

International Chamber of Shipping

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SOFIA MINISTERIAL CONFERENCE ON TRANSPORT CONGESTION 30/31 MAY 2007

Statement by the International Chamber of Shipping (ICS)

The International Chamber of Shipping (ICS)¹ appreciates the opportunity to present some comments to this important ministerial conference on transport congestion.

The primary message that we wish to convey to Ministers is that with regard to the challenges presented by transport congestion - and the related and pressing challenge of reducing the impact of transport on the environment – the movement, by ships, of goods and raw materials by sea should be seen as part of the solution rather than the problem.

About 90% of all world trade is transported by sea. The economic and strategic importance of shipping is sometimes overlooked, but without international shipping half the world would starve and the other half would freeze. Moreover, in terms of the environmental impact of transporting one tonne of cargo one kilometre, shipping is by far the most environmentally benign form of commercial transport, an aspect which possibly merits greater recognition from policy makers.

World trade continues to grow and the international shipping industry has responded to the demand for its services, with the quantity of trade transported by sea (measured in tonne/km) increasing about 50% in the last 15 years. It is the availability, low cost and efficiency of maritime transport that has made possible

¹ ICS is the principal international trade association for merchant ship operators, representing all sectors and trades (e.g. containerships, oil and chemical tankers, dry bulk carriers, gas carriers and passenger ships), with a membership comprising national shipowners' associations from 36 countries and covering about 70% of the world merchant fleet. Our primary role is to represent the views of the international industry at the various inter-governmental bodies that impact on shipping, not least the United Nations International Maritime Organization (IMO).

the large shift towards industrial production in Asia which has in large part been responsible for recent improvements in global living standards.

In order to alleviate transport congestion in other transport modes there is certainly scope for the carriage of additional cargo by sea, particularly by so called 'short sea shipping'. Government initiatives to promote short sea shipping are welcomed and encouraged.

As identified by the documentation for this Conference, a major obstacle to the continued expansion of maritime transport is the restrictions that are placed on the growth of port and terminal capacity, and the related infrastructure required, including adequate road and rail transport links to port hinterlands.

It is therefore suggested that governments might give additional priority to reconciling economic and environmental objectives when planning and granting approval to port expansion projects, and afford greater emphasis to means of ensuring that ports increase their efficiency in order to avoid congestion. The shortage of port capacity for expanding container cargoes is particularly acute in many parts of the world with attendant risks for the growth and smooth running of the global economy with its growing dependence on 'door to door' international transport services and 'just in time' production and delivery schedules.

One important feature of shipping for Ministers to bear in mind is that shipping is an inherently global industry requiring global regulation in order to operate efficiently. The importance of trade facilitation measures for mitigating transport congestion, including the International Maritime Organization Convention on the Facilitation of International Maritime Traffic (FAL 1965, as amended) is also emphasised.

The International Chamber of Shipping (ICS) wishes this Conference every success and looks forward to the possibility of contributing further to the discussion on transport congestion under the auspices of the new International Transport Forum.

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