‘OVERVIEW OF SHIPPING – GLOBAL TRENDS, INDIAS CONTRIBUTION AND ROLE OF STAKE HOLDERS’

ORIENTATION TRAINING PROGRAMME ON PORTS AND SHIPPING
BY THE INDIAN MARITIME UNIVERSITY, CHENNAI CAMPUS FOR THE
MINISTRY OF PORTS, SHIPPING AND WATERWAYS (MoPSW) OFFICIALS

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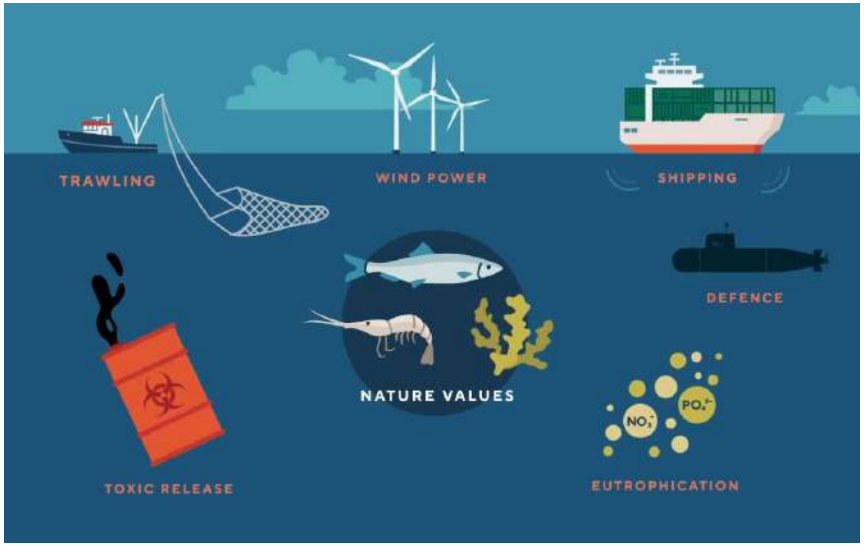
BLUE ECONOMY (BE) AND MARINE SPATIAL PLANNING (MSP)

- 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.



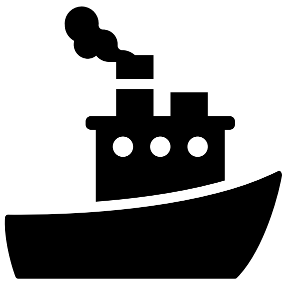
SHIPPING INDUSTRY – THE LARGEST EMPLOYER (PART I)

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)

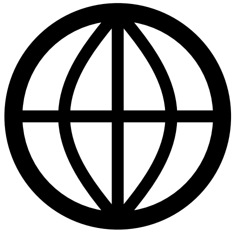
SHIPPING AND GLOBAL TRADE



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
- 15th Position in Ship Building at 0.12% share of total 43.2% (914 National / 227 Foreign)
- 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 the customer's 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

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

Financial Instability

Political Instability

Cyber attacks

WAY AHEAD

IMU	Preparing skilled professionals for Commercial, Insurance Sectors of Shipping Industry
Crude / Products Import Bulk Dry Cargo Trade Container Line	Maximize Carriage on Indian Tonnage Need for exponential growth in Indian Ship owning. A short/medium/long term policy to carry Indian cargo on Indian vessels need of the hour.
Shipyards	Hon'ble Prime Minister in Oct. 2023 stated that India will be 5th 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 centers of the world.
Key Takeaway	If an investment for 1000 airliners order can happen in 2023, why not for Indian ships ?

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