

SHIPPING INDUSTRY AFTER UKRAINIAN WAR OUTBREAK: QUANTITATIVE AND QUALITATIVE CHANGES

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Apparently, all forms of international economic relations have been affected by the Ukrainian war outbreak, with shipping industry being no exception. Being responsible for transportation of various goods worldwide, the shipping industry has been impacted both qualitatively and quantitatively by macroeconomic headwinds. However, the analysis suggests that the shipping world managed to adjust to quantitative changes much quicker than for qualitative ones.

As to volumes of the seaborne trade, in 2022 the ubiquitous drop on a year-on-year basis was observed in overall volumes of seaborne trade as well as in all sub-segments apart from wet bulk (the one which was severely impacted earlier by the pandemic). Nonetheless, a recovery was observed in all segments in 2023 when the volumes of seaborne trade increased on a year-on-year basis. 2023 was a year when the overall volumes of global seaborne trade as well as specifically tonnage of dry bulk trade reached the all-time highs. For the containership segment, 2021 remains the most prominent year both volume wise and charter rates wise, while in wet bulk sector trade volumes spot in 2018 remain the highest [1]. All in all, the above findings suggest that quantitatively the seaborne trade appeared to be highly resilient and adaptive towards the geopolitical challenges posed by the war outbreak.

In the meantime, qualitatively there have been several worthwhile developments inside the shipping industry stipulated mainly by shift in traditional trade patterns. While in containership sector nothing has significantly changed with this part of the shipping world still being under domination of intra-Asian trade [2], both dry bulk and wet bulk sectors structurally changed.

Pre-war role of Ukraine in the world grain exports was rather significant – 10% [2]. The UN Black Sea initiative could not meet the demand in grains transportation, as such, the consumers of grain imports shifted towards the Americas – Brazil, Argentina, and the USA. Although African region consumes a high portion of grains worldwide, the role of China in exports of commodities transported by dry bulk carriers should not be underestimated. This presupposed an increased demand in dry bulk carriers’ vessel space as bulkers traveled longer to reach the final consumers while ships’ supply is inelastic short- and middle-term [3] as vessels cannot be built and put on trade overnight. Later in 2023 and in 2024 Ukraine managed to regain the positions having almost reached pre-war seaborne grain export level [4]. In the coal trade, the exports weight of Russia was not affected [2].

In tanker trade, the sanctions against Russia directly increased the milage covered by tankers as Europe sought for new energy sources while Russia tried to secure new marketplaces to export its crude oil and petroleum products. Although still having carried the amount of cargo beyond pre-covid levels, world tanker vessels had a much longer average haul in 2023 [1]. Through ship-to-ship transfers off coast, the crude oil cargo from Russia was still delivered to China (criticizing sanctions) and India [5]. Coupled with restricted fleet growth and stricter environmental regulations, longer-haul trade supported the energy shipping sector.

The global seaborne trade was rather resistant to the war outbreak in general, although structurally it reshaped. 2024 will bring to the table more fleets' energy efficiency considerations as well as further geopolitical impacts, albeit the trade is projected to continue growing on a year-on-year basis.

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