



Royal United Services Institute for Defence and Security Studies

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The Economic Benefits of a Navy

'The Role and Contribution of Commercial Shipping'

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What is the value of the shipping Industry?

- The international shipping industry is responsible for the carriage of around 90% of world trade.
- Shipping is the life blood of the global economy. Without shipping, intercontinental trade, the bulk transport of raw materials, and the import/export of affordable food and manufactured goods would simply not be possible.
- Ships are technically sophisticated, high value assets (larger hi-tech vessels can cost over £100 million + to build), and the operation of merchant ships generates an estimated annual income of over £230 billion in freight rates, representing about 5% of the total global economy.

Profile of the World Fleet

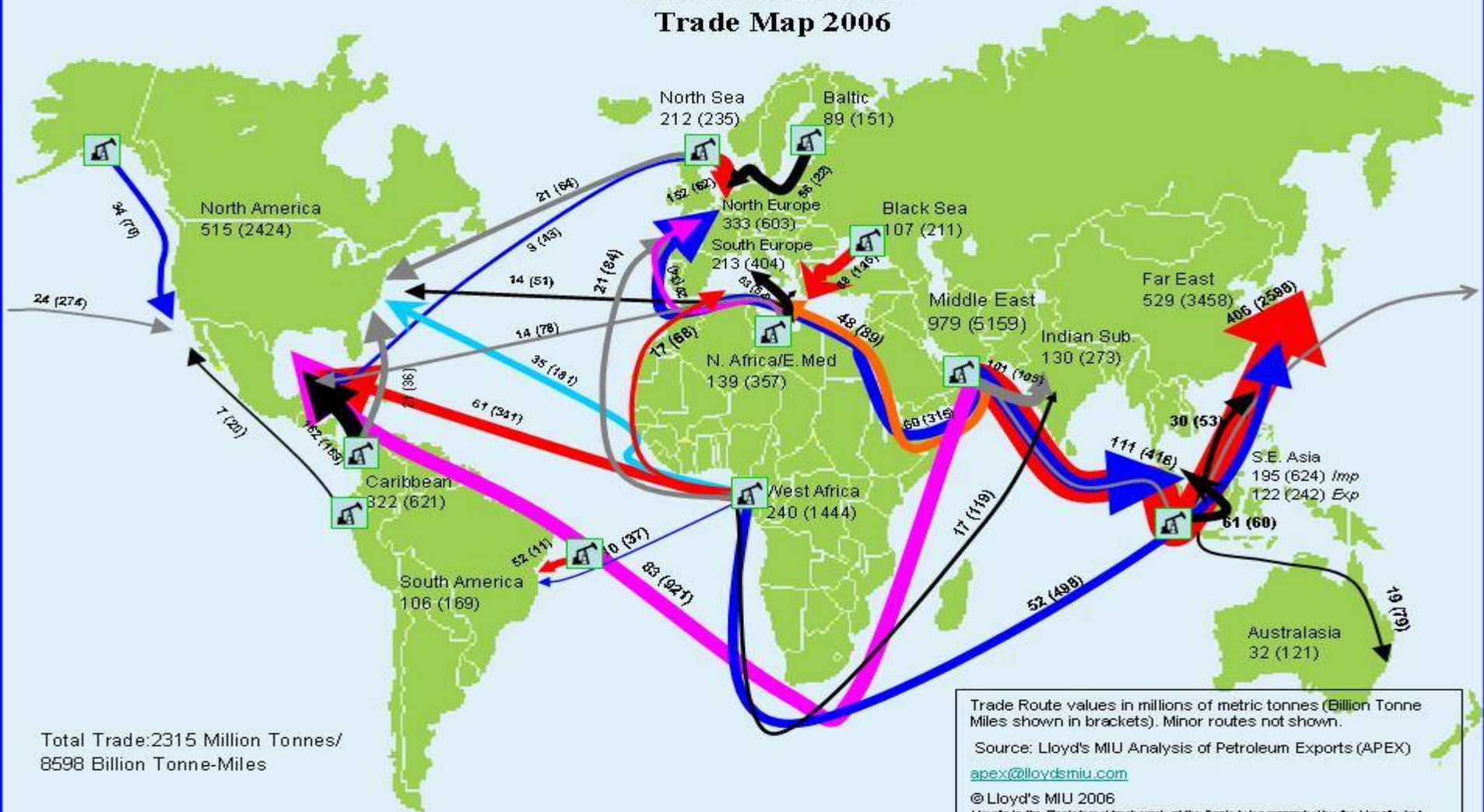
There are around 50,000 merchant ships trading internationally, transporting every kind of cargo. The world fleet is registered in over 150 nations, and manned by over a million seafarers of virtually every nationality.



Seaborne Crude Oil Trade Flows 2006

Lloyd's Marine Intelligence Unit

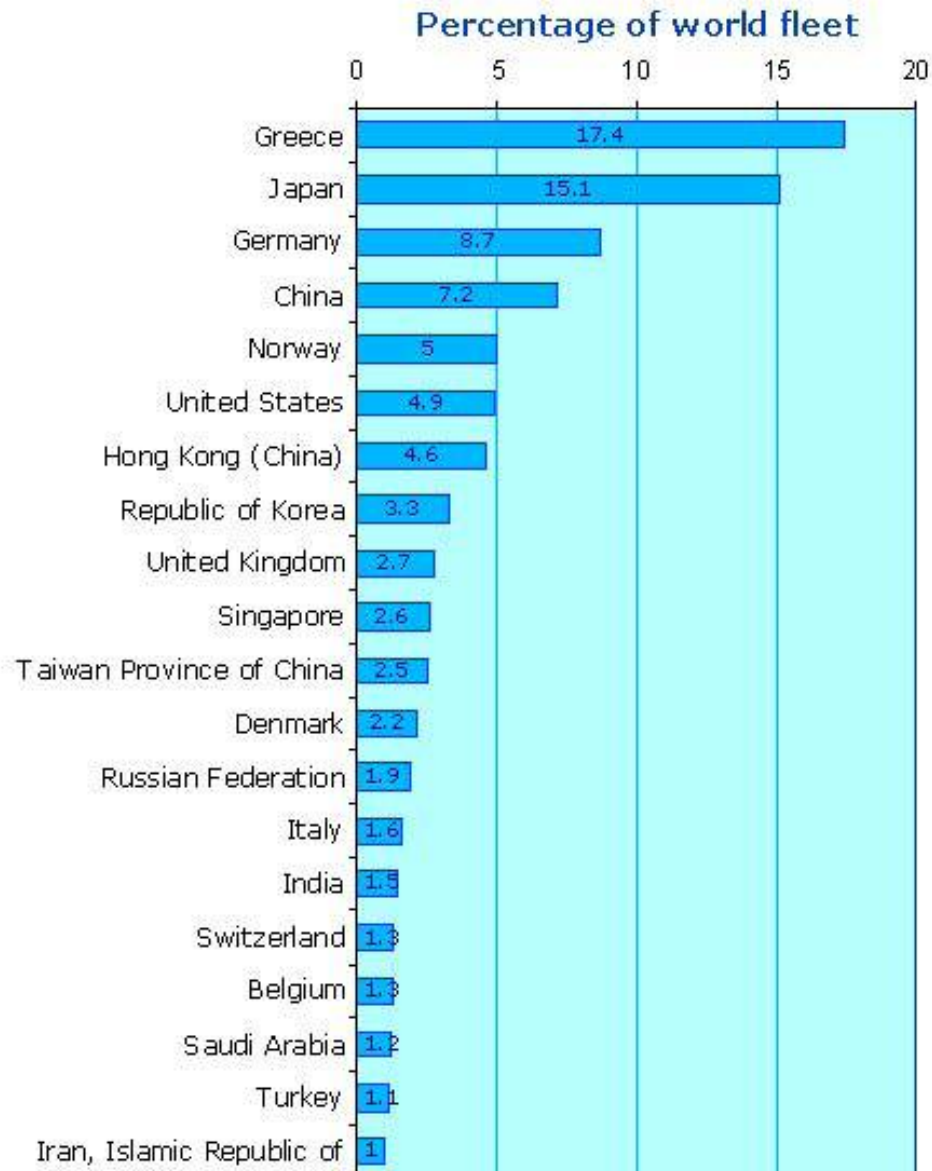
Seaborne Crude Oil Trade Map 2006



Total Trade: 2315 Million Tonnes/
8598 Billion Tonne-Miles

Trade Route values in millions of metric tonnes (Billion Tonne Miles shown in brackets). Minor routes not shown.
Source: Lloyd's MIU Analysis of Petroleum Exports (APEX)
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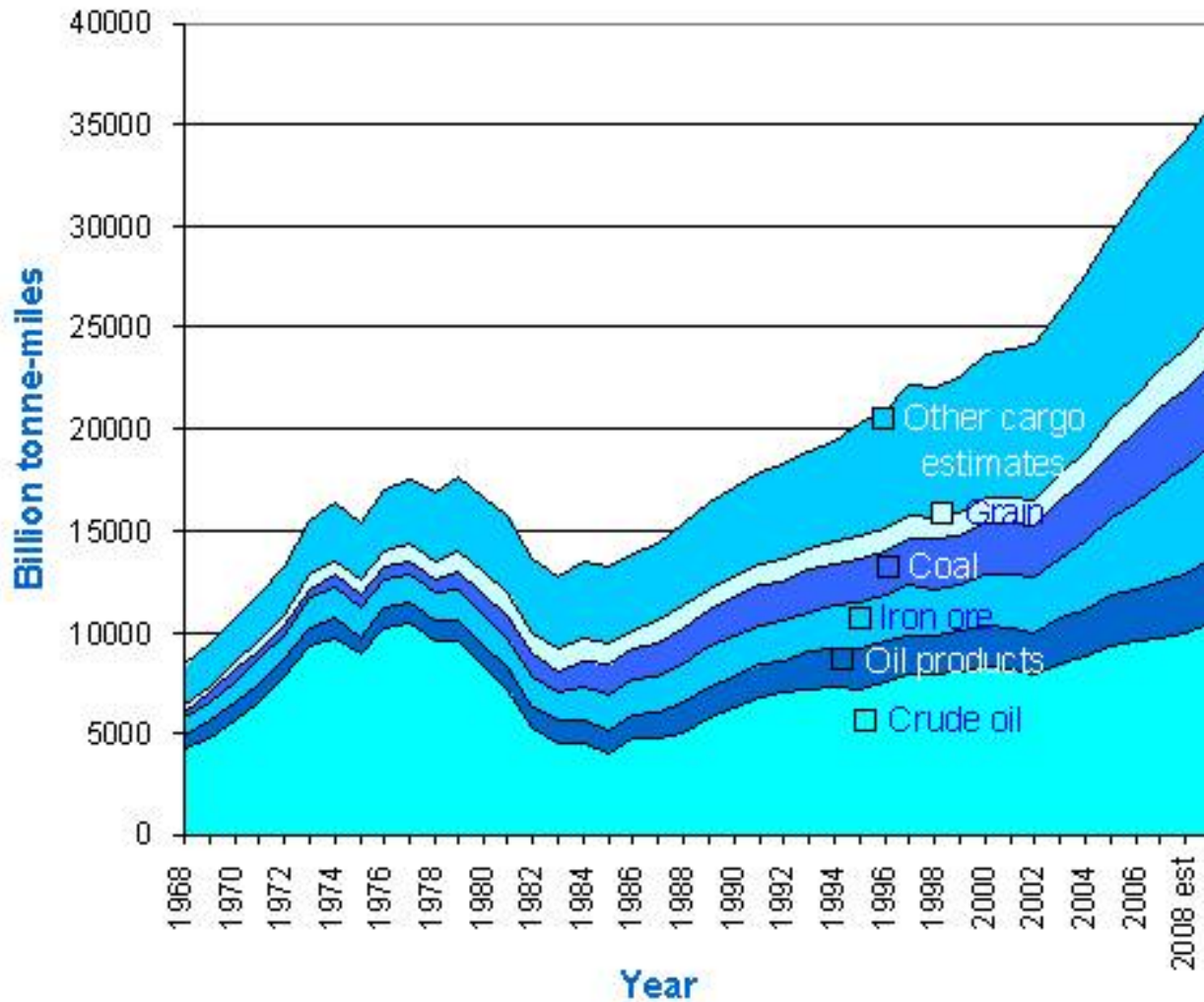
Beneficial ownership countries



Top 20 Beneficial Ownership Countries basis 1/2007

UK listed 9th!

World seaborne trade 1968-2008



35000 Billion Tonne Miles in 2008

Crude oil Oil products Iron ore Coal Grain Other cargo estimates