Challenges & opportunity on sustainable maritime transport

National Workshop on Sustainable Maritime and Port Connectivity for Resilient and Efficient Supply Chains
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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

Average per country. Source: UNCTAD, based on data from MDS Transmodal
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
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
- Lack of hinterland connectivity
- 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>
<thead>
<tr>
<th>Dimension</th>
<th>Opportunity</th>
<th>Goal</th>
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</table>
| Economic (Sustainable development) | ✓ Increasing Competitiveness  
✓ High efficiency-low carbon  
✓ Value added  
✓ Seamless Global Supply Chain  
✓ Customer satisfaction  
✓ Digitalization | Smarter Greener Safer |
| Social(Inclusion)         | ✓ Port labor – Job creation & social security  
✓ Health of port city residents  
✓ Improving Gender Equality  
✓ Resilient – natural disaster & social (Pandemic) |               |
| Environmental (Protection) | ✓ Climate change response  
✓ Air pollutants- Sox, Nox, PM  
✓ Compliance with the environment protection rules and regulations  
✓ Resilience |               |
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

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<th>Thematic areas</th>
<th>Classification of contribution*</th>
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<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>
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<tr>
<td>Low-carbon mobility and logistics</td>
<td>Direct impact</td>
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<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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<th>Overarching objectives</th>
<th>Relevant Sustainable Development Goals</th>
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<tr>
<td>Towards efficient and resilient transport and logistics network and mobility for economic growth</td>
<td>SDG 1: No poverty, SDG 2: Zero hunger, SDG 3: Good health and well-being, SDG 8: Decent work and economic growth, SDG 9: Industry, innovation and infrastructure, SDG 10: Reduced inequalities, SDG 11: Sustainable cities and communities, SDG 14: Life below water, SDG 15: Life on land</td>
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<td>Towards environmentally sustainable transport systems and services</td>
<td>SDG 15: Life on land, SDG 17: Partnerships for the goals</td>
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<tr>
<td>Towards safe and inclusive transport and mobility</td>
<td>SDG 10: Reduced inequalities, SDG 13: Climate action</td>
</tr>
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*Indirect impact refers to indirect contributions through enabling or supporting other objectives.
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
Transport Connectivity and Logistics section
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Thank you