

UNCTAD contribution to the Report of the Secretary-General on Oceans and the Law of the Sea.

I. Developments relating to international shipping activities

As noted in UNCTAD's *Review of Maritime Transport 2012*¹, in tandem with the world economy and global merchandise trade, world seaborne trade grew by 4.5 per cent in 2011, taking the total volume of goods loaded worldwide to 8.8 billion tons. Many of the factors that face the world economy continued to remain relevant in 2012, and depending on how they evolve, they could impact dramatically on the global economic and trade outlook. More than three years after the economic and financial crisis of 2008, the world fleet continued to expand during 2011, reaching more than 1.5 billion deadweight tons (dwt) in January 2012, an increase of over 37 per cent in just four years. At the same time, continued deliveries and a drastic downturn in new orders following the economic crisis has led to a reduction in the world order book by one third during the same period. Developing countries continue to expand their market share in different maritime sectors, including shipbuilding, ownership, registration, operation, scrapping and manning. Freight rates in 2011 and the beginning of 2012 have often remained at unprofitable levels. Within the three segments – dry bulk, liquid bulk and containerized cargo – substantial freight rate drops have been reported. Vessel oversupply can be identified as a driving factor behind this development. World container port throughput increased by an estimated 5.9 per cent to 572.8 million 20-foot equivalent units (TEUs) in 2011, its highest level ever. The UNCTAD Liner Shipping Connectivity Index (LSCI) showed a continuation in 2012 of the trend towards larger ships de318(h)-0.95892(e)-131(0)-0.99nigtiri emaler(i)11.53

ships transporting cargo of any type means that significant quantities of heavy bunker fuel are carried across the oceans and along coastal zones. Exposure to oil pollution incidents poses a potentially significant economic threat for coastal States, including in particular coastal developing countries and Small Island Developing States (SIDS) with economies heavily dependent on income from fisheries and tourism.

While the international legal framework governing oil-pollution damage from tankers is very robust and provides significant compensation, not all States that are potentially vulnerable to ship-source oil-pollution are Party to the latest international legal instruments in the field. Against this background, and to assist policy makers, particularly in developing countries, in assessing the merits of adoption and implementation of the relevant international legal instruments, the UNCTAD secretariat, in 2012, published a substantive analytical report, “*Liability and*

