



# In Support of Free Trade Principles and Sustainable Development

## Global shipping sector and world trade

Around 90% of world trade is transported by ships, including raw materials, energy, food, as well as manufactured goods and products. As the main facilitator of international trade, shipping is of vital importance to the global economy.

In order to continue to facilitate global trade effectively, the shipping sector – as represented by ICS, ASA and ECSA – remains fully committed to the preservation and promotion of free trade policies and principles around the world.

### Negative impact: Trade-restrictive measures

The proliferation of trade-restrictive measures leads to uncertainty and undermines the efficiency of global trade and the sustainable development of nations.

In recent years, the global shipping sector has observed an upsurge of support by governments for different types of tariff and non-tariff trade-restrictive measures worldwide, including but not limited to:

1. Import restrictions and quotas;
2. Administrative obstacles;
3. Cargo reservation measures restricting carriage of certain cargoes to ships of a particular flag or flags. This also includes broad interpretations of 'government cargoes', intended to restrict transportation of certain portions of government cargo to national flag ships;
4. Discriminatory measures related to services in ports; and
5. Restrictions with regard to the nationality of seafarers employed on board ships engaged in certain trades.

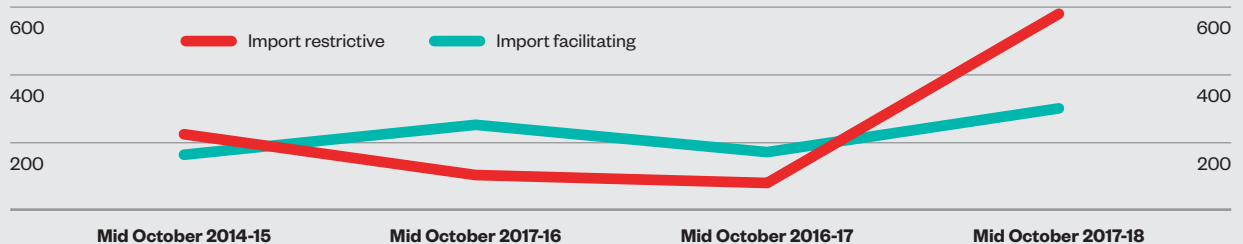
A recent WTO report<sup>1</sup> on Trade-Related Developments revealed that its members adopted 137 new trade-restrictive measures between 2017 and 2018. The report also found that during that period the trade coverage of import-restrictive measures was worth USD 588.3 billion, a more than seven fold (644%) increase over the USD 79 billion recorded between 2016 and 2017.

### Policy recommendations

Trade-restrictive measures jeopardise economic recovery and their proliferation introduces considerable risks for global trade, economic growth, jobs and consumer prices worldwide. In this respect, governments are recommended to:

1. Avoid the adoption of any trade-restrictive measures in general, as these have an adverse effect not only on the sustainable development and connectivity of national economies of the implementing countries, but also on the sustainable development of the global economy.
2. Oppose national or regional cargo reservation measures that might be proposed (including those proposed by other nations) with regard to the transport by sea, on international voyages, of energy products, raw materials, food, as well as manufactured goods and products.
3. Give due consideration to the removal of any maritime transport cargo reservation measures and other similar trade-restrictive measures, which are already in effect, so as to enhance the competitiveness of their national economies and the access of local importers and exporters to efficient maritime transport services.
4. Fully commit to and support the above mentioned principles, which are vital to safeguard trade and investments that are needed for national economies to thrive.

### Increase in Import-Restrictive Trade Measures – US\$ Billions



Source: WTO

1 WTO, Overview of Developments in the International Trading Environment, November 2018

# About ICS, ASA and ECSA



## International Chamber of Shipping

Shaping the Future of Shipping

The **International Chamber of Shipping (ICS)** is the global trade association for merchant shipowners and operators, representing all sectors and trades. ICS membership comprises the world's national shipowner associations.



The **Asian Shipowners' Association** is the regional trade association for merchant shipowners and operators, whose membership comprises national shipowner associations in Asia.



## ECSA

European Community Shipowners' Associations

The **European Community Shipowners' Associations (ECSA)** is the regional trade association for merchant shipowners and operators, whose membership comprises national shipowner associations in Europe.