Challenges & opportunity on sustainable maritime transport

National Workshop on Sustainable Maritime and Port Connectivity for Resilient and Efficient Supply Chains
Hanoi, Viet Nam, 8 September 2022

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1. Maritime transport in the Asia-Pacific region

- More than 80% of world trade is transported by sea
- Asia-Pacific region accounts for 59% discharging and 40% loading
- 20 of the world’s top 30 container ports are located in Asia. Asia’s share of global container port traffic was 56.1% in 202
- The Asia-Pacific region also has a dominant position in major shipping activities, such as shipbuilding, ship owning and ship scrapping industries

1. Maritime transport in the Asia-Pacific region

◆ Liner shipping connectivity index (LSCI): Big difference between in Asia and the Pacific countries
◆ Asia continues to improve, while Pacific countries stagnate

1. Maritime transport in the Asia-Pacific region

◆ Bigger ships and fewer companies
◆ Port Calling Strategy: Strengthen Hub & Spoke system
◆ Experience of reducing shipping services and port calls during the COVID-19
2. Challenges in transport sector of the ESCAP region

- Complicated, multidimensional and chronic problems:
  - Continued population growth and urbanization increase
  - Strict transport rules and regulations in line with the need for adequate health, safety, security and environmental protection
  - Road oriented transport system
  - Increasing disparities in the provision of transport services between cities and rural areas, countries and transport modes
  - Labor imbalance: Aging, Supply and Demand imbalance, Gender equality
  - Governance: Duties, powers and responsibilities are scattered across ministries and authorities
  - Fossil fuel-based transport system
  - Digital gap
  - Disconnected transport network
  - First and last mileage issues: disconnected between transport modes/nodes
2. Challenges in transport sector of the ESCAP region

- Higher cost - lower performance
  - Imbalance trade volume
  - Varying transport facilities and performance: ex) LPI, LSCI
  - Less developed integrated intermodal transport system
  - Lacking stable and efficient transport service
    - Not only cargos but also passengers
  - Lack of reliable data and statistics
  - Transit/cross-border transport
  - Lack of ability to respond to growing natural disasters
  - Information and data security issues
  - Urban transport: Congestion, accidents & air pollution
  - Transport safety (lack of awareness of safety): Road safety and Domestic Ferry Safety
2. Challenges/Issues on Shipping sector

- Intensifying competition and low profitability
- Difficulty in securing investment funds to replace eco-friendly ships
  - Insufficient investment in preparation for decarbonization and net zero
- Lack of commercial viability for small and remote island routes
  - Unstable services and high cost
- Less developed integrated intermodal transport
- Frequent maritime accidents – maritime safety issues
- Inadequate infrastructure, especially coastal and domestic shipping
- Lower policy priorities
- Unpredictable business environment change: Geopolitical issues, COVID-19
- Delays in the modal shift from road to coastal shipping and inland waterways
- Coastal shipping has great potential, but has not yet been fully utilized
2. Challenges/Issues on port sector

- Lack of long-term port infrastructure development
  ✓ Insufficient action plans, detailed guidelines and budgets
  ✓ Intensifying port competition
  ✓ Require additional investment due to larger ships
  ✓ Insufficient intermodal connection system from port to hinterland
  ✓ Insufficient port facilities (port congestion or increasing port dwell time)
  ✓ Lack of investment (public, private)
  ✓ Rack of skilled/trained experts & workers
  ✓ Difficulties to secure social and political support
  ✓ Traffic congestion and air pollution in port area (Port city)
  ✓ Digital divide and technology gap
  ✓ Exposure to natural disasters, pandemic and social crimes
2. Challenges/Issues: Summary

Outlook for maritime/port: short-term, positive, but risks and uncertainties remain

- Expected to show annual growth rate of 2.4% between 2022 and 2026.
- Disruption in the logistics chain triggered by COVID-19
- Extended and amplified by several complex factors

3. Opportunity: Sustainable maritime and port development

<table>
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<tr>
<th>Dimension</th>
<th>Opportunity</th>
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<tbody>
<tr>
<td>Economic (Sustainable development)</td>
<td>✓ Increasing Competitiveness&lt;br/&gt;✓ High efficiency-low carbon&lt;br/&gt;✓ Value added&lt;br/&gt;✓ Seamless Global Supply Chain&lt;br/&gt;✓ Customer satisfaction&lt;br/&gt;✓ Digitalization</td>
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<tr>
<td>Social(Inclusion)</td>
<td>✓ Port labor – Job creation &amp; social security&lt;br/&gt;✓ Health of port city residents&lt;br/&gt;✓ Improving Gender Equality&lt;br/&gt;✓ Resilient – natural disaster &amp; social (Pandemic)</td>
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<td>Environmental (Protection)</td>
<td>✓ Climate change response&lt;br/&gt;✓ Air pollutants- Sox, Nox, PM&lt;br/&gt;✓ Compliance with the environment protection rules and regulations&lt;br/&gt;✓ Resilience</td>
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Goal: **Smarter**<br/>**Greener**<br/>**Safer**
3. Opportunity: Sustainable maritime and port development

- **Respond to a constantly changing business environment**
  - Leading response to eco-friendly maritime transport beyond passive response to environmental regulations (Response to climate change and decarbonization)
  - Application of new technologies for sustainability
  - Proactively respond to various natural disasters and social risks including pandemic
  - Strengthen trust among stakeholders
  - Create business opportunities and decent jobs
  - Accelerating digitalization

- **Dynamic customer-oriented service**
  - Maximize efficiencies for whole supply chain
  - Increase productivity
  - Facilitate integrated transport connectivity
  - Strengthen cooperation with stakeholders through cooperation and partnership
  - Provide safer service
### 3. Opportunity: Sustainable maritime and port development

Regional Action Program for Sustainable Transport Development in Asia and the Pacific (2022-2026)”, approved at the Ministerial Conference on Transport in November last year

#### Thematic areas

<table>
<thead>
<tr>
<th>Thematic areas</th>
<th>Classification of contribution*</th>
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<tr>
<td>Regional land transport connectivity and logistics</td>
<td>Direct impact</td>
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<tr>
<td>Maritime and interregional transport connectivity</td>
<td>Direct impact</td>
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<tr>
<td>Digitalization of transport</td>
<td>Direct impact</td>
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<tr>
<td>Low-carbon mobility and logistics</td>
<td>Direct impact</td>
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<tr>
<td>Urban transport</td>
<td>Direct impact</td>
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<tr>
<td>Road safety</td>
<td>Indirect impact</td>
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<tr>
<td>Inclusive transport and mobility</td>
<td>Direct impact</td>
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#### Overarching objectives

- Towards efficient and resilient transport and logistics network and mobility for economic growth
- Towards environmentally sustainable transport systems and services
- Towards safe and inclusive transport and mobility

#### Relevant Sustainable Development Goals

- 1. No poverty
- 2. Zero hunger
- 3. Good health and well-being
- 4. Quality education
- 5. Gender equality and empowerment
- 6. Decent work and economic growth
- 7. Affordable and clean energy
- 8. Decent work and economic growth
- 9. Industry, innovation and infrastructure
- 10. Reduced inequalities
- 11. Sustainable cities and communities
- 12. Responsible consumption and production
- 13. Climate action
- 14. Life below water
- 15. Life on land
- 16. Peaceful and inclusive societies
- 17. Partnerships for the goals
- 18. Innovative partnerships
3. Opportunity: Sustainable maritime and port development

◆ Main activities of RAP to address sustainable maritime connectivity
  ➢ Support a systematic regional dialogue on sustainable and resilient maritime connectivity
  ➢ Assist small island developing States in meeting transport challenges and strengthening resilience to future shocks.

Analytical work
  ➢ Conducting analytical study on sustainable maritime connectivity and port development in Asia and the Pacific with related organizations such as IMO, UNCTAD and other partners

Capacity building
  ➢ Collaborate with partner organizations to build stakeholder technical and institutional capabilities

Norm setting
  ➢ Address the gaps in the global regulations on greener, smarter and safer maritime transport
  ➢ Collaboration to apply international rules and regulations for sustainable maritime transport in the region

Partnerships
  ➢ Develop action plans and programme to implement national/regional strategy to enhance sustainable maritime connectivity
4. Policy Recommendations

- **Strengthen sustainable maritime transport development Plan**
  - Active response to climate change and decarbonization: High energy efficiency, low carbon/Net zero

- **Build long term and substantive plan**
  - Promoting established 2030 vision in a substantial way
  - Holistic approaches: Integrated transport system: connecting road, rail, air and waterborne

- **Strengthen cooperation and partnership for infrastructure investment**
  - Continuous investment for infrastructures (New development, upgrade and expansion the exiting facilities)
  - Strengthen cooperation with all stakeholders
  - Enhancing partnership with intergovernmental Organizations, MDB (WB, ADB), Potential donors/ODA institutions for financing/guarantees as well as capacity building, technical advice and knowledge sharing
  - Applying public-private partnership (PPP) investment
4. Policy Recommendations

- Continue to strengthen collaboration for sustainable maritime and port development
  - Harmonize regional and sub-regional initiatives and programme

- Strengthen cooperation to facility seamless logistics and cross-border transport
  - Improve cooperation and collaboration among stakeholders

- Implementation of a specific action plan linked to the master plan/national Vision 2030
  - Coordination with relevant Ministries, Agencies and stakeholders
  - Harmonization of administrative procedures
  - Realigning national legal frameworks to promote sustainable transport

- Enhancing operational connectivity
  - Innovation and Business Process Reengineering for quick, accurate and high quality service
  - Accelerates digitalization: Use new technologies and link between systems to increase efficiency, accuracy, speed, transparency and accountability
Thank you