Latin American and the Caribbean shipping industry in the international context

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Maritime logistics can be considered the backbone of trade, since it transports around 84.0% of volumes traded worldwide and almost 70% of global trade value (UNCTAD, 2018). Similar ratios can be found in Latin America, particularly in the South American subregion (80.3%)[1]. In this context, ports play a significant role in ensuring a wide distribution of goods through supply chains, including those considered essential, such as food and medical supplies - that were critical during the peak of the pandemic of the COVID-19 and for its current recovery.

The total international waterborne trade[2] in 2019[3] reached 11,9 billion tonnes (Clarkson, 2020), with a growth of 0.4% compared to 2018. From 2010 to 2018, the average year-over-year growth of the international trade carried by water was of 3.4%. In 2020, the pandemic hit hard international trade, and even though the 2019 was weak compared to the last decade, in 2020 the year-over-year growth was decreased by -3.4.

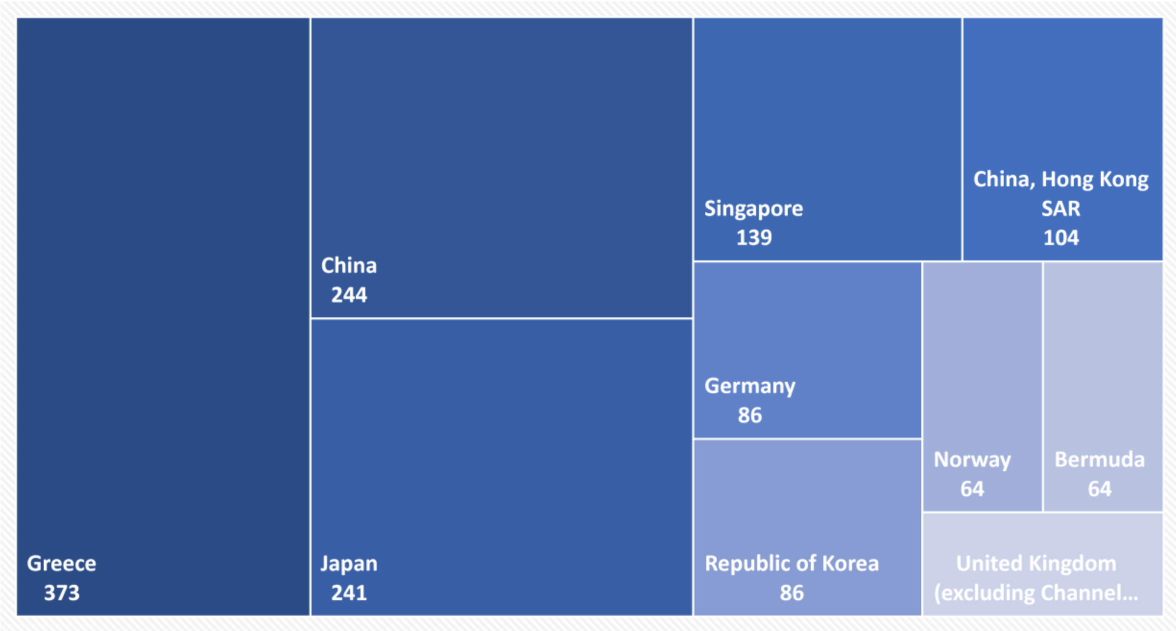
According to data disposed on UNCTADSTAT (2022), considering the total merchant fleet by flag of registration, represented by thousands of dead-weight tons (DWT), Panama occupies the first place of the list, representing in 2021 the 16.1% of the merchant fleet. Followed by Liberia, Marshall Islands, Hong Kong, China, Singapore, Malta, China, Bahamas, Greece, and Japan. Bahamas, a Caribbean island, occupying the 8th place of the rank, with 3.5% of the world´s dead-weight tonnage. In Latin America and the Caribbean, it represented in 2021, 21.5% of the world fleet by flag. Flag by registration does not mean that companies have domicile in the country. In recent years, Latin America and the Caribbean accounted for about 17% of the world's total maritime cargo[4]. Nonetheless, the regional share in the maritime transport industry is smaller. Even though most of Latin America's largest countries had their own shipping companies (either private or state capital) until 20 or 30 years ago, in practice the impact of those remaining in the market is much lower.

In 2021, the country to control the largest commercial fleet by tonnage was Greece, with 373 million dead-weight tonnage, followed by China, Japan and Singapore (UNCTAD, 2021).

[1] Estimated by the authors, based on COMTRADE and BTI, a regional database that is not published yet.
[2] It includes iron ore, coal, dry bulk, gas and oil and their derivatives, chemicals, containers, and other lower loads.
[3] Year of reference before the global pandemic that affected international trade globally.
[4] Estimated by the authors, based on COMTRADE and BTI, a regional database that is not published yet.

The following figure shows the top ten countries in terms of commercial fleet, among which none from Latin America and the Caribbean is included.

Figure 1. Country-owned fleet, top 10 (in millions of dead-weight tonnage)

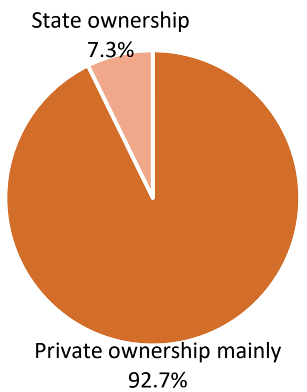


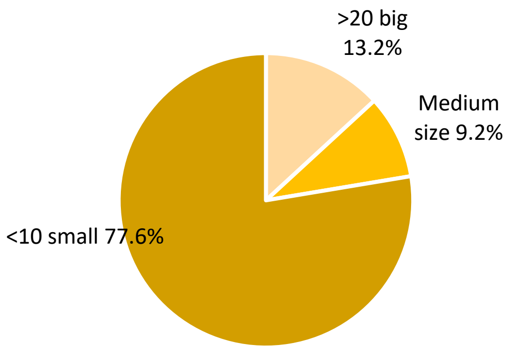
Source: Economic Commission for Latin America and the Caribbean, based on UNCTAD, 2021, using Clarksons data.

The shipping industry of Latin America and the Caribbean has distinctive features, which are displayed in companies in this industry are mostly private-owned, with small fleets, geographic coverage of not-too-far distances (in fact, mainly short-distance geographical coverage) and of diversified specialization.

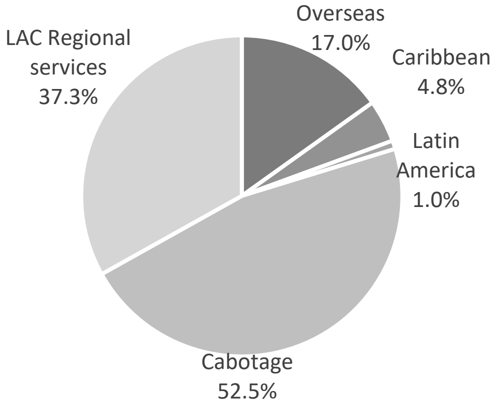
Figure 2. Shipping industry in Latin America and the Caribbean, key indicators

a) ownership **b) fleet size**

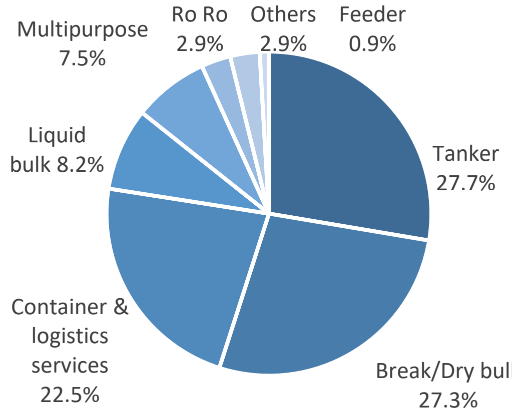




c) geographical specialization



d) specialization by type of transport



Source: Economic Commission for Latin America and the Caribbean, based on official shipping line data found on a survey conducted by the authors.

The analysis is based on a survey conducted by the authors. From the survey, the authors found 317 companies that were active as of January 2022. Of those, 7.3% of the companies are State owned, with a marked prominence of 92.7% of private ownership. Only companies operating at least one vessel of 2,000 or more GT were included.

The analysis of the geographic coverage of these companies indicates that 52.5% offered cabotage services and another 37.3% provided services to neighbouring countries within Latin America and the Caribbean, while 17.0% reached overseas destinations.

As per the type of vessels operated, 63.2% were dry or liquid bulk, including oil and derivatives; 22.5% corresponded to supply container services; 7.5% were multipurpose; 2.9% corresponded to vehicle transport; 2.9% accounted for reefer, barges, tug all together; and 0.9% corresponded for feeder services.

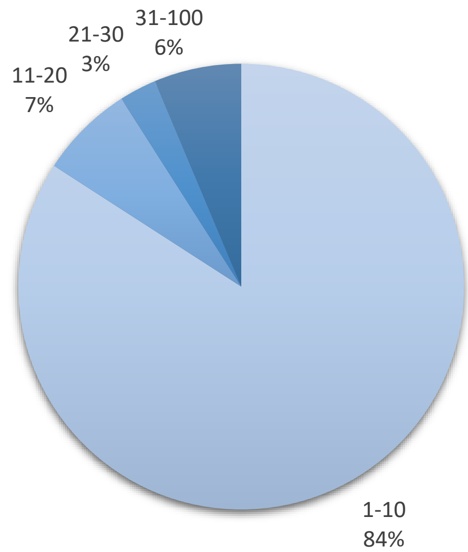
According to data from UNCTAD (2021), in 2020, Asia, with nearly two-thirds of the throughput, maintained its position as the global hub for container port traffic, handling 65.3% of global throughput. Europe was the second-largest container port handling region in 2020, with 14.4%. Together, North America 7.5%, Latin America and the Caribbean 7.2%, Africa 4.0%, and Oceania 1.6% accounted for the remaining shares.

The ranking with the ten largest operators in the market by TEU[5] capacity, by May 2022, these operators account for more than 53.4% of the active vessel fleet and 84% of container mobilization capacity. The following figure shows how the nominal overall transport

[5] Twenty-foot equivalent unit.

capacity is distributed across subgroups of companies, categorized according to their ranking position.

Figure 3. Distribution of the carrying capacity of the world's 100 largest container lines



Source: Economic Commission for Latin America and the Caribbean, based on Alphaliner Top 100 data, May 2022.

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