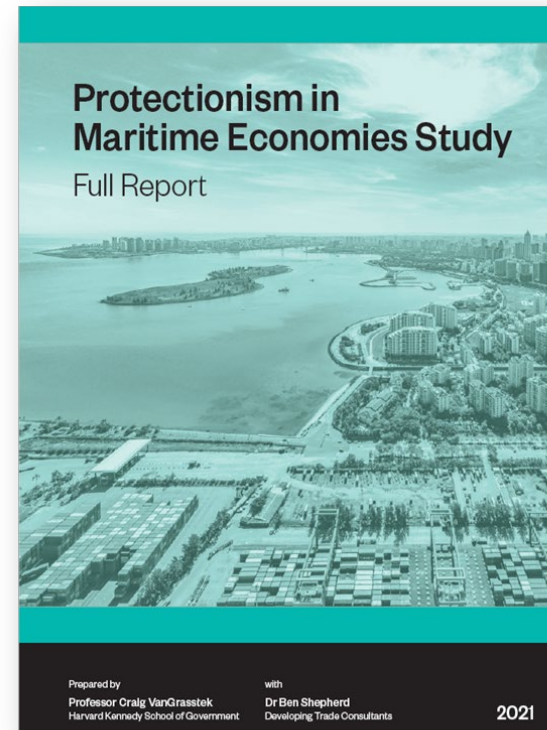
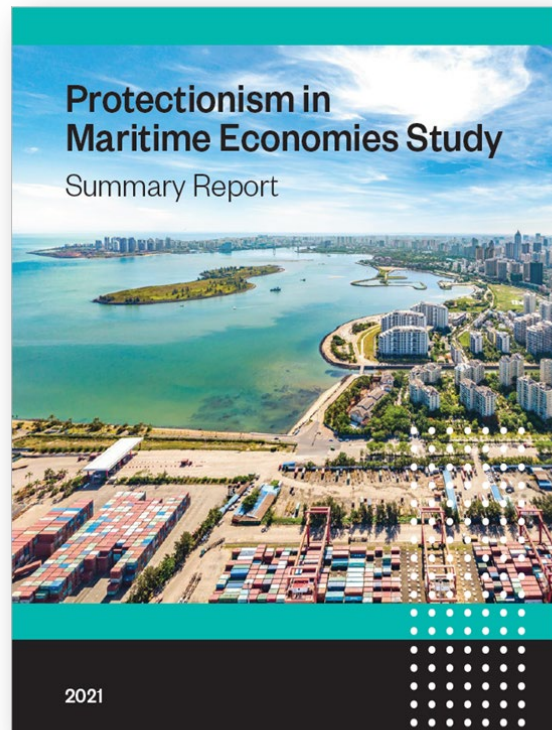


# ICS Study on Protectionism in Maritime Economies



International  
Chamber of Shipping  
Shaping the Future of Shipping



CONFITARMA  
Confederazione Italiana Armatori



# ICS Study on Protectionism in Maritime Economies

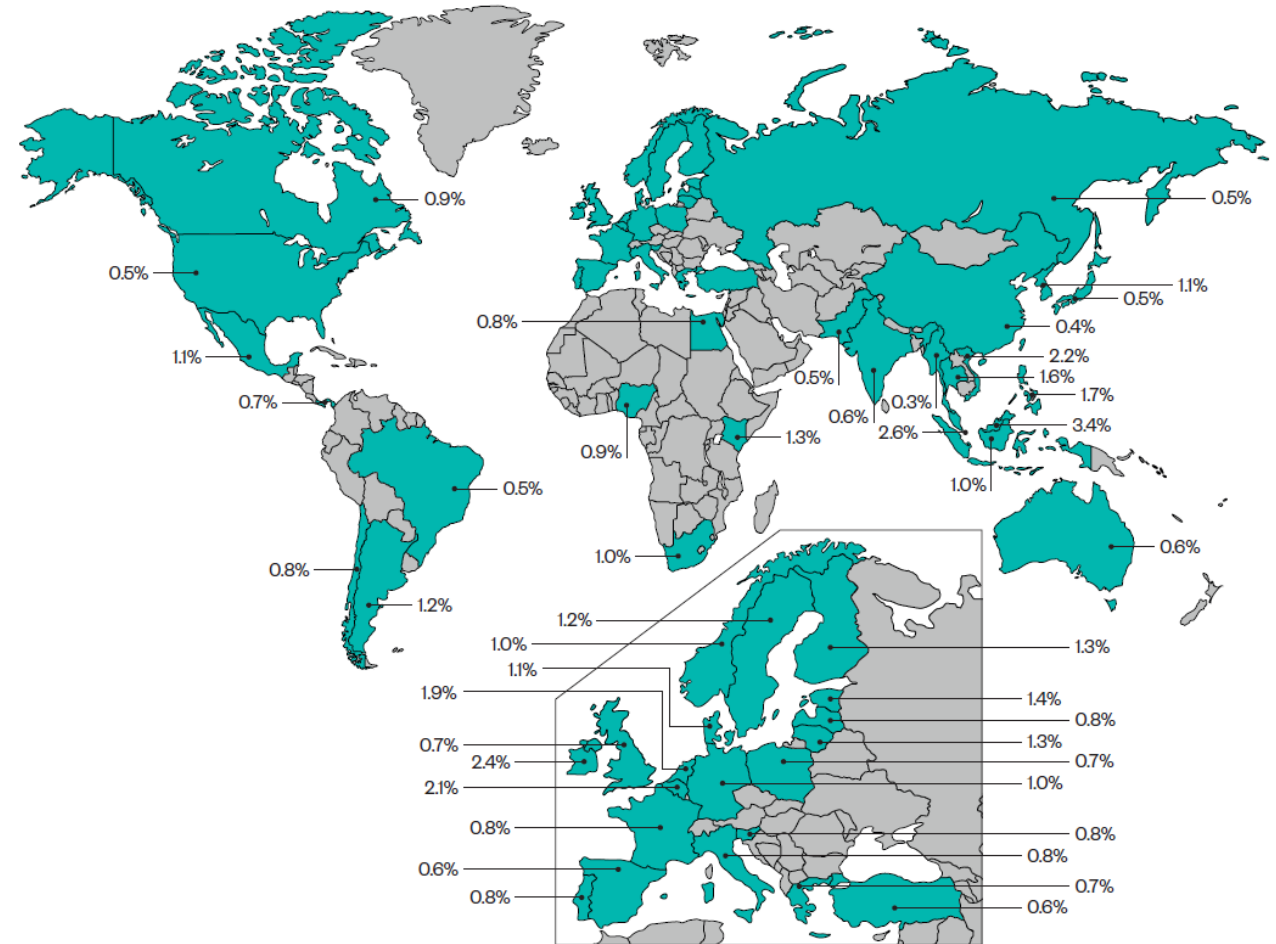


- Identifies trade restrictive measures and quantifies benefits of liberalisation
- Provides four potential scenarios for reform
- Develops new Protectionism in Maritime Economies (PRIME) Index and individual country profiles



# All countries stand to gain from a reduction of maritime protectionism regardless of economic development

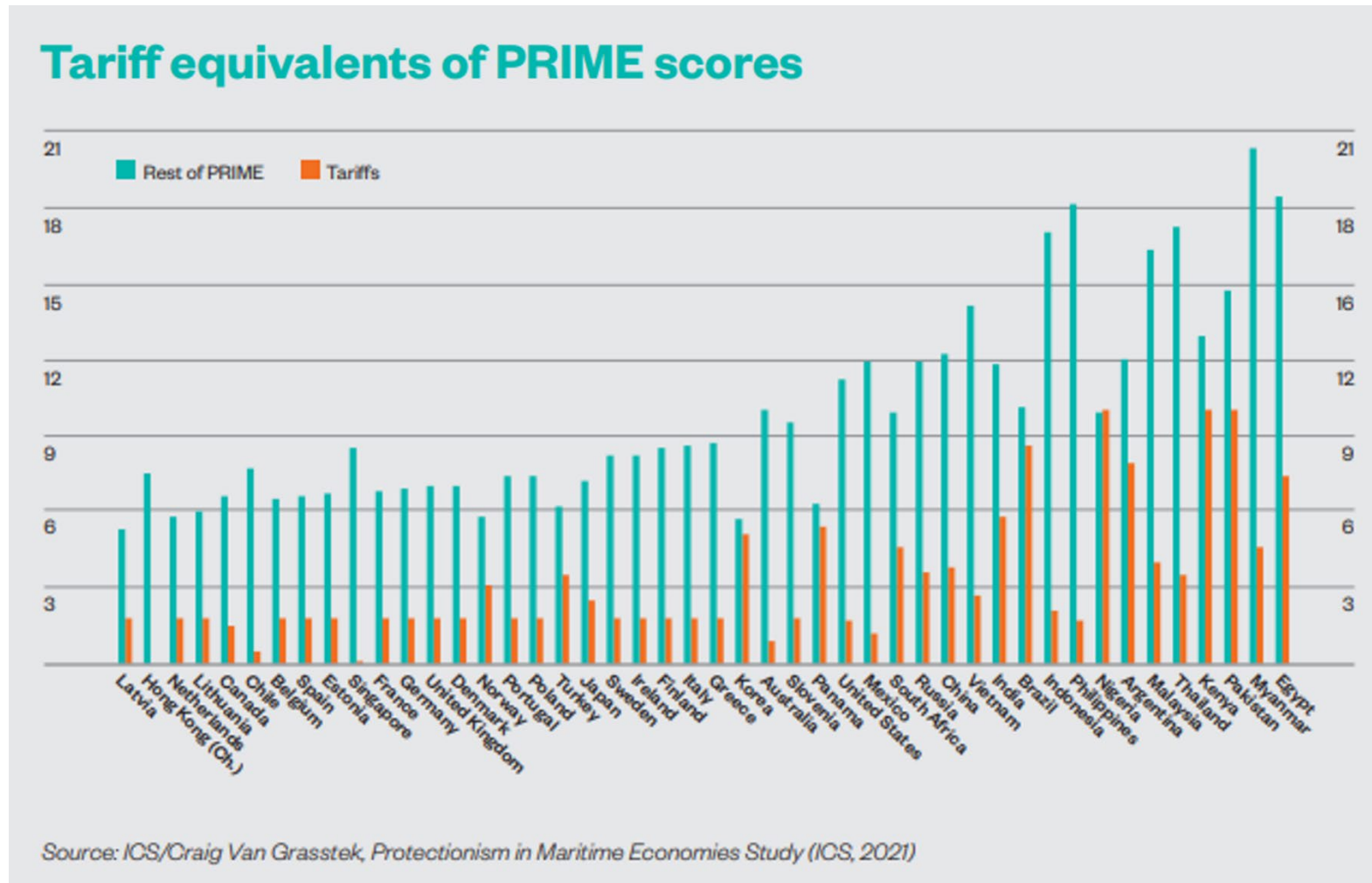
<b>Scenario 1</b> Highly Ambitious	All countries reduce or remove their tariff and non-tariff restrictions by 50% through across-the-board reform.
<b>Scenario 2</b> Modest and Equal Ambition	All countries reduce or remove their tariff and non-tariff restrictions by 10% through both multilateral and domestic reforms, irrespective of income level.
<b>Scenario 3</b> Modest and Unequal Ambition	High-income countries reduce or remove their tariff and non-tariff restrictions by 10%, and all other countries by 5%.
<b>Scenario 4</b> Tariffs and Trade Agreements Only	All countries reduce or remove only their traditional tariff restrictions by 10%, through improvements based on changes made to countries' commitments in trade agreements only.



World Map of real GDP increase under Study's reform 'Scenario 1', i.e. All countries reduce their levels of trade restrictions by 50%



# Equal focus must be given to reducing Tariff and Non-tariff Barriers





# Combination of Domestic and Multilateral reform needed to tackle restrictions

<i>Operation and Competition</i>	<i>No. of nations</i>
Limits on scope of service (numerical and non-numerical) via mode 1	39
Foreign suppliers treated differently regarding taxes and/or eligibility for subsidies	26
Obligation to use local maritime and port services	21
Port services serving own-ships not allowed	21
Restrictions on pilotage and towing services	21
<i>Entry and Licensing</i>	
Conditions imposed under mode 1 (cross-border trade) but not mode 3	31
Minimum capital requirement (in some cases not applicable to national flags)	25
<i>Management and Employment</i>	
Economic needs tests/labour market tests - Contractual service supplier	29
Economic needs tests/labour market tests - Independent professionals	28
Economic needs tests/labour market tests - Intra-corporate transferees	27

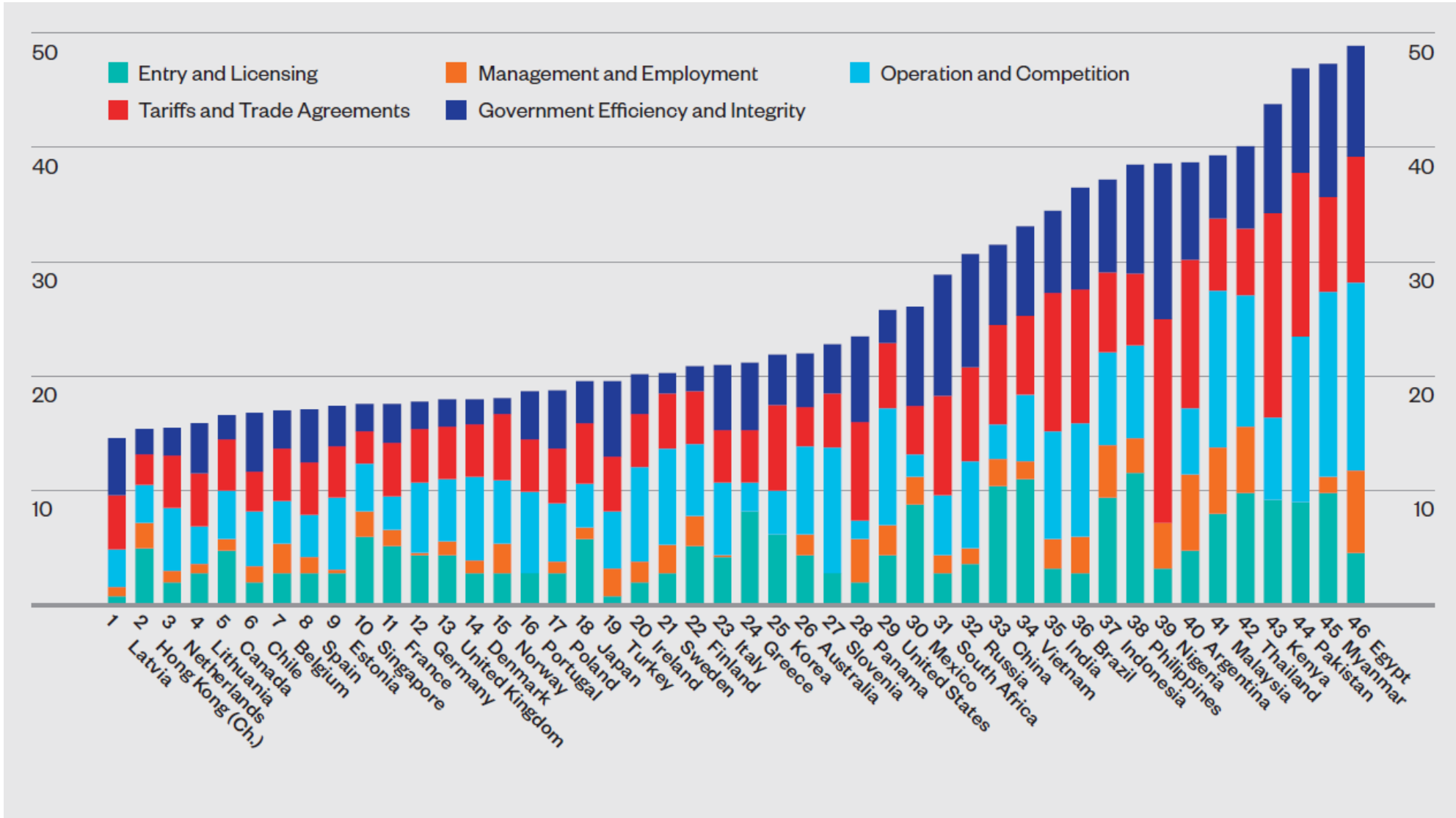
**Note:** 'Modes' refers to the means by which services are provided and regulated (defined in WTO GATS).

Mode 1 = **cross-border supply of services**, e.g. A foreign-owned shipping firm may seek to supply its services in another market.

Mode 3 = **Commercial presence (i.e. foreign direct investment)**, e.g. An investor may seek to establish a permanent office for a shipping company in a foreign market.



# Global Ranking: The 'PRIME Index' and 'PRIME Scores'



Source: ICS/Craig Van Grassek, Protectionism in Maritime Economies Study (ICS, 2021)



# The 'PRIME Index' Criteria

## A. Entry and Licensing

1. Conditions on Market Entry in the Maritime Freight Transportation Sector
2. Conditions to Own and Register Vessels under the National Flag
3. Conditions on Licensing, Investment Screening, and Qualifications Relating to Market Entry

## B. Management and Employment

4. Conditions on Management and Employment in the Maritime Freight Transportation Industry
5. Quantitative Measures Affecting the Movement of Persons in the Maritime Freight Transportation Industry

## C. Operation and Competition

6. Conditions on Supply of Services in the Maritime Freight Transportation Industry
7. Government Procurement Measures in the Maritime Freight Transportation Industry
8. Regulations, Taxes and Fees in the Maritime Freight Transportation Industry
9. Government Involvement in the Maritime Freight Transportation Industry

## D. Tariffs and Trade Agreements

10. Tariffs and Trade Agreements
11. Commitments in World Trade Organization Agreements

## E. Government Efficiency and Integrity

12. Efficiency of Countries' Processing of Exports and Imports (Raw Values)
13. Efficiency of Countries' Processing of Exports and Imports (Index Values)
14. Measures of Governance

Appendix 1 of the Study contains a more in-depth analysis of these categories and subcategories, as well as their corresponding elements, all of which also serve as a basis for the global country ranking.



# Average PRIME Components by Region

## European Union



### PRIME Scores

	Best Rank among EU	Worst Rank among EU
Entry & Licensing	#1 of 46: Latvia	#37 of 46: Greece
Management & Employment	#1 of 46: Greece/Portugal/Slovenia	#33 of 46: Belgium & Finland
Operation & Competition	#4 of 46: Greece	#41 of 46: Slovenia
Tariffs and Trade Agreements	#4 of 58: Croatia	#27 of 58: Cyprus/Pol./Swe.
Gov't Efficiency & Integrity	#2 of 58: Sweden	#33 of 58: Romania
<b>Total PRIME</b>	<b>#1 of 46: Latvia</b>	<b>#27 of 46: Slovenia</b>

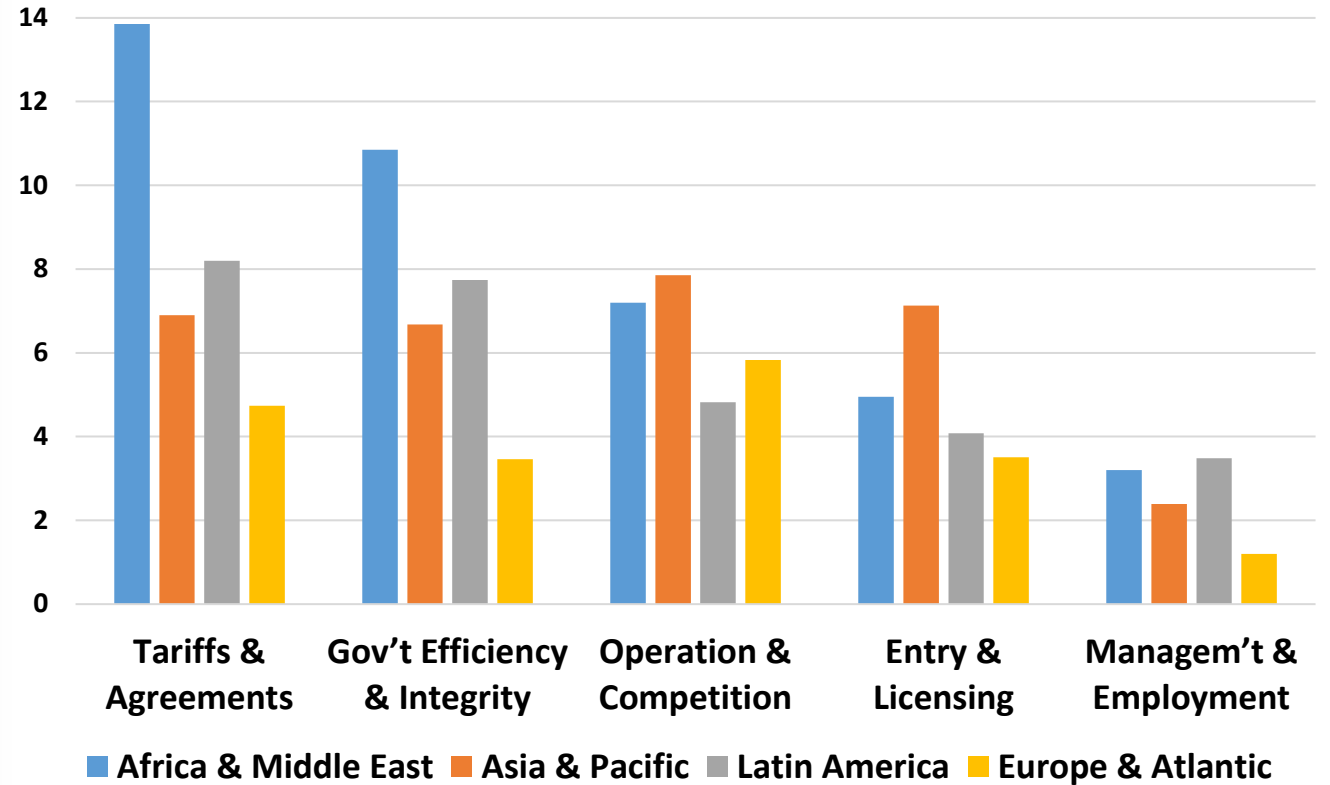
### Economic Profile

Population: 446.7 million	GDP: \$15.9 trillion	GDP per Capita: \$35,621
Goods Exports: \$5,687 billion	Goods Imports: \$5,302 billion	Total Goods Trade: \$10,990 bn.
Total Trade per Capita: \$24,603	Trade Share of GDP: 69.1%	% Merchant Fleet (dwt): 32.9%
Global Seafarers Share: 13.62%	Merchant Fleet: 12,844 ships	Fleet Value: \$291.7 billion

Note that the data reported above reflect Brexit, with the values for the United Kingdom being subtracted from the original data that the World Bank posted for the 28 countries that formed the union as of 2018.

### Impact of Policies


	European Union	Average for All Countries	Average for Europe/Atlantic
Average Applied MFN Tariff	1.8%	3.2%	2.0%
Tariff Equivalent of Other PRIME Elements	5.3-9.5%	9.8%	7.4%
<b>Total Tariff Equivalent of Policies</b>	<b>7.1-11.3%</b>	<b>13.1%</b>	<b>9.4%</b>





# Country Profiles

### European Union




**PRIME Scores**

Category	Best Rank among EU	Worst Rank among EU
Entry & Licensing	#1 of 46: Latvia	#37 of 46: Greece
Management & Employment	#1 of 46: Greece/Portugal/Slovenia	
Operation & Competition	#4 of 46: Greece	
Tariffs and Trade Agreements	#4 of 58: Croatia	
Govt'l Efficiency & Integrity	#2 of 58: Sweden	
<b>Total PRIME</b>	#1 of 46: Latvia	

**Economic Profile**

Population: 446.7 million	GDP: \$15.9 trillion
Goods Exports: \$5,687 billion	Goods Imports: \$5,302 billion
Total Trade per Capita: \$24,603	Trade Share of GDP: 69.1%
Global Seafarers Share: 13.62%	Merchant Fleet: 12,844 ships

### Republic of Korea




**PRIME Score**

Category	Score	Rank in World	Rank in Asia/Pacific
Entry & Licensing	6.2 out of 18.0	#35 out of 46	#8 out of 16
Management & Employment	0.0 out of 12.9	#1 out of 46	#1 out of 16
Operation & Competition	3.8 out of 29.1		
Tariffs and Trade Agreements	7.5 out of 20.0		
Governmental Efficiency & Integrity	4.4 out of 20.0		
<b>Total PRIME</b>	<b>21.9 out of 100.0</b>		

**Economic Profile**

Population: 51.7 million	GDP: \$1.6 trillion
Goods Exports: \$513.6 billion	Goods Imports: \$513.6 billion
Total Trade per Capita: \$20,059	Trade Share of GDP: 70%
Global Seafarers Share: 2.05%	% Merchant Fleet (dwt): 1.27%

### Viet Nam




**PRIME Score**

Category	Score	Rank in World	Rank in Asia/Pacific
Entry & Licensing	11.0 out of 18.0	#45 out of 46	#15 out of 16
Management & Employment	1.6 out of 12.9	#23 out of 46	#6 out of 16
Operation & Competition	5.8 out of 29.1	#23 out of 46	#7 out of 16
Tariffs and Trade Agreements	6.9 out of 20.0		
Governmental Efficiency & Integrity	7.8 out of 20.0		
<b>Total PRIME</b>	<b>33.1 out of 100.0</b>		

**Economic Profile**

Population: 95.5 million	GDP: \$245.2 billion
Goods Exports: \$243.7 billion	Goods Imports: \$227.2 billion
Total Trade per Capita: \$4,928	Trade Share of GDP: 15%
Merchant Fleet: 1,020 ships	% Merchant Fleet (dwt): 0.46%

### India




**PRIME Score**

Category	Score	Rank in World	Rank in Asia/Pacific
Entry & Licensing	3.2 out of 18.0	#19 out of 46	#2 out of 16
Management & Employment	2.6 out of 12.9	#33 out of 46	#12 out of 16
Operation & Competition	9.4 out of 29.1	#38 out of 46	#12 out of 16
Tariffs and Trade Agreements	12.1 out of 20.0	#49 out of 58	#15 out of 16
Governmental Efficiency & Integrity	7.2 out of 20.0	#37 out of 58	#9 out of 16
<b>Total PRIME</b>	<b>34.5 out of 100.0</b>	#35 out of 46	#10 out of 16

**Economic Profile**

Population: 1.4 billion	GDP: \$2.8 trillion
Goods Exports: \$518.8 billion	Goods Imports: \$518.8 billion
Total Trade per Capita: \$629	Trade Share of GDP: 31.3%
Global Seafarers Share: 5.23%	% Merchant Fleet (dwt): 1.27%

### Canada



**PRIME Score**

Category	Score	Rank in World	Rank in Europe/Atlantic
Entry & Licensing	4.8 out of 18.0	#28 out of 46	#18 out of 21
Management & Employment	1.0 out of 12.9	#12 out of 46	#9 out of 21
Operation & Competition	4.2 out of 29.1	#14 out of 46	#7 out of 21
Tariffs and Trade Agreements	4.5 out of 20.0	#9 out of 58	#1 out of 26
Governmental Efficiency & Integrity	2.1 out of 20.0	#3 out of 58	#3 out of 26
<b>Total PRIME</b>	<b>16.6 out of 100.0</b>	#5 out of 46	#4 out of 21

**Economic Profile**

Population: 37.1 million	GDP: \$1.7 trillion
Goods Exports: \$451.6 billion	Goods Imports: \$468.6 billion
Total Trade per Capita: \$24,831	Trade Share of GDP: 53.7%
Merchant Fleet: 373 ships	% Merchant Fleet (dwt): 0.46%

Algeria	Angola	Argentina	Australia
Brazil	Canada	Chile	China
Egypt	European Union	Ghana	Hong Kong
India	Indonesia	Japan	Kenya
Kuwait	Liberia	Malaysia	Mexico
Myanmar	Nigeria	Norway	Pakistan
Panama	Republic of Korea	Russian Federation	Saudi Arabia
Singapore	South Africa	Tanzania	Thailand
The Philippines	Turkey	United Kingdom	United States
Viet Nam			



# Protectionism in Maritime Economies Study

Full Report



Prepared by  
Professor Craig VanGrasstek  
Harvard Kennedy School of Government

with  
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Developing Trade Consultants

2021

## Accessing the full Study

- Complimentary copies available on request, please contact [publications@ics-shipping.org](mailto:publications@ics-shipping.org)
- eBook version is available to purchase online via Witherby Publishing Group's [Witherby Connect](#).
- For more information regarding the Study including the Summary Report, please visit the ICS website: <https://www.ics-shipping.org/>



# THANK YOU

## (Feedback and Q&A)



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