____
4. _____

27. Do you think that the rights and freedoms exercised? Can you think of any examples?

Rights and freedoms exercised?
Yes <input type="checkbox"/>
No <input type="checkbox"/>

3. Flagging

3.1. What is (or are) the countries selecting those flags?

Flags (Mark all that apply)
A. National (other regions of your country)
B. Other EU, EFTA, or EU candidate
C. Russia
D. USA
E. Brazil
F. Singapore
G. China
H. Turkey
I. Republic of Korea
J. Japan
K. India
L. Panama

EUISS 2014-2015

M. Other international Countries (specify):

3.2. Have you made changes in your flagging status over the last four years (2010-2014)? If so, what was the reason for this? If so, from to?

From	To	Reason
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

4. Environment, Piracy and Labour

4.1. Over the last four years (2010-2014), which environmental requirements are affecting your members' business in particular? Are countries differences in environmental requirements (e.g. sulphur requirements, CO2, etc.) having an impact on their competitive position? If so, can you please elaborate your answer?

4.2. Over the last four years (2010-2014), had piracy been an issue affecting your operations? If yes, what had been the consequences (e.g. trade routes, insurance costs, security costs)?

4.3. Are your members in favour of more or less international labour market regulations of the maritime labour market? Please explain which issues you think should be better regulated or which regulations you think may be better to dissolve?

Regulations	More	Less	Which issues?
ILO regulations	<input type="checkbox"/>	<input type="checkbox"/>	
IMO regulations	<input type="checkbox"/>	<input type="checkbox"/>	
EU regulations	<input type="checkbox"/>	<input type="checkbox"/>	
Other regulatory body:	<input type="checkbox"/>	<input type="checkbox"/>	

4.4. What can you say about the capacity of the shipping sector and its clusters to generate high quality employment with the right skills and competencies, compared to the rest of the economy, in the last four years (2010-2014), it increased or decreased?

Employment capacity	2010-2014		
	Increased	Decreased	Unknown
1. Number of employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Right skills and competencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Average salaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

THANK YOU FOR YOUR VALUABLE CONTRIBUTION

As a follow up from this interview, we will get in touch with a summary of your responses for you to review them, and amend them in case you fill it necessary. We may also contact you to ask for clarifications. After all amendments from all interviewees, we will send you a summary of the results of the interviews, and we may contact you with further communications related to this study.

- Thank you for your attention and feedback!