



GLOBAL MARKET SYSTEM STRUCTURIZATION OF MARITIME TRADE

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Abstract

Development of global market of maritime trade reflects the principles of achieving of aggregate interests despite the institutionalization based on international maritime organizations. In these circumstances, the most important problem of the normalized national maritime transport industry is the optimal relationship of all participants in the investment process. In this article, the main components of the global maritime transport market were considered. The attention is focused on the discovery of the basic positions of the choice of sustainable positioning of the shipping company to the parameters changing conditions and resources. Characteristics of the current state of the global maritime transport industry were generalized.

Key words: market of maritime trade, shipping company, flag register, market balance.

Introduction

Maritime transport industry has two major functions. It is a material and organizational conditions of effectiveness of international transport and economic links, on the one hand. It becomes the defining unit of the national economy from the perspective of enhancing innovation and secure positioning of residents in the structure of the international division of labour, on the other hand.

Development tendencies of the global maritime industry are becoming an important competitive factor of stability of national economy due to the effect on the positioning of the national industrial complex in international trade, which determines the complexity of development of national economy in the final analysis.

The modern development of the basic units of the marine transportation industry based on the priority of business risk assessment and process efficiency capitalization of cash flows. The main goal is to achieve a balanced state of the national maritime transport sector and conformity to a stable trend of quantitative growth and qualitative change.

With the relatively balanced global growth and maintenance of an effective maritime transport industry challenge is improving of the methodological framework of the control parameters of merchant fleet by the criteria of sustainable economic positioning subsystems. In this aspect, either in national nor in the world practice the issue of normalization of production and transport capacity units is not solved on the basis of balanced allocation and the actual position in the international division of labour. Therefore, the first goal is to choose the criteria and mechanism for optimizing and implementing solutions based on the economic feasibility of the formation of the country as a maritime power.

From the perspective of effective development of global economy formation of balanced market condition of maritime trade affects the applicability and development of individual shipping companies without reference to their nationality. From this perspective the most important task is to look for the effort to optimize the carrying capacity of the fleet on the traffic parameters. Therefore, the main goal of the article is structured refinement features of the global marine transportation industry.

1. Determination of research problem

As known, the base of global economy efficiency is rational use of the potential of international division of labour and adequate statement of the marine transportation industry. Herewith the structuring of the global market of maritime trade is susceptible to the systemic factors on the one hand, and the factors that reflect the strategic intent of some members of the international labour division on the other hand. At the heart of the first position the one of the general tendency is to achieve the market balance in the structure of the transport market under the influence of existing differentiation of access to the investment resources.

Active marine transport policy of the country appears at the heart of the second position. As an example, the nature of the formation of Belarus as a maritime power may be considered. In the first stage was determined the carrying capacity of the fleet after careful study of the conditions of the Merchant Shipping Code of Belarus. In the second stage it was worked out the financial side of the problem of the acquisition and operation of vessels. Preferential positioning of the fleet was determined in the ports of Lithuania.

However, under these conditions the attention focuses on the social factors of the global marine transportation industry. Specific manifestation of one of the parties to the social problems of merchant shipping is to strengthen the role of the labour export of seafarers. Forming of the global labour market of marine specialists necessitates the administration of this process, despite of the fact that the economic theory holds postulate liberalization and state regulators limit interference in the market processes [1].

The discrepancy between the theory and practice makes it necessary to consider not only the general laws of the development of the world economy, but also the specific functions of the merchant shipping [2] and its constituent facilities of the shipping companies and ports. General tendencies of the parameter development of the maritime industry are responsible for a complex capital structure specialization fleet and its regional distribution on the factors of commercial expediency and under the influence of scientific and technological development. Analysis of the specific manifestations of deadweight formation conditions and changes of flag register in transformation of the driving forces of the global economy is for anticipation emerging tendencies and risks.

2. Analysis of the problem and publications

In the structure of the state policy maritime countries implement the principle of independence of the freight position in the international division of labour. This policy is based on the

national interests of the transport in the maritime space of the country and the world. In this aspect the construction program of a series of specialized fleet is usually implemented for goods transportation that reflects the effectiveness of the residents positioning in the international division of labour. At the same time the state takes the initiative in the construction of commercial ports and artificial waterways.

In the Black Sea region, the prospect of forming traffic is caused not only by the growth of world trade, but also by the intention of Turkey to build a canal to bypass the Istanbul Strait. This will change the oil route system in the global market of maritime trade, and it requires an assessment of the possible alternatives of transport integration.

The market dynamics of maritime trade determine the mandatory conditions of the investment strategy of choice by each participant of the international division of labour. An important condition is the reaction flexibility to atypical manifestation of economic growth and traffic. The main problem is the variability of the operational requirements that affect the value or reserves, or loss unbalanced state traffic and transportation capacity of merchant fleet.

Therefore, the progressive development of the processing technology flows is based on the development of competitive transport subsystem. Shipping companies and ports with higher technical and economic level in crisis mode better stability than companies located in the state of subprime despite the high cost of the unit options and freight capacity, thanks to the growth performance of the fleet. In addition, the first one characterized by high flexibility in managing economic potential based on modern methods of management [3].

The basis of the systemic problems of Ukrainian sectors of economy, including sea, is the initial collapse of the national economy in the early years of political independence. As a result, the reduction has reached to 2/3 in production relative to the base year by the time of economic recession. This situation determined the crisis in investment component of the complex. The focus of these conditions has been paid to the solving of the current problems. Fleet ownership became indifferent for existing business organizations benefiting from imports that can be easily chartered.

The problem of structural transformation remains poorly studied, despite extensive publications on effective development of the merchant fleet, among them [4, 5, 6].

In the fall of the economy new exporters were solving the problem of optimizing the time of sales, so they were based on the principles of FOB, which also was contributed to the expansion of foreign tonnage chartering and domestic care in the subprime segment.

3. Fundamentals of the restructuring of the maritime trade

3.1. Features of the current status of maritime transport in Ukraine

World merchant fleet forms the transport independence and optimization of the current account payments, ensuring the stability of the international economic relations. The second component of the market is occupied by commercial seaports. Ports of Ukraine list more than \$ 15 billion in despite of the virtual absence of competitive transport capacity for the period of nation-building on the existing system of budgeting. Available ports still remain heavy given the nature of taxation and excessive deductions. However, the current lack of competitiveness of the state of the parameters of a feasibility-level terminal indicates the problem with the rational use of available financial resources of the enterprises of maritime transport that are subordinate to the relevant departments.

Given the fact that the real negative state and objectives of normalized sea transport capacity are important for the country to select management subsystem, based on the use of market positioning strategy (Figure 1). It is necessary to consider the natural and geographical conditions of the formation of transport and economic relations in the region along with clean

transport and business objectives of forming of the transport potential of the Ukrainian Black Sea.

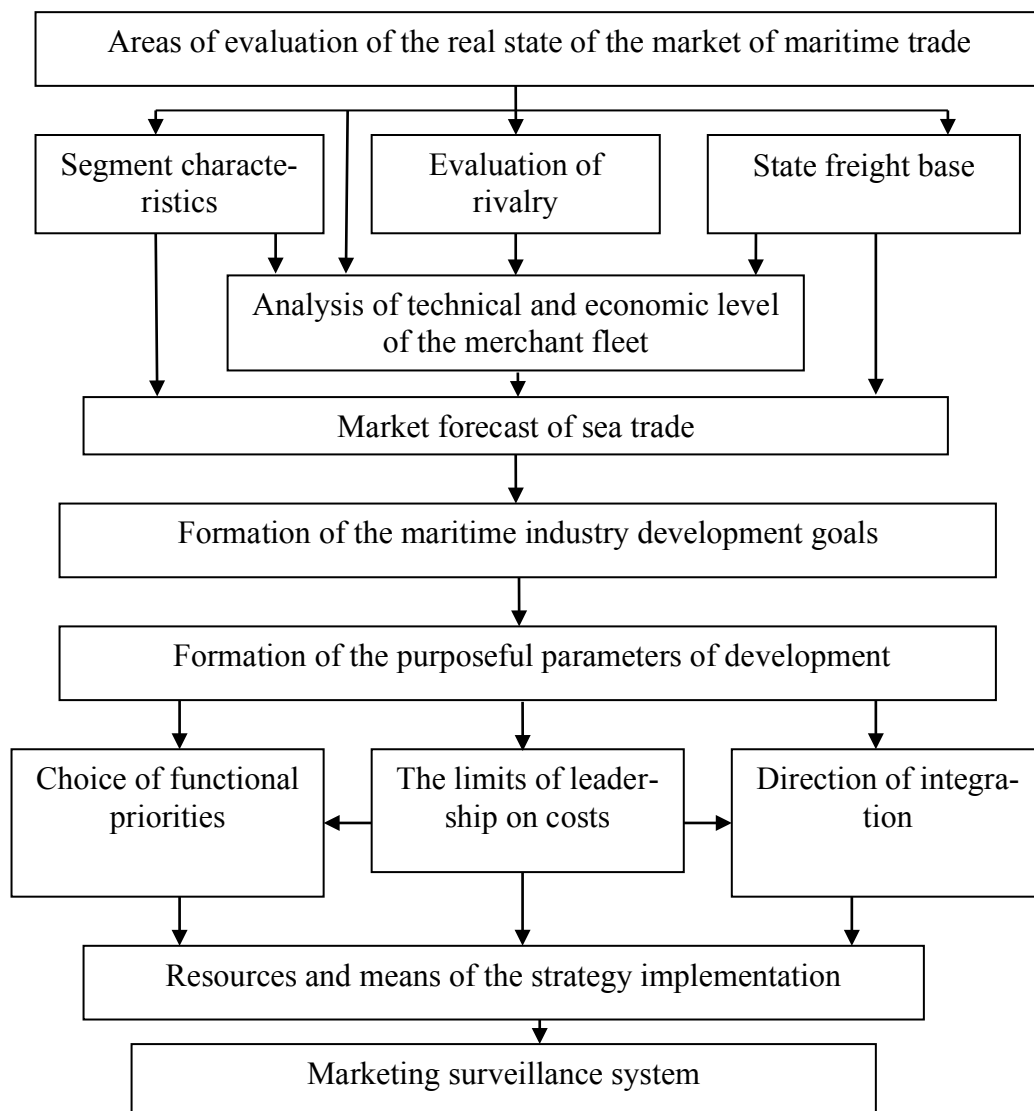


Figure 1 Market positioning strategy of maritime transport development

Source: Development by the author of the article according to [1, 3, 7].

Data in Figure 1 uncover approach sequence of entrepreneurial structures to the solution of achievement current purposes in changing conditions of the seaborne trade. The most major task remains an assessment of a real freight market condition at any level availability of investment resources. Control recurrence of the key parameters formation and possibility identification of realization of a special firm marketing position is allocated.

Apparently the attention concentrates on three main aspects: environment of formation and realization of transport potential; normalization of target parameters of a national market component of sea trade; possibilities of competitive positioning on a leadership principle on expenses.

3.2. Basic structure transformation of maritime trade market

A special form of the basic structure of the market transformation of maritime trade is to improve transport and economic relations, the major players in the international division of the labour. This is not single change in areas of transport services due to the development of new means of transport and transport routes. A special role in this process is the expansion of logistics principles in international economic relations and the creation of new multi-modal systems. Among these, alternative routes of the Eurasian transport corridor recently were outlined. In the European region the attention are accent on the project «Blue way». These projects become a promising base structuring technical and economic level of marine transportation companies and organization of work.

Redistribution of cargo flows on world trade routes with participation of various transports limited growth of efficiency of innovative solutions based on investment projects in maritime transport. Improvement of transport and economic relations in the world economy is based on two key areas: optimization of technical and economic parameters of transport subsystems and development on the basis of transport and technological systems of multimodal transportation technologies that are best suited to the principles of logistics services trade flows. The last one predetermines the requirements for the local areas development of transport flows, as the factor of terms differentiation of cargo flows service.

Results of a synergy are formed due to the marked approach, and there is a problem of the equal effectiveness of the main participants of merchant shipping. Therefore, increases the role of the method of limiting results and costs. [7] In this behalf, the control of condition of signed segments of a freight market is important [8].

The international position of any state is defined by its position in the global division of labour [8]. Therefore, the development of industries that form the corresponding specialization refers to the strategic objectives of optimizing of the competitive position of the Trademark and cash flows. Maritime transportation industry takes a special place in this process which world and national parameters determine not only the relevant cash flows, but will affect the economic independence and the nature of the country's participation in inter-regional integration. That is why maritime states form a special group to ensure a high level of economic growth.

Differents levels of labour and technological sophistication of the production parameters determine the direction and degree of specialization in the international system of labour division. This is reflected in the history of changes in the rate of economic growth in the regions. Realizations of regional specialization advantages are based on efficiency of maritime transport development of on quantitative and quality parameters.

This maintains the pattern and tendency of the relative decrease in transport costs in export-import operations. This is due to the relatively high rate of growth of the price of products entering for transport on the one hand, and due to the development of the marine transportation industry with innovative technology and new technical solutions, also constantly improving the organization and management of service-based freight logistics principles on the other hand.

3.3. The problem of balancing the market of maritime trade

The principal problem of the market development of maritime trade remains justification of balanced system of major marine economic subdivisions with personal purposes by criteria of sustainable business financial condition and advance innovative formation of productive capacities set by variety of entrepreneurs. Improvement of methods in this aspect should be introduced for making of investment decisions and control parameters of the operator activity.

The investment performance of market maritime trade must be controlled not only by the rate of profit, but also by the results of synergy. Dynamic changes of balance of marine transport industry should be attributed to the general pattern of economic growth.

Rational structure of the national economy and the improvement of its condition can be evaluated by the nature of labour participation in the formation of total value of the result relatively to value of the capital expenditures.

$$\frac{N_{LC} \cdot v_{adc} \pm \Delta N_{LA} \cdot v_{ada}}{\sum V_{adm}} >< \frac{K_{pc}}{K_{pm}},$$

where:

- N_{LC} is the number of production workers in maritime industry of the country;
- V_{adc} is the average added value of maritime transport workers on an annualized basis;
- ΔN_{LA} is change of the number of employees of industrial and service sector, on which the development of maritime transport impacts (multiplier effects);
- V_{ada} is added value, which is formed in the industries, on which the development of maritime transport impacts;
- V_{adm} is the value of national profit analysed in situation period;
- K_{pc} is the value of the basic capital of sea transport industry;
- K_{pm} is the value of basic capital of domestic productive capacity.

Lending of merchant shipping takes special place in the system optimization of the structural parameters of the national maritime transport industry. In 2010 the total amount of bank loans in the world shipbuilding reached 32.3 billion dollars, and increased during the year to 24%. This process involved 60 largest maritime banks in the world.

At the same time the role of the Chinese banks dramatically changed, which boosted the national shipbuilding base in the previous period. However, condition of building ships at Chinese shipyards and their participation in the national trade of goods transportation was the limiting condition for attraction of funds from these sources. In addition, the strengthening of the Yuan reduced the profitability of lending relative to the dollar equivalent.

Conclusion

Quality changes in the structure of commercial shipping should capture the attention with the obvious changes in quantitative characteristics of the global and local market segments of merchant shipping. However, the features of their manifestation in researches are not clearly disclosed, because they are not amenable to traditional methods of mathematical modelling. That is why, despite of the development of mathematical economic analysis and forecasting techniques, the practical valuation of their usage is not appropriate to the market scale. It has not found applications in operating management of shipping companies.

Capitalization management outlines among the most important management principles of the competitive state of shipping complex based on an optimization of the parameters of cost and performance. The complexity of this task is stipulated by effect of two factors on the real value of capital shipping company in the real market recurrence of maritime trade. The activity of fleet renewal based on shipbuilding with innovative options reduces the area of the basic usage of fleet and partly depreciating asset, on the one hand. And market valuation of existing shipping companies reduces under the influence of freight cycles, on the other hand.

Therefore, the scale of development options carrying capacity of fleet of national flag should be monitored by the profitability of capital costs and cash flow based on factors of the freight market formation and achievement of national goals within the provisions of WTO. In

this case criteria approach is a balance of risk to achieve transport independence and optimality of overall costs.

Development of transoceanic commercial shipping for any country is essential for effective participation in the international division of labour, because the markets of production and sales (United States, China, Japan, Australia) for the individual economic subsystems separated by oceans. That is why these countries should actively develop commercial shipping preferably based on the national fleet.

Marine transportation complex develops on the basis of functional and economic feasibility. Analysis of the parameters of transport capacity and stock of orders demonstrates full compliance with decisions and tasks that must be solved. Real ship projects and their dimension types are focused on achievement of chosen strategy. The imbalance of the market of maritime trade in these conditions is predetermined not only by the difficulty to forecast economic cycles, but also by the inability to register the implications of parallel underway projects of various investors.

It must be considered that in international economy the amplification of integration processes determines differentiation and strengthening of the importance of some marine ranges. It determines the goals and directions of the restructuring of the country port complex. In this regard, attention should be paid to the fact that the ports of the Black Sea, regardless of the state, operate in the same region of the transport service, in fact. Therefore, the priority of effective functioning is high competitiveness on the basis of technical and economic level, on the one hand, and the parameters of the interaction and Harmonization of market relations on the other hand.

The functionality of the commercial ports transforms due to the changing role of the transport fleet in global economic processes. Therefore, there arise the tasks of improvement of system assessment and validation of the complex areas of future development. Significance of the value of services increases for cargo owners with distinct priorities of effect on the level of externalities and synergy.

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STRUKTURYZACJA ŚWIATOWEGO SYSTEMU RYNKU HANDLU MORSKIEGO

Streszczenie

Rozwój światowego rynku handlu morskiego odzwierciedla realizację zagregowanych interesów globalnych uczestników tego rynku, pomimo istniejącej instytucjonalizacji, bazującej na międzynarodowych organizacjach morskich. W tych okolicznościach, najważniejszym problemem znormalizowanego narodowego sektora transportu morskiego są optymalne relacje wszystkich uczestników procesu inwestycyjnego. W artykule rozważono główne elementy globalnego rynku transportu morskiego. Skoncentrowano się na sformułowaniu podstawowych stanowisk w zakresie zrównoważonego pozycjonowania przedsiębiorstwa żeglugowego w zmieniających się warunkach rynkowych. Dokonano generalizacji obecnego stanu transportu morskiego na świecie.

Słowa kluczowe: rynek hadlu morskiego, przedsiębiorstwo żeglugowe, rejestr bander, równowaga rynkowa.

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