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« Geopolitics and globalisation, maritime transport and global tensions »

Two years ago, in April 2022, the ISEMAR Summary Brief No. 240 performed a retrospective review spanning twenty years of international relations, macroeconomics, and maritime transport. It established a stark diagnostic: a deep disconnect between the multiple geopolitical shocks fracturing the globe and the continuous deployment of economic globalization. We stood then at the very dawn of the Russo-Ukrainian conflict, acutely sensing that the historical preeminence of a pacifying economic globalization over the martial postures of numerous political regimes was, for the first time, reaching its absolute structural limits. Contradicting all baseline economic rationale, Russia waged a conventional war against its neighbor, dragging the European Union—its primary trading partner—in return into a sweeping counter-policy of severe economic sanctions. Concurrently, since November 2022, the Houthi regime controlling portions of Yemen has, against all conventional political logic (save for ideological solidarity with Gaza), continuously harassed commercial merchant shipping across the Red Sea, profoundly altering Euro-Asian trade routes. Twice within a brief two-year window, geopolitics has violently disrupted global seaborne trade—raising the critical question of whether these events represent a permanent paradigm shift or a mere cyclical epiphenomenon, analyzed here through the lens of maritime economics.

A retrospective on maritime globalization

For Western nations, maritime globalization historically commenced with the Age of Discovery, which successively placed under colonial tutelage, between the dawn of the 16th century and the close of the 19th century, the Americas, South and Southeast Asia, and the African continent. To this historical matrix must be added the forced commercial opening of Qing-dynasty China and Meiji-era Japan. Seaborne commodity transport operated just as much at the service of colonial extraction as it did to fuel intercontinental trade.

While the advent of the steam engine and steel merchant hulls profoundly altered the physical vessel, it was most decisively the Second Industrial Revolution at the close of the 19th century that transformed the macroeconomics of maritime transport. The rapid rise of the petroleum, chemical, mechanical engineering, and automotive industries generated greenfield requirements for raw industrial commodities, heavily feeding seaborne trade lanes. Simultaneously, massive human demographic migrations nourished the regular ocean liner services connecting all continents.

The industrial momentum of the post-war boom subsequently multiplied the global demand for crude oil, iron ore, coal, and bauxite. Originally conceptualized during the 1930s, contemporary maritime transport took its true structural flight during this era, driven by the deployment of VLCC supertankers and giant dry bulk carriers, which in turn forced ports to engineer highly specialized industrial terminals. Geographically, over the successive decades of the 20th century, diverse regional territories were progressively integrated into the global supply chain as raw material providers, feeding heavy maritime flows toward the United States, Western Europe, and Japan. Selected nations operated firmly within the Western geopolitical sphere, including Canada, Australia, Argentina, and South Africa. Concurrently, newly independent sovereign nations possessed vast natural assets and extracted substantial revenues therefrom, notably the Persian Gulf states, resource-rich African regions, and the Indonesian archipelago (*L'Insulinde*). The final institutional entrants materialized as the post-Soviet states following the collapse of the USSR, encompassing Russia, Ukraine, Kazakhstan, and Azerbaijan.

At the close of the 1970s, the acceleration of industrial offshoring profoundly transformed the architecture of maritime transport. This structural shift was powerfully facilitated by the liberalization of international trade and foreign direct investment (FDI) frameworks, which ultimately culminated in the

founding of the World Trade Organization (WTO). American, European, and Japanese corporations identified exceptional opportunities across what was then still termed the Third World to manufacture commodities at significantly lower operating costs. Mexico, Morocco, Tunisia, Pakistan, Bangladesh, Hong Kong, Malaysia, Thailand, South Korea, and Taiwan—the list of these newly emerging manufacturing territories expanded aggressively throughout the 1980s.

The social and labor cost advantages achieved by manufacturing elsewhere across the globe were by no means diluted by the logistical costs of shipping cargo back to Western consumer marketplaces. This protection was entirely secured because maritime transport developed an exceptionally high-performance logistical tool: containerization. The liner shipping sector proved perfectly tailored to industrial offshoring, prospering in symbiosis with it.

During the 2000s, China's formal accession to the WTO operated as a monumental accelerator for globalization. Within an exceptionally compressed historical timeline, Beijing mutated into an industrial manufacturing export giant. South Korea and Taiwan mirrored the trajectory of highly advanced economies like Japan, while Southeast Asia and India entered their own eras of rapid economic emergence. It is precisely within this geographical pivot that contemporary maritime globalization was forged. On one hand, containerized manufactured goods and processed agrifood products circulate multi-directionally worldwide; on the other hand, raw commodities are now heavily traded directly between Southern economies, as China and India have mutated into massive, structurally dominant commodity importers.

In the global era, maritime transport has mutated into a massive service economy. Between 2000 and 2020, the volume of international seaborne trade doubled, while the carrying capacity of the global merchant fleet tripled. Within the container shipping sector, total cargo traffic was multiplied by three, and the active fleet capacity by six. Consequently, transits through primary maritime checkpoints—namely Panama, Suez, and Malacca—intensified through expanding traffic density. Concurrently, alternative routes gained prominence, led by the South Atlantic axis (connecting Africa and South America) toward the Western Pacific via the Cape of Good Hope, and, to a lesser extent, the Arctic Northeast Passage.

Multiple impacts of the Russian war

Neither the September 11 attacks and the subsequent American military response in Afghanistan and Iraq, nor the Arab Spring and the military campaign against ISIS, had exerted direct structural consequences on international shipping transport. While lingering geopolitical tensions connecting the United States and Iran occasionally trigger localized frictions within the Persian Gulf, the protracted civil conflicts in Syria and Libya never spilled over onto the wider Mediterranean trade lanes.

However, on February 24, 2022, Russia launched its war against Ukraine. The return of a large-scale, conventional conflict on the European continent proved a profound surprise, as many analysts estimated that Vladimir Putin's Russia had too much to lose macroeconomically for a highly relative political gain (the potential return of Kyiv into Moscow's orbit). The primary immediate maritime consequence of the conflict was to reduce Ukraine's commercial seaborne trade to virtually nothing¹, notably as the nation permanently lost its port of Mariupol on the Sea of Azov.

Given that Ukraine operates as one of the world's premier exporters of agricultural grains, the sudden collapse of these exports threatened catastrophic global ramifications. Under the joint diplomatic initiative of Turkey and the United Nations, a specialized Black Sea Grain Initiative (corridor maritime céréalière) was brokered and accepted by Russia, running from July 2022 to July 2023 to facilitate Ukrainian grain exports. The stakes were inherently global, directly impacting world food security, volumetric availability, and international commodity pricing, particularly for major importing nations². Today, the shipping corridor navigates restrictively along the European territorial coastlines of Romania and Bulgaria. In 2023, the operational review logged 22 million tonnes of grain handled by more than 700 vessels.

The Russo-Ukrainian conflict strictly escalated into a global maritime crisis through the deployment of Western sanctions regimes. The European Union, the United Kingdom, and the United States decreed

¹ By classifying the northern sector of the Black Sea as a war risk zone, marine underwriters rendered the area commercially prohibited for merchant shipping.

² The United Nations World Food Programme (WFP) now purchases 80% of Ukraine's grain stocks, compared to 50% prior to the outbreak of the war.

that a primary lever of action on the conflict was to starve Russia of financial resources by systematically disrupting its international commerce and maritime assets. This mechanism represents the core rationale of the sanctions policies, targeting Russian vessels and maritime commercial interests.

Nevertheless, these entities expertly capitalized on the legacy architecture of the shipping industry, characterized by corporate offshorisation and exotic domiciliations. The most high-profile manifestation remains the strategic relocation of Sovcomflot's third-party ship management operations to Dubai.

Concurrently, Western allies locked in strict trade embargoes against Russian commodities. For the EU, these prohibitions specifically targeted crude oil imports (December 2022) and refined petroleum products (February 2023). Conversely, because the Russian origin of the absolute bulk of natural gas remained non-substitutable in the short term, liquefied natural gas (LNG) sourced from the Arctic Yamal field remained actively present, with 50% of Russian LNG flows continuously routing toward the EU market. Nevertheless, American LNG (extracted from shale gas) aggressively gained market share over successive months. By late 2023, the European Commissioner for Energy formally called upon European energy conglomerates to completely refrain from renewing long-term gas supply contracts with Russia as they reached their expiration dates.

To return to the petroleum sector, Russian production successfully identified greenfield maritime routes. Because the sanctions regimes strictly bind Western nations alone, Indian and Chinese refiners expertly seized the commercial opportunity to absorb readily available, heavily discounted Russian crude. In 2023, India accounted for 32% of Russian crude oil exports, while China absorbed 45%. Regarding refined petroleum products, a quarter of the volume is now channeled into the Turkish marketplace, followed closely by China, North Africa, and Brazil.

Consequently, Russia's restructured trade corridors—explicitly encompassing coal flows—are henceforth oriented eastward via the Suez Canal, where they cross-transit path with Middle Eastern crude and refined products routing westward to supply Europe. Driven by this structural disruption, global oil maritime routes have significantly elongated, to the immense profit of ocean carrier ton-mile revenues, yet to the severe detriment of the global environment.

American and European sanctions are pre-engineered to systematically disrupt Russian macroeconomic activities and prohibit the utilization of Western maritime services, specifically targeting ship finance, marine underwriting, and victualling/bunkering. The United States government was even compelled to formally issue warnings to Greek shipowners, who were extensively involved in the seaborne trade of Russian commodities. Historically, the sanctions frameworks left an operational loophole regarding the role of European—and most notably Greek—maritime actors, who function as the traditional pivot of global tanker and dry bulk flows. Eventually, Greek shipping dynasties divested from this business, though not without selling their legacy vessel assets to the operators of the "ghost fleet".

Behind this media-coined designation hide two separate maritime realities:

- The "Gray Fleet": aggregating approximately 800 identifiable vessels that openly participate in routing Russian commodity flows.
- The "Black Fleet": a secondary block of 800 older tankers operating literally "under the radar" of both international regulations and AIS tracking.

Pioneered originally to bypass United States sanctions targeting Iran and Venezuela, these "dark fleet" practices raise severe anxieties, most notably regarding global maritime safety. An exceptionally aging fleet of substandard hulls is concentrated in this high-risk activity, and critical gaps in Protection and Indemnity (P&I) insurance coverage would leave coastal States entirely without legal or financial recourse in the event of catastrophic oil spill pollutions³.

Beyond the unique nature of these maritime maneuvers arises the broader question of an alternative globalization engineered by nations opposed to Western hegemony (*Russia, China, Iran*), coupled with the "Global South"—the contemporary geopolitical concept echoing the historical Non-Aligned Movement (*India, Brazil, South Africa, Ethiopia, Turkey...*). Nevertheless, this geopolitical concept remains largely inefficient when applied to international seaborne trade and maritime shipping grids.

³ Small coastal vessels transport crude oil or refined petroleum products out of the Black Sea, the Baltic Sea, and the Russian Far East, subsequently executing ship-to-ship (STS) coque-à-coque transfers within designated anchorages onto much larger ocean-going tankers tasked with performing the long-haul transoceanic legs. These maritime rendezvous systematically occur off the coastlines of Denmark, Morocco, Malta, Greece, Malaysia, or South Korea, without the concerned sovereign nations being able—or willing—to intervene.

Interdependencies remain absolute, and every single global player still fundamentally depends on maintaining structural economic relations with the Western world.

The maritime economy in 2023 and the port freeze

A final, critical consequence of the war and European sanctions regimes manifests as the economic degradation of the European continent. In 2022, the acute energy crisis triggered a severe spike in electricity, natural gas, and fuel prices, precipitating the structural return of global inflation. While the EU's GDP still displayed a 3.6% growth rate in 2022, it plummeted to a mere 0.7% in 2023, and is projected to remain without major momentum over the coming years, stagnating around a baseline of 2%.

For European ports, this continental stagnation translates directly into a "Little Ice Age" (regarding cargo throughput). In 2023, the unified gateway of Antwerp-Bruges posted a -5.5% drop in volumes, a contraction identical to the trends recorded across North Sea ports (Vlissingen-Ghent, Rotterdam) and across the primary French maritime gateways.

In Europe and the United States, the public health crisis produced an atypical economic phenomenon. Lockdowns triggered a sharp consumer run on manufactured goods while contracting the purchase of equipment assets, to the severe detriment of the industrial economy. Consequently, containerization operated completely out of sync with alternative maritime sectors.

Subsequently, the anticipated macroeconomic recovery failed to materialize due to the ensuing energy crisis. European iron ore imports declined in both 2022 and 2023. Conversely, imports of crude oil and refined petroleum products—which had plummeted in 2022 driven by astronomical fuel prices—experienced a moderate recovery in 2023.

Liner container shipping statistics demonstrate that in 2022, European consumers aggressively contracted their expenditure: import volumes sourced from Asia plunged by 9%, prior to regaining color in 2023 with a +6.5% rebound. Concurrently, the United States emerged from its cyclical period of hyper-consumption, causing transpacific container volumes to slide throughout 2022 and 2023. The collapse of freight rates across these two primary consumer markets triggered a severe drop in ocean carriers' corporate revenues in 2023, standing in stark contrast to the two previous "windfall" calendar years of 2021 and 2022.

When examining China, it must be recalled that the public health crisis exerted a brief initial shock in early 2020, followed by a significantly more severe disruption in 2022 driven by Beijing's mass zero-COVID lockdowns. Propelled by surging American demand in 2021, China's GDP growth hit a peak of 8.4%, before collapsing to a multi-decade low of 3% in 2022, and subsequently recovering to 5.2% in 2023. In maritime terms, Chinese imports of crude oil, iron ore, coal, and liquefied natural gas (LNG) all returned to solid growth paths throughout 2023.

To be absolutely clear, it is no longer straightforward to interpret international maritime trade through a lens of unified global coherence. Indeed, the public health crisis of 2020–2022, compounded by the escalating ripples of the Russo-Ukrainian war since 2022, generate multi-layered economic shifts of diverse natures, affecting primary macroeconomic blocs across highly divergent timelines. The year 2020 was initially poised to usher in a phase of mature globalization, which had merely been slightly perturbed by the protectionist trade policies of the Trump administration.

Instead, COVID-19 and Russia violently tilted the international order into an uncharted, highly volatile mode stripped of any clear visibility. Nevertheless, global maritime transport has successfully recaptured a growth trajectory. According to Clarksons Research (*Clarkson*), the global shipping volume contracted slightly by 0.4% in 2022. However, reaching 12.37 billion tonnes in 2023 (+3%) and projected to touch 12.64 billion tonnes in 2024 (+2%), seaborne trade is expanding even faster when evaluated in terms of ton-miles (*distance parcourue*), driven by the severe elongation of Russia's restructured alternative trade corridors.

Tensions across global shipping lanes

In 2021, the marine casualty of the container ship *Ever Given* (operated by *Evergreen*) temporarily locked global attention for a full week onto the extreme vulnerability of primary oceanic chokepoints. While this singular grain of sand inside the machinery of globalization was rapidly resolved, the intensifying surge of conventional military conflicts and martial postures has made it commonplace to question whether these specific maritime transit corridors are overly sensitive to geopolitical frictions. It

is, in fact, the core mandate of strategic analysts to meticulously evaluate the threat matrices looming over Suez, Hormuz, Malacca, and even the Taiwan Strait separating mainland China from Taiwan. The conventional military engagement of Russia effectively breaks a long-standing taboo regarding the raw assertiveness of sovereign States, driving observers to closely monitor geopolitical fault lines connecting China and Taiwan, or Venezuela and Guyana.

Compounding this complicated contemporary era, the global climate infrastructure simultaneously unleashed a particularly virulent El Niño phenomenon across South and Central America. The Panama Canal found itself deprived of robust seasonal rainfall, causing the two artificial lakes resupplying its locks to drain at a critical pace. To safeguard operations, the canal authority strictly rationed daily transits, severely disrupting the interoceanic highway through compounding transit delays and forcing selected vessels to execute full detours around South America.

Nevertheless, by late 2023, the focus of international shipping news violently pivoted back toward the Near East. Since 1948, regional geopolitical crises have never been lacking. Without diving into the foundational root causes, the initial tactical assault launched by the Hamas movement on Israeli territory rapidly mutated into a large-scale military campaign by the IDF. While initial anxieties centered on a potential direct spillover of the conflict onto the Suez Canal and the geopolitical alignment of Egypt, the government of Marshal Abdel Fattah al-Sisi rigidly refused to slide into the escalatory spiral, intent on shielding its critical national revenues (tourism, canal transits).

Paradoxically, Egypt emerged as the ultimate macroeconomic loser of the conflict's trajectory, hit by a completely unforeseen domino effect. The Houthi rebellion—confessionally and politically aligned with Iran—had previously seized control of the so-called "useful Yemen," including strategic coastlines along the Red Sea. The movement decreed its active involvement in the conflict, initially launching targeted assaults against merchant vessels identified as contractually tied to Israeli interests (encompassing two hostile vessel diversions), before scaling up operations through intensive missile and drone salvos targeting ships of diverse nationalities.

The immediate operational result culminated, by early 2024, in the widespread abandonment of the Red Sea passage by premier container shipping lines and pure car and truck carriers (PCTCs), followed rapidly by Western crude tankers and even Qatari liquefied natural gas (LNG) carriers. The structural consequence forced a massive rerouting of global fleets around Africa via the Cape of Good Hope.

Maritime history has already experienced an identical closure of the Suez Canal between 1967 and 1975. This time, however, it is the Bab-el-Mandeb Strait and the southern basin of the Red Sea that stand under direct fire. Containerized liner shipping routes connecting Europe, Asia, and Oceania systematically take on 8 to 15 additional transit days. While bypassing the Suez Canal eliminates hefty canal toll expenditures, each supplementary day at sea demands heavy outlays for bunker marine fuel while inflating the carbon footprint of global shipping.

Crucially, ocean carriers must thoroughly re-engineer their liner services, inserting additional vessels into loops to maintain weekly frequencies while dropping selected port calls. The container shipping sector, in particular, made the strategic choice to locked in this major structural reorganization for at least a full semester. Shippers are once again discovering their deep vulnerability face to maritime logistics supply chain disruptions. While containerization effectively guarantees highly efficient, low-cost planetary exchanges, it remains structurally at the mercy of operational shocks (port grid congestion, Suez blockages, geopolitical crises). Woe betide, therefore, distributors or industrial manufacturers operating without safety buffer stocks when the logistics pipeline suffers sudden jolts.

While logistics disorganization systematically carries a commercial price, it appears that the initial spike in containerized spot freight rates recorded at the dawn of the crisis failed to sustain a long-term upward trajectory. In truth, the severe stagnation characterising the European economy keeps market pricing anchored to a balanced demand reality. Shippers rapidly understood that this crisis represented a technical reorganization of Euro-Asian container loops, rather than a structural threat to global volumes on par with the pandemic lockdowns. Consequently, by February 2024, freight rates remained measured and in no way fueled a generalized consumer price inflation.

The Russian war in Ukraine and the intense violence of the Israeli-Palestinian conflict stand as the most acute markers of the geopolitical context shaping the opening of this decade. Wars have historically belonged to the march of the world, yet since the year 2000, economic globalization has identically established itself as a permanent feature of this march. It remains highly uncertain whether global geopolitics, fractured by systemic conflicts and multi-layered tensions, will stand as the definitive hallmark of our era; what remains an absolute certainty, however, is its capacity to violently collide with

the "*business as usual*" driving the global macro-economy and its primary multi-modal engine: maritime shipping. Highly volatile in geopolitics yet deeply amalgamated in economics, the contemporary world is, by all accounts, exceptionally complicated.

Paul TOURRET

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