

IMPROVING THE AVAILABILITY OF MARITIME TRANSPORT COST DATA IN THE PACIFIC

Kiribati Country Report



Pacific Maritime Technology Cooperation Centre (MTCC Pacific)

Acronyms

ASYCUDA	Automated System for Customs Data
CPI	Consumer Price Index
EEZ	Exclusive Economic Zone
HS	Harmonised System
ILO	International Labour Organization
IMO	International Maritime Organization
IMTS	International Merchandise Trade Statistics
GDP	Gross Domestic Product
GHG	Greenhouse Gases
KCAE	Kiribati Customs Administration and Enforcement
KCS	Kiribati Customs Service
KMD	Kiribati Marine Division
KNSO	Kiribati National Statistics Office
KOIL	Kiribati Oil Company Ltd
KPA	Kiribati Ports Authority
LDCs	Least Developed Countries
MEPC	Marine Environment Protection Committee
MELAD	Ministry of Environment, Lands and Agricultural Development
MICTTD	Ministry of Information, Communications, Transport and Tourism Development
MOU	Memorandum of Understanding
MTCC Pacific	Pacific Maritime Technology Cooperation Centre
NPDL	Neptune Pacific Direct Line
SIDS	Small Island Developing States
SAOK	Shipping Agency of Kiribati
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
WCO World Customs Organisation

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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 availability the 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 a fact-finding country mission by the MTCC Pacific team to Tarawa, Kiribati between 22- 26 May 2023. 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 Kiribati.

COUNTRY PROFILE

The Republic of Kiribati comprises of 32 atolls and reef islands and one raised coral island, Banaba dispersed over 3.5 million square kilometres of ocean. It lies north of Tuvalu, Tokelau, the Cook Islands and French Polynesia, east of Nauru, south of Hawaii and west of South America.

Apart from Banaba in the West, Kiribati has three groups of islands – the Gilbert Islands (16 populated atolls), the Phoenix Islands (8 atolls unpopulated other than for a government outpost on Kanton) and the Line Islands in the East (9 of the 11 atolls are part of Kiribati and two – Palmyra and Jarvis Islands – are US territories). Only three of the Line islands have populations: Kiritimati (Christmas Island), Teraina (Washington Island) and Tabeuran (Fanning Island).

Kiribati's atolls are widespread, mostly less than two metres above sea level and vulnerable to the impacts of climate change. They total 811 square kilometres of land distributed over 3.5 million square kilometres of ocean. As of 2022, its population was estimated at 122,735, with half the population living on the crowded southern arm of Tarawa atoll. The remaining population also lives in the Gilbert Islands.

Trade Summary

Kiribati had a total **export** of US\$9.3m and total **imports** of US\$108.9m leading to a negative **trade balance** of -US\$99.7m. The **Effectively Applied Tariff Weighted Average** (customs duty) for Kiribati is 0% and the **Most Favoured Nation (MFN) Weighted Average** tariff is 0%. The **trade growth** is 3.21% compared to a **world growth** of -3.75%. **GDP** of Kiribati is US\$227,610,034.76 in current value. Kiribati **services export** is US\$1,213,411.59 and **services import** is US\$56,886,472.41. Kiribati **exports of goods and services as percentage of GDP** is 11.55% and **imports of goods and services as percentage of GDP** is 87.13%.

World Bank's World Integrated Trade Solutions

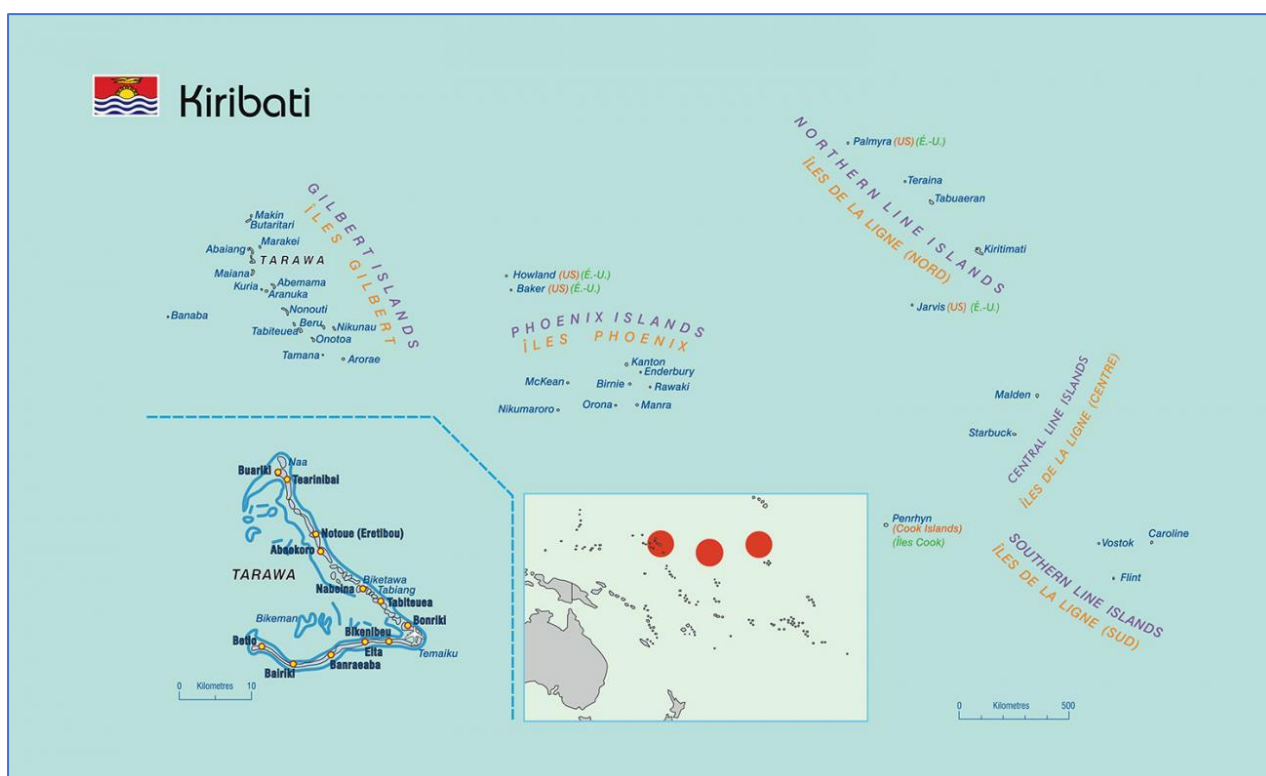


Figure 1: Map of Kiribati (Source: <https://www.spc.int/our-members/tonga/details>, accessed 9 June 2023).

The public sector directs Kiribati's economy. It provides two-thirds of all formal sector employment and accounts for nearly 50% of gross domestic product (GDP). Kiribati is highly exposed to external economic shocks, particularly surges in food and fuel commodity prices, due to its limited revenue base and high dependency on imports. The GDP in 2021 was worth USD 0.21 billion dollars or USD 1,386.55 per capita.

Kiribati's main source of revenue comes from the issuing of licences to fishing fleets from Japan, South Korea, Taiwan Province of China and the United States to fish in the vast country's Exclusive Economic Zone (EEZ). Another source of revenue is remittances sent by the Gilbertese who work as seafarers on foreign merchant vessels or in the phosphate mines in Nauru.

The top exports of Kiribati are Non-fillet Frozen Fish, Passenger and Cargo Ships, Fish Fillets, Coconut Oil, and Copra, exporting mostly to Thailand, Indonesia, Philippines, Japan, and South Korea. The top imports of Kiribati are Fishing Ships, Other Prepared Meat, Netting, Poultry Meat, and Rice, importing mostly from China, Fiji, Australia, and New Zealand.

Kiribati is amongst the most vulnerable nations to climate change. As an extremely isolated and very low-lying island nation, the country faces considerable risk from climate variability and sea-level rise. The potential risk of permanent inundation, and land and marine ecosystem degradation link climate change intrinsically with development. Kiribati is categorised by the United Nations as a 'Small Island Developing State' (SIDS) and in 2018 officially as 'Least Developed Country' (LDC).

The following pages provide the United Nations Conference on Trade and Development's (UNCTAD) General statistics¹ and Maritime profile² for Kiribati.

¹ UNCTADstat. *General Profile: Kiribati*. <https://unctadstat.unctad.org/countryprofile/generalprofile/en-gb/296/index.html>, accessed 14 September 2023.

² UNCTADstat. *Maritime Profile: Kiribati*. <https://unctadstat.unctad.org/countryprofile/MaritimeProfile/en-GB/296/index.html>, accessed 14 September 2023.

General profile: Kiribati

GENERAL INFORMATION FOR 2022

Population
0.131 Millions

Exchange rate
1.442 AUD/US\$

GDP
224 Millions current US\$

Land area¹
(a) 810 km²

CPI growth
5.34 %

GDP growth
1.38 %

INTERNATIONAL MERCHANDISE TRADE

Total merchandise trade (millions of US\$)

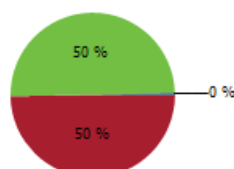
	2005	2010	2015	2022
Merchandise exports	4	4	10	11
Merchandise imports	74	73	117	106
Merchandise trade balance	-70	-69	-107	-94

+25.5 %

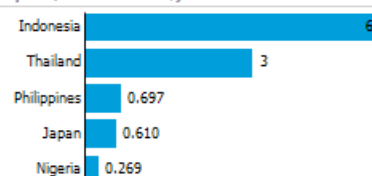
Merchandise exports
growth rate in 2022

Export structure by product group in 2022 (as % of total exports)

- All food items
- Manufactured goods
- Other



Top 5 partners in 2022 (exports, millions of US\$)



INTERNATIONAL TRADE IN SERVICES

Total trade in services² (millions of US\$)

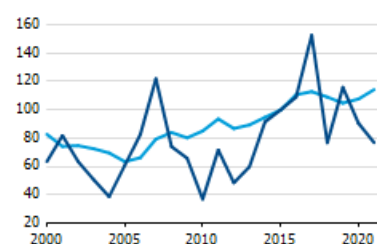
	2005	2010	2015	2022
Services exports	11	12	16	(e) 12
Services imports	44	52	82	(e) 58
Services trade balance	-33	-40	-67	(e) -45

Services exports by main category² (as % of total services)

	2005	2010	2015	2022
Transport	34.3	10.6	13.1	-
Travel	26.6	34.5	12.8	-
Other services	39.2	54.9	74.1	-

TRADE INDICES

- Terms of trade index
- Purchasing power index of exports



ECONOMIC TRENDS

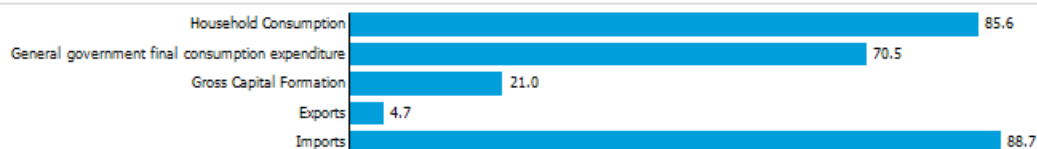
Economic indicators (millions of US\$ unless otherwise specified)

	2005	2010	2015	2022
GDP, current	112	155	170	224
GDP per capita, current US\$	1 142	1 438	1 459	1 708
Real GDP growth, y-on-y, %	4.95	-1.12	9.86	1.38
Current account balance, % of GDP	-25.44	0.13	33.03	(e) -3.99
Exchange rate (/US\$)	1.309	1.090	1.331	1.442

+1.4 %

Gross domestic product
growth rate in 2022

GDP by expenditure in 2021 (as % of total GDP)



Maritime profile: Kiribati

GENERAL INFORMATION FOR 2022

 **Population**
0.131 Millions

 **GDP**
224 Millions current US\$


 **Merchandise trade¹**
117 Millions current US\$


 **Land area²**
(j) 810 Km²


 **GDP growth**
1.38 %


 **Transport services trade³**
(e) 70 Millions current US\$

MARITIME KEY FIGURES FOR 2022

 **Coast/area ratio²**
2 421.0 m/km²


 **Ship building⁴**
..


 **Ship recycling⁴**
..

 **Fleet - National flag⁵**
344 Thousands DWT

 **Fleet - National flag⁵**
77 ships

 **Fleet - Ownership⁶**
1 Thousands DWT

 **Container port throughput⁷**
..

 **Number of seafarers⁸**
..

 **Number of port calls⁹**
..

WORLD SHARES FOR 2022

Population	Less than 0.01% of the World total
Coastline (km) (2)	0.12 %
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)	0.02 %
National flagged fleet (US\$) (5)	0.01 %
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 available or not separately reported
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

Kiribati Marine Division (KMD) is under the Ministry of Information, Communications, Transport and Tourism Development (MICTTD), responsible for the training, certification, registration, and licensing of seafarers as well as small craft registration, in compliance with IMO, International Labour Organization (ILO) Conventions and the Codes. KMD does not collect any data relevant to this project.

National Statistics Office

The activities undertaken by the Kiribati National Statistics Office (KNSO) is governed by the Statistics Act of 1997 [CAP. 96] of the Republic of Kiribati.

The office is mandated to operate to collect, compile, analyse, abstract, and publish official statistics relating to the commercial, industrial, agricultural, social, economic, and general activities and conditions of the people of Kiribati.

Customs Administrations

Kiribati Customs Service (KCS) head office is in the port town of Betio. Staff is based at Bonriki and Cassidy international airports in addition to the ports of Betio and English Harbour (Ronton).

Port customs clearance can be facilitated prior to arrival, otherwise clearance at port can generally be achieved day of arrival. It was shared with the MTCC Pacific Team that there is an existing Memorandum of Understanding (MOU) between KCS and the Environment and Conservation Division of the Ministry of Environment, Lands and Agricultural Development (MELAD) which includes data sharing between the two entities. Kiribati became a member of the World Customs Organisation (WCO) in 2018 and KCS has started incorporating ASYCUDA (Automated System for Customs Data) – a customs management system designed by United Nations Conference on Trade and Development (UNCTAD), into its operations at its Tarawa ports but have yet to do so at its Christmas Island office.

At the Regional Roundtable on Improving the Availability of Maritime Transport Costs Data in the Pacific, held between 15 – 16 February of this year in Suva, Fiji, the Kiribati delegation shared that there is an existing MOU between Environment and Conservation Division and Customs Administration and Enforcement (KCAE). Annex 1 provides data mapping that the delegation shared with the participants.

Port Authorities

The main ports can be found on Betio islet, near Tarawa (Port of Betio), and Christmas Islands (Port of Navy Harbour). The ports at Betio and Navy Harbour are operated by the Kiribati Ports Authority (KPA), the statutory body responsible for maintaining and coordinating the nation's port facilities. Provision for handling containers is available at Betio and Navy Harbour (20 foot only), while Banaba has a cantilever loading arm that is used for phosphate loading. Since phosphate has been depleted, it is now only used by inter-island shipping to service the resident population of 280. It can only accommodate small boats that transfer goods from larger ships anchored offshore.

All the outer islands require larger ships to anchor off and transfer cargo using small boats to beach landings or jetties.

Shipping Agents

There are 2 main international shipping agents in Tarawa, namely;

Shipping Agency of Kiribati (SAOK): Local agent for Swire Shipping Line and Kyowa Shipping Line.

One Stop Shipping Agency: Local Agent for Neptune Pacific Direct (NPDL) Line.

Kiribati is highly dependent on imported fuel for electricity generation. Consuming up to 20,000 litres per day. All imported fuel is supplied by coastal tankers (with turnaround of 28 days) directly from Singapore. There is the potential for fuel shortages during times of bad weather which can often result in delays in discharging.

Kiribati Oil Company Ltd. (KOIL) is fully government owned and the major fuel supplier. Located on Betio, South Tarawa, KOIL started as an energy agent and fuel regulator for MOBIL's fuel facility. It became a fully owned the facility since 2007. KOIL maintains aviation fuel depots at both Bonriki and Cassidy International Airports and depots for ferries refuelling on the islands of TabNorth, Arorae and Fanning.

STATUS OF DATA COLLECTION

Commodity Data

The MTCC Pacific team met with Customs Service and was informed that their current commodity data is not adequately captured as they are transitioning to AYSUCDA. However, they did provide data for a few years preceding that.

National Macroeconomic Data

The Kiribati National Statistics Office were able to provide data for the years 2000-2021 for GDP, Consumer Price Index (CPI) and commodity trade.

Trade Routes

The following trade routes by shipping line service Kiribati:

Kyowa Shipping:

This is a route that has long taken care of Kiribati's connections to Asia.

South Pacific Service:

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

NPDL

Another long servicing route that has had many iterations due to change in ownership of shipping company.

Fiji to Tuvalu, Wallis, Futuna & Kiribati

Lautoka -> Suva -> Funafuti -> Wallis -> Futuna -> Tarawa -> Kiritimati

Port Calls and Ship Characteristics

The MTCC Pacific team contacted the port's harbour master, in charge of overlooking the port management system for information on port calls, they were able to provide ship calls for the years 2014-2018.

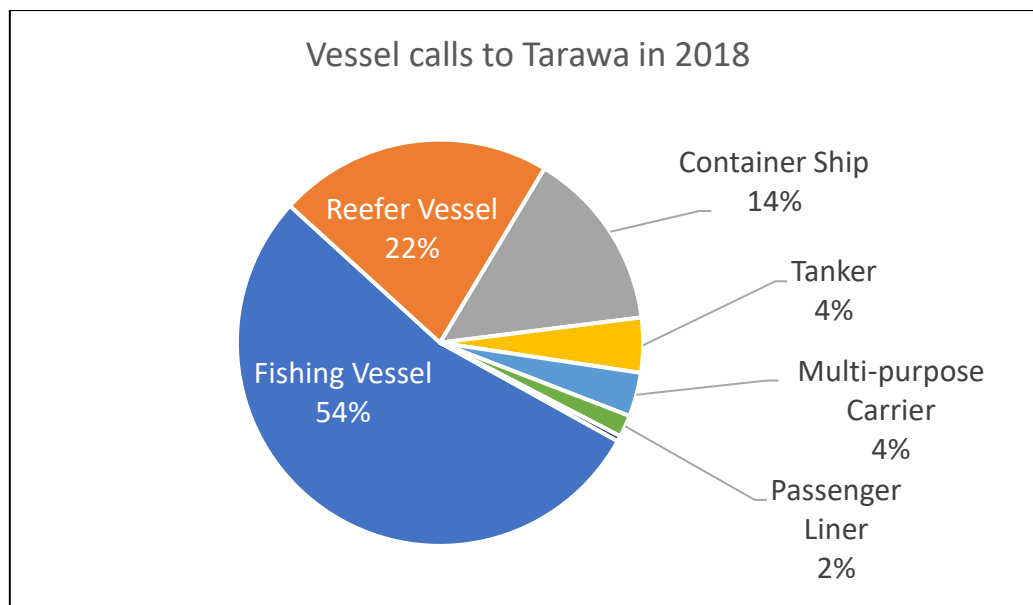


Figure 2: Vessel Calls to Tarawa 2018

Vessel calls pre-COVID-19, specifically in 2018 is captured above. It shows that calls to Tarawa were mainly fishing vessels. According to staff at the port, this includes a lot of purse seiner³ mother ships involved in transshipping tuna that is then shipped to ports in Asia. A lot of these vessels call and sit in anchorage while small vessels come and go with tuna catch.

Trade Throughput

The MTCC Pacific team contacted the port's harbour master, in charge of overlooking 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.

Freight Rates

Meetings were organised with agents of Neptune Pacific Direct Line, and Swire Shipping, where discussions were conducted however the SPC team was told that they were not able to release shipping cost data.

ISSUES AND CHALLENGES

Limited data reporting on maritime transport cost: The Kiribati Customs Service has an ongoing data sharing agreement with Kiribati National Statistics Office 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.

³ A purse seiner vessel, is a type of fishing boat used for catching large schools of fish, particularly species like tuna, herring, and mackerel. The name "purse seiner" is derived from the fishing technique it employs, which involves using a large, circular net called a purse seine.

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 Kiribati. It allowed for discussion with relevant stakeholders from Kiribati's Marine Division under the Ministry of Information, Communications, Transport and Tourism Development, Kiribati Customs Service, Kiribati National Statistics Office, Kiribati Ports Authority, and various shipping agents.

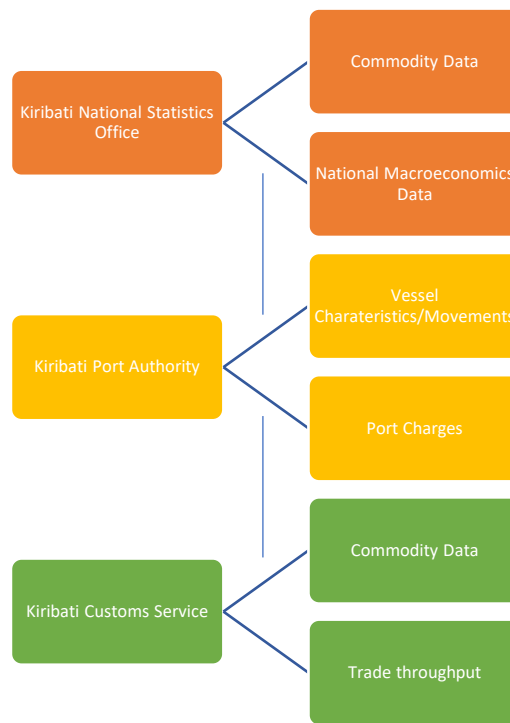
In general, the mission found national accounts and commodity data to be well collected or reported. The national statistical office was forthcoming in providing national accounts and data. Attempts to get in-depth and detailed maritime transport data from the Customs office were unsuccessful. However, with the transition to ASYCUDA, this may be possible soon. Shipping agents responded to meet but were not willing to share their structure of their freight charges nor any data.

Kiribati 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 Kiribati 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 (broad categories)
 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.
 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

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

Y P N

Notes

Transport cost data provided by Kiribati NSO in useable excel form