

Peculiar Aspects on the Market of the Maritime Transport

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Abstract: The purpose of this work is to approach some peculiar aspects linked to the registration of the world maritime fleet, which are done by certain countries and territories; both by their dimensions and also by their economic indicators they are not in a dependency with the transport services. They are already known that some countries and territories are donors of the flag of convenience, having as purpose the returns of the taxes for the registration of the ships, but whose level will be smaller than those of other countries, as the countries of residence of the right owner. These countries – donors of the flag of convenience which are real fiscal paradises – which are eluding of the insurance rules of the navigation, as well as those referring to wrights of the working people on board. However they appear a high level of monopolizing the registration of the ships, bigger than that scored by other indicators, as gross domestic product (GDP), or the trade of these countries and territories, so that the first 35 countries and territories focus 95 % from the registration of the world fleet. Another aspect we prefigure is that the commercial ships represent assets, and certain situations on the market of navy construction and of the transport services could determine as the ships with a certain length of service to be more expensive than those new built.

Keywords: the world registered fleet, degree of concentration of the world fleet, dependence of the registration of the world fleet on a series of factors, etc.

Introduction

The maritime transports played an important role in the world economic changes, even from the appearance. At the moment, more than 70% of the goods volume which are in the international economic circuit are transported on the maritime way. In the field of the maritime transports there were qualitative changes which determine the reducing of the costs, and also to the qualitative rising of the services, as well as to a better preserving of the goods.

The maritime transports have great advantageous comparatively with other transport means, thus determine the government of different states to sustain the development of the maritime transport, by encouraging the investments in this field, to protect the national fleet from the foreign concurrency, to develop and use the transport in order to faster making the loading/unloading operations, in order to conclude agreements with other states.

The commercial maritime fleet belongs to some private firms, or to some joint-stocking private-estate, or to some state or multinational companies. Even if they are a lot of private small family firms which have 1-2 ships of small capacity, one can notice a strong concentration of the fleet in the big societies.

The biggest concentration scores the line shipping, which needs big investment capitals for organising this activity. This concentration rises more together with the development of the container transports, as this type of transport is in principal done only as line shipping which needs together with a big number of container-bearing ships, also with containers. In this situation, the invested capital gets impressive forms; this determines more and more the intermission between the industrial capital and that from transport activity. More and more production firms (that is oil processing firms, cars producing firms, ores working firms, phosphates, etc.), as well as some banks are buying numerous commercial ships. Concomitantly, the shipowners become joint owner of the industrial or bank societies. (Puscaciu, 1999)

The shipping companies used to register the fleet under complaisance flag, in order to elude from the observing some more rigorous conditions regarding the shipping security, or the living conditions for the navy cruises, and especially from the payment of taxes on incomes. Some companies have fleet which is registered in more countries.

The maritime transport is directly or indirectly ruled by the state. The state encourages the development of the fleet by giving advantageous loans for the inland shipowners, and also help them, by administrative means applied to the foreign fleets.

Some states establish different rules in order so as the national fleet could participate to the shipping of the export and especially import goods. The national fleet has to be sustained both by administrative tools, and by directly stipends, and also the navy shipyards are to practice the price of the navies under the market price, or by using the fleet on the certain relations.

Another specific feature of the world fleet is the high grade of concentration regarding the scoring by the registration flag. So that, on the 1st January 2011 the first 35 registration flags counted 93,78% from the world fleet – measured by dwt tonnage; meanwhile, only the 10 registration flags have more than 75% from the world fleet, as can be seen in the figure nr. 1:

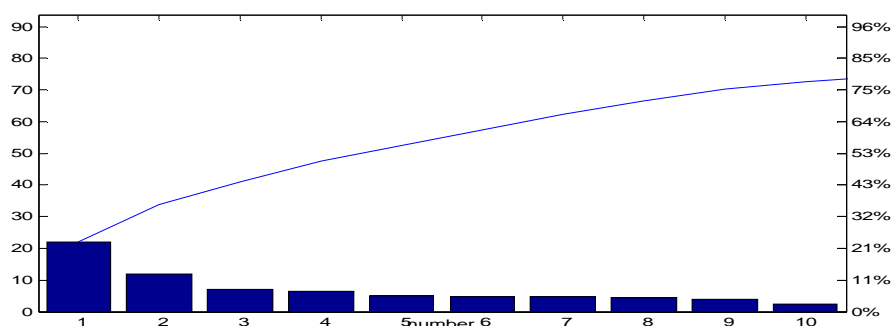


Figure 2. The degree of concentration for the world fleet on the 1st January 2011, as per dwt tonnage¹

For comparison, it is necessary to add that that the world imports score a smaller level of concentrating between the first 10 world importers, the imports being scored in billion US \$.

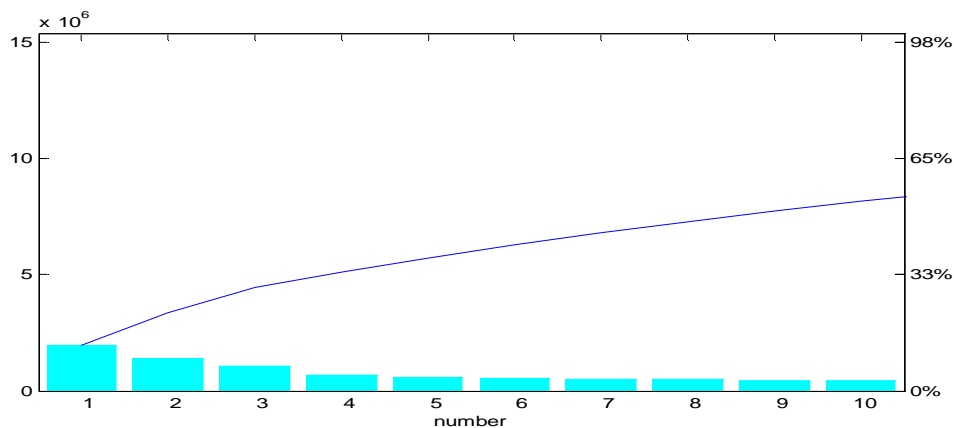


Figure 2. The level of concentrating the world imports, in billion US\$ prices and current exchange rates 2010²

¹ UNCTAD Review of Maritime Transport 2011

This concentration of the world fleet is due to the fact that the registration of the world fleet is achieved in countries which give convenience flags, and which offer very small levels of registration, as well as a series of fiscal facilities, and more permitting restrictions from the navigation point of view. The lack of correlation between the tonnage of the fleet registered by the 35 countries and territories which score the world fleet and the value of the imports is shown in the figure 3 and 4.

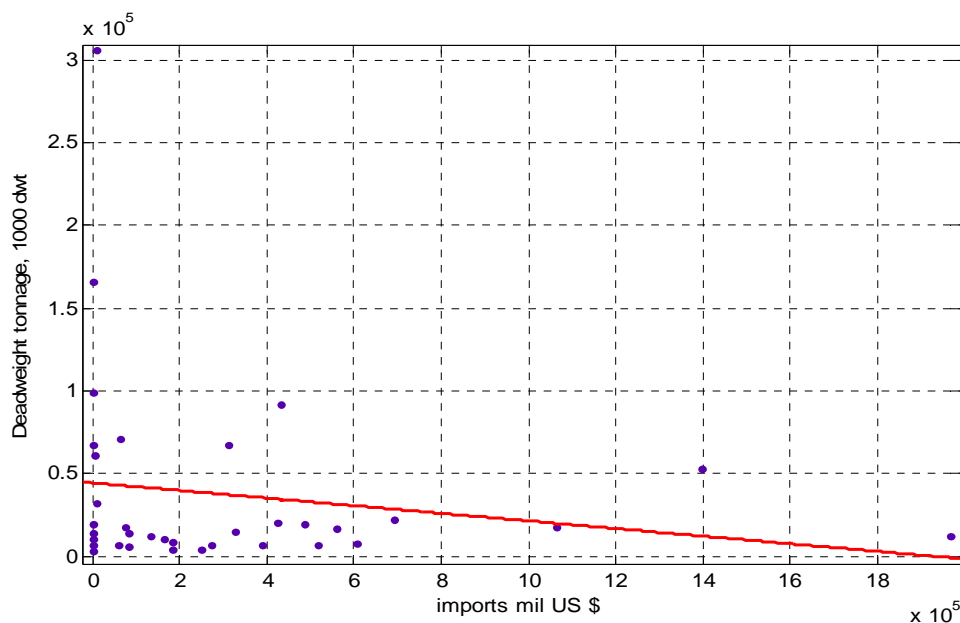


Figure 3. The dependency between the tonnage of the scored fleet and the value of the imports scored by the first 35 countries and territories of scoring the world fleet

From the figure 4 it result that there is not a dependency between the volume of the scored world fleet volume and the value of the scored imports. A similar assumption result also from the correlation of the scored world fleet volume and the population of these countries and territories, and thus expressing the lack of a dependency between the volume of scoring the world fleet and the dimensions of the countries and territories.

² UNCTAD Review of Maritime Transport 2011

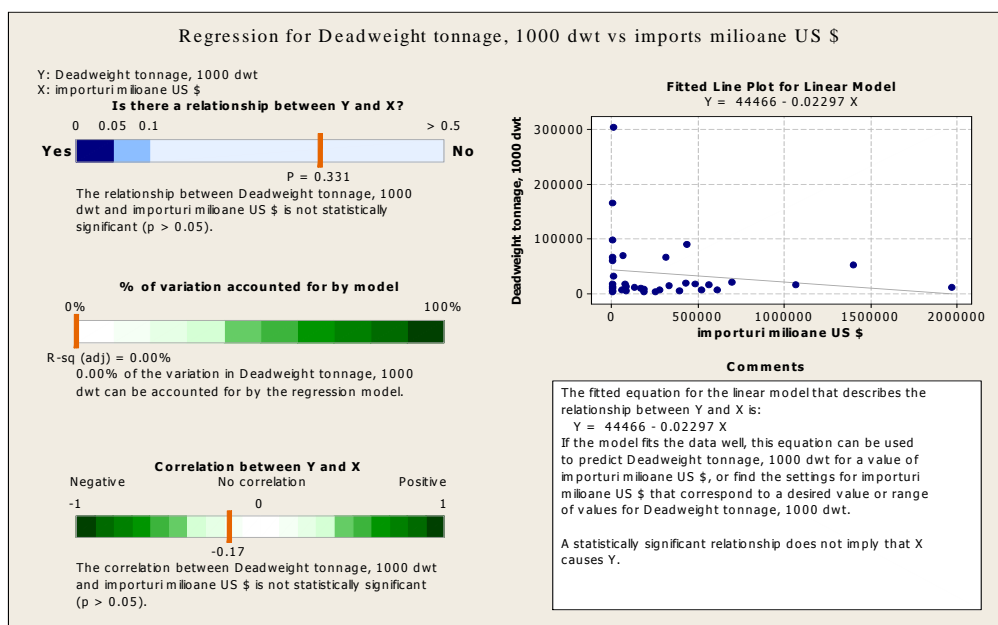


Figure 4. The accuracy of the adjustment from the world fleet registered and the volume of the imports

The dependency between the registration of the fleet and the number of population, on the trade and the GDP at the level of all the countries in the world also shows a lack of statistics significance, and the biggest inconsistencies score for the mentioned countries, as follows:

Regression Equation

Ship registration= 0.425573 + 0.0178916 Population+ 0.500566 Trade value - 0.250443 GDP

172 cases used, 2 cases contain missing values

Coefficients

Term	Coef	SE	Coef T	P
Constant	0.425573	0.181015	2.35104	0.020
Population	0.017892	0.091357	0.19584	0.845
Trade value	0.500566	0.284230	1.76113	0.080
GDP	-0.250443	0.189230	-1.32349	0.187

Summary of Model

S = 2.15518 R-Sq = 2.56% R-Sq(adj) = 0.82%
PRESS = 801.315 R-Sq(pred) = -0.06%

Analysis of Variance

Source	DF	Seq SS	Adj SS	Adj MS	F	P
Regression	3	20.534	20.534	6.8447	1.47363	0.223560
Population	1	4.713	0.178	0.1781	0.03835	0.844969



Trade value	1	7.685	14.406	14.4062	3.10157	0.080036
GDP	1	8.136	8.136	8.1359	1.75161	0.187472
Error		168	780.326	780.326	4.6448	
Total		171	800.860			

Fits and Diagnostics for Unusual Observations

Obs	Ship	Fit	SE Fit	Residual	St Resid	
9	5.0460	0.43264	0.17978	4.6134	2.1481	RBahamas
13	0.5175	1.62009	0.62254	-1.1026	-0.5344	XBelgium
27	3.5543	2.74276	1.55522	0.8116	0.5439	XChina
28	5.8649	1.71747	0.68821	4.1474	2.0307	RXChina, Hong Kong SAR
60	1.3829	2.70164	1.13902	-1.3187	-0.7208	XGermany
63	5.3231	0.52111	0.16966	4.8019	2.2350	RGreece
74	1.1782	1.19545	1.44450	-0.0172	-0.0108	XIndia
82	1.3937	0.45791	0.75347	0.9358	0.4635	XJapan
90	11.1863	0.42843	0.18033	10.7578	5.0092	RLiberia
98	6.1258	0.42588	0.18096	5.6999	2.6541	RMarshall Islands
110	0.5708	1.85424	0.73691	-1.2834	-0.6337	XNetherlands
119	22.7280	0.44690	0.17725	22.2811	10.3735	RPanama
168	1.0068	0.95625	1.93391	0.0506	0.0532	XUnited States

R denotes an observation with a large standardized residual.

X denotes an observation whose X value gives it large leverage.

This concentration of the scoring the world fleet, comparing with the level of focussing of the GDP and of the trade of world level can be shown by the diagram no. 5.

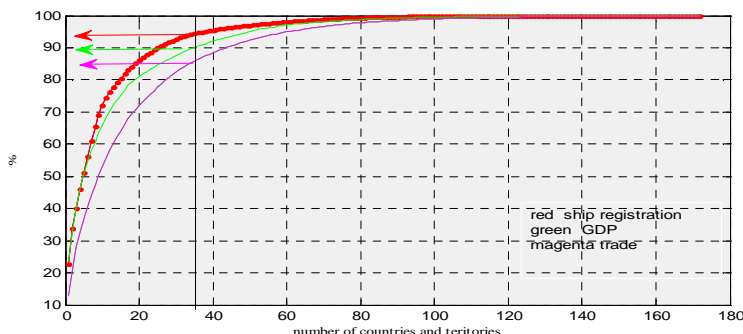


Figure 5. The grade of focussing of the fleet scoring, GDP and trade at the world level³

As one can notice at the level of the first 35 countries and territories score level of focussing of more than 90% from the world registered fleet, rough of 90% of GDP and almost 85% from the world trade.

The conclusion which one could draw is the superior level of concentration of the scoring the world fleet, comparing with other scored indicators at world level.

Another notable aspect which can be seen regarding the world fleet is the fact that the ships – that represent assets from the financial point of view sometimes score prices of acquisition bigger than those with a certain length of service comparing with those new built. Thus, between 2003-2010 the acquisition for the tankers of 50,000 dwt for those new and with a length in service of 5 years are shown in the figure no. 6:

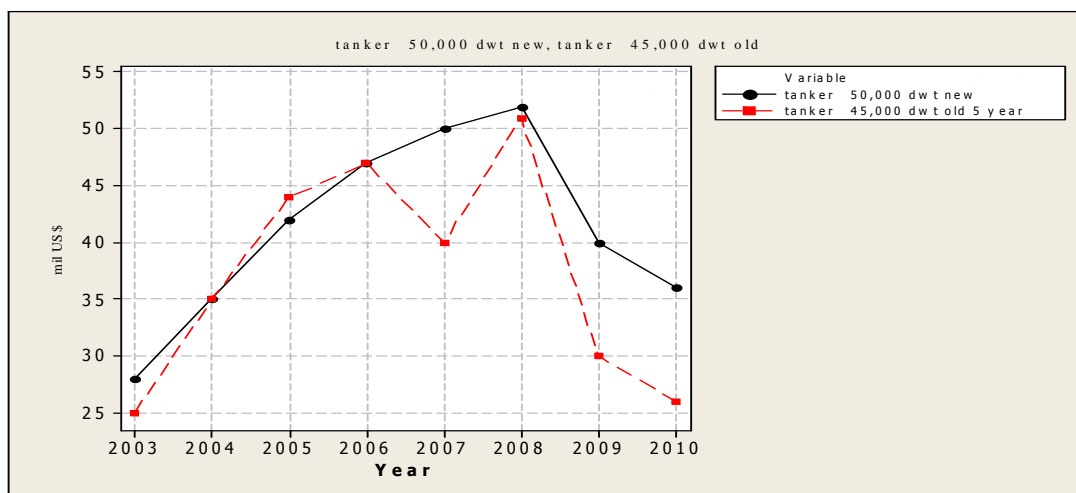


Figure 6. The acquisition price for a new ship of one with 5 years in service⁴

³ UNCTAD Review of Maritime Transport 2011

⁴ UNCTAD Review of Maritime Transport 2011



As one can see, between 2004-2006 the acquisition price of a ship of 5 years in service is bigger than that of a new ship. This situation has explanation in the levels of freight on the market of transport services, as well as the long manufacturing cycle which determines a rigidity of the transport offer to the phenomena on the transport services market.

Conclusions

From those above presented they result a high level of focussing from the point of view of the registering the world fleet, superior to other economic indicators, as well as GDP and to the trade of countries and territories, so that the first 35 countries score 95% from the world fleet. This phenomenon is due to the granting of the “compliance flags” – unloyal practice – as avoids the payment of the taxes from the origin countries, as well as the obeying of some rules more and more restrictive as regards to the navy’s safety and of the measures against pollution.

This work also reveals a certain weakness from the part of the most countries in the world for the transport services, as Romania case too. Despite the fact that up to 1989 year our country was between the 35 countries of world as for the scored commercial fleet, having a tradition in this field, but also a qualified and appreciate labour force, and now is wholly dependent of the transport services of other countries, with unfavourable consequences upon the services balance.

Bibliography

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***UNCTAD, *Review of Maritime Transport* 2011.