TOTAL MERCHANT FLEET BY COUNTRY OF DOMICILE

The Institute of Shipping Economics and Logistics (ISL) analyses yearly the ownership patterns of the world merchant fleet, namely the national and foreign flag fleets of leading shipping nations. Moreover records are provided on the fleet potential and structure of major open registry flags. Included in the analysis are ships of 1,000 gt and over.1) At the beginning of 2005, 26,942 merchant ships with a total tonnage of 827.2 mill dwt are included in the statistical survey on countries of domicile. Excluded are 3,909 ships with 52.7 mill dwt of which the parent company information is not available.

Fig. 1: World merchant fleet by national and foreign flag 1995-2005

As of January 1st, 2005, 14,480 merchant ships with 538.8 mill dwt equal to 65.1 per cent of the total tonnage were not registered in the country of domicile of the owner but flagged-out. For comparison, as of January 1st, 2001, the foreign flag share stood at only 62.4 per cent.

The national flag registered ships of the total merchant fleet had an average age of 18.6 years compared to 14.7 for the foreign registered ships. For shipping nations like China, the United States of America, the Republic of Korea and Japan, but also for countries such as Russia, Saudi Arabia, Philippines, Canada and Indonesia their national flag registered ships were significantly older than their ships registered under foreign flags.

OWNERSHIP PATTERNS OF LEADING SHIPPING NATIONS

At the beginning of 2005, more than 93.5 per cent of the total deadweight tonnage of the world merchant fleet was attributable to no more than 30 countries (excl. tonnage for ships of which the parent company is unknown). This league of top ranking fleets includes to a large proportion OECD countries, comprising the majority of EU-countries, but also emerging Asian countries like China, Taiwan as well as Singapore, India and Malaysia.

Fig. 3: Controlled fleet development of major shipping nations as of January 1st, 2001-2005 (dwt – yearly average growth rate)

OECD countries control, in terms of deadweight tonnage, at least 68.7 per cent of the total world merchant fleet. Compared to last year’s figures the total OECD controlled tonnage decreased by 0.5 per cent. As of January 1st, 2005, the foreign flag share of OECD countries in tonnage terms reached 73.0 per cent, which means, that at least 414.9 mill dwt were registered under foreign flags. At the beginning of 2005, the EU-25 countries controlled 314.1 mill dwt. 2 per cent was attributable to the new member states like Malta, Cyprus, Poland and the Baltic states. The foreign flag tonnage share for the total EU fleet stood at 67.4 per cent, whereas the share for the new member countries reached 78.9 per cent.

1) For definition of ship types please compare “Definitions” at the end of this issue
As of January 1st, 2005, the top ten leading shipping countries represent in terms of tonnage 71.5 per cent of the total world merchant fleet²).

The Norwegians - for many years ranked third - lost more than 13 per cent of their controlled fleet and are now at rank five. Tonnage figures at the beginning of 2005 compared to previous year's results indicate that all top ten flags, with the exception of Norway and the US, increased their controlled fleet tonnage potential. The largest tonnage increases were attributable to UK (37.6 per cent), Hong Kong (24.3 per cent) and Germany and China (both 18.9 per cent). Compared to 2001, Germany increased the controlling tonnage by 76.7 per cent (24.9 mill dwt) - the highest growth rate within the top 10 shipping nations.

MAJOR SHIP TYPES AND OWNERSHIP PATTERNS

All shipping sectors tend to use open registry flags increasingly although the foreign flag shares differ for major ship types. Table 6 illustrates that especially bulk carriers, container and tankers were registered under foreign flags, whereby the foreign flag shares (based on dwt) for bulk carriers and tankers reached the highest shares with 69.6 and 65.9 per cent respectively. Only the national flag share for passenger and cargo/passenger ships exceeded the foreign flag registered tonnage. The foreign flag tonnage share of the world container fleet increased from 57.4 per cent in 2001 to 63.4 per cent at the beginning of 2005.

Tab. 6: Total merchant fleet tonnage (dwt) by national and foreign flag according to major ship types as of January 1st, 2001 - 2005 (in per cent)

<table>
<thead>
<tr>
<th>Ship type</th>
<th>National flag</th>
<th>Foreign flag</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tankers</td>
<td>63.7</td>
<td>36.3</td>
</tr>
<tr>
<td>Bulk carriers</td>
<td>66.2</td>
<td>33.8</td>
</tr>
<tr>
<td>Container</td>
<td>57.4</td>
<td>42.6</td>
</tr>
<tr>
<td>General cargo ships</td>
<td>55.0</td>
<td>45.0</td>
</tr>
<tr>
<td>Passenger/pass. cargo ships</td>
<td>67.6</td>
<td>32.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>63.4</td>
<td>36.6</td>
</tr>
</tbody>
</table>

²) Tonnage attributable to countries of domicile, excluding unknown.
Ownership patterns of the world merchant fleet

ranging between 9.0 per cent (United States) and 98.1 per cent (Switzerland) respectively. At the beginning of 2005, the foreign flag share of Germany in tonnage terms stood at 74.4 per cent compared to 61.6 per cent in 2001. Germany increased its tonnage during the last year by further 20 per cent and controlled at the beginning of 2005 31.4 per cent of the world container fleet (based on dwt).

THE COUNTERPART - MAJOR OPEN REGISTRY FLAGS’ DEVELOPMENT

As of January 1st, 2005, tonnage registered under open registry flags comprised of 432.7 mill dwt (ships of 1,000 gt and over, excluding national shares and ships of which parent company is unknown).

Fig. 3: World merchant fleet tonnage by national and top ten open registries as of January 1st, 1988-2005 (in mill dwt)

Compared with results in 2001 the tonnage potential of open registry flags\(^3\) on the world merchant fleet increased by 42 mill dwt equal to 10.7 per cent.

Leading open registry flags are Panama and Liberia with a total tonnage of 262.3 mill dwt representing approx. 61 per cent of the total tonnage registered for the top ten open registry flags. The Panamanian fleet increased by 22.8 mill dwt equal to 14.3 per cent compared to figures in 2001. At the beginning of 2005, 4,399 ships with 181.9 mill dwt were attributable to Panama, the world’s top ranking open registry flag. At the beginning of 2005, the Liberian fleet stood at 80.4 mill dwt compared to 76.6 mill dwt one year before and 72.4 mill dwt in 2001.

Flagged-out general cargo ships, container ships, tankers and bulk carriers were mainly attributable to Panama. Liberia has a strong position as far as tanker tonnage is concerned. The Bahamas are in the lead as open registry for passenger ships, whereas Cyprus has a relatively strong position with regard to bulk carriers.

At the beginning of 2005, OECD countries’ foreign flag tonnage was to 35.2 per cent registered in Panama followed by Liberia with only 12.5 per cent. The comparison with results of 2001 reflects the tonnage regrouping between traditional open registry flags as well as the growing importance of emerging new registers.

\(^3\) In this analysis open registry flags comprise based on the flag ranking as of January 1st, 2005 the following top ten flags, namely Liberia, Panama, the Bahamas, Cyprus, Malta, St. Vincent, Bermuda, Marshall Islands, Antigua & Barbuda as well as Cayman Islands. National flag related information for these countries is excluded.
German ship owners took increasingly advantage of the Marshall Islands flag (11.4 per cent) but nearly 39 per cent of the total flagged-out tonnage in 2005 was still attributable to Liberia. US foreign flag registered tonnage concentrates also on the Marshall Islands (31.0 per cent) and the Bahamas (35.6 per cent). Whereas 84.1 per cent of the Japanese owned tonnage were registered under Panamanian flag.

Malta and Cyprus are especially relevant for Greek ship owners, whereas the registry “Antigua & Barbuda” is primarily used by German shipping companies.

Christel Heideloff, Senior Economist/Editor