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Soviet Shipping Expansion Since 1972

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SOVIET SHIPPING EXPANSION SINCE 1972

SUMMARY

1.   The Soviet Union is actively expanding and upgrading its merchant fleet. It still is unable, however, to seriously compete with the more technically advanced fleets of the major Western maritime powers. One million DWT of new capacity was delivered to the merchant fleet in 1973, raising overall fleet capacity to 13.5 million DWT, seventh largest in the world. Planned deliveries in 1974 and 1975 will be close to the record 1.3 million DWT delivered in 1964.

2.   The new ships added during 1973 did little to meet Soviet needs for larger, technically advanced ships. Most of the new tonnage consisted of small, general-purpose dry cargo vessels and dry bulk carriers, only two of which were larger than those already in the Soviet inventory. Tankers and full container ships accounted for only a small percentage of total DWT delivered. During 1974 and 1975, the Soviets will introduce at least eight new classes of ships, including their first high-speed full container ships and roll/on-roll/off vessels and their first ships of more than 100,000 DWT.

3.   The Soviets are continuing to emphasize the expansion of shipping services. Five new lines were inaugurated from mid-1973 to mid-1974 — one of which was fully containerized. In addition, container service was introduced on several existing routes, and the number of Soviet cargo lines serving US ports was raised to six.

4.   Despite the step-up in acquisitions and emphasis on new shipping technology, fleet performance is expected to fall short of its five-year plan goal of 500 billion metric ton-miles for 1975. This is attributable to failures in achieving planned ship deliveries in 1971 and 1972 that will keep fleet size at the end of 1975 below the planned 16.3 million DWT. Conversely, although shipping on long-haul routes failed to develop according to Soviet expectations — freeing more ships for shorter haul operations — the fleet may still attain its 1975 goal of 205 million tons for cargo carried.

DISCUSSION

5.   Deliveries to the Soviet merchant fleet in 1973 exceeded 950,000 DWT, the most since 1966 and twice the amount added in 1972. At the end of 1973 the fleet included 1,550 vessels of more than 13.5 million DWT (see Table 1).

Table 1

Soviet Merchant Fleet Size and Growth

	Inventory as of 31 December		Net Increase in Tonnage		Deliveries During Year
	Number	Million DWT	Million DWT	Percent	Million DWT
1959	590	3.3	0.3	10	0.4
1960	650	3.9	0.6	18	0.6
1961	680	4.2	0.3	8	0.4
1962	740	4.8	0.6	14	0.7
1963	820	5.7	0.9	19	0.9
1964	900	6.9	1.2	21	1.3
1965	990	8.0	1.1	16	1.2
1966	1,070	8.9	0.9	11	1.0
1967	1,150	9.7	0.8	9	0.8
1968	1,230	10.4	0.7	7	0.8
1969	1,320	11.2	0.8	8	0.8
1970	1,400	11.9	0.7	6	0.8
1971	1,470	12.4	0.5	4	0.5
1972	1,500	12.7	0.3	2	0.5
1973	1,550	13.5	0.8	6	1.0

The Soviet merchant marine remains the seventh largest in the world – a position held for 10 years – but it accounts for only 3% of world tonnage, as shown in the tabulation:

	Million DWT as of 30 June 1973	Percent of World Total
World total	420.0	100.0
Liberia	88.7	21.1
Japan	53.8	12.8
United Kingdom	44.6	10.6
Norway	39.1	9.3
Greece	29.8	7.1
United States (active)[1]	13.8	3.3
USSR	13.2	3.1
Other	137.0	32.7

1. Excluding approximately 3.7 million DWT of obsolete government-owned tonnage in the reserve fleet.

6.   The Soviet fleet is relatively young. Scrappings of Liberty ships and others of World War II vintage and older are on the increase, and almost two-thirds of the fleet is less than 10 years old. The fleet lags in qualitative terms, however, because most of its tankers and dry bulk carriers are small, and it lacks large, fast full container ships, roll/on-roll/off (ro/ro) vessels, and LASH (lighter-aboard-ship) barge carriers.

Ship Deliveries

7.   The USSR made limited progress in up-grading its fleet during 1973 (see Table 2). Nevertheless, the standdown in tanker acquisitions, evident since 1971, continued, as deliveries dropped to three small vessels totaling 28,000 DWT, the lowest in 24 years. In the dry cargo sector, emphasis was on general-purpose vessels[1] (suitable for service as part container ships) and on dry bulk carriers. These types accounted for 54% and 33%, respectively, of delivered tonnage, while full container ships represented 3%.

Table 2

Deliveries of Dry Cargo Vessels and Tankers to the Soviet Merchant Fleet
1973

Type	From All Sources			New Ships		Used Ships	
	Number	Thousand DWT	Percent of DWT	Number	Thousand DWT	Number	Thousand DWT
Total	86	954	100	80	694	6	260
Tanker	3	28	3	3	28		
OBO[1]	1	61	6			1	61
General-purpose and timber-carrying dry cargo[2]	68	517	54	68	517		
Dry bulk carrier	8	314	33	3	115	5	199
Full container ship	4	25	3	4	25		
Refrigerator ship	2	9	1	2	9		

1.   Combination oil/bulk/ore carrier.
2.   Suitable for service as part container ships.

1.   Including timber carriers.

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8.   Only one new class of full container ships, the *Aleksandr' Fadeyev*, was introduced in 1973. These 17-knot, 6,356-DWT vessels, currently the largest of their type in the Soviet fleet, carry only 358 containers and are no match for advanced Free World container ships, which have capacities as high as 3,000 containers and speeds of up to 33 knots. Most of the new classes introduced during 1973 were either timber carriers, designed to handle lumber in standardized packets, or general-purpose dry cargo ships. All of the new classes are in the 3,000- to 14,000-DWT range and, with the possible exception of the Igor Grabar' class, can be adapted for use as part container ships. Their important characteristics are listed in the following tabulation:

Class	Type	Builder	DWT	Container Capacity	Knots
Geroi Panfilovtsy	General-purpose dry cargo	USSR	13,500	342	17.3
Nikolay Zhukov	General-purpose dry cargo	USSR	6,500	229	16.4
Pioner Moskvy	Packaged timber carrier	USSR	5,300	204	15.4
Rostok	General-purpose dry cargo	East Germany	5,800	125	16.0
Nikolay Novikov	Packaged timber carrier	Poland	14,000	298	15.0
Igor Grabar'	Packaged timber carrier	Finland	3,300	Unknown	14.0

9.   The USSR is making a strong effort to overcome the fleet's deficiencies in the bulk carrier field. At the beginning of 1973, the largest dry bulk carrier in the Soviet fleet had a capacity of only 32,000 DWT; some non-Communist dry bulk carriers exceed 150,000 DWT. In 1973 the first 50,000-DWT Soviet-built Zoya Kosmodemyanskaya-class bulk carrier was introduced, and two used bulk carriers of 44,000 DWT each and a third of 72,000 DWT were purchased from Scandinavian owners.

10.   The purchases of used ships in 1973 were the first by the USSR since 1965. In addition to the three bulk carriers mentioned above, three large passenger ships, two small bulk carriers of around 20,000 DWT each, and a 61,000-DWT combination oil and dry bulk carrier – the first to join the Soviet fleet – also were bought. The dry cargo ships of more than 50,000 DWT were acquired despite the fact that they cannot be handled at Soviet ports because of draft limitations. Work to deepen existing ports is lagging, and the opening of deep water facilities is still 3 years off. At least one Black Sea port – either the new port under construction at Grigoriyevka near Odessa or Novorossiysk, currently the USSR's

deepest Black Sea tanker port – may be further deepened. The new port of Vostochnyy being built in the Soviet Far East is scheduled to handle dry bulk carriers of up to 100,000 DWT at its coal-loading facility. Recent reports indicate that the port of Murmansk, which exports large amounts of phosphate rock and iron ore, also will be deepened to handle ships of this type and size. In the interim, all ships of more than 50,000 DWT added to the fleet will most likely be time-chartered to foreign shippers for use in other trades.

11.   The used ships added to the fleet in 1973 were acquired under charter-purchase plans. This approach is new for the USSR and permits hard currency payments to be spread out over longer periods, in some cases up to 20 years.

12.   Deliveries in 1974 and 1975 will push the size of the largest Soviet merchant ship from 72,000 DWT to 150,000 DWT. Three new classes will exceed 100,000 DWT. The introduction of other classes will mark a turning point in the qualitative improvement of the fleet as the USSR receives its first ro/ro vessels and its first high-speed container ships. The most important of the new classes are described below:

Class	Type	Builder	DWT	Container Capacity	Knots
Krym	Tanker	USSR	150,000		17
	Tanker	United Kingdom	112,000		16
Marshal Budyennyy	Oil/bulk/ore	Poland[1]	105,000		16
Mercur	Container	East Germany	13,300	774	23
Atlantika	Ro/ro and container	USSR	20,000	1,000	25
	Ro/ro and container	Finland[1]	21,000	1,100	22
Akademik Tupolev	Ro/ro and container	France	4,200	235	17
Inzhener Machulskiy	Ro/ro	Finland	4,000		17

1.   See the photographs.

Acquisition of full container ships and ro/ro vessels with speeds exceeding 20 knots will give the USSR its first capability for competitive container operations on the key trans-Atlantic and trans-Pacific routes.
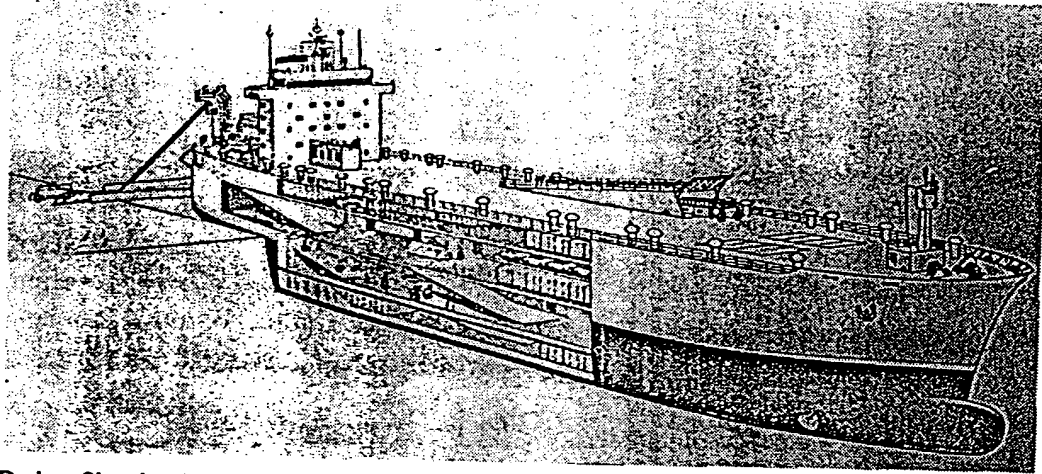
Design Sketch of a 21,000-DWT, 22-Knot, Ro/Ro Vessel Under Construction in Finland for the USSR
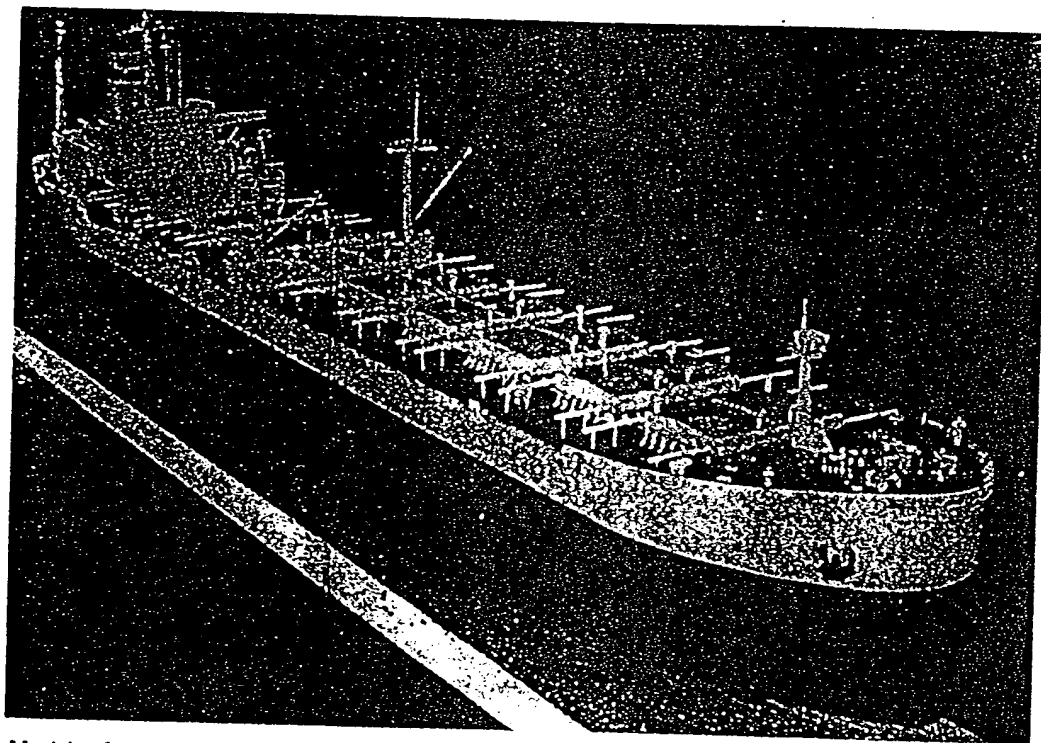
Model of 105,000-DWT *Marshal Budyennyy*-Class Oil/Bulk/Ore Carrier Under Construction in Poland for the USSR

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Fleet Performance

13.   Ship acquisitions helped increase fleet output by 7%, from 377.0 billion ton-miles in 1972 to 402.8 billion ton-miles in 1973. Although this growth equals the average annual rate called for under the five-year plan, it did not compensate for poor performance in 1971 and 1972, and ton-mile performance in 1973 was well short of the timetable for the plan. In contrast, carriage by the fleet, which increased from 178.1 million tons in 1972 to 187.0 million tons in 1973, was in line with the plan.

Fleet Operations

14.   The increase in fleet carriage in 1973 reflects the expanded movement of bulk cargoes – particularly grain from the United States to the USSR – by the tramp portion of the dry cargo fleet. In 1973, Soviet ships carried 2.8 million tons of grain from the United States, compared with 517,000 tons in 1972. As shown in Table 3, Soviet carriage of grain cargoes fell far short of the minimum one-third share available under the US/Soviet Maritime Agreement of 1972. Soviet ships handled only 18%; US ships 20%; and third-flag ships 62%. During the first half of 1974, these figures were 22%, 49%, and 29%, respectively.

15.   The limited role of Soviet ships in the grain trade results from the small size of the dry bulk carrier fleet, which totaled 450,000 DWT at the end of 1973 and consisted of only 16 vessels larger than 10,000 DWT. Most of the vessels in the USSR's 9-million-DWT dry cargo fleet are general-purpose ships and timber carriers of 16,000 DWT or less. They are capable of carrying grain, but not efficiently. The Soviets' heavy reliance on chartered third-flag bulk carriers in the 20,000-DWT to 35,000-DWT range was apparently motivated by a desire to avoid using their own general-purpose vessels and timber carriers. These smaller ships were used instead to earn hard currency in the carriage of Soviet exports or cross trade cargoes for foreign charterers.

16.   Despite a decrease in total tanker tonnage, in 1973 the Soviet fleet carried nearly as much petroleum as in 1972. Soviet tankers not only moved petroleum exports from Black Sea, Baltic, and Far Eastern ports in the USSR, but also were active in cross trades. A large volume of Iraqi crude oil was hauled to Bulgaria and East Germany on Soviet account and lesser amounts were moved from the Persian Gulf to Western Europe and from Indonesia to Japan. Soviet tankers chartered to non-Communist charterers earned substantial amounts of hard currency because of the high tanker rates in the world market during most of the year.

Table 3

Shipments of US Grain to the USSR, by Carrier

| | | Carrier | | | | | |
| | | Third Flag | | USSR | | United States | |
	Total	Thou-sand Tons	Percent of Total	Thou-sand Tons	Percent of Total	Thou-sand Tons	Percent of Total
Total 1973	15,980	9,896	62	2,817	18	3,267	20
Jan	1,365	768		445		152	
Feb	1,362	803		373		186	
Mar	1,480	726		461		293	
Apr	1,610	896		308		406	
May	2,041	1,405		239		397	
Jun	2,239	1,476		88		675	
Jul	1,482	638		121		723	
Aug	1,213	1,006		78		129	
Sep	895	646		126		123	
Oct	830	648		182		....	
Nov	781	430		313		38	
Dec	682	454		83		145	
Total Jan-Jun 1974	2,466	723	29	531	22	1,212	49
Jan	515	310		39		166	
Feb	378	159		104		115	
Mar	405	90		117		198	
Apr	338	15		106		217	
May	294	64		85		145	
Jun	536	85		80		371	

Soviet tankers carried more than 800,000 tons of grain from the United States to the USSR; others moved 200,000 tons of third party crude oil and petroleum products to the United States.

Scheduled Liner Operations

17. The number of scheduled cargo lines served by Soviet dry cargo ships increased from 44 in mid-1973 to 49 in mid-1974 (see the appendix). The new lines serve the following routes: (1) Southeast Asia - Pacific Northwest, (2) Soviet Black Sea - Cuba, (3) Soviet Baltic/Western Europe - Eastern Mediterranean, (4) Soviet Baltic/Finland - Netherlands/Belgium, and (5) Soviet Baltic - Belgium.

With the introduction of the Southeast Asia - Pacific Northwest service, there are now six Soviet cargo lines serving US ports. The number of lines offering some form of container service rose from 17 to 21. The new line to Belgium was containerized from the start, and ships adapted to carry containers were introduced on two existing lines – the Soviet Baltic - France (Atlantic) and the Soviet Baltic (Klaipeda) - West Germany. Most of these new container lines constitute western links in the USSR's trans-Siberian landbridge container service between Japan and Europe.

18.   New Soviet cargo lines are being considered on a variety of routes, all originating in Soviet Black Sea ports. These would serve the Philippines, Australia, the east coast of South America, Japan, and Italian ports on the Adriatic. The new line to Italy will be fully containerized, and plans are under way for some degree of containerization on existing Black Sea services to Cuba and India.

Outlook Through 1975

19.   Through 1975, the end of the current five-year plan, the USSR will continue to expand and upgrade its merchant marine and introduce additional shipping services. Improvements in the overall quality of the fleet will be emphasized by adding larger, more sophisticated classes of ships – including the Soviet Union's first ships of more than 100,000 DWT, high-speed container ships, and ro/ro vessels. Despite these efforts, the Soviet fleet will continue to lag behind Western competition because of the small numbers of large, technically advanced ships it possesses. Moreover, shortfalls in 1971 and 1972 deliveries will keep fleet size short of the 1975 goal of 16.3 million DWT. As a result, the fleet's performance goal of nearly 500 billion ton-miles most likely will not be attained. On the other hand, the fleet will probably meet its 1975 target of 205 million tons for cargo carried because planned shipments on certain longer haul routes have not materialized, freeing fleet capacity for shorter runs.

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APPENDIX

USSR: INTERNATIONAL CARGO LINES, 30 JUNE 1974

Company	Route
	Lines Operated Unilaterally by Soviet Steamship Companies
Murmansk Arctic	Soviet Baltic/Western Europe - Eastern Canada/Great Lakes[1]
Baltic	Soviet Baltic/Western Europe - US East Coast (BALT-ATLANTIC)[1,2]
Baltic	Soviet Baltic/Western Europe - Australia[2,3]
Baltic	Soviet Baltic/Western Europe - New Zealand[3]
Baltic	Soviet Baltic/Western Europe - Caribbean, US Gulf, and West Coast of South America (BALT-PACIFIC WICAS)[1]
Baltic	Soviet Baltic/Finland - Netherlands/Belgium (BALT-SCAN)[1,2]
Baltic	Soviet Baltic - West Germany/Netherlands[2]
Baltic	Soviet Baltic - Belgium[2]
Baltic	Soviet Baltic - East Coast United Kingdom (Hull)[2]
Baltic	Soviet Baltic - Sweden - Italy - UAR (SCAN-MED)[1]
Estonian	Soviet Baltic/Western Europe - Eastern Mediterranean (BALT-LEVANT)[1]
Estonian	Soviet Baltic - Sweden (East Coast)
Estonian	Soviet Baltic - Norway and Denmark
Lithuanian	Soviet Baltic - West Germany[2]
Latvian	Soviet Baltic - East Coast United Kingdom (London/Tilbury)[2]
Danube	Soviet Danube - Near East (Lebanon, Syria, UAR, and Cyprus)
Danube	Soviet Danube - Turkey
Danube	Soviet Danube - North Africa
Danube	Soviet Danube - Greece
Black Sea	Soviet Black Sea - Persian Gulf (Iraq)
Black Sea	Soviet Black Sea - North Vietnam
Black Sea	Soviet Black Sea - Cuba
Black Sea	Southeast Asia - Western Europe/Soviet Black Sea (ODESSA OCEAN)[1]
Black Sea	Soviet Black Sea/Mediterranean Europe - Eastern Canada/Great Lakes[2,3]
Black Sea	Soviet Black Sea - East Africa/Red Sea

Company	Route
	Lines Operated Unilaterally by Soviet Steamship Companies
Azov	Soviet Black Sea - Turkey/Greece
Azov	Soviet Black Sea - Italy[2]
Azov	Soviet Black Sea - Near East
Azov	Soviet Black Sea - Algeria
Caspian	Iran (Caspian) - Baltic - North Sea (via Volga - Baltic Waterway)[1]
Far East	Southeast Asia - Western Canada and the United States (STRAITS PACIFIC)[1]
Far East	Soviet Far East/Japan - Western Canada and the United States[1] [2]
Far East	Soviet Far East/Japan - Southeast Asia/India[1]
Far East	Soviet Far East/Hong Kong[1] [2]
Far East	Soviet Far East/Japan[1] [2]

Soviet Company	Route	Nationality of Foreign Partners
	Lines Operated Jointly by Soviet and Foreign Steamship Companies	
Baltic	Soviet Baltic - East Coast United Kingdom (London)[2]	British
Baltic	Soviet Baltic/Western Europe - East Coast of South America (BALT-AMERICA)[3]	Polish and East German
Estonian	Soviet Baltic-West Germany	West German
Estonian	Baltic/Western Europe - West Africa (UNIAFRICA)[3]	Polish and East German
Latvian	Soviet Baltic - West Coast United Kingdom[2]	British
Latvian	Soviet Baltic - East Germany[2]	East German
Latvian	Soviet Baltic - France (Atlantic)[2]	French
Latvian	Soviet Baltic - Netherlands[2]	Dutch
Latvian	Soviet Baltic - Belgium[2]	Belgian
Black Sea	Soviet Black Sea - Bulgaria[2]	Bulgarian
Black Sea	Soviet Black Sea - Egypt[2]	Egyptian
Black Sea	Soviet Black Sea - India/Ceylon	Indian
Black Sea	Soviet Black Sea - Southern France	French
Far East	Soviet Far East - Japan	Japanese

1. An independent line operating largely or entirely in the cross (or transit) trades.
2. Line offering full or partial container service.
3. A conference line operating largely or entirely in the cross trades.