



**The Competitive Situation of
the Swedish Merchant Fleet
2014**

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Report 2014:2**

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Transport Analysis

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Summary

Transport Analysis (Trafikanalys) is mandated by the government to monitor the competitive situation of the Swedish merchant fleet, by which we mean the fleet of Swedish-registered merchant vessels. We also take into account the situation of the Swedish-controlled merchant fleet, which mirrors the competitiveness of the Swedish merchant shipping industry as a whole.

We start with an overview of the various shipping segments. Shipping specializes in segments, each facing different conditions and circumstances that should be carefully considered, but because of the availability of statistics, most of the analysis is conducted on an aggregate level.

For comparison with international conditions, we have selected a number of countries where Swedish vessels are registered, i.e., Denmark, Finland, Norway, the Faeroe Islands, Germany, the Netherlands, the UK, Bermuda, the Bahamas, and Singapore. We note that the growth observed in the ship registers of these countries continues unabated. Finland stands out by the sharp growth in its merchant fleet, partly because of the registration of formerly Swedish-registered ships. The Faeroe Islands had previously experienced very strong growth in its fleet, but has recently experienced more moderate growth.

Official Transport Analysis statistics mostly measure vessels of at least 100 gross tonnes. In other contexts, vessels of at least 300, 500, or 1000 gross tonnes are measured. On comparing these size categories, our main observation is that the Swedish merchant fleet has continued to decrease in all these size categories, in tonnage and in number of vessels.

The proportion of Swedish-registered vessels in the total Swedish-controlled fleet has fallen in all size categories. However, the leasing out of vessels has decreased substantially, allowing the controlled fleet to increase. The deadweight tonnage of Swedish-controlled vessels has also increased in ship registers of EU member states, contributing to the achievement of the EU's maritime strategy.

The report also addresses the competitive situation of Swedish ports, which are crucial for the availability to Swedish industry of efficient import and export facilities. We describe the freight handling through the ports and the trend towards fewer port calls by ever-larger vessels, which the ports must take into consideration. Finally, we describe the competitive situation of sea transport vis-à-vis other means of transport, such as rail and road transport. The so-called Sulphur Directive is influencing competition among the various means of transport, as it increases the fuel costs for shipping in SECA areas.

The core of the report is a review of recent developments in a number of areas influencing the competitive situation of the Swedish merchant fleet. These areas include tax regulations, staffing rules and costs, shipping aid, administrative costs, financing support, and research and development. Because an ongoing commission is analysing the possible implementation of a tonnage-tax system for Sweden, we omit much of the analysis of tax-tonnage systems abroad. We conclude that the competitive conditions for Swedish shipping have improved in several respects, but that the overall competitive situation is disadvantageous for Sweden.



Transport Analysis is a Swedish agency for transport policy analysis. We analyse and evaluate proposed and implemented measures within the sphere of transport policy. We are also responsible for official statistics in the transport and communication sectors. Transport Analysis was established in April 2010 with its head office in Stockholm and a branch office in Östersund.