Key findings from

the 2023-2024 Annual Report on Maritime Connectivity in Asia and the Pacific

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1. About the 2023-2024 Annual Report

2. Trends and outlooks of the regional maritime and port sector

3. Status of maritime connectivity in Asia and the Pacific

4. Strategies for sustainable maritime connectivity in Asia and the Pacific

5. Towards the 2024-2025 Annual Report
1. About the 2023-2024 Annual Report

2023-2024 Annual Report on Maritime Connectivity in Asia and the Pacific

1. The Report is being prepared for the first time by
   • ESCAP in collaboration with the Ministry of Oceans and Fisheries of the ROK, the Korea Maritime Institute (KMI) and a team of experts.

2. The Objectives of the Report
   • To assess the current state of development in the shipping and ports sector across the Asia-Pacific region and identify key issues
   • To provide insights for enhancing regional connectivity and effectively implementing the SDGs and ESCAP’s RAP (2022-2026)

3. The Focus region of the Report
   • South-East Asia among five subregions
2. Trends and outlooks of the regional maritime and port sector

Global and Regional Economy

**Year 2022**

Significant deceleration in growth and elevated levels of inflation.

**Year 2023**

A continued deceleration with tightening monetary policies of leading advanced economies, the geopolitical conflicts, and persistently high inflation.

**Year 2024 and 2025**

Stabilized growth with several downside risks like conflicts in the Middle East, high core inflation and lower economic growth in China.

Growth Projections (IMF, July 2024, %)

Output growth by region (WB, June 2024, %)
2. Trends and outlooks of the regional maritime and port sector

Global Goods Trade

Expected to increase again by 2.4% in 2024 and by 3.3% in 2025 after a decreasing trend in 2023 by -1.2%
2. Trends and outlooks of the regional maritime and port sector

Regional Goods Trade

In 2023, the Asia-Pacific region’s export decreased by 3.6% and South and South-West Asia is the only subregion that posted growth.

In 2024, expected to increase in all areas except Central Asia.
2. Trends and outlooks of the regional maritime and port sector

Maritime Trade volume

In connection with the trade volume recovery, maritime trade volume is expected to increase by around 2 to 3% in 2024.
2. Trends and outlooks of the regional maritime and port sector

**Container Shipping Market**

Initially expected that freight rates would fall this year due to oversupply of container ships.

- A newbuilding of 2.94 million TEUs / 420 vessels in 2024

However, freight rates are rising due to Red Sea rerouting and strong economic growth in the United States.

- SCFI as of July 12 is 3,675

Currently, freight rates are increasing significantly due to early shipment and port congestion.

- Container freight rates are expected to be strong this year

*Container fleet trends (Clarkson)  
SCFI (Shanghai Container Freight Index)  
Container volume growth forecast (BIMCO, June 2024)*
2. Trends and outlooks of the regional maritime and port sector

GHG Regulations

IMO is discussing achieving decarbonization by 2050

Regulations on shipping carbon emissions are in effect or under discussion
2. Trends and outlooks of the regional maritime and port sector

GHG Regulations

Bio-fuel, New building or Retrofitting?
LNG, Methanol, Ammonia or Hydrogen?

Strategy in GHG Crisis

Economic Feasibility Study Scenario (by KR)

Economic Feasibility Study Result (by KR)
3. Status of maritime connectivity in Asia and the Pacific

Liner Shipping Connectivity Index analysis for two subregions

The WB Container Performance Index analysis for two subregions
3. Status of maritime connectivity in Asia and the Pacific

Port traffic and port services in Asia-Pacific

Port Cargo volume

- The World's Top 100 Container Ports ranking (as of 2022) includes 55 ports from 23 of UNESCAP's member states.

Port service indicators: Berth productivity by country

- 24 UNESCAP member States in 2022 ranked among the top 100 in berth productivity by country.
- India emerged as the most productive

Port service indicators: Berth productivity by port

- Among the top 20 countries, 11 ports are located in ESCAP member States.
- Tianjin, China, secured the top position with an 11.4% year-over-year increase in berth productivity.
### Major issues of the shipping and port sector in Asia-Pacific

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<td>CHALLENGES</td>
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<td>Increased Burden on Developing Countries and Small Island States Due to Decarbonization and Climate Change</td>
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<td>Low Cybersecurity Standards in Shipping and Port Fields</td>
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<td>Lack of Long-Term Development Plans for Digital Transformation</td>
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## 4. Strategies for sustainable maritime connectivity in Asia and the Pacific

### International community's Strategies for Sustainable Shipping

| CLIMATE CHANGE ADAPTATION: | IMO and EU lead international efforts to reduce greenhouse gas emissions from the shipping sector.  
IAPH and ITF advocate for global action on energy transition and decarbonization, offering tools and research analyses.  
UNCTAD, World Bank, and IMO collaborate on projects analyzing the impact of port decarbonization on developing countries and implementing infrastructure improvement and capacity-building initiatives. |
|---------------------------|---------------------------------------------------------------------------------------------------------------|
| INNOVATION:               | Industry 4.0 technologies are being embraced in the shipping and port sector, with a focus on smart ports, digitalization, and autonomous ship operations.  
IMO promotes autonomous ship operations and Maritime Single Window (MSW) adoption.  
UNCTAD supports trade digitalization projects and sustainable smart port initiatives in developing countries.  
ASEAN and ADB work on strategies for building smart ports in Asia and the Pacific, providing funding and technical assistance. |
| RESILIENCE:               | IMO prescribes security obligations for ships and ports, addressing factors compromising maritime transportation safety, including cybersecurity.  
UNCTAD and ITF provide technical assistance to developing countries for building resilient supply chains.  
ASEAN develops strategies to jointly respond to external factors undermining supply chain stability. |
| WORKFORCE DEVELOPMENT:    | IMO, UNCTAD, and ADB have programs for technical assistance and capacity building in the shipping and port sector, emphasizing the importance of a technically competent workforce.  
IMO’s Women in Maritime program supports the expansion of the female workforce in the maritime sector.  
SPC focuses on increasing the number of women in the maritime sector in the Pacific region. |
4. Strategies for sustainable maritime connectivity in Asia and the Pacific

Green Shipping Corridor

Challenges in implementing GSC
- Higher cost of Zero-Emission Vessels (ZEVs) and alternative fuels
- Difficulties in forecasting the supply and demand for alternative fuels
- A lack of international regulations on green ships and alternative fuels

Recommendations for effective GSC implementation
- A clear understanding of the roles and responsibilities of the ten stakeholders
- Establish a regional cooperation system among the key stakeholders

Methanol-powered ship order number by ship type (2023)
4. Strategies for sustainable maritime connectivity in Asia and the Pacific

Challenges & Policy recommendation for the South-East region

Overview of shipping and ports in Southeast Asia
- Substantial disparities in maritime transportation infrastructure and throughput
- Singapore and Malaysia as a dominant role in international maritime transportation

Key issues of shipping and port sector
- 1. The quality of Port infrastructure
- 2. Logistics competitiveness
- 3. Connectivity Level
- 4. Green shipping

Policy recommendation for the ASEAN region
- 1. Reinforcing regional cooperation and collaboration
- 2. Promoting cooperation with stakeholders and the private sector
- 3. Improving inland waterway transport
- 4. Accelerating the transform to digital ports
- 5. Streamlining environmental regulations and harmonizing governance
5. Towards the 2024-2025 Annual Report

Sharing **key issues and best practices** in the maritime and port sectors in the Asia-Pacific region as a flagship maritime report in Asia and the Pacific.

Covering **the overall status and issues** of the Asia-Pacific region and focus **sub-region**.

- the 2024-2025 Annual Report will focus on the ‘Pacific Island Countries’.

Providing **quantitative indicators** that can be updated annually to enhance the continuity of the report.

- Utilizing regularly available quantitative indicators such as shipping trade volume, port cargo volume, and port service indicators.

Showing **maritime trade flows** and deriving implications through analysis of trade structures and patterns.

- Promoting comprehensive analysis and visualization of data analysis results.
Thank you

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