

**Multi-year Expert Meeting on Transport, Trade
Logistics and Trade Facilitation
11th Session**

Maritime Transport in Times of Polycrisis

23-24 October 2024, Geneva

Introduction of the Background Note

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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



Multi-Year Expert Meeting on Transport, Trade Logistics
and Trade Facilitation, 11th session

Maritime Transport in Times of Polycrisis

Geneva, 23–24 October 2024



Agenda Item 3

Maritime Transport in Times of Polycrisis

- 1. Setting the Scene**
- 2. Building the Resilience and Sustainability of Maritime Transport and Logistics**
- 3. Issues for Discussion**



➤ **Setting the Scene**

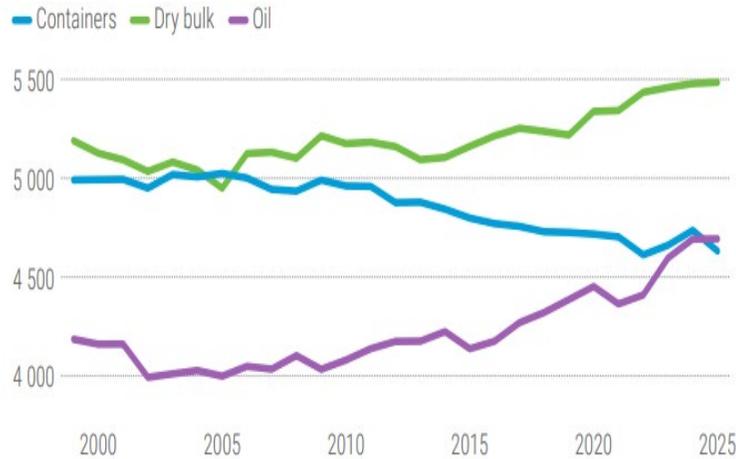
➤ Broader, more frequent and intensified disruptions

Disruptive factors in global logistics and supply chains (2018–2024)

Disruptions	Year	2018	2019	2020	2021	2022	2023	2024
Trade policy tensions between major economies		[Dark Blue bar spanning 2018-2024]						
COVID-19 pandemic shockwaves			[Light Blue bar spanning 2019-2024]					
War in Ukraine						[Light Blue bar spanning 2022-2024]		
Red Sea crisis							[Orange bar spanning 2023-2024]	
Panama Canal drought							[Grey bar spanning 2023-2024]	

➤ Impact of the disruptions

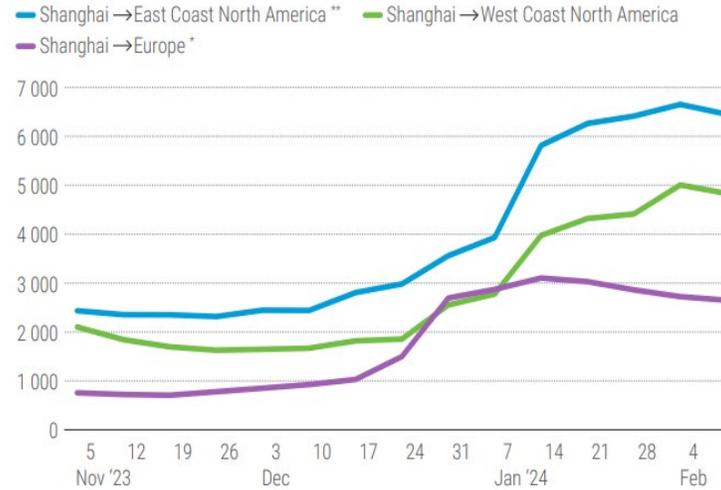
Figure 5 Distances go up due to Black Sea, Red Sea and Panama Canal disruptions
Average distance travelled, in nautical miles



Increased Travel Distances, Shipping Delays, and Inefficiencies

- ▶ Disruptions have led to a significant increase in shipping distance from rerouting of vessels, increasing shipping delays and port congestion - affecting the reliability of global supply chains, and altering shipping and trading patterns, as well as business models.

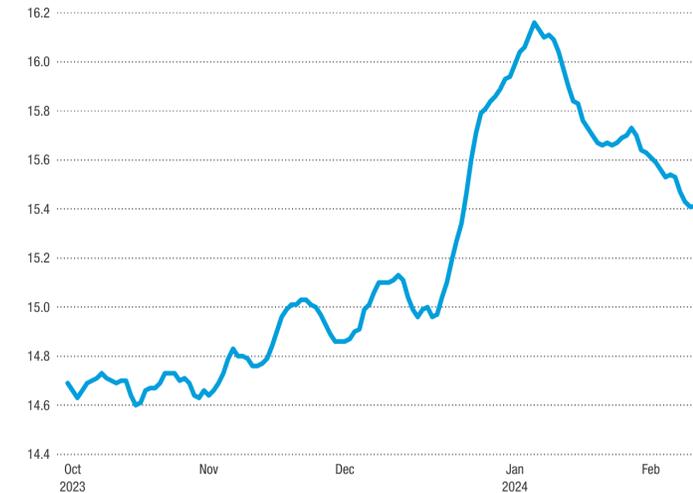
Figure 9 Freight on the Suez Canal route sees the highest surge in rates



Rising Freight Rates and Transport Costs

- ▶ Disruptions have caused freight rates to soar, increasing overall shipping costs for businesses and consumers.

➤ Spiking vessel sailing speed at the start of the Red Sea crisis

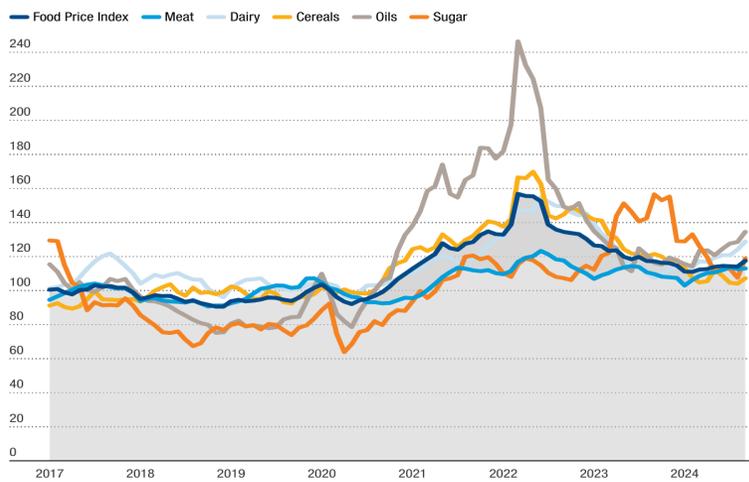


GHG Emissions Increased

- ▶ The shipping industry's GHG emissions rose by 20% over the past decade.
- ▶ Increased travel distance, and increased sailing speed and other inefficiencies caused by disruptions are exacerbating environmental concerns and complicating regulatory compliance.

Impact of the disruptions

Monthly Real Food Price Index (Jan 2017-Sept 2024)



Source: FAO
Chart: UNCTAD

Heightened Energy and Food Security Concerns

- ▶ Disruptions have intensified concerns about trade and supply in critical sectors, including energy and food.

Figure 4 Importance of Suez Canal for selected countries
Share (as a percentage) of trade volume, in tons, going through the Suez Canal, 2022

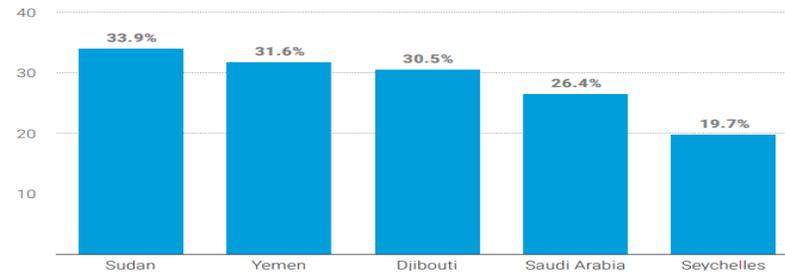
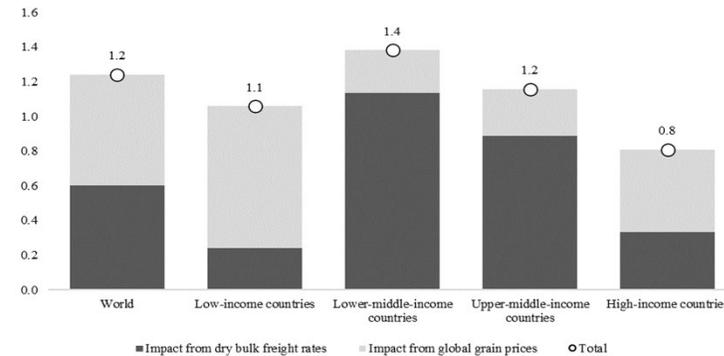


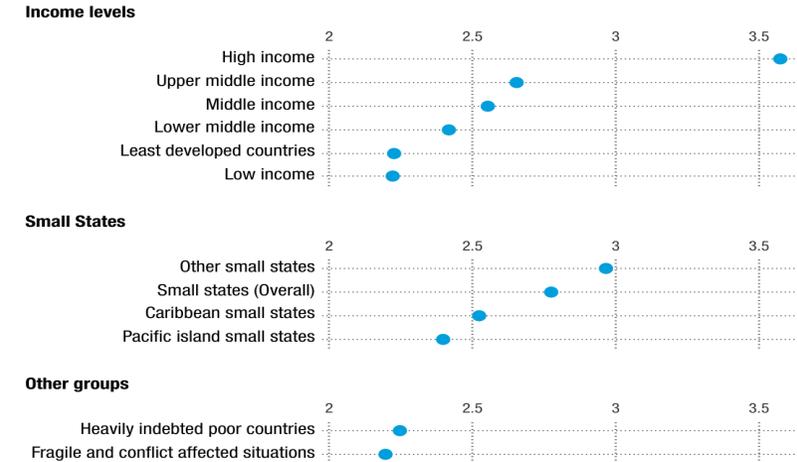
Figure: Impact of higher freight rates and grain prices on consumer food prices (Percentage increase)



Disproportionate Impact on developing countries

- ▶ Developing countries, especially SIDS and LDCs, have been disproportionately affected, facing unique vulnerabilities in their transport and logistics sectors, which impacts their economic stability and development prospects.

Quality of trade and transport-related infrastructure (1=low to 5=high, 2022)



Source: World Bank
Chart: UNCTAD

Investment and Funding Shortfalls

- ▶ The need for investment in resilient and sustainable infrastructure and technologies has become critical, but financial resources may not be sufficient or allocated effectively, impacting long-term sustainability and adaptation efforts.

➤ Global Supply Chain Forum 2024 in Barbados

- ▶ In this context of polycrisis and many imperatives, enabling more sustainable, low-carbon, agile and resilient maritime transport and logistics is key to addressing underlying challenges and leveraging opportunities.
- ▶ Rapid and multi-faceted action is required
 - ▶ The Forum emphasized the **strategic importance of an integrated and inclusive approach** to building supply chain sustainability and resilience.
 - ▶ It stressed the need to **address the compounded effects** of disruptions, including climate change, focus on reducing GHG emissions through mitigation action, and enabling climate adaptation of transport infrastructure and services.



- ▶ **Ministerial Statement for Enhancing Transport and Logistics in SIDS**, affirmed commitment to **seven strategic directions and priorities**, including enhancing connectivity and accessibility, strengthening resilience and sustainability, regional collaboration, food and energy security, and value chain development.
- ▶ Called for **funding and investment prioritization** in SIDS' transport and logistics sectors.

Agenda Item 3

Maritime Transport in Times of Polycrisis

1. **Setting the Scene**
2. **Building the Resilience and Sustainability of Maritime Transport and Logistics**
3. **Issues for Discussion**

➤ **Thematic areas** of the 11th session of the MYEM on **Transport, Trade Logistics and Trade Facilitation**



Future-proofing maritime transport and logistics by enhancing preparedness and the ability to respond, recover and adapt to disruptions



Decarbonization and just and equitable transition to low- or zero-carbon shipping



Harnessing the potential of alternative energy for port sustainability and shipping decarbonization

▶ **Innovative finance**

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Issues for Discussion

➤ Maritime transport in times of polycrisis

- ▶ How can maritime transport and logistics be made **more resilient** in the face of disruption? What is the **role of key stakeholders**, including Government, industry actors, financiers, international organizations and others?
- ▶ How can the maritime transport sector **accelerate decarbonization efforts**? What are the implications for developing countries' transport and trade? How can developing countries be supported, particularly **SIDS, LDCs** and **LLDCs**, in their transition?
- ▶ How can **ports** both **enable and accelerate** the shift to a sustainable and low-carbon path, in particular through the potential arising from **alternative fuels**? How can ports support shipping decarbonization?
- ▶ How can **financial resources and investment** be **scaled up and diversified**? What are the options available to maritime transport and hinterland transport networks and logistics?
- ▶ How can mainstreaming **sustainability** (economic, social and environmental) and **resilience criteria and principles** be ensured across the transport and logistics chain, all modes of transport and stakeholders involved in the delivery of door-to-door transportation? What are the **challenges, lesson learned** and **good practices** for replication at wider scope?



➤ UNCTAD's Work in Transport

UNCTAD technical assessment tools

▶ Resilient maritime logistics

- A [guidebook/online platform](#) : capacity building for ports to manage risks and enhance resilience
- A [training course](#) - six modules and focusing on port and maritime supply chain resilience



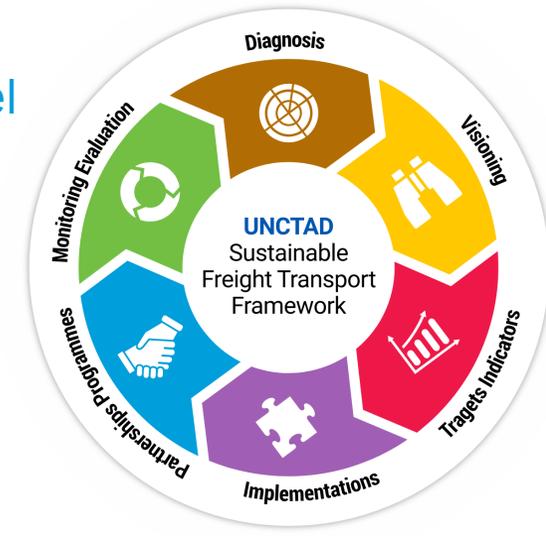
BUILDING CAPACITY TO MANAGE RISKS AND ENHANCE RESILIENCE
A Guidebook for Ports



UNCTAD Course on Ports and Maritime Supply Chain Resilience

▶ Sustainable Freight Transport

- A [framework](#) providing step-by-step guidance to develop and implement tailored SFT strategies;
 - [and tools](#) to facilitate the implementation of SFT framework
- [SFT methodology and assessment reports](#) - identifying priorities and actions
- [SFT Index](#) to measure and visualize countries' performance in an internationally comparable manner
- [Land Freight Emission Model](#) to calculate air pollutant emissions and carbon emissions from land freight transport



UNCTAD technical assessment tools

▶ Sustainable Smart Ports

- SSP [methodology](#) and [assessment reports](#) including recommendations and action plan/roadmap for port energy efficiency improvement, sustainable energy promotion, and technology-driven solutions
- Online [SSP platform](#) and relevant [guidance](#) and [training materials](#)
- [Capacity building and training workshops](#) to support in the delivery of at least one priority action from the action plan/roadmap.

▶ Public Private Partnerships

- [PPPs training module](#) providing guidance on the implementation and lifecycle of PPPs for infrastructure projects and services in the transport sector
- [Capacity building and training workshops](#)



UNCTAD's maritime transport : knowledge hub and collaboration

Knowledge Hub

- ▶ Statistics and data
- ▶ Maritime profiles
- ▶ Handbook of Statistics
- ▶ SDG Pulse
- ▶ Review of Maritime Transport
- ▶ TTF Newsletter
- ▶ Non-recurrent publications

Collaboration with South Korea

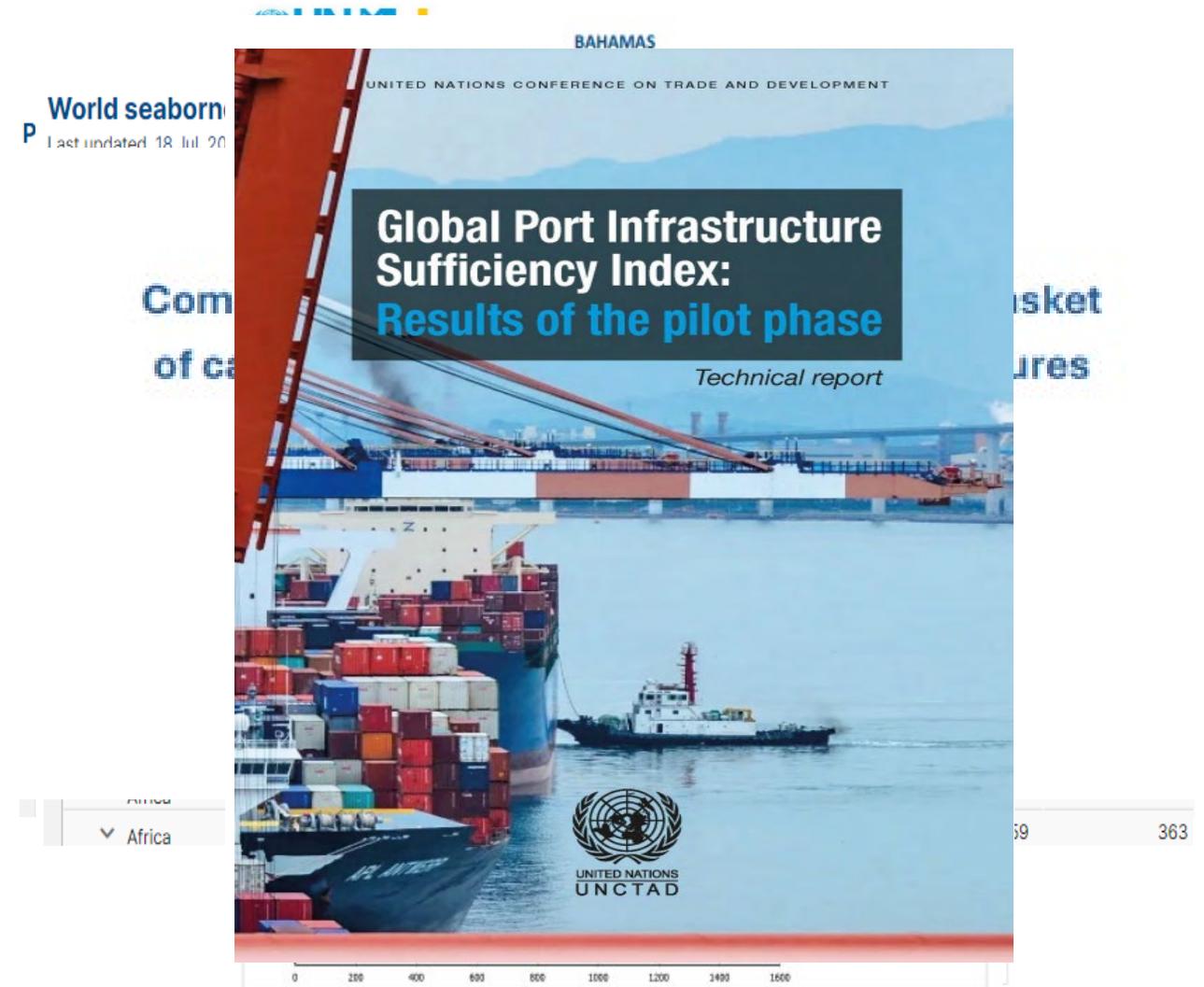
Global Port Infrastructure Sufficiency Index (GPISI)

Publication setting out the main findings generated by the GPIS pilot phase across 50 global container terminals and ports

Collaboration with IMO

Assessing the impact on States of shipping decarbonization measures

Comprehensive impact assessment of the basket of candidate mid-term GHG reduction measures.



Thank you

