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International trends of ocean shipping

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Abstract

The World Bank forecasts that global gross domestic product (GDP) will grow by 2.9% in 2018. The average economic growth rate for the 2017-2020 period of the US will reach level 2.95%, EU 28 region is 1.97% and Eurozone 1.74%, China slows down in the following years, to 2020 is only 6.61%, emerging economies are above 4.0% led by the world economy and the Indian economy. World trade is forecast to grow at 4.98% in the period of 2017-2020. Global maritime trade is forecast to increase to over 15,000 million tons by 2035, of which the total volume of dry cargo transport by sea will grow to 6,000 million tons, container output will reach 3,100 million tons and output oil transport by sea increased by 1.8%. The market is expected to gradually recover thanks to the narrowing of the supply-demand gap. Transport demand is expected to continue to grow from 2.5-3% to 2020, of which the highest proportion is still coal and ore, mainly due to China's steel imports. Cereal products also saw steady growth during this period, reaching an average of 2-3% per year, mainly from the US and Russia.

Keywords: development trend, ocean shipping, international shipping

1. Introduction

Although geographic location is more favorable than other regional countries such as Japan, Indonesia, Malaysia, Vietnam is the connecting point between Southeast Asia, Northeast Asia with Pacific Ocean and India Ocean, which is potentially an important transit hub in the region. The fleet of Vietnamese ships has developed strongly in terms of quantity, payload, rapid growth rate, and average growth of 35.7% in 2009-2012. However, the structure of the fleet is not consistent with the trend of shipping in the world. The proportion of bulk carriers and bulk carriers accounts for over 60% of the fleet's tonnage, 3.2% for container ships, and 27% for tankers. The US fleet is in small surplus condition, dry bulk cargo ships and even small container ships, while there is a lack of specialized vessels and large vessels running international routes. The strong national shipping fleet will bring in foreign exchange earnings, create employment, strengthen international trade, strengthen national status, and be an important and indispensable link in the service chain logistics. Therefore, it is necessary to quickly come up with strategic solutions to gradually change the quality and quantity of the national fleet, in line with the development trend of the world. The important role of the maritime sector in the development of the national economy and the world has been affirmed by many studies and realities of the nations. The shipping industry is directly affected by the development of the world economy. Over the last two decades, the following changes have affected the overall development of the maritime industry. First is the change in the economic structure of the world, the change reflected by the following factors: the collapse of the Soviet Union and the socialist countries of Eastern Europe, which in turn made the appearance and Development of the market economy in the country. So. Market of the transportation industry. Of which seaport is expanded. The second factor is the trend of globalization and international economic integration of countries, first of all the consolidation and growth of the European common market, with the presence and circulation of the Euros. This block. Then there is the rapid development of other economic blocs in different parts of the continent the 3rd trend is the miraculous development of Southeast Asia. With the advent of four new industrialized countries, this area became the world's highest economic growth region in the 1980s and early 1990s. One of the causes of economic

growth In these countries, economic export strategy is the main driving force for economic development. In addition, the shift of assembled industries from industrialized countries to developing countries, where there are abundant and lower-cost workers, is Singapore, Hong Kong, Taiwan, South Korea, and now the move is being repeated but from developing countries to lesser developed countries (Vietnam, Laos ...) This trend together with the economic development Has made foreign trade rapidly The fourth trend is the rapid development, with the high intensity of science and technology revolution, especially information technology, which makes economic, technical and financial globalization evolve rapidly. More and more solidly, the opportunities for business markets for industries and

sectors of nations are also growing and expanding. From the earliest years when the maritime industry was not born, the shipowner was the captain of the ship, was in charge of operating and managing the ship, was in charge of steering the vessel to its destination, Supply, loading and unloading ... around the ship. Shipping is growing, and the owner is not just the owner of a ship, but the owner of several ships operating on multiple routes, to many different ports, so the owner cannot. Manage all of its ships, but resort to other collaborators at the ports that the ships arrive - that is, shipping agents and services for the ship, on behalf of the shipowner, for the mission around the operation of the ship. The maritime service industry was born from that matter.



Fig. 1: Shipping process

At the beginning of the 20th century in 1905 COPENHAGEN (Denmark), Baltic and World Maritime Association (BIMCO) was born. It is an international organization not only of world shipowners but also of maritime agents and brokers. FIATA is a consortium of freight forwarders, including maritime services, also born in 1926, is an international organization of shipping agents around the world and this occupation has increasingly proved indispensable to it in the processes of global maritime technology. In 1969, the FONNASBA Maritime Organization was born. It is an association of all the agents and brokers of the nations of the world. Today, in the transitional years of the new millennium, as well as the development of all industries in the world, with the advent of new science and technology, the shipping industry has also changed. Significant in terms of technology as well as capacity. Parallel to the development of maritime transport, the maritime service industry has also adjusted and reformed its operations. In 2009 we witnessed the largest global economic downturn in the past seven decades, as well as a decline in the volume of foreign trade. Along with the sluggishness of the world economy, the volume of goods traded between countries also dropped by 4.5% in 2009. In early 2010, the economy quickly recovered, the total tonnage of goods traded in the world reached 1.276 million DWT, up 84 million DWT compared with 2009. This growth in China is worth the number. In terms of supply and demand, China's container shipments accounted for a quarter of the world's total tonnage. In terms of supply, China's shipping companies had the highest growth rates. Is the largest container and crane manufacturer in the world? Between 2008 and 2009, China has caught up with Germany in terms of ship numbers, catching up with Japan

in shipbuilding technology and catching up on ship repair. The world dry cargo fleet is tending to slow down, forecasting that in the next 3 years, fleet growth will gradually decrease to an average of 1% compared to the growth of transport demand. In the period 2016-2020, it is expected that 177 dry cargo ships, equivalent to 1039 million tons of GT will be delivered each year, while the number of demolition ships will remain stable during this period, between 323 and 340. Ships are equivalent to 1.3 to 1.4 million GT per year. The selling price increases sharply mainly for large vessels (Capesize) with modern design, fuel efficiency and environmental friendliness. However, under the pressure of many international conventions and regulations in force in the coming time, the price of ships will not be able to keep the current stable growth rate, even will drop sharply for ships. Old generation if the freight market was not improved.

2. World shipping

Based on data on the plan to place and deliver container ships, global container ships are expected to grow by 5.9% in 2018, 1.2% in 2019 and 0.01% in 2020. Speed The growth of the fleet in the coming period will far exceed the growth rate of transport demand (during the past 5 years, it was only at 3.1% per year). The average age of the world's container fleet is currently 10.5 years, of which only 4% are in the demolition age equivalent to 20 years. Forecasting from 2017 to 2020, the rate of container ships demolition will be maintained at least 2% / year, especially when fuel prices continue to be low. This ratio is not enough to improve the supply-demand imbalance, unless the transport demand growth rate is at least 4% / year. The World Bank forecasts that global gross domestic product

(GDP) will grow by 2.9% in 2018. The average economic growth rate for the 2017-2020 period of the US will reach level 2.95%, EU 28 region is 1.97% and Eurozone 1.74%, China slows down in the following years, to 2020 is only 6.61%, emerging economies are above 4.0% led by the world economy and the Indian economy. World trade is forecast to grow at 4.98% in the period of 2017-2020. Global maritime trade is forecast to increase to over 15,000 million tons by 2035, of which the total volume of dry cargo transport by sea will grow to 6,000 million tons, container output will reach 3,100 million tons and output oil transport by sea increased by 1.8%. The market is expected to gradually recover thanks to the narrowing of the supply-demand gap. Transport demand is expected to continue to grow from 2.5-3% to 2020, of which the highest proportion is still coal and ore, mainly due to China's steel imports. Cereal products also saw steady growth during this period, reaching an average of 2-3% per year, mainly from the US and Russia. The world dry cargo fleet is tending to slow down, forecasting that in the next 3 years, fleet growth will gradually decrease to an average of 1% compared to the growth of transport demand. In the period 2016-2020, it is expected that 177 dry cargo ships, equivalent to 1039 million tons of GT will be delivered each year, while the number of demolition ships will remain stable during this period, between 323 and 340 ships are equivalent to 1.3 to 1.4 million GT per year. Regarding tonnage: According to statistics, the average tonnage of world fleets compared to domestic fleets is quite different. In recent years, the domestic fleet has made

positive changes, but compared with the potential and comparative advantage in terms of geography and general conditions, it has not really met. In general, in terms of quantity we can meet, but in terms of structure to classify the different tonnage for each type of goods, the flow of transport in each area need to overcome many Ship age: Compared with the statistics, the world container fleet has an average age lower than that of Vietnamese merchant vessels, mainly due to the Vietnamese fleet being absorbed during the subsidy period. In the renovation period, despite the investment of branches and localities, the number of new ships was only used ships, exploited by some countries in the region, however, in recent years there has been improvement but mainly in terms of quantity but not really much improvement in fleet rejuvenation. In terms of transport capacity: In general, in comparison with the world and region, the transport capacity of our fleet is poor in terms of quantity and quality. Although maritime shipping has struggled to meet domestic demand, some are still limited. Cause there are many but at once cannot overcome a comprehensive way. As a result, the proportion of low-cost import and export of goods, sources of goods and lack of goods for the fleet is low. The source of exports is smothered by foreign shipping lines with stronger vessels, greater capacity and more maneuverability than the external fleet with a history of strength thanks to the accumulation of experience, more management and operation, facilities and more modern equipment. The quality of ships for carrying the many kind of goods is shown in Figure 2.

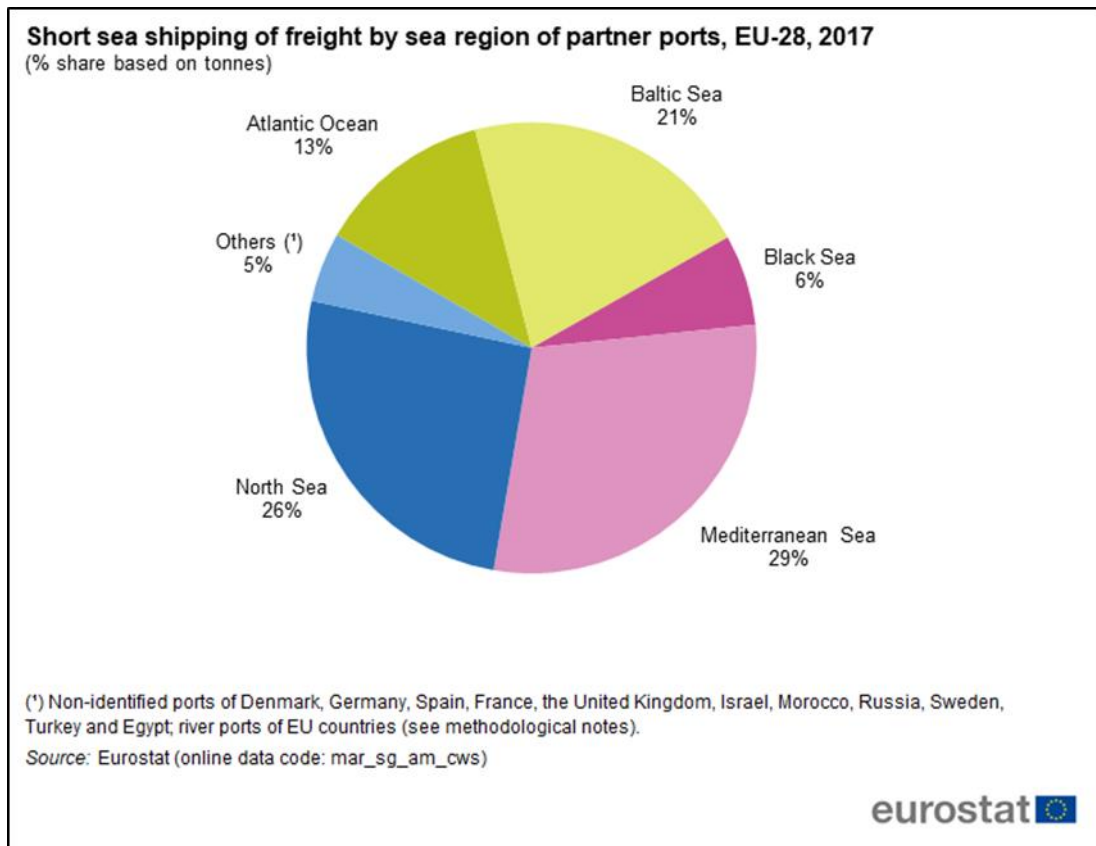


Fig.2: EU-shipping

Although world trade by sea has fallen by 4% in 2009 compared with 2008, the world's fleet has increased by 7% in 2009 in volume terms. Total tonnage has decreased compared to 2008, the average tonnage of the fleet in 2009

has decreased significantly compared to 2008, in addition, the number of ships loaded in 2009 was only 6.6 times while in 2008 it was 7.3 Times compared to liquid tonnage. The selling price increases sharply mainly for large vessels

(Capesize) with modern design, fuel efficiency and environmental friendliness. However, under the pressure of many international conventions and regulations in force in the coming time, the price of ships will not be able to keep the current stable growth rate, even will drop sharply for ships. Old generation if the freight market was not improved. Based on data on the plan to place and deliver containerships, global container ships are expected to grow by 5.9% in 2018, 1.2% in 2019 and 0.01% in 2020. Speed The growth of the fleet in the coming period will far exceed the growth rate of transport demand (during the past 5 years, it was only at 3.1% per year). The average age of the world's container fleet is currently 10.5 years, of which only 4% are in the demolition age equivalent to 20 years. Forecasting from 2017 to 2020, the rate of container ships demolition will be maintained at least 2% / year, especially when fuel prices continue to be low. This ratio is not enough to improve the supply-demand imbalance, unless the transport demand growth rate is at least 4% / year. Freight for the ship segment from 1,200 to 2,000 TEU does not have many positive signs, the price ranges from 4,500–6,300 USD / day. The market for chartering vessels in the next 3 years continues to be more stable and positive for small vessels (less than 1,100 TEU) and unfavorable for large vessels due to the lack of flexibility in operation. , especially on short routes and difficult to achieve high utilization rates. OPEC forecasts that the tanker market will continue to struggle in the coming years with global exports expected to decline to 14.6 million bpd by the end of 2025, although oil demand is on the rise. up. The number of newly built ships continues to increase while the number of demolition ships is too small, which will reduce the spot freight and the demand for ships will not improve. The demand-supply balance can only be reset by 2020 when a series of projects to expand the refinery system are implemented in developing countries, especially in the Middle East, while the demand for imports. Countries in the world and regions have far greater fleets, both tonnage and tonnage. However, if compared with some countries in the region, it is not too much difference (Thailand, Singapore ...). But the structure is clear the container fleet of countries than we count in numbers. Quantity and tonnage, capacity and management methods. Meanwhile, the development trend of the world and regional fleet in recent years and next time is the container ship. This is a good thing for our planners to study not only at the micro level but also at the macro level to take appropriate steps.

3. Trend of port development

Seaports are an important link in the entire shipping chain and should be influenced by the shipping industry as well as the world economy. Considering and analyzing the development of the world's seaports. We will study two key areas: port infrastructure and equipment (hardware) and port management and operation. Port infrastructure and equipment are directly influenced by cargo movements. Two decades ago, the world seaport had the following fluctuations Situation of European and North American countries: In 1996, total cargo throughput of European ports was 894 million tons compared with 847 million tons in 1992. The cargo throughput of these ports increased compared to In 1995 was 0.6%. The slowdown in growth is due to a decrease in the volume of imports from the region. European ports' cargo traffic is concentrated mostly at

northern seaports. Total cargo volume of Rotterdam, Antwerp and Hamburg was about 461 million in 1996, and in 1998 this volume was even larger as the volume of Antwerp ports increased to 120 million tonnes in 1998. Container and The factors that cause growth are the slowing down of growth of these ports. Most of the department stores of the three major ports are containers. In 1996, containerization rates for ports were Hamburg-84.2%, Rotterdam-57.8% and Antwerp-56.8%. However, bulk cargo determines the port's output level. In 1996, bulk cargo accounted for 65% of the port's principal cargo. The container port of the world has shrunk by about 10% to 457.3 million TEUs in 2009. In particular, Chinese ports account for 23.3% of the total number of contingent ports in the world. According to UNCTAD's data between 2004 and 2010, the ranking of underdeveloped countries only improved at one point. The average weight of underdeveloped countries in 2010 was 111, while for developing countries 78 and developed countries was 64. In addition, freight by road also increased by 7.8% in the period 2004-2008. Since 1990, due to the growing demand for container cargo, the container has also been launched and developed seven times, most recently since 2009, the capacity of the container fleet has increased by 7. Million DWT is equivalent to 5.6%, but due to the economic downturn during that time we are now facing the situation of overloading of many specialized vessels at ports, which also reduces the overall weight Load cargo flowed through the ports. In 2008, however, ports in the world also increased significantly with a 4.5% increase to reach 508.4 million TEUs. In short, compared to 2008, 2009 was reduced to 10% of total tonnage throughput and 465.7 million TEUs. Traditional ports are understood to be primarily ports cause they are considered as the gateway to which any export or import must go. However, in terms of development, the port also functions transshipped. Ports situation in Europe and North America: In 1996, total cargo throughput of European ports was 894 million tons compared with 847 million tons in 1992. The cargo throughput of these ports increased year on year. 1995 was 0.6%. The slowdown in growth is due to the decline in regional imports. European ports' cargo flows are concentrated mostly at the northern seaports. Total cargo volume of Rotterdam, Antwerp and Hamburg was about 461 million in 1996 and in 1998 this volume was even larger as Antwerp ports increased to 120 million tons in 1998. Container and This mainly led to the growth of these ports. Most of the main cargoes of the three major ports are containerized. In 1996 the percentage of containerized cargoes of ports was Hamburg -84.2%, Rotterdam -57.8% and Antwerp-56.8%. However, the bulk of the cargo determines the port's primary production level. In 1996, bulk cargo accounted for 65% of the port's principal cargo. North Asia ports have very low cargo volumes. Shouth Louisiana Port of America is the largest port in the United States with production through 1996 is 204 million tons followed by the port of Long Beach and Corpus Christi. *Asian ports:* As in previous years, Asia's ports continued to grow rapidly. Of the nine large ports with high growth rates, Asia has seven ports, with Hong Kong the highest. Of the 46 ports with the largest cargo throughput in the world, 18 are in Asia. Singapore, Hong Kong and Kaoshiung are the three ports in the order of 1,2,3 (1998). In the period of 1991-1996, ports with double digit growth were Hong

Kong (10.5), Kelang (13.5%) and Taichung (13.1%). Increasing cargo traffic in the Pacific region has caused Hong Kong and Singapore ports to become the top ports in the region. The growth of Hong Kong's port capacity is due to China's commercial potential. Singapore Port mainly serves Southeast Asian countries such as Indonesia, Thailand, Vietnam and Malaysia. Malaysia has a relatively high economic growth rate after China.

In contrast, Japanese ports have grown relatively modestly in recent years. As in the years before 1990, Japan's seaports played a dominant role, now the position is gone. This is due to the fact that shipowners and shippers have more opportunities for port selection and the emergence of many other ports in the region are more efficient and productive. The largest port in Japan was the Chiba port with 178 million tons in 1996. Compared to 1995, the port of Shanghai recorded an increase of 47.8% and reached 135.5 million tons in 1996, Shanghai occupies the dominant position among the largest ports in the world. Port production reflects China's economic growth and the growth of foreign trade.

World container ports: According to ICY 1999 statistics, the total volume of containers of world ports reached 164 million TEUs in 1997, compared to 151 million TEUs in 1996. US, China, Singapore and Japan ports handled 47-48 Total container of the world. In the period 1991-1997, the average growth rate of container volume was 8.2%. Of these, 15 from Asia and 11 from Asia. The growth of these countries in the period prior to July 1997 was the main reason for that growth. This trend is likely to continue in the future as containerized cargo rates in countries such as China, Indonesia and Vietnam are on the rise. In 1995, 46% of container shipments were concentrated in Asian ports, 22.6% in Europe and 15.7% in the Americas. Port cargo volumes, especially major container ports including container containers and container transshipment, also increased rapidly. Transshipment container rates can be as high as 20% and will increase in parallel with the trend of containerized shipping by large vessels and only turning on container handling of some major ports, then transferring containers to feeders and continue shipping. The volume of containers transported in the region, particularly important for Asian and European ports. The reason is mainly due to the intensity of trade in the area and the enormous volume of transshipment containers.

According to the recent announcement of the World Bank, Vietnam is ranked at 39 with LPI (Logistics Performance Index - national logistics performance index) significantly improved in the ranking of Logistics activities 2018. Vietnam ranked third in ASEAN (after Singapore ranked 7 and Thailand ranked 32) and was assessed to have better logistics service performance than markets with similar income. Vietnam has many advantages to develop the transport and logistics industry: Increasing global trade with the integration of international economy and the successful signing of free trade agreements and location. It is suitable to build transshipment centers of Southeast Asia, and the infrastructure of warehouses, highways, seaports and airports will be improved. The Ministry of Industry and Trade assessed that in 2018 the logistics industry had an increase of about 12-14%. The current number of transport and logistics enterprises is 3,000, including roads, railways, seaways, inland waterways, and airways. Vietnam is expected to become a new production center in the region

capable of competing with China. Businesses in the industry also expressed their belief in growth, when more than 73% of businesses surveyed by Vietnam Report said that the whole transport and logistics industry will achieve a double-digit growth and nearly 27%. The remaining is expected to reach below 10% in 2019.

4. Conclusion

Regarding the trend of logistics development in e-commerce - retail, most experts asked by Vietnam Report said that 2018-2019 will witness a boom in transport and logistics in Vietnam e-commerce. The increase in the volume of goods traded through online channels has led to an increase in demand for transport and logistics, especially fast delivery services. The scale of e-commerce market in 2017 reached US \$ 6.2 billion, up 24%, the number of orders through fast delivery companies grew an average of 45% in the period 2015-2020 and could reach 530 million applications. By 2020, many retail businesses such as Vincommerce, Mobile World, FPT, Lotte, and Aeon ... are aiming to develop e-commerce, or big e-commerce giants such as Alibaba, Amazon, etc. Joining Vietnam has made the logistics market more vibrant, accompanied by the need for technological investment and thoroughness in transport and logistics services. Regarding the M&A trend in the logistics industry, Vietnam currently has a policy of mobilizing capital from the private sector to invest in infrastructure through the transfer of rights to exploit some infrastructure (logistics, airports, seaports ...) , attracting large investors with deals estimated to be worth billions of US dollars.

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