

# IMPROVING THE AVAILABILITY OF MARITIME TRANSPORT COST DATA IN THE PACIFIC REGION

## Vanuatu Country Report



## Acronyms

ASYCUDA	Automated System for Customs Data
CPI	Consumer Price Index
HS	Harmonised System
IMO	International Maritime Organization
IMTS	International Merchandise Trade Statistics
GDP	Gross Domestic Product
GHG	Greenhouse Gases
LDCs	Least Developed Countries
MEPC	Marine Environment Protection Committee
MFEM	Ministry of Finance and Economic Management
MIPU	Ministry of Infrastructure and Public Utilities
MTCC Pacific	Pacific Maritime Technology Cooperation Centre
SIDS	Small Island Developing States
SPC	The Pacific Community
SPREP	Secretariat of the Pacific Regional Environmental Program
TC	Technical Co-Operation Committee
UNCTAD	United Nations Conference on Trade and Development
VCIR	Vanuatu Customs and Inland Revenue
VMSA	Vanuatu Maritime Safety Authority
VNSO	Vanuatu National Statistics Office

## List of Figures

Figure 1: Map of Vanuatu	2
Figure 2: Port Vila Vessel Calls January – June 2018	8

## List of Tables

Table 1: Trade Data	6
Table 2: Macro Economic Data	7

## Contents

<i>Acronyms</i> .....	<i>i</i>
<i>List of Figures</i> .....	<i>i</i>
<i>List of Tables</i> .....	<i>i</i>
BACKGROUND.....	1
COUNTRY PROFILE .....	2
INSTITUTIONAL ARRANGEMENT FOR MARITIME TRANSPORT COST DATA .....	5
Maritime Administrations.....	5
National Statistics Office.....	5
Customs Administrations.....	5
Port Authorities.....	6
Shipping Agents .....	6
STATUS OF DATA COLLECTION .....	6
Commodity Data .....	6
National Macroeconomic Data .....	7
Trade Routes.....	7
Port Calls and Ship Characteristics.....	7
Trade Throughput .....	8
Freight Rates .....	8
ISSUES AND CHALLENGES .....	9
ANNEX 1: Data Mapping .....	10
ANNEX 2: Data Collection Summary .....	11

## BACKGROUND

In an ever interdependent and globalized world, countries share not only in growth and prosperity but also in crises and challenges. One such challenge is climate change, and its implications for economies and societies developed and developing alike. Like other economic sectors, maritime transport is at the forefront of the climate change challenge.

With climate change being a global challenge and maritime transport an inherently international industry, the International Maritime Organization (IMO) has led efforts to set clear goals, milestones, and regulations with a view to reducing Greenhouse-Gas (GHG) emissions in shipping.

The *2023 IMO GHG Strategy on reduction of GHG emissions from ships* acknowledges that impacts on countries of candidate GHG reduction measures should be assessed and considered as appropriate before their adoption, paying particular attention to the needs of developing countries, especially Small Island Developing States (SIDS) and Least Developed Countries (LDCs).

The Comprehensive Impact Assessment of the IMO short-term GHG reduction measure (MEPC 76/7/13), adopted at the 76th session of the IMO's Marine Environment Protection Committee (MEPC 76) identified several data gaps on maritime transport costs and the economics of shipping, especially in the Pacific region. To this, the IMO has initiated a project on improving the availability of maritime transport costs data in the Pacific region, funded through the IMO's GHG TC Trust Fund.

In line with discussions in both the IMO's MEPC and the Technical Co-Operation Committee (TC), the Pacific Maritime Transport Cost project is implemented by The Pacific Community (SPC) and the Secretariat of the Pacific Regional Environmental Program (SPREP), as hosts of the Pacific Maritime Technology Cooperation Centre (MTCC Pacific), building upon their presence in the region and established contacts with stakeholders throughout the Pacific region on matters related to the reduction of GHG emissions from ships.

The project focuses on nine Pacific countries, namely: Cook Islands, Fiji, Kiribati, Marshall Islands, Nauru, Solomon Islands, Tuvalu, Tonga, and Vanuatu, and aims to improve the availability of relevant maritime transport costs data in the Pacific region, including with the view to facilitating future assessments of impacts of candidate IMO GHG reduction measures in that region.

This country summary report results from desktop reviews and fact-finding interviews by the MTCC Pacific team held between 10 – 14 October 2022. This report documents the stakeholders that were consulted, the agencies, entities, and processes currently in place that collect, use, and store maritime transport costs data, and maps the availability of relevant data in Vanuatu.

## COUNTRY PROFILE

The Republic of Vanuatu, an archipelago of approximately 80 islands scattered across approximately 850 kilometers, with widely dispersed concentrations of population and economic activity, has a land area of 12,200 square kilometers, with territorial waters covering almost 450,000 square kilometers. The most important mode of transport is maritime, whose low cost promotes consumption, production, and international trade. The population of Vanuatu is approximately 299,882 (2019). Port Vila, on the island of Efate, is the capital. Formerly known as the New Hebrides, Vanuatu was jointly governed by British and French administrations before attaining independence.

### Trade Summary

Vanuatu had a total **export** of US\$63.5m and total **imports** of US\$280.6m leading to a negative **trade balance** of -US\$217m. The **trade growth** is 20.75% compared to a **world growth** of 9.25%. **GDP** of Vanuatu is US\$971,636,097.85 in current value. Vanuatu **services export** is US\$34,971,882.90 and **services import** is US\$200,489,504.89. Vanuatu **exports of goods and services as percentage of GDP** is 9.16% and **imports of goods and services as percentage of GDP** is 51.31%.

*World Bank's World Integrated Trade Solutions*

A predominant part of Vanuatu's population is rural, as such subsistence agriculture is a major part of the economy. Agriculture contributes to the export earnings of the country as well. Other mainstays of the economy include tourism and fishing.

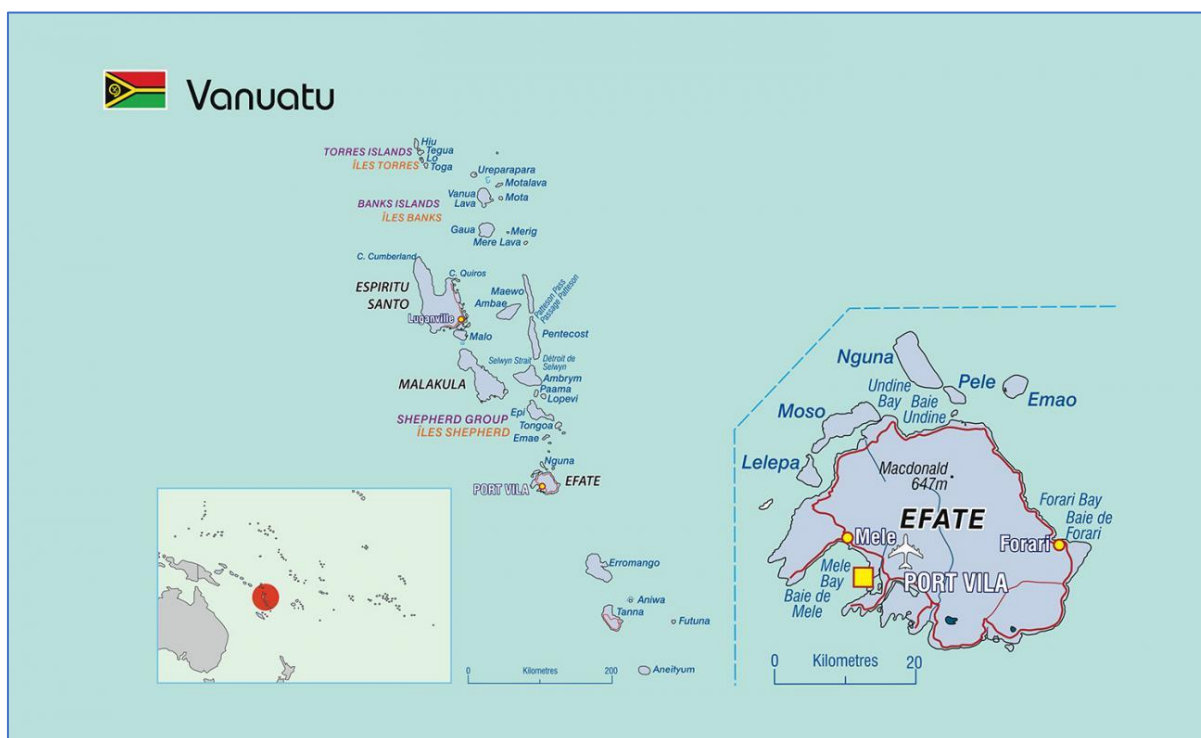
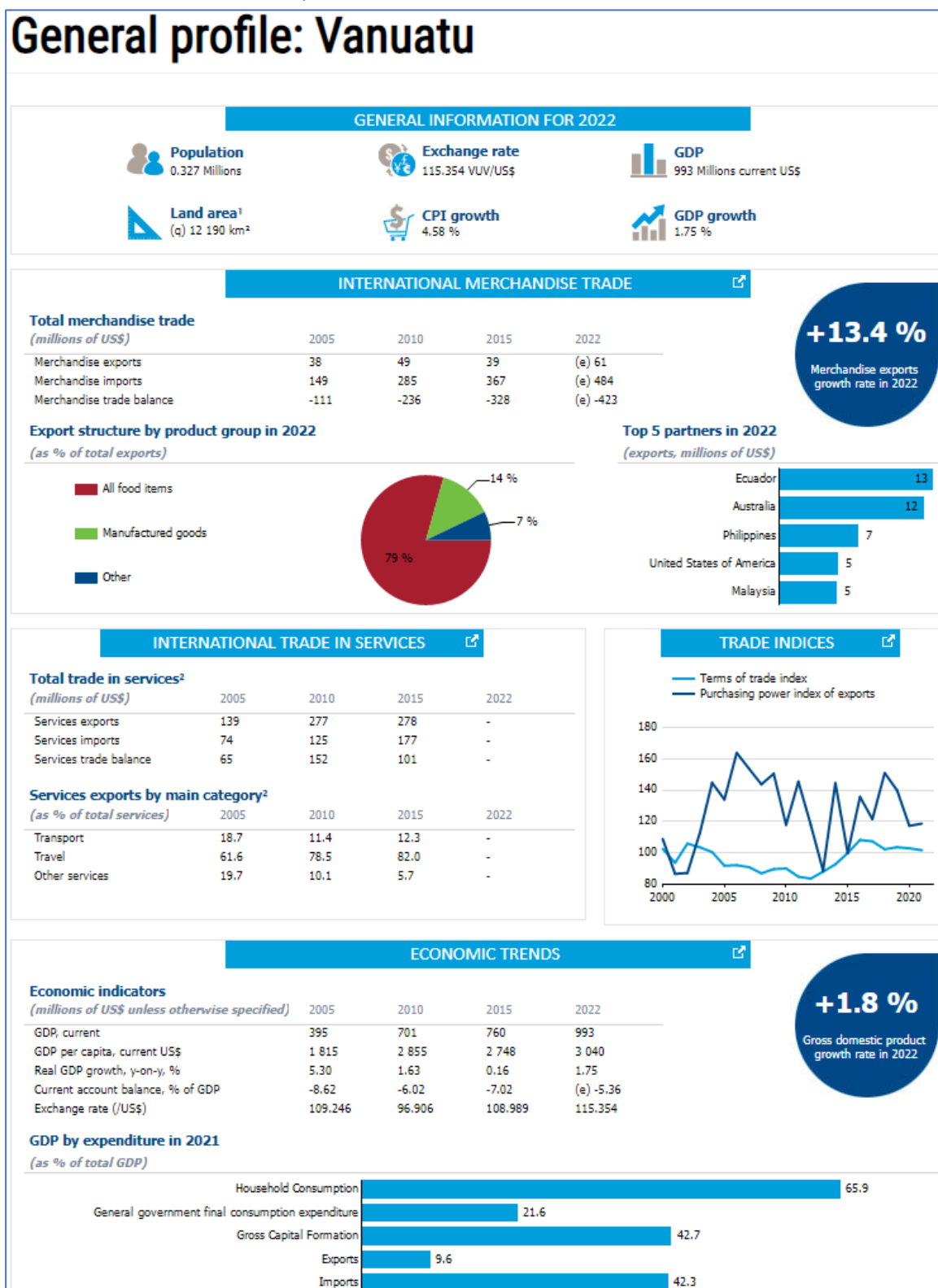


Figure 1: Map of Vanuatu (Source: <https://www.spc.int/our-members/vanuatu/details>, accessed 27 April 2023).

The following pages provide the United Nations Conference on Trade and Development's (UNCTAD) General statistics<sup>1</sup> and Maritime profile<sup>2</sup> for Vanuatu.



<sup>1</sup> UNCTADstat. *General Profile: Vanuatu*. <https://unctadstat.unctad.org/countryprofile/generalprofile/en-gb/548/index.html><https://unctadstat.unctad.org/countryprofile/generalprofile/en-gb/184/index.html>. accessed 14 September 2023.

<sup>2</sup> UNCTADstat. *Maritime Profile: Vanuatu*. <https://unctadstat.unctad.org/countryprofile/MaritimeProfile/en-GB/548/index.html>. accessed 14 September 2023.



# Maritime profile: Vanuatu

## GENERAL INFORMATION FOR 2022


 **Population**  
0.327 Millions

 **GDP**  
993 Millions current US\$

 **Merchandise trade<sup>1</sup>**  
(e) 545 Millions current US\$

 **Land area<sup>2</sup>**  
(j) 12 190 Km<sup>2</sup>


 **GDP growth**  
1.75 %


 **Transport services trade<sup>3</sup>**  
-


## MARITIME KEY FIGURES FOR 2022

 **Coast/area ratio<sup>2</sup>**  
256.9 m/km<sup>2</sup>


 **Ship building<sup>4</sup>**  
..


 **Ship recycling<sup>4</sup>**  
..

 **Fleet - National flag<sup>5</sup>**  
1 749 Thousands DWT

 **Fleet - National flag<sup>5</sup>**  
331 ships

 **Fleet - Ownership<sup>6</sup>**  
3 Thousands DWT

 **Container port throughput<sup>7</sup>**  
..

 **Number of seafarers<sup>8</sup>**  
..

 **Number of port calls<sup>9</sup>**  
-

## WORLD SHARES FOR 2022

Population	Less than 0.01% of the World total
Coastline (km) (2)	0.19 %
Gross Domestic Product (current US\$)	Less than 0.01% of the World total
Merchandise exports (US\$)	Less than 0.01% of the World total
Merchandise imports (US\$)	Less than 0.01% of the World total
National flagged fleet (DWT) (5)	0.08 %
National flagged fleet (US\$) (5)	0.11 %
Fleet ownership (DWT) (6)	Less than 0.01% of the World total
Fleet ownership (US\$) (6)	Less than 0.01% of the World total
Ship building (GT) (4)	Not available or not separately reported
Ship recycling (GT) (4)	Not available or not separately reported
Seafarer supply: Officers (8)	Not available or not separately reported
Seafarer supply: Ratings (8)	Not available or not separately reported
Container port throughput (TEU) (7)	Not available or not separately reported
Port calls: Container ships (9)	Not publishable
Port calls: Liquid bulk carriers (9)	Not available or not separately reported
Port calls: Dry breakbulk carriers (9)	Not publishable
Port calls: Dry bulk carriers (9)	Not available or not separately reported
Port calls: LPG carriers (9)	Not available or not separately reported
Port calls: LNG carriers (9)	Not available or not separately reported

## INSTITUTIONAL ARRANGEMENT FOR MARITIME TRANSPORT COST DATA

### Maritime Administrations

Vanuatu recently established the Vanuatu Maritime Safety Authority (VMSA) to regulate the maritime sector in the country. The VMSA was evolved out of the Office of the Maritime Regulator, and that initially turn was created from the Ministry of Infrastructure and Public Utilities (MIPU) administration. The VMSA works to ensure compliance with international maritime conventions obligations, and on promoting safety and security of Vanuatu waterways.

There are two Government Ministries administering the country's shipping and maritime Acts or legislations. The Maritime Act is under the Ministry of Finance and Economic Management (MFEM) and the Shipping Act, Ports Acts and Vanuatu Maritime College are under the Ministry of Infrastructure and Public Utilities (MIPU) administration. The Department of Ports and Marine, which is under MIPU is responsible for the implementation of the shipping and ports Acts. Other roles which the Ports and Marine takes care of are the domestic ships registrations and safety.

### National Statistics Office

The Vanuatu National Statistics Office (VNSO) is an independent office under the Ministry of Finance and MFEM, mandated under the Statistics Act of 1983. The VNSO is enacted to compile and disseminate official statistics of Vanuatu. VNSO is led by a Government Statistician and is organised across 2 main sections, namely, Economic and, Social and Environment.

In its Economics section VNSO collects national accounts data to produce Consumer Price Index (CPI), and Gross Domestic Product (GDP) data. In the space of maritime transport cost data, it receives raw customs data from the Vanuatu Customs and Inland Revenue (under the same ministry) under the powers of the Statistics Act which it then consolidates into its merchandise trade dataset.

### Customs Administrations

The Vanuatu Customs and Inland Revenue (VCIR) is the government agency tasked with ensuring compliance with border related laws, facilitating trade and protecting the border from the illegal movement of goods and people for the safety of the nation.

VCIR's customs officers use the Automated System for Customs Data (ASYCUDA) system - a customs management system designed by United Nations Conference on Trade and Development (UNCTAD). It has helped with simplifying trade procedures, information flows and documentation. VCIR is part of a trial with SPC's Statistics Division on a project looking at using ASYCUDA implementation rolling over into better collection and reporting of trade data. This would ideally make tracking of detailed maritime transport cost data easier however efforts by the project team to reach out to the VCIR unsuccessful, with no response for meeting requests and to emails.

VCIR has an ongoing data sharing agreement with VNSO to share customs data that then is integrated into the country's merchandise dataset.



## Port Authorities

The Department of Ports and Marine under the Ministry of Infrastructure and Public Utilities operates the country’s two ports of entry, Port Vila and Luganville on Santo. Apart from the main inter-island wharves at Port Vila and Luganville, other wharves are located at Litzlitz and Lenakel in the outer islands of Malakula and Tanna respectively.<sup>3</sup> These ports are regularly serviced by domestic trade. There are seven other wharves throughout the outer islands that are not in regular use. The main issues concerning inter-island shipping are lack of berthing facilities, safety and maintenance of vessels, inadequate waste handling and lack of competition in jetty handling facilities where costs in Port Vila are 3-4 times the costs at Luganville.

## Shipping Agents

There are two international shipping agents in Solomon Islands covering five shipping companies, however only three call at Port Vila. These include:

- Tropical Agency Limited books cargo on the following shipping lines:
  - Swire Shipping - no vessel calls but transhipped at Suva and carried on Neptune line.
  - Sofrana/ANL (Owned by CGA-CGM).
  - Matson South Pacific - no vessel calls but transhipped at Suva and carried on Neptune line.
  - Kyowa Shipping
- Transam Vanuatu books cargo on the Neptune Pacific Direct Line

## STATUS OF DATA COLLECTION

### Commodity Data

Efforts to reach out to the Customs Office were not successful. Attempts to have meetings with the Customs office were met with direction to contact the Comptroller, whom when contacted did not respond to any email correspondences.

VNSO provided the SPC team with headline figures on imported and exported commodities classified by harmonised system codes (HS code) however data is presented only at the first two digits of the commodity code, or as ‘chapter codes’ of the 99 chapters used to identify and categorise items in the HS code structure.

VNSO data showed that in 2021, seaborne trade represented 78% of all merchandise trade, with China being Vanuatu’s largest merchandise trade partner, representing 20% of its exports and 13% of its imports. Kava is Vanuatu’s largest merchandise product exported whilst “Other Imports” is listed as the largest imported product followed by petroleum oils.

### Trade Data

#### International

- Annual exports by item (HS Code), country, quantity (kg), & value
- Annual imports by item (HS Code), country, quantity (kg), & value
- Annual Re-exports by item (HS Code), country, quantity (kg), & value
- Importers - transport costs
- Exporters - transport costs

#### Domestic

- Annual exports by item (HS Code), country, quantity (kg), & value

2022 2021 2020 2019 2018 2017 2016 2015 2014


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<sup>3</sup> Refer to Figure 1 for map

### National Macroeconomic Data

VNSO collects national accounts data to produce CPI, and GDP data. It provided macroeconomic data for years 2010-2020. Data on the labour breakdown of employment by sector was provided in the Labour Market Monograph 2019-2020 report.

VNSO data showed that real GDP contracted by 5% in 2020 following COVID-related border closures and lockdowns. As a tourism-dependent economy, the services sector was particularly affected. GDP growth is expected to increase in 2021 and 2022 on the back of recovery in tourism and strong agricultural production.

### Macro Economic Data

2022 2021 2020 2019 2018 2017 2016 2015 2014

- GDP - real, per capita, by sector
- Consumer price index, by month and year
- Employment statistics


### Trade Routes

As noted above, there are three shipping lines that call at Honiara. These routes include:

**Sofrana/ANL:**

*Westpac line:*

Tauranga -> Auckland -> Noumea -> Brisbane -> Motukea -> Lae -> Kimbe -> Rabaul -> Honiara -> Santo -> Port Vila

**Kyowa Shipping:**

*South Pacific Service:*

Busan -> Kobe -> Nagoya -> Yokohama -> Tarawa -> Honiara -> Port Vila -> Santo -> Noumea -> Suva -> Lautoka -> Nukualofa -> Apia -> Pagopago -> Papeete -> Funafuti

**Neptune Pacific Shipping Line:**

*Fiji to Vanuatu*

Lautoka -> Suva -> Port Vila -> Santo Luganville

### Port Calls and Ship Characteristics

The MTCC Pacific team contacted the port’s harbour master, in charge of administrating the port management system for information on port calls. At the time of this report this information was not forthcoming although there were reassurances that it would be provided.

In a mid-year update report supplied by the Department of Ports, the first 6 months of 2018 showed that Port Vila had a significant number of cruise vessels that called, up to 79% of total vessel calls. Container and tanker vessels make up a small component of vessel calls at the port.

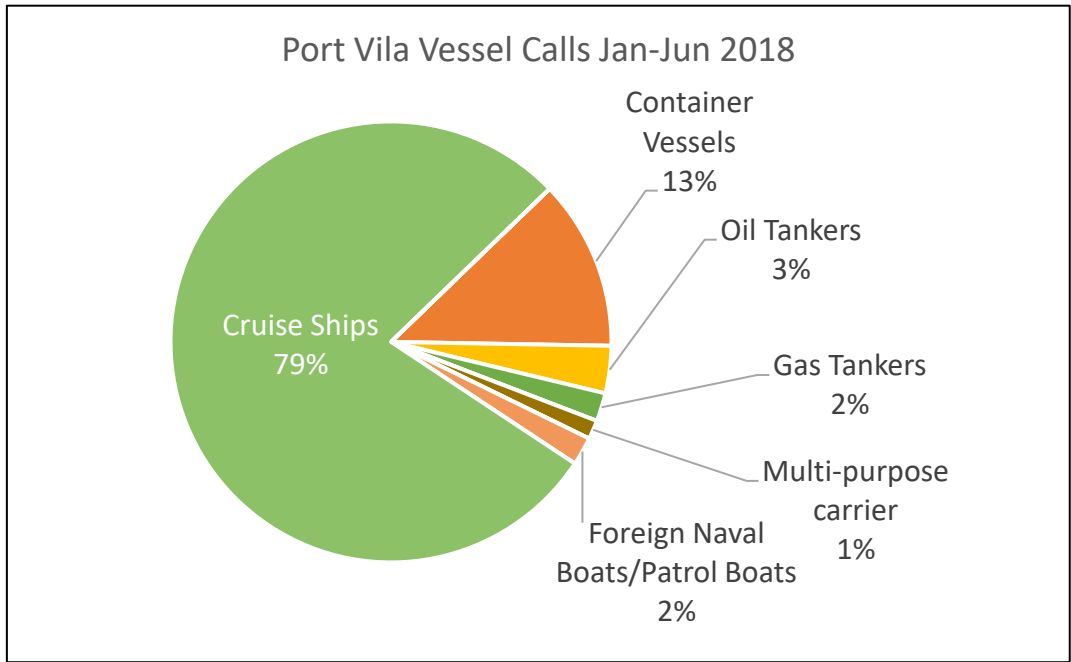


Figure 2: Port Vila Vessel Calls January – June 2018

Annex 1 provides a high-level data mapping illustration for Vanuatu.

### Trade Throughput

At the time of this report this information was not forthcoming from Department of Ports despite reassurances.

### Freight Rates

The MTCC Pacific team met representatives from Transam Vanuatu, and Tropical Agency Ltd, however both shipping agents were not willing to share any pricing data. Contacts referred the team to their counterpart in the Suva office. Due to the business sensitivity of the information requested, the project team were not able to receive cost structure of freight from either agents or their Suva counterparts.

## ISSUES AND CHALLENGES

**Limited data reporting on maritime transport cost:** The Customs and Inland Revenue office has an ongoing data sharing agreement with VNSO to share customs data that then gets tabulated into the country's merchandise trade dataset. However, the current datasets shared do not detail maritime transport costs.

**Vulnerability of digital systems:** At the end of 2022, a ransomware attack on Vanuatu government servers shut down emails and online databases across the entire government digital infrastructure. Government and statutory agencies were left without access to computers and online drives. This affected VNSO in its work with agencies that are focal points for data. The ransomware attack showed the vulnerability of data infrastructure to breaches, and even losses. There is a need to build stronger digital infrastructures.

## SUMMARY AND CONCLUSIONS

The in-country mission provided the *Pacific Maritime Transport Cost Study* team with the opportunity to better understand country context regarding maritime data in Vanuatu. It allowed for discussion with relevant stakeholders from Vanuatu's Ministry of Infrastructure and Public Utilities, Ministry of Foreign Affairs, Vanuatu National Statistics Office, Vanuatu Customs and Inland Revenue, Vanuatu Maritime Safety Authority (VMSA), Department of Ports and Marine, and various shipping agents.

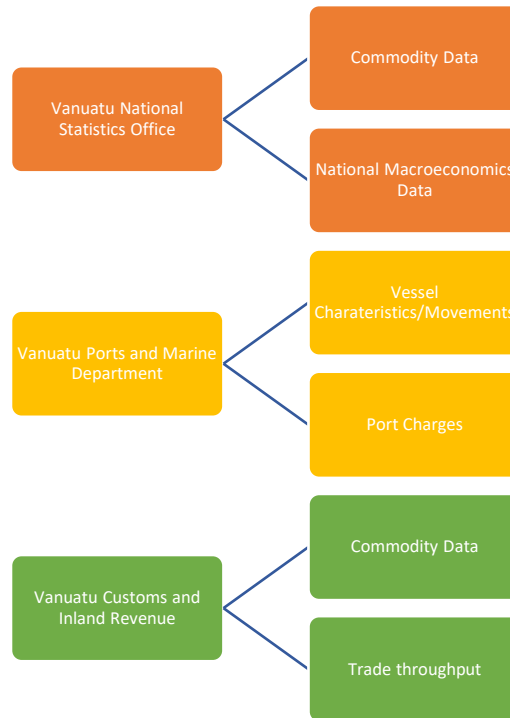
In general, the mission found national accounts and commodity data to be well collected or reported. The national statistics office was forthcoming in providing national accounts and data, however, there are currently gaps around freight costs in the datasets that they receive from Customs. Attempts to get any maritime transport data from the Customs office were unsuccessful. Shipping agents responded to meet but were not willing to share the structure of their freight charges nor any data. These commercial sensitivities could be due to the market dynamics of Vanuatu, with small and vulnerable markets, precautions would be taken regarding freight costs data in order to maintain competitive advantage.

Vanuatu is part of several Pacific Island Countries that have been incorporating the AYSCUDA system into their customs and border operations, and this should allow for the capture of detailed maritime data such as freight costs and the country of origin. The national statistics office is expected to have access into the system and as such extract as much data that it would feasibly need for its own compilation.

A tracker (summary) of available data by data category and year is provided in Annex 2. Data may be made available for further analysis by contacting the IMO Secretariat but remains the property of relevant data providers. Additional information such as contact details of focal points in relevant organizations from Vanuatu can be provided upon request.

## ANNEX 1: Data Mapping

The below graph attempts to map where data may be situated amongst the various stakeholders the project team engaged with.



# ANNEX 2: Data Collection Summary

## Macro Economic Data

GDP - real, per capita, by sector  
 Consumer price index, by month and year  
 Employment statistics

2022 2021 2020 2019 2018 2017 2016 2015 2014


## Trade Data

### International

Annual exports by item (HS Code), country, quantity (kg), & value  
 Annual imports by item (HS Code), country, quantity (kg), & value  
 Annual Re-exports by item (HS Code), country, quantity (kg), & value  
 Importers - transport costs  
 Exporters - transport costs

2022 2021 2020 2019 2018 2017 2016 2015 2014


### Domestic

Annual exports by item (HS Code), country, quantity (kg), & value

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## Fleet Data

Vessel call data by port, IMO, date, time, etc.  
 Vessel characteristics by name, by type

2022 2021 2020 2019 2018 2017 2016 2015 2014


## Port Data

Vessel call data by port, IMO, date, time, etc. (no IMO & times)  
 Fees & Charges, by type, unit of measure, rate  
 Ports' container throughput, by port, by type

2022 2021 2020 2019 2018 2017 2016 2015 2014


## Data Mapping

Data providers, organizations, positions, contact info, etc.  
 Commodity/Essential Goods data mapping  
 Commodity/Essential Goods economic data mapping  
 Trade route mapping  
 Data mapping

Y P N


Data mapping

- Macro economic data
- Trade data
- Fleet data
- Port data


## Notes

Trade commodity data provided does not go to the transport costs level