



# The International Maritime Transport and logistics Conference Towards Global Competitiveness in Maritime Industry



## “INVESTING IN PORTS” The Trends, The Future





The International Maritime Transport and logistics Conference  
Towards Global Competitiveness in Maritime Industry



**“INVESTING IN PORTS”**  
The Trends, The Future

# **The International Trade and the Maritime shipping : Is there a Chance for us ?**

**Dr. Zeinab Nawar**

**Lecturer of Economics**

**Member of the Development Committee - The Research Center for  
Innovation, Governance and Green Economy**

**The British University in Egypt**



The International Maritime Transport and Logistics Conference  
Towards Global Competitiveness in Maritime Industry



“INVESTING IN PORTS”  
The Trends, The Future

- ❑ **Since 2017**, world **merchandise trade** recorded its strongest growth in six years.
- ❑ **Ratio of Trade growth to GDP growth** returned to its historic average of 1.5, far above the 1.0 ratio recorded in the years following the 2008 financial crisis.



# Global trade



The International Maritime Transport and logistics Conference  
Towards Global Competitiveness in Maritime Industry

**"INVESTING IN PORTS"**

The Trends, The Future

- ❑ Faster trade expansion is being driven by stronger growth across most regions, **especially in *Developing economies***.
- ❖ **Imports** grew by **13 %** .
- ❖ **Exports** from developing economies grew by **12 %**.
- ❖ **Share in world trade** of just over **43 %**.

## *Global trade*

- The share of Africa's merchandise exports within the continent has nearly doubled, jumping from **10.3 % of total exports** in 2010 to **19.6 %** in 2017.
- The continent saw record growth in international tourism revenue + Merchandise exports of **least-developed countries increased by 13 %**.

# 25%

Africa's travel exports grew by 25% in 2017.

# 11%

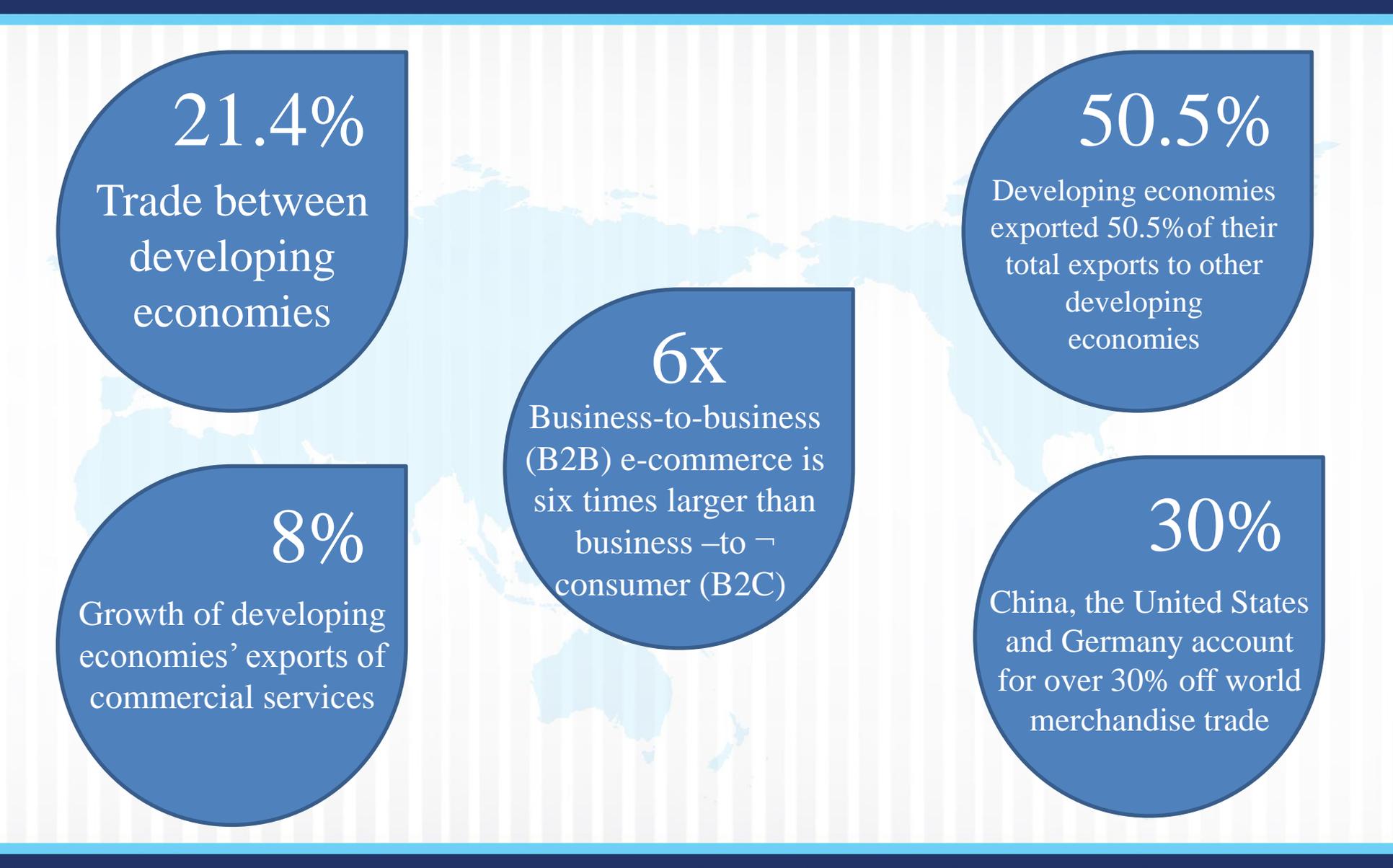
Merchandise trade increased by 11% in value terms in 2017.

# 8.1%

Asia recorded the highest increase in trade volume with growth of 8.1%.



The International Maritime Transport and Logistics Conference  
Towards Global Competitiveness in Maritime Industry  
**"INVESTING IN PORTS"**  
The Trends, The Future



21.4%

Trade between  
developing  
economies

50.5%

Developing economies  
exported 50.5% of their  
total exports to other  
developing  
economies

6x

Business-to-business  
(B2B) e-commerce is  
six times larger than  
business-to-consumer (B2C)

8%

Growth of developing  
economies' exports of  
commercial services

30%

China, the United States  
and Germany account  
for over 30% of world  
merchandise trade



52%

The top ten traders account for just over merchandise half of the world total.

44%

Developing economies had a 44% share of world merchandise trade in 2017.

34%

Developing economies had a 34% share of world trade in commercial services in 2017.

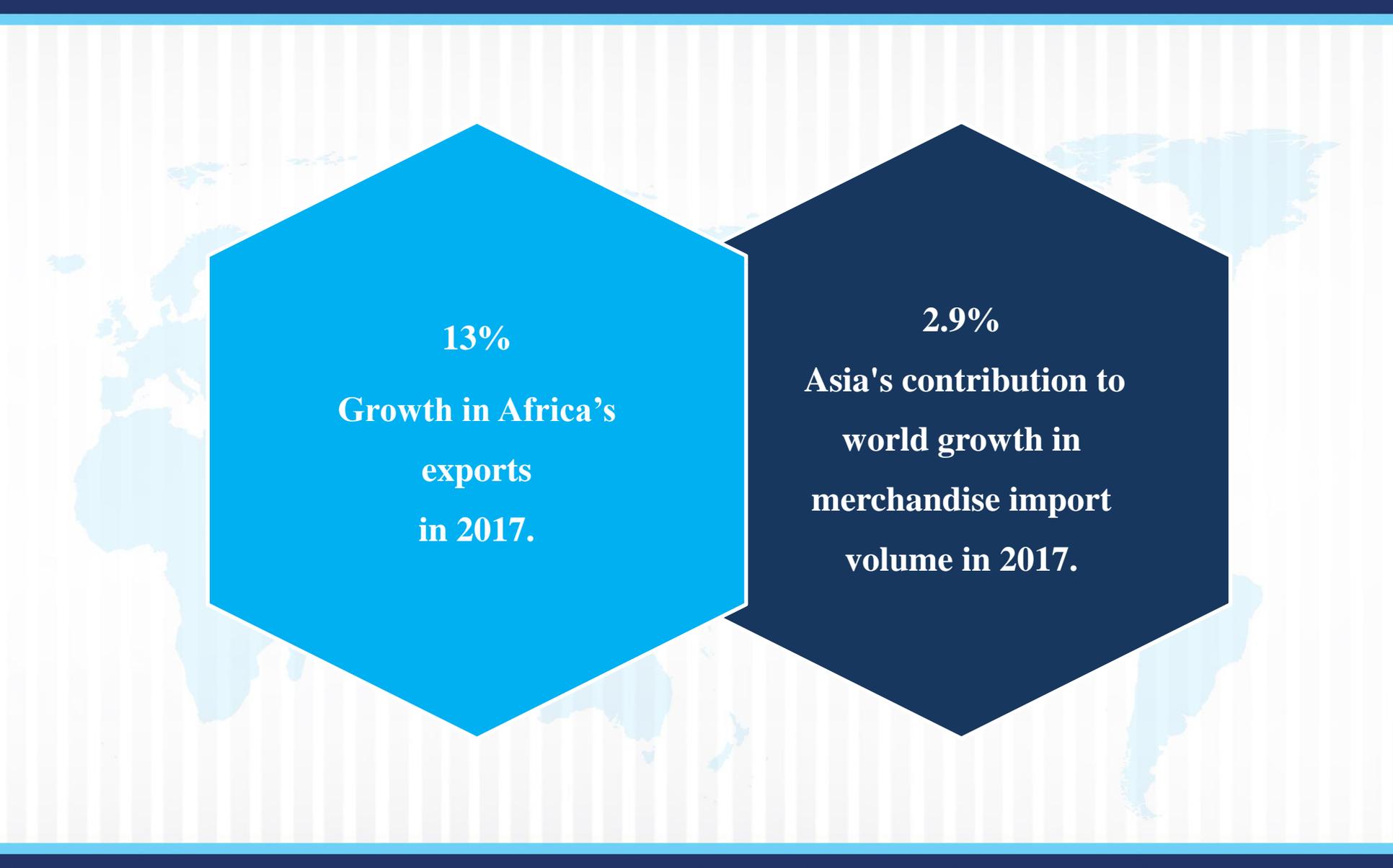
A faint world map is visible in the background of the slide. Two callout boxes are overlaid on the map: a dark blue one on the left and a light blue one on the right.

**8%**

Asia was the top contributor to trade growth in volume terms in 2017, growing by 8%.

**4.7%**

World merchandise trade grew by 4.7% in 2017 in volume terms, driven by a rising demand for imports across the world

A light blue world map is visible in the background, centered behind the two hexagonal callouts. The map shows the outlines of continents in a pale blue color against a white background.

**13%**

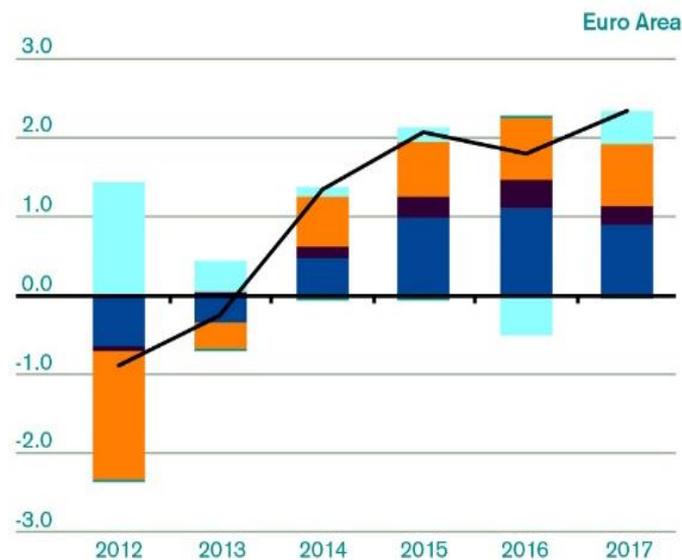
**Growth in Africa's  
exports  
in 2017.**

**2.9%**

**Asia's contribution to  
world growth in  
merchandise import  
volume in 2017.**

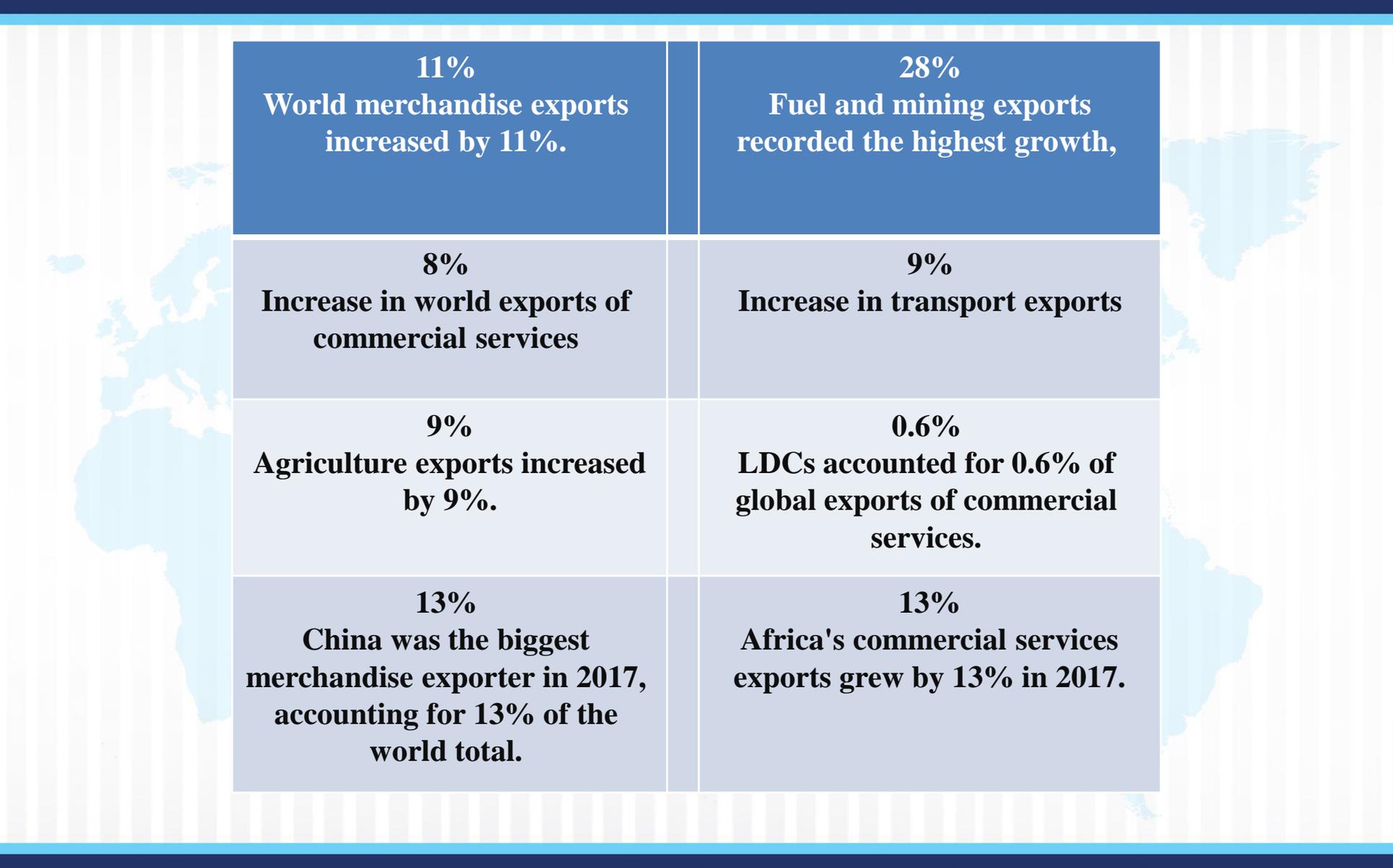
## Contributions to GDP growth by expenditure component of selected economies, 2012-2017

(Annual percentage change and percentage points)



# 36%

Percentage contribution of investment to GDP growth of the United States in 2017.



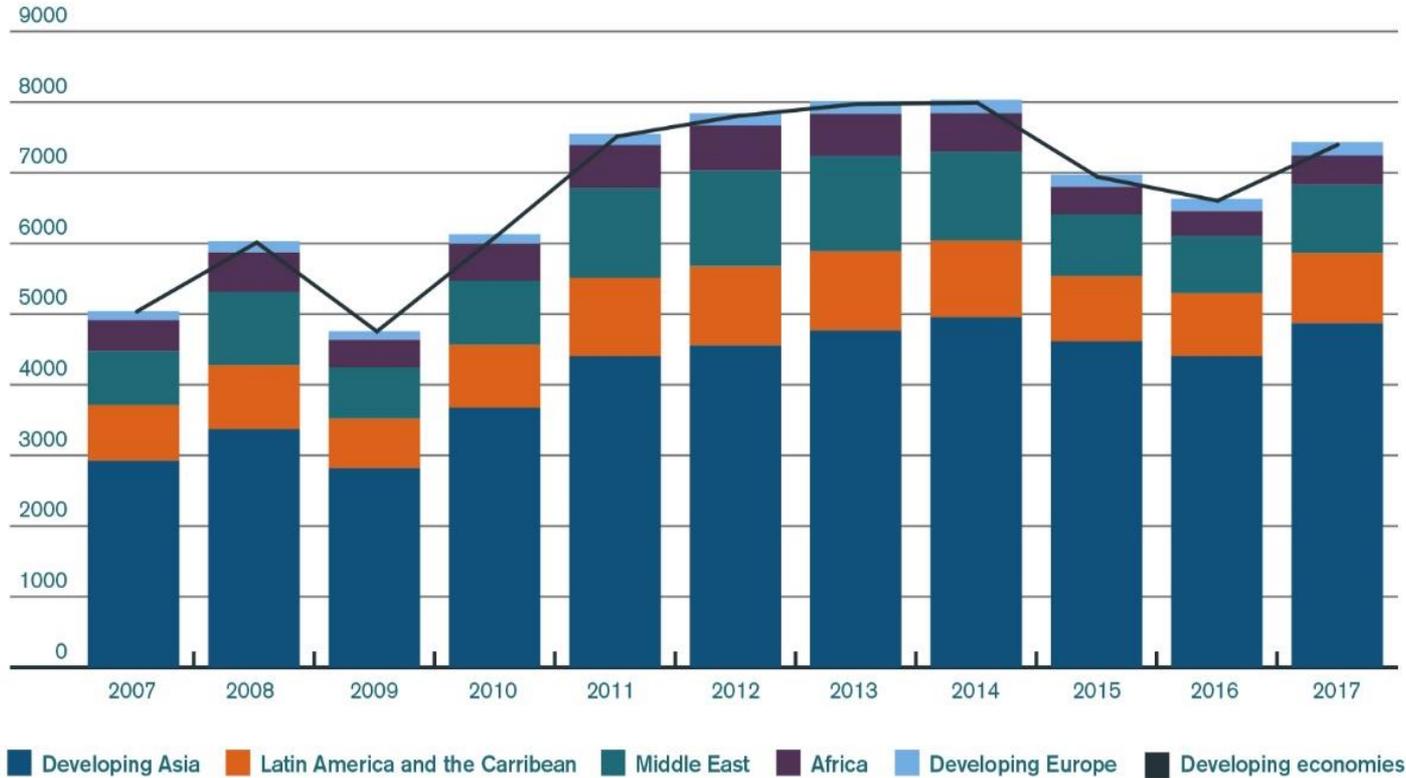
<b>11%</b> <b>World merchandise exports increased by 11%.</b>	<b>28%</b> <b>Fuel and mining exports recorded the highest growth,</b>
<b>8%</b> <b>Increase in world exports of commercial services</b>	<b>9%</b> <b>Increase in transport exports</b>
<b>9%</b> <b>Agriculture exports increased by 9%.</b>	<b>0.6%</b> <b>LDCs accounted for 0.6% of global exports of commercial services.</b>
<b>13%</b> <b>China was the biggest merchandise exporter in 2017, accounting for 13% of the world total.</b>	<b>13%</b> <b>Africa's commercial services exports grew by 13% in 2017.</b>



<p><b>26%</b></p> <p><b>Oil exporters in the Commonwealth of Independent States, Africa and the Middle East benefited from a 26% rise in world fuel prices in 2017.</b></p>	<p><b>12%</b></p> <p><b>Developing economies' merchandise exports increased by 12% in 2017 after a two-year dip, reaching US\$ 7.43 trillion.</b></p>
<p><b>13%</b></p> <p><b>LDCs' merchandise exports increased by 13% after three years of decline.</b></p>	<p><b>34%</b></p> <p><b>The European Union remains the largest regional trade agreement, accounting for 34% of world trade in 2017.</b></p>
<p><b>21.4%</b></p> <p><b>South-South trade represented 21.4% of total world exports in 2016.</b></p>	<p><b>38.1%</b></p> <p><b>The share of developing economies in world imports of commercial services was 38.1% in 2017.</b></p>

## Merchandise exports by developing region, 2007-2017

(US\$ billion)



**18%**  
Merchandise  
export growth of  
Africa and the  
Middle East  
in 2017.



## Developing economies' merchandise trade by region, 2016-2017

(US\$ billion and annual percentage change)

	EXPORTS					IMPORTS				
	Value	Share in world		Annual% change		Value	Share in world		Annual % change	
	2017	2016	2017	2016	2017	2017	2016	2017	2016	2017
Developing economies <sup>a</sup>	7433	42.7	43.2	-5	12	7138	39.9	40.6	-5	13
Latin America	993	5.7	5.8	-4	12	1011	5.9	5.8	-9	8
Developing Europe	189	1.1	1.1	0	11	282	1.5	1.6	-3	17
Africa	417	2.3	2.4	-10	18	534	3.1	3.0	-11	8
Middle East	961	5.2	5.6	-7	18	712	4.4	4.1	-5	1
Developing Asia <sup>a</sup>	4875	28.3	28.3	-5	11	4600	25.0	26.2	-4	16
Memorandum items										
World <sup>a</sup>	17198	100.0	100.0	-3	11	17572	100.0	100.0	-3	11
Developed economies	9247	54.6	53.8	-1	9	10032	58.0	27.1	-1	9
Commonwealth of Independent States, including associate and former member states	518	2.7	3.0	-16	24	402	2.1	2.3	-3	21

## World Seaborne



- **World seaborne** trade increased at 4 per cent, the fastest growth in five years.
- containerized trade increased by 6.4 per cent in 2017.
- **Dry bulk** commodities trade increased by 4.0 per cent, up from 1.7 per cent in 2016.
- **Crude oil shipments** rose by 2.4 per cent, down from 4 per cent in 2016, while, together, refined petroleum products and gas increased by an estimated 3.9 per cent.

## World Seaborne

- ❑ **Expectations are pointing to continued growth in world seaborne trade**
- ❑ **World seaborne trade is projected to reach annual growth rate of 3.8 per cent between 2018 and 2023.**
- ❑ **Tanker trade volumes are also projected to increase.**

## Industrial Activities

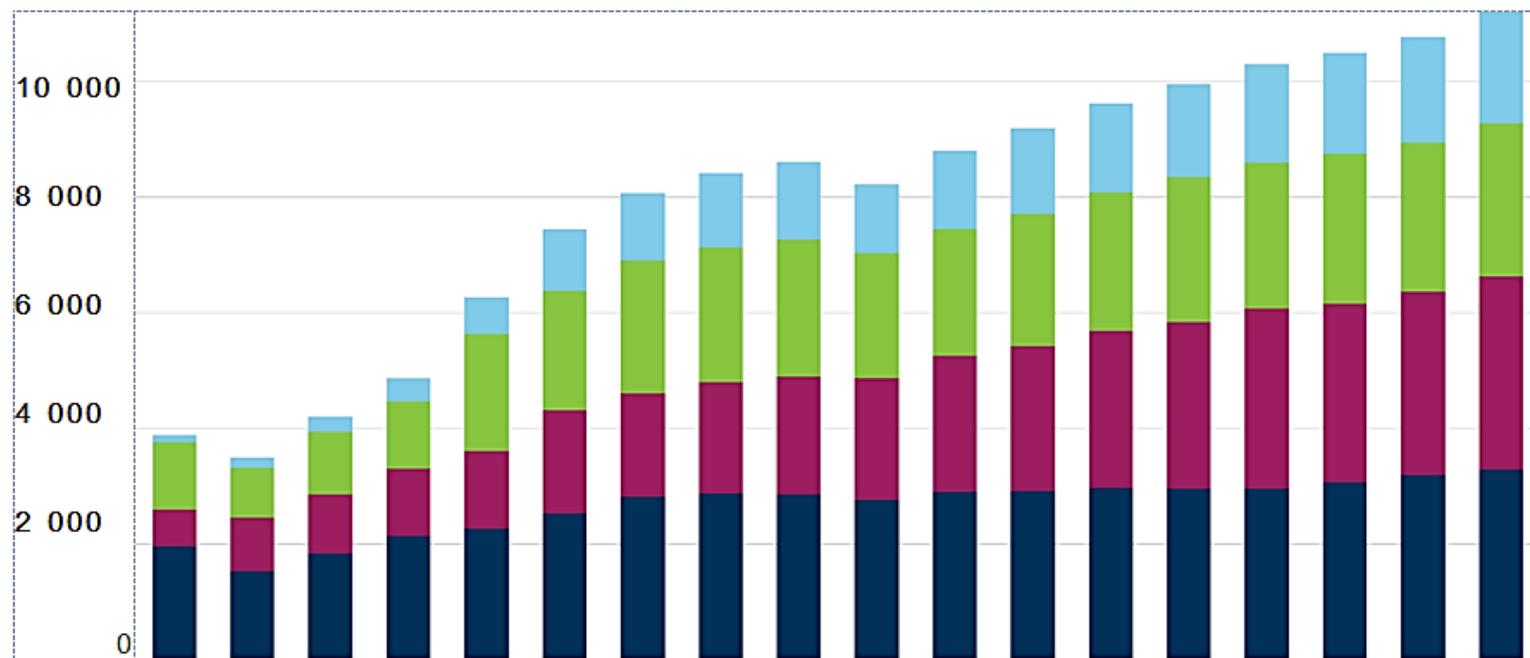
- ✓ **Industrial production increased by 2.8 %, up from 0.2 % in 2016.**
- ✓ **In China, industrial production increased at 6.5 % compared with 6 % in 2016.**
- ✓ **In Brazil, industrial production recovered and rose by 2.4 per cent, following the 6.4 per cent contraction recorded during the 2016 recession.**

## GDP Growth

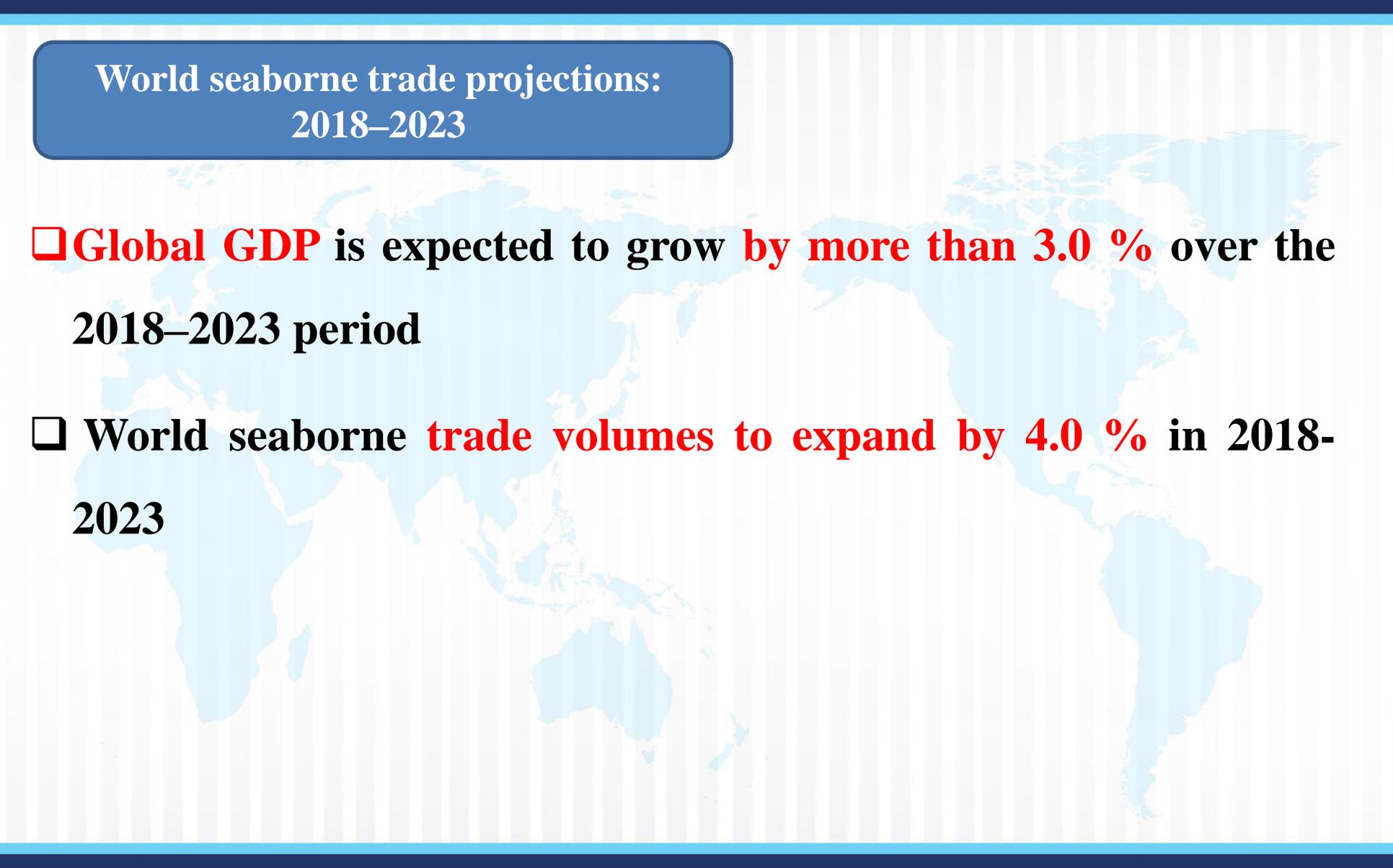
- **With GDP expanding by 3.1 per cent in 2017**, up from 2.5 per cent in 2016, the global economy experienced a broad upswing, generating positive impacts on seaborne trade.
- **GDP in developed countries increased by 2.3 per cent**, up from 1.7 per cent in 2016, driven largely by stronger capital spending and global demand,
- **Growth in developing countries accelerated to 4.5 per cent**, compared with 3.9 per cent in 2016.

## International seaborne trade, selected years (Millions of tons loaded)

12 000



	1980	1985	1990	1995	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Containers	102	152	234	371	598	1 001	1 092	1 215	1 272	1 134	1 291	1 411	1 458	1 532	1 622	1 660	1 734	1 834
Other dry cargo	1123	819	1 031	1 125	1 928	1 975	2 197	2 232	2 269	2 060	2 087	2 188	2 304	2 392	2 408	2 471	2 459	2 526
Main bulks	608	900	988	1 105	1 295	1 711	1 713	1 840	1 946	2 022	2 259	2 392	2 594	2 761	2 988	2 961	3 041	3 196
Oil and gas	1 871	1 459	1 755	2 050	2 163	2 422	2 698	2 747	2 742	2 642	2 772	2 794	2 841	2 829	2 825	2 932	3 055	3 146

A light blue world map is visible in the background of the slide, showing the continents and oceans.

## World seaborne trade projections: 2018–2023

- ❑ **Global GDP** is expected to grow **by more than 3.0 %** over the 2018–2023 period
- ❑ World seaborne **trade volumes to expand by 4.0 %** in 2018–2023

## World seaborne trade projections : 2018–2023

- ❑ **Dry bulk** commodities are projected to experience a compound annual growth rate of 4.9 % between 2018 and 2023,
- ❑ **Containerized shipments** are expected to rise by 6 %, supported by positive economic trends, imports of metal ores to China
- ❑ **Crude oil trade** is forecast to grow by 1.7 % between 2018 and 2023, and combined petroleum products and gas volumes, by 2.6 %.

# What we should Do ?

- ❑ **Improve and Reform the Services of Ports.**
- ❑ **Increase the number of the maritime fleet.**
- ❑ **Maritime Services in competitive prices.**



## **Reform the Services of Seaports**

- ❑ The Suez Canal Economic Zone (SC Zone) is a world-class free zone and trade hub along the banks of the newly-expanded Suez Canal. Strategically located on the main trade route between Europe and Asia, more than eight percent of global trade passes through every year.**
- ❑ Spanning 461 km<sup>2</sup>, almost two-thirds the size of Singapore, the Suez Canal Zone consists of two integrated areas, two development areas and four ports.**

# Reform the Services of Ports

**The two integrated areas are:**

- Ain Sokhna with Ain Sokhna Port**
- East Port Said with East Port Said Port**

**The two development areas are:**

- Qantara West**
- East Ismailia**

**The four ports are:**

- West Port Said Port**
- Adabiya Port**
- Al Tor Port**
- Al Arish Port**



## **Increase the number of the maritime fleet**

- ❑ The size of the commercial fleet of Egypt decreased from a total of 141 vessels in 1999 to 71 vessels in 2005 reaching by now 50 vessels.**
- ❑ Nearly 72 percent of the fleet vessels are more than 15 years old signaling the relative inefficiency of the existing vessels.**

## **Maritime Services in competitive prices.**

- ❑ Rigidity in price setting of port fees and services due**
- ❑ The prices that set for the maritime and related logistics services are set through ministerial decrees.**
- ❑ Port fees and port services dues are set by ministerial decrees, regardless of actual costs and quality of provided services . Thus, ports are not free to independently set competitive charges, which is an essential prerequisite for competition and efficient management.**