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OECD REPORT ON MARITIME TRANSPORT

Strength in shipping markets was maintained throughout 1989, as favourable economic developments prevailed, world sea-borne trade continued to grow and laid-up shipping tonnage fell to a new low level, according to the OECD's 1989 Annual Report on Maritime Transport, just published.

This year's Report includes two special studies concerning the organisational and technological changes in world shipping forecast for the period 1990 to 2005. This 36th Report covers developments in the field of shipping during 1989 and the early part of 1990, setting recent developments against the background of long-term trends in international shipping and trade. As in previous reports, there are sections on international shipping developments, followed by a review of supply and demand in shipping services, and freight markets, as well as a complete statistical annex.

The Report highlights major developments in Member countries' shipping policies in 1989, their dealings with non-Member countries, their involvement in shipping activities within the United Nations (where important discussions were held in an effort to agree on a set of rules of procedure for a resumed session of the UN Review Conference on a Code of Conduct for Liner Conferences), and the GATT negotiations on a possible Trade in Services Agreement. The year was marked by Member countries' efforts to strengthen the competitive standing of their fleets in order to stop, and possibly reverse, the decline of fleets under their flags; to this end, several countries established second or offshore registers. Considerable efforts were also made to resist any attempt to introduce unilateral protectionist measures so as to maintain a liberal and open shipping market system. On the whole, 1989 was a year in which the protectionist pressure on liner trades was not increased. In fact, some developing countries even moved towards substantially more liberal shipping policies.

Strength in shipping markets was maintained and world sea-borne trade continued to grow, reaching 5.4\per cent in terms of tonnage. Shipping demand for iron ore was at an all-time record and shipments of coal, steel, oil

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products, bauxite/alumina and phosphate rock also increased, with only grain shipments decreasing slightly. In general, liner cargo shipments also increased, but competition between companies, in particular between conference and independent services, remained fierce.

After a three-year standstill, the world fleet expanded between mid-1988 and mid-1989 by 1.8 per cent, reflecting a virtual cessation of scrapping and a revival of deliveries of new vessels, particularly tankers, liquefied gas carriers and container ships.

Progressive reduction in the imbalance between requirements and shipping availability led to the most profitable year for shipowners since the beginning of the eighties. Tanker rates were high but fluctuating, while dry bulk rates were not as high though more stable. Growing confidence in the medium-term future led to greater interest in period chartering, especially for tankers. Liner freight rates were also marginally higher than during 1988 but in most trades, better load factors provided higher return for many liner operators. The overall freight rate increases and better returns to shipowners, however, might not be enough to justify necessary newbuildings of dry and liquid bulk carriers in view of the soaring prices for newbuildings. Nevertheless, moderate optimism for a satisfactory year prevailed among shipowners in early-1990.

Journalists may obtain a copy of the report from the OECD Press Division, 2 rue André-Pascal, 75775 Paris Cedex 16 (tel. 45 24 80 88 or 80 87).

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