

Growth in international maritime trade stalled in 2019, reaching its lowest level since the global financial crisis of 2008–2009. Lingered trade tensions and high policy uncertainty undermined growth in global economic output and merchandise trade and by extension, maritime trade. Maritime trade volumes expanded by 0.5 per cent, down from 2.8 per cent in 2018 and reached a total of 11.08 billion tons in 2019. Growth in world gross domestic product slowed to 2.5 per cent, down from 3.1 per cent in 2018 and 1.1 percentage point below the historical average over the 2001–2008 period. In tandem, global merchandise trade contracted by 0.5 per cent, as manufacturing activity came under pressure and the negative impact of trade tensions between the two largest world economies took a toll on investment and trade.

Against the backdrop of a weaker 2019, the short-term prospects of maritime transport and trade darkened in early 2020. While initial expectations were that 2020 would bring moderate improvements in the economy and trade, the unprecedented global health and economic crisis triggered by the COVID-19 pandemic severely affected the outlook. The fallout on maritime transport and trade was dramatic, with all economic indicators pointing downward. Taking into account the prevailing and persistent uncertainty, UNCTAD estimates that the volume of international maritime trade will fall by 4.1 per cent in 2020. Predicting the timing and scale of the recovery is also challenging, as many factors can significantly influence the outlook. Bearing this in mind, UNCTAD projections indicate that maritime trade will recover in 2021 and expand by 4.8 per cent.

As the debate on the recovery continues to evolve, it is becoming clear that disruptions caused by the COVID-19 pandemic will have a lasting impact on shipping and trade. These disruptions may trigger deep shifts in the overall operating landscape, together with a heightened sustainability and resilience-building imperative. Potential shifts range from changes in globalization patterns to alterations in supply-chain design, just-in-time production models, technology uptake and consumer spending habits. Depending on how these patterns unfold and interact, the implications for maritime transport can be transformational. Further, risk assessment and management, as well as resilience-building to future-proof supply chains and maritime transport, are likely to feature more prominently on policy and business agendas. While maritime transport could emerge as a catalyst supporting some of these trends, it will also need to brace itself for change and adapt and ensure that it is also well prepared to enter the post-COVID-19 pandemic world.

The *Review of Maritime Transport 2020* is structured around five substantive chapters. Chapter 1 considers the demand for maritime transport services. Chapter 2 considers the factors that shape maritime transport infrastructure and services supply, including ship-carrying capacity, ports and related maritime businesses. Chapter 3 assesses the sector's performance using a set of indicators on port calls, port-waiting times, connectivity and the environmental sustainability of ships. Chapter 4 provides an overview of selected contributions received from various stakeholders, including government and industry, sharing experiences and lessons learned in connection with the pandemic. Chapter 5, the final chapter, presents key legal and regulatory developments, as well as trends in technology and innovation affecting maritime transport and trade.

The present chapter on international maritime trade and port traffic reviews major developments in the world economy, merchandise trade, industrial activity and manufacturing supply chains that underpin demand for maritime transport infrastructure and services. Section A discusses volumes of international maritime trade and port traffic and outlines key trends affecting maritime trade in 2019. Section B focuses on the unprecedented health and economic global crisis triggered by the pandemic and considers its immediate impacts and its fallout on the varied shipping segments and ports, as well as its implications for the outlook of maritime transport and trade. Section C concludes with some priority action areas with a view to ensuring the longer-term sustainability and resilience of maritime transport networks and supply chains.



INTERNATIONAL MARITIME TRADE AND PORT TRAFFIC

MARITIME TRADE AND PORT CARGO TRAFFIC

IN 2019

SEABORNE TRADE

Growth in maritime trade stalled

+0.5%

- ▶ below 2.8% in 2018
- ▶ lowest level since 2008–2009 downturn

Volumes reached
11.08 billion tons

IMPACTS OF TRADE TENSIONS



Trade tensions and great policy uncertainty undermined growth in maritime trade

Trade diversion and re-routing

CONTAINER PORT TRAFFIC

Growth in global traffic
▶ down from 5.1% in 2018

+2%

811.2 million TEUs
handled in container
ports worldwide

United States

Brazil

China

East Asia

IN 2020

COVID-19 DISRUPTION



Risk assessment and
management: key to
future-proofed supply chains
and maritime transportation



Existential questions
for globalization



Supply chain and trade
faced dual shock:
supply and demand



Shockwaves through supply
chains, shipping and ports



International maritime
trade projected to fall by
4.1% in 2020

LOOKING AHEAD

International maritime
trade projected to
recover and expand by
4.8% in 2021



A. VOLUME OF INTERNATIONAL MARITIME TRADE AND PORT TRAFFIC

1. Maritime trade lost momentum in 2019 and came under pressure in 2020

Owing to the slowdown in the world economy and trade, growth in international maritime trade stalled in 2019 and reached its lowest level since the financial crisis of 2008–2009. After rising moderately (2.8 per cent) in 2018, volumes expanded at a marginal 0.5 per cent in 2019. A number of factors weighed on the performance of maritime trade. These included trade policy tensions; adverse economic conditions and social unrest in some countries; sanctions; supply-side disruptions, such as the Vale dam collapse in Brazil and *Cyclone Veronica* in Australia; and low oil demand growth. UNCTAD estimates the total volume of maritime trade in 2019 at 11.08 billion tons (tables 1.1 and 1.2).

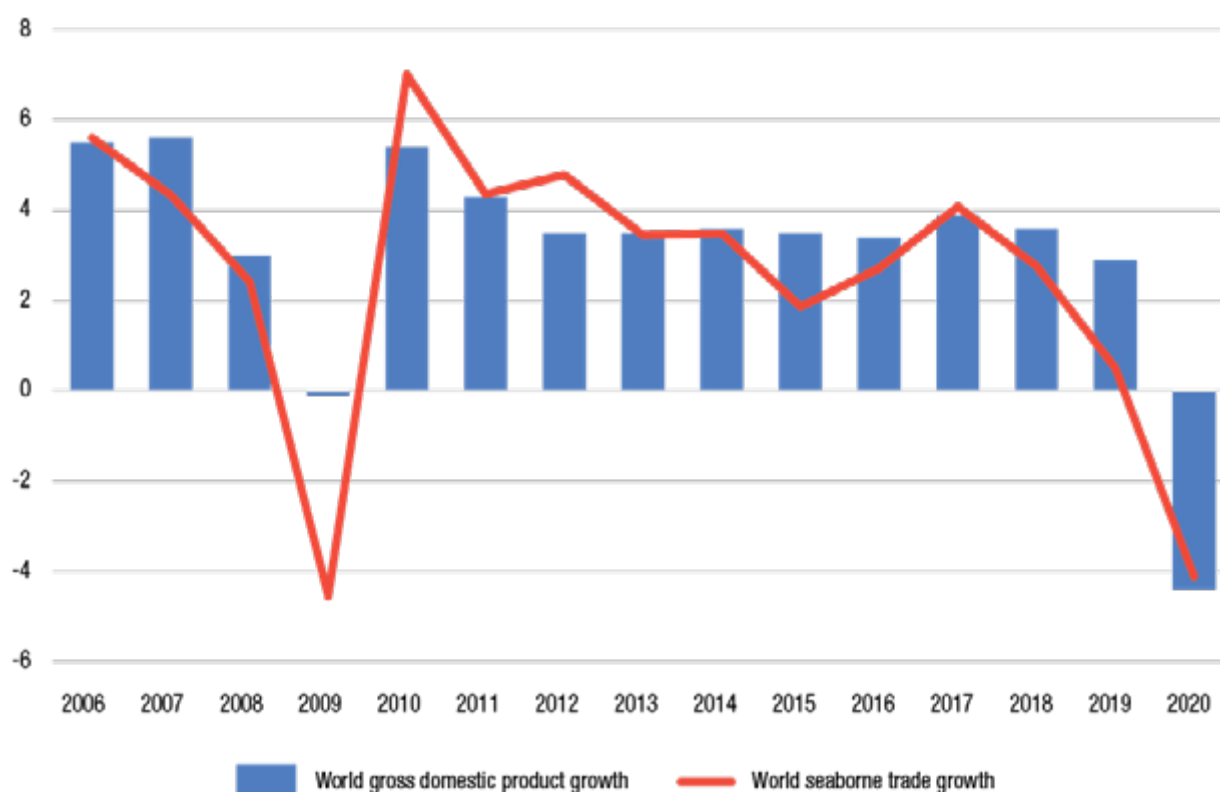
As shown in figure 1.1, growth in maritime trade decelerated in line with the slowdown in world GDP growth. Data also point to a negative outlook for 2020,

with world GDP and maritime trade projected to contract by 4.1 per cent. The onset of the pandemic in early 2020 and its fallout on world economies, travel, transport and consumption patterns, as well as manufacturing activity and supply chains, are causing a global recession in 2020. See section C for a more detailed discussion on the pandemic and its implications for maritime transport and trade.

2. Negative trends in the world economy and trade put a dent in international maritime trade

Shipping is a derived demand largely determined by developments in the world economy and trade. Therefore, negative economic and trade trends affected maritime trade growth in 2019. Global economic growth decelerated in 2019 against a backdrop of lingering trade tensions and high policy uncertainty. Growth in world GDP slowed down to 2.5 per cent, below 3.1 per cent in 2018 and 1.1 percentage point below the historical average in 2001–2008 (table 1.3). Developed and developing economies alike were affected, reflecting the continued trade tensions between China and the United States and the overall weakening of

Figure 1.1 Development of international maritime trade and global output, 2006–2020
(Annual percentage change)



Source: UNCTAD calculations, based on the *Review of Maritime Transport*, various issues, data from UNCTADstat and table 1.12 of this report.

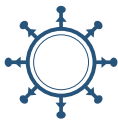


Table 1.1 Development of international maritime trade, selected years
(Million tons loaded)

Year	Tanker trader ^a	Main bulk ^b	Other dry cargo ^c	Total (all cargo)
1970	1 440	448	717	2 605
1980	1 871	608	1 225	3 704
1990	1 755	988	1 265	4 008
2000	2 163	1 186	2 635	5 984
2005	2 422	1 579	3 108	7 109
2006	2 698	1 676	3 328	7 702
2007	2 747	1 811	3 478	8 036
2008	2 742	1 911	3 578	8 231
2009	2 641	1 998	3 218	7 857
2010	2 752	2 232	3 423	8 408
2011	2 785	2 364	3 626	8 775
2012	2 840	2 564	3 791	9 195
2013	2 828	2 734	3 951	9 513
2014	2 825	2 964	4 054	9 842
2015	2 932	2 930	4 161	10 023
2016	3 058	3 009	4 228	10 295
2017	3 146	3 151	4 419	10 716
2018	3 201	3 215	4 603	11 019
2019	3 169	3 225	4 682	11 076

Sources: UNCTAD calculations, based on data supplied by reporting countries and as published on government and port industry websites, and by specialist sources. Dry cargo data for 2006 onwards were revised and updated to reflect improved reporting, including more recent figures and a better breakdown by cargo type. Since 2006, the breakdown of dry cargo into main bulk and dry cargo other than main bulk is based on various issues of the *Shipping Review* and *Outlook and Seaborne Trade Monitor*, produced by Clarksons Research. Estimates of total maritime trade figures for 2019 are based on preliminary data or on the last year for which data were available.

^a Tanker trade includes crude oil, refined petroleum products, gas and chemicals.

^b Main bulk includes iron ore, grain, coal, bauxite/alumina and phosphate. With regard to data as of 2006, main bulk includes iron ore, grain and coal only. Data relating to bauxite/alumina and phosphate are included under dry cargo other than main bulk.

^c Includes minor bulk commodities, containerized trade and general cargo.

the world economy. In developed countries, GDP growth decelerated to 1.8 per cent, down from 2.3 per cent in 2018, while developing regions expanded by 3.5 per cent, a relatively higher rate in comparison, but below the 4.3 per cent growth recorded in 2018. Growth in transition economies also stalled, expanding at 2.2 per cent in 2019 against 2.8 per cent in 2018.

In the United States, the supportive effect of fiscal stimulus measures (*New York Times*, 2018) and strong domestic demand that underpinned growth in 2018 diminished slightly in 2019. Growth in the European Union fell to 1.5 per cent, the lowest rate since 2013. Concerns in Europe and the uncertainty

surrounding a potential “no-deal” departure from the European Union by the United Kingdom of Great Britain and Northern Ireland (Brexit) had a negative impact on the economy. While the economy of China continued to gradually mature and diversify, trade tensions seem to have contributed to weaker GDP expansion in 2019. Growth slowed to 6.1 per cent, the country’s weakest performance since the early 1990s. Economic growth decelerated across East Asia, South Asia and South-East Asia in varying degrees. In particular, the economy of India slowed down to 4.2 per cent GDP growth in 2019, down from 6.8 per cent in 2018.

In the developing Americas, economic growth was hindered by adverse domestic and global conditions. In 2019, GDP growth in the region contracted by 0.3 per cent. Subdued growth (0.9 per cent) in Western Asia reflected weaker oil prices and geopolitical tensions in the region, including those arising from the sanctions placed on the Islamic Republic of Iran. Growth in Africa remained relatively steady, increasing by 3.1 per cent.

Global merchandise trade contracted in 2019 as manufacturing activity slowed over the course of the year. Rising tariffs have heightened policy uncertainty, undermined investment and weighed on global trade. In 2019, world merchandise trade volumes declined and fell by 0.5 per cent, its lowest level since the financial crisis a decade earlier (table 1.4). The negative trends were mainly driven by a contraction in imports from developing countries, including China, other emerging Asian economies and developing America (United Nations, 2020a).

Global trade tensions increased in 2019 and extended beyond China, the United States and Brexit. For example, complaints were made by several countries against Indian tariffs, reciprocal allegations of protectionism were put forward by the European Union and the United States, and a trade dispute occurred between Japan and the Republic of Korea. For example, in June 2020, the United States announced that it was considering imposing more tariffs on European goods in view of the contention over subsidies to Airbus and Boeing. The new list of goods that may face duties of up to 100 per cent, potentially doubling the price of certain goods, caused European stocks to fall, particularly those of beverage companies, luxury goods manufacturers and truck makers (Whitten and Ben-Moussa, 2020). Such developments, together with rising nationalist sentiment (MDS Transmodal, 2020a) and inward-looking policies, added to the uncertainty, caused business confidence to deteriorate, affected investment growth in many countries and undermined global trade. This environment also amplified the challenges in the electronics and automotive sectors, both of which have large international production value chains. These two sectors were hit particularly hard. However, some countries gained export market shares



Table 1.2 International maritime trade in 2018–2019
(Type of cargo, country group and region)

Designation	Goods loaded					Goods unloaded			
	Year	Total	Crude oil	Other tanker trade ^a	Dry cargo	Total	Crude oil	Other tanker trade ^a	Dry cargo
Millions of tons									
World	2018	11 019.0	1 881.0	1 319.7	7 818.3	11 016.8	2 048.8	1 338.6	7 629.4
	2019	11 075.9	1 860.2	1 308.4	7 907.3	11 083.0	2 033.4	1 329.3	7 720.3
Developed economies	2018	3 862.8	206.2	507.5	3 149.1	3 844	931.9	494.8	2 417.8
	2019	3 935.2	242.9	506.9	3 185.4	3 780	913.6	472.6	2 394.0
Transition economies	2018	713.0	203.8	37.6	471.6	99.4	0.3	4.8	94.3
	2019	715.8	193.9	41.1	480.8	102.0	0.8	5.4	95.8
Developing economies	2018	6 443.4	1 471.1	774.6	4 197.6	7 072.9	1 116.6	839.0	5 117.3
	2019	6 424.8	1 423.3	760.3	4 241.2	7 200.7	1 118.9	851.3	5 230.5
Africa	2018	763.0	297.4	70.4	395.2	501.8	39.0	99.9	362.8
	2019	762.1	293.5	69.9	398.7	504.5	39.2	99.3	365.9
America	2018	1 385.4	200.6	88.7	1 096.1	638.1	47.1	149.3	441.8
	2019	1 386.3	204.2	82.3	1 099.8	621.7	47.8	138.8	435.1
Asia	2018	4 280.4	971.3	607.8	2 701.3	5 918.9	1 029.7	584.7	4 304.5
	2019	4 261.8	923.9	600.5	2 737.5	6 059.1	1 031.1	607.7	4 420.3
Oceania	2018	14.5	1.7	7.8	5.1	14.1	0.8	5.0	8.2
	2019	14.6	1.8	7.7	5.1	15.4	0.7	5.5	9.1
Designation	Goods loaded					Goods unloaded			
	Year	Total	Crude oil	Other tanker trade ^a	Dry cargo	Total	Crude oil	Other tanker trade ^a	Dry cargo
Percentage share									
World	2018	100.0	17.1	12.0	71.0	100.0	18.6	12.2	69.3
	2019	100.0	16.8	11.8	71.4	100.0	18.3	12.0	69.7
Developed economies	2018	35.1	11.0	38.5	40.3	34.9	45.5	37.0	31.7
	2019	35.5	13.1	38.7	40.3	34.1	44.9	35.5	31.0
Transition economies	2018	6.5	10.8	2.8	6.0	0.9	0.0	0.4	1.2
	2019	6.5	10.4	3.1	6.1	0.9	0.0	0.4	1.2
Developing economies	2018	58.5	78.2	58.7	53.7	64.2	54.5	62.7	67.1
	2019	58.0	76.5	58.1	53.6	65.0	55.0	64.0	67.8
Africa	2018	6.9	15.8	5.3	5.1	4.6	1.9	7.5	4.8
	2019	6.9	15.8	5.3	5.0	4.6	1.9	7.5	4.7
America	2018	12.6	10.7	6.7	14.0	5.8	2.3	11.1	5.8
	2019	12.5	11.0	6.3	13.9	5.6	2.4	10.4	5.6
Asia	2018	38.8	51.6	46.1	34.6	53.7	50.3	43.7	56.4
	2019	38.5	49.7	45.9	34.6	54.7	50.7	45.7	57.3
Oceania	2018	0.1	0.1	0.6	0.1	0.1	0.0	0.4	0.1
	2019	0.1	0.1	0.6	0.1	0.1	0.0	0.4	0.1

Source: UNCTAD calculations, based on data supplied by reporting countries and as published on government and port industry websites, and by specialist sources. Dry cargo data for 2006 onwards were revised and updated to reflect improved reporting, including more recent figures and a better breakdown by cargo type. Estimates of total maritime trade figures for 2019 are based on preliminary data or on the last year for which data were available.

Note: For longer time series and data prior to 2019, see UNCTADstat Data Centre (<http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=32363>).

^a Includes refined petroleum products, gas and chemicals.

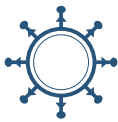


Table 1.3 World economic growth, 2018–2021 (Annual percentage change)					
Region or country	Average 2001–2008	2018	2019	2020 ^a	2021 ^a
World	3.6	3.1	2.5	-4.3	4.1
Developed countries	2.3	2.3	1.8	-5.8	3.1
<i>of which:</i>					
European Union (27)	2.1	2.1	1.5	-7.3	3.5
Japan	1.2	0.3	0.6	-4.5	1.9
United States	2.6	2.9	2.3	-5.4	2.8
Developing countries	6.6	4.3	3.5	-2.1	5.7
<i>of which:</i>					
Africa	5.8	3.1	3.1	-3.0	3.5
East Asia	9.2	5.9	5.4	1.0	7.4
<i>of which:</i>					
China	10.9	6.6	6.1	1.3	8.1
South Asia	6.7	5.1	2.8	-4.8	3.9
<i>of which:</i>					
India	7.6	6.8	4.2	-5.9	3.9
South-East Asia	5.7	5.1	4.4	-2.2	4.3
Western Asia	5.5	2.0	0.9	-4.5	3.6
Latin American and the Caribbean	3.9	0.6	-0.3	-7.6	3.0
<i>of which:</i>					
Brazil	3.7	1.3	1.1	-5.7	3.1
Caribbean	5.0	3.5	1.9	-6.4	2.3
Transition economies	7.2	2.8	2.2	-4.3	3.5
<i>of which:</i>					
Russian Federation	6.8	2.3	1.3	-4.2	3.4

Source: UNCTAD calculations, based on UNCTAD, 2020a, *Trade and Development Report 2020: From Global Pandemic to Prosperity for All – Avoiding Another Lost Decade*, chapter 1.

^a Forecast.

as companies looked for new suppliers from countries that were not directly affected by the rising tariffs.

In December 2019, China and the United States agreed on the first phase of a trade agreement to help de-escalate the tensions between the two economies. On 15 January 2020, both countries signed the agreement on the understanding that China would increase its merchandise imports from the United States by \$200 billion (United Nations, 2020a). In return, the United States would cut by half its 15 per cent tariffs on \$120 billion of imports from China. In Europe, reduced uncertainty over Brexit was a welcome development, although the European Union and the United Kingdom still needed to define a new trading relationship before January 2021 (United Nations, 2020a). In June 2020, the United Kingdom outlined new customs and border arrangements for 2021 and indicated its commitment to introducing a three-phase plan of import changes,

Table 1.4 Volumes of exported and imported goods, selected group of countries, 2018–2020 (Annual percentage change)						
Group/country	Volume of exports (percentage change)			Volume of imports (percentage change)		
	2018	2019	2020 ^a	2018	2019	2020 ^a
World	3.1	-0.5	-9.0	3.8	-0.4	-8.8
Developed countries	2.6	0.0	-12.4	2.5	0.2	-10.9
<i>of which:</i>						
Euro area	1.9	-0.2	-13.3	2.2	0.0	-12.1
Japan	2.6	-1.6	-11.3	3.1	0.9	-4.9
United States	4.2	-0.5	-13.3	5.2	-0.3	-9.8
Other developed countries	2.9	1.1	-10.8	0.5	0.6	-11.6
Developed countries	3.7	-1.7	-4.7	5.7	-1.2	-5.7
<i>of which:</i>						
China	5.4	0.5	-4.5	6.9	-0.4	-0.9
Africa and the Middle East	1.0	-3.9	-5.2	0.8	-0.2	-2.8
Asia (not including China)	3.7	-1.7	-3.9	6.9	-2.3	-7.1
Latin America	3.0	0.5	-7.0	4.8	-1.6	-12.8
Transition economies	3.9	-1.3	-4.1	2.2	3.1	-5.9

Source: UNCTAD calculations, based on CPB World Trade Monitor, August 2020. Data source and methodology are aligned with UNCTAD, 2020a, *Trade and Development Report 2020: From Global Pandemic to Prosperity for All – Avoiding Another Lost Decade*.

Note: Country coverage in the aggregated country groupings is not comprehensive.

^a Percentage change between the average for the period January to June 2020 and January to June 2019.

building new border facilities for carrying out required checks and providing targeted support to ports to build new infrastructure (Lloyd's Loading List, 2020a). Further, the European Union is expected to impose full customs controls and checks on goods from the United Kingdom starting 1 January 2021 (United Nations, 2020a).