

ORIENTATION TRAINING PROGRAMME ON PORT AND SHIPPING
BY
INDIAN MARITIME UNIVERSITY, CHENNAI CAMPUS
‘OVERVIEW OF SHIPPING – GLOBAL TRENDS, INDIA'S CONTRIBUTION
AND ROLE OF STAKE HOLDERS’

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PLACE : CHENNAI

BLUE ECONOMY (BE) AND MARINE SPATIAL PLANNING (MSP)

- Concept of Blue Economy
- IORA and SAGAR
- Global Ocean and MSP Interests- Maritime Conservation and Sustainable use
 - Fishing of all types and aquaculture
 - Shipping, including commercial goods and passengers
 - Offshore, Oil and Gas exploration and exploitation
 - Aggregate extraction (Sand and Gravel) and mining for minerals
 - Seabed cables and pipelines
 - Military activities
 - Marine renewable energy, wind, wave and tidal
 - Tourism and recreation, coastal tourism and water sport
 - Cultural assets, including underwater, archeology and seascape.

SHIPPING INDUSTRY THE LARGEST EMPLOYER (PART I)

- . Building Stage - Naval Architects, Class, Ship Owners
- . Shipping Market - Ship Brokers, Ship yards, Banks, Investors
- . Ship Yards - Steel Makers, OEM (Deck and Engine), Saloon, Paint, Furniture and Fittings
- . Ships - Manning, Education, Training, Recruitment
- . On Delivery - Flag State Administration, Agents, Pilots, Bunker Suppliers, Tugs, ECDIS (Charts), Ship Managers, Risk Managers (H&M, P & I etc.)
- . During operation - Port Authorities, Custom, Immigration, PSC, PHO, Coast Guard, Major and Minor Ports, Lighterages, Supply Chain, Security

SHIPPING INDUSTRY THE LARGEST EMPLOYER (PART II)

- . Infrastructure
 - Locks, Canals, Seaways, Fairways, Light Houses, Buoys, Dredgers, Cranes, Cargo Equipment, Unitization, Barges, Dry Docks, Workshops, Pollution Prevention
- . Recycling stage
 - Demolition Market – Labour Employed
- . Service to Society
 - Moves Trade Economically
Oil, Ore, Grain, Coal, Gas, Steel, Containers, Passengers, Fertilizers, Offshore (FPSO)
- . Regulatory Bodies
 - IMO, ILO, WHO, FAO, IHO, WTO, WCO, ITU, IMSO (UNCLOS → ISA → BBNJ, ITLOS)
- . Institutions (Eg.)
 - ICS, BIMCO, WMU, IAPH, IALA, WSC, ITF, CMI, INTERTANKO, INTERCARGO, IMCA, CLIA, OCIMF.
- . ADR
 - ICC, LCIA, LMAA, SMA-NY, SCMA, AIAC, ICA etc. (Financial services in Commercial, Banking and Insurance)

SHIPPING AND GLOBAL TRADE

Demand for Shipping

- • The level of World Economic activity
- • Volume of Seaborne Trade generated and its Major commodities
- The distance over which cargo is hauled
- External factors and events

International Trade and Shipping

- • Growth and Pattern of World Trade -(Entry of China to WTO)
- Trade and Economic Growth -(World GDP)
- Absolute Advantage/Comparative Advantage
- Transport Costs – (BRIC 11% India – 13% ?)
- Balance of Payments and Exchange Rates
- Exchange Rates and Shipping.

GLOBAL SCENARIO AS PER UNCTAD

GDP Global	- \$. 103.86 Trillion(2022)/\$.112.6 Trillion (2023)
Global Inflation	- 8%
Global Growth Projection	- 3.2% in 2023 and 2.9% in 2024
International Seaborne Trade	- Contracted by 0.4% in 2022 12027 MMT down from 12072 MMT from 2021
Maritime Trade Growth	- 2.4% in 2023 (2.1% next 4 years)
Global Fleet Growth	- 3.2% in 2022
Containerized Trade	- 1.2% in 2023 (3% 2024-2028)
Oil and Gas	- 6% and 4% in 2022
Total Vessels in 2023	- 105493 Vessels of 100 GT +, 85% of total cargo
Age profile of Fleet	- 22.2 years of Age (2 years older from 2013) Half the fleet is over 15 years of age.
New Building	- 55.6 Million GT (2022) 60 Million GT (2021) Down 8.6%
Ships Recycled	- 7.53 Million GT (2022)

INDIAN SHIPPING PERSPECTIVE

World Fleet by Thousand Dead Weight Tons - 2272772 in 2023 (Increase by 3.2%)

INDIA'S POSITION :

- 1859 Number of Vessels
- 18133 DWT in Thousand (Increase by 7.1%)
- 1.8% Share of World Vessel total /0.8% by DWT
- 19th Position – Flags of Registration
- 18th Position – Carrying capacity
- 27th Position Flag of Registration by value
- Indian Ownership Foreign Flag as a percentage of total 43.2% (914 Nat. / 227 For.)
- 15th Position in Ship Building at 0.12% share
- 2nd Position in Recycling at 32.2% after Bangladesh 37.2%

LOGISTICS AND SUPPLY CHAIN (PART I)

- Logistics - Right thing at the right place and at the right time
- Supply Chain - Linking of all events from the point of production to where and when wanted, just in time to meet Customers requirement
- India's Ranking - As per World Bank Logistics Performance Index, India placed at 38 from 139 Countries
- CRUDE - Total Import of Crude : 232.7 MMT
Total Import of Products : 44.6 MMT
Only 23.64% of Crude Cargo transported on Indian Vessels
- Containers - All India 2023 6619582 Imports / 6633897 Exports
Total : 13253479 TEUS
13.253 Million TEUS (All Laden)
No significant Container Line from India

LOGISTICS AND SUPPLY CHAIN (PART II)

BULK DRY CARGO
(Jan. to Dec. 2023)

- IMPORTS - 352 MMT - ABT 7550 SHIP PORT CALLS
EXPORTS - 84 MMT - ABT 2650 SHIP PORT CALLS
COASTAL LOAD - 84 MMT - ABT 1850 SHIP/PORT CALLS
TOTAL = 520 MMT / ABT 12,000 SHIP/ PORT CALLS

TOTAL CARGO SHIPPED BY INDIAN FLAG VESSELS –

IMPORTS - 11 MMT/ 260 SHIP/PORT CALLS (3.1%)
EXPORTS - 1.1 MMT / 30 SHIP /PORT CALLS (1.3%)
COASTAL LOAD - 35 MMT / 1080 SHIP/ PORT CALLS (41 %)
TOTAL CARGO CARRIED BY INDIAN FLAG VSLS - 47 MMT – ABT
9% BY INDIAN FLAG VSLS AND ABT 91% BY FOREIGN FLAG
VESSELS.

SHARE OF INDIAN FLAG VESSELS IN DRY CARGO EXIM TRADE:
2.8 %

MAJOR COMMODITIES- IMPORT/ EXPORT/ COASTAL IN INDIAN PORTS -

IRON ORE- EXPORTS - 43 MMT/ 0.5 MMT INDIAN FLAG
COASTAL LOAD – 28 MMT / INDIAN FLAG 5.8 MMT
COAL- IMPORTS- 250 MMT / 3.3 MMT INDIAN FLAG
COASTAL LOAD- 51 MMT / 28 MMT INDIAN FLAG
FERTILISER AND PRODUCTS IMPORTS - 20 MMT / INDIAN
FLAG- 1 MMT

CHALLENGES TO OVERCOME

Global

- De Carbonizing Shipping –Greener Future – Alternative Fuels
- Administrative Burden
 - (MARPOL, SDG 2030 - SDG 7,9,13,14 AND 17)
 - Marine Litter and Plastics, Ballast Water Management
 - Revision of Anti Fouling Convention
- Political Instability
- Financial Instability
- Cyber attacks

WAY AHEAD

- | | | |
|--------------------------|---|---|
| IMU | - | Preparing skilled professionals for Commercial, Insurance Sectors of Shipping Industry. |
| Crude /Products Imports) | | Maximize Carriage on Indian Tonnage. |
| Bulk Dry Cargo Trade) | | Need for exponential growth in Indian Ship owning. |
| Container Line) | | A short/medium/long term policy to carry Indian Cargo on Indian Vessels need of the hour. |
| Shipyards | - | Hon'ble PM in Oct. 2023 stated that India will be 5 th largest Ship Building Nation in a decade. |
| | - | Long way off. Need for Automated Technology |
| Silver Lining | - | Talent pool of Indians available in India and other Shipping Centres of the World. |
| Key Takeaway | - | If an investment for 1000 Air Crafts order can happen in 2023, why not for Indian Ships ? |

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