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## State control of maritime transport

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STATE CONTROL

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OF

MARITIME TRANSPORT

By

Candido Pedro Tomas Da Silva  
ANGOLA

A Paper submitted to the Faculty of the World  
maritime University in partial satisfaction of  
the requirements for the award of a

MASTER OF SCIENCE DEGREE  
in  
GENERAL MARITIME ADMINISTRATION

The contents of this Paper reflect my personal  
views and are not necessarily endorsed by the  
UNIVERSITY

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## CHAPTER 1

### INTRODUCTION .

This paper is presented to all those interested and concerned institutions and was written for the Author's Master of Science thesis in General Maritime Administration at the World Maritime University.

The objective of this document besides being an educational thesis , is to present some useful observations on maritime administration in Angola which has lacked integral information previously and at the same time to permit the existence of information possible of criticism and analysis .

Its intention is to stimulate the studios to write not only a booklet on Angola's maritime activities but to make it more deep and integral . This was one of the basic principles of making this paper because it took into account the fact that Angola is an ocean coast Republic . Nevertheless , there is almost not sufficient data in writing in this sphere . This situation has occurred over the last five centuries after the colonists arrived in Angola and colonized it consequently disturbing traditional maritime development which in spite of being slow and traditional was performed in Angola at that time . Since then maritime transport had not only permitted the Portugueses colonists to reach Angola but it was also for them the main means to transport the fruits of stealing human lives and Angola's

material wealth to the Metropolis .

Nevertheless , the documents collected relating to that period in connection with maritime transport and respective infra-structure in Angola were far away from the real volume and development of Angola's maritime activities and sometimes informed with false data in order to cover and diminish the degree of exploitation of the Angolan people in the period concerned.

During the colonization the maritime organization and respective functions were conducted in such a way to only serve colonist interests. In that period this sector did not employ local citizens apart from the Angolans employed for non-qualified service . Angolan people were disconnected with maritime activities in their own Country .

Angola's independence on the 11th of November , 1975 once again brought other problems . One of the great problems was the departure from Angola of most of the colonist technicians . They abandoned the National economic sector including shipping . Consequently everything in Angola had to be reinitiated . Thus the maritime field at this time was reorganized and put to work in a way which is still operated today by persons who although they were willing and committed to do something useful in this field , had unfortunately a lack of scientific knowledge and experience .

Nowadays Angola's Maritime Administrative structure is not yet compatible to the volume of demands imposed by the respective activities . In this connection , much effort has been made in order to reduce and eliminate the

difficulties in the maritime administration field . Within this cadre of preoccupation may be included the greatest and principal objective of this booklet which is to make some contribution mainly to the control of Angola's merchant marine .

The merchant marine field in Angola is normally(...) covered by the National Shipping Company , Cabotage Company , Ports and Agency services and complemented by some foreign liner services , although , not all of these activities are very well controlled by the National Directorate of Merchant Marine and Ports . Despite the General National Economy regulation which defines the rights and duties of all who are involved in National Economy , as regards the shipping sector , as a matter of fact , that control does not yet exist . The respective National Directorate has not yet defined any instrument or mechanism in detail regarding the National General regulations which would in fact control Angola's merchant marine .

Due to the fact the maritime administration to be a very wide subject , this paper could not cover all the aspects involved in maritime administration matter but it has given preferences to those points with extremous importance and need for the well performance of the State control of Angolan merchant marine in this first stage of its promotion and implementation . Eventually , it has limitation on matters such as : marine pollution , manning of ships , marine insurance and others not here mentionned .

This paper is to a large extent based on information that has been brought to my knowledge by lectures given at WMU

and rapports issued by Unctad , etc.

The main aim of this paper is to try to create such a mechanism as internal instruments for the control of Angola's merchant marine , to point out the main problem concerning the need for trained personnel , to show how experience from international relations can be useful for establishing a more efficient control . From this point of view , this paper has directly dealt with five chapters as the following : 2-Brief Introduction to Angola's Merchant Marine Administration ; 3-How Angola's Merchant Marine can be controlled ; 4-The Adjustment of the National Maritime Legislation to National Needs ; 5-Shipping-bilateral and regional co-operation ; and 6-Conclusions .

As a challenge the Author expects to achieve the aspirations in minimum amount of time despite the aforesaid difficulties.



## I. ACKNOWLEDGMENTS

This paper has been made with spirit to be a reflection of contemporary view of the Angolan shipping industry . A great deal of time in writing this paper was spent to gather the necessary information through personal interviews . The Author is grateful to many individuals and organisations , in Angola and abroad , who were kind enough to help him in this work . Some showed tremendous generosity and remarkable patience with the Author's repeated requests for data , forms , materials , comments , corrections and suggestions. Special thanks are extended to the following individuals and organisations :

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.

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certain extent remain in this paper . For these the  
Author takes full responsibility .

## CHAPTER 2

### BRIEF INTRODUCTION TO ANGOLA'S MERCHANT MARINE ADMINISTRATION

Angola is a Country of centralized economy . The overall economic sectors are organized and distributed in the several National Directorates which under different Ministries , coordinate the respective sectors according to the respective National policy .

In this regard , the Angolan National Directorate of Merchant Marine is the organ in charge of the overall coordination and control of the Angolan Merchant Marine activities .

#### 2.1- THE ORIGIN OF THE NATIONAL MARITIME ADMINISTRATION STRUCTURE

The Angola's People's Republic obtained independence on the 11th of November 1975 . During the period before this date Angola's maritime activities were performed and controlled by colonial organizations whose headquarters were in Portugal . At that time , the Portuguese maritime organization was a military organ divided into two main sectors : a sector for controlling and inspecting Portugal's territorial waters including the territorial waters of the ex-colonies done by the navy , and a sector

in charge of the Portuguese and ex-colonies' merchant marine . Both sectors were under the control of the army .

At that time , Angola had no institution to deal with its merchant marine interests . In Angola only the Directorate of Marine Services had been created which was in charge of maritime safety , and the control and inspection of Angola's territorial waters . This Directorate was a branch of the Portuguese army . So , all the merchant marine activities involving experts and a certain level of skills even for Angola were done from Portugal . Angola was only seen as a source for obtaining the several raw-materials which were sent to the Metropol . To take care of the necessary documents in sending these raw-materials , they had created in Angola a very small branch which was part of the big Portuguese National Company of Navigation (CNN) which had a total monopoly of merchant marine activities between Portugal and the ex-colonies .

On the 11th of November 1975 Angola became independent . In 1977 the Angola's Ministry of Transport and Communication was created . From then , all the people engaged in this process have made an effort in order to take advantage of the all colonial maritime administrative structure and then use it in accordance with the new reality . So , from the colonial Directorate of Marine service in Angola has been created the current National Directorate of Merchant Marine and Ports .

### 2.1.1- THE SCOPE OF THE NATIONAL DIRECTORATE OF MERCHANT MARINE AND PORTS.

The National Directorate of Merchant Marine and Ports is an organ of the Ministry of Transport and Communications in charging of securing , in effective way , the guidelines , the coordination , the regulation and inspection of the general activities relating to the merchant marine and ports .

For the fulfillment of these functions , this Directorate relies on five internal departments such as Maritime Safety Department , Planning and Development Department , Merchant Marine Department , Port Department and Administrative Department .

The National Directorate of Merchant Marine and Ports has the following main functions :

- To give its contribution on the definition of the merchant marine and ports policies.
- To make studies on the alternatives to develop the sector .
- To control and make statistics on seafarers .
- To plan the maritime human and material resources .
- To guide , lead and inspect the

fulfillment of the sector plans.

- To coordinate the National fleet and ships freighted according to the needs of maritime transport .
- To establish norms and outlines to be followed by all enterprises subordinated in the sector .
- To propose the kind of service which should be done by the cabotage , over-sea transport and agency services .
- To secure the safety of lives and property within National waters by inspection and other kinds of actions .

The functions outlined above are included in a document known in its draft form as Angola's Merchant Marine Status . This draft is not yet finished . It still lacks the final definition of the real National Directorate of Merchant Marine's competency as well as defining the instruments for fulfilling those functions . Therefore , most of the merchant marine activities are not yet very well coordinated and controlled by that Directorate .

## 2.2- THE CURRENT CABOTAGE PANORAMA.

Almost from its beginning as a sovereign Nation , Angola has restricted its intercoastal trade to Angolan-flag vessels . Since 1978 legislation has been set out excluding foreign-flag vessels from the domestic trade .

Angola is a country with a centralised economy . Thus , those National sectors considered strategic for the development of the Nation are carried out by organs or institutions with National ambit responsibilities . In this context , Angola only has a National intercoastal company , the so-called "Cabotage" .

The National Cabotage Company has reserved all the coasting trades for its vessels . This company has eleven ships of small tonnage which together total 7890DWT registered . This Company also does what is called bi-cabotage for calling at Mozambique , Congo , and Cabo-Verde ports .

## 2.3-THE CURRENT OVER-SEA TRANSPORT SYSTEM.

Angola's National Shipping Company is governed , controlled and financed by the State . This approach occurs due to the following reasons :

- . To generate employment opportunities.
- . To enhance trade through the involvement of shipping to marketing .
- . To balance payment effects .

- . National income effects .
- . To increased commercial and strategic security .
- . Price stability and predictability .
- . To obtain technology and training .
- . Shipper consultation in service pricing.

Angonave-National Shipping Company is the only Enterprise which takes care of the transport of general cargo by sea . It has 7 ships of 12000 DWT registered in Angola's National fleet .

This National Shipping Company actually covers about 20% of goods imported and about 5% of the goods exported in the carriage of National trade .

The National Shipping Company works in line service according to the following distribution :

1. APA line-to Iberia Peninsula with 5 ships.
2. ANEA line-North Europe with 2 ships .
3. ASA line-South America with 3 ships .

For the last line , the Shipping Company usually hires the respective provisional amount , frequently in voyage charter , to perform the service on that route .

However , Angonave's shipping activity is complemented by other foreign-flag vessels which carry the major part of the national trade .



## 2.4-THE WORKING OF THE ANGOLA'S MAJOR PORTS

The Angolan Port system has existed for a very long time . It came from the Portuguese colonial system .Nowadays all the ports in Angola have been nationalised and converted into regional public enterprises .

In Angola there are two categories of ports:Secondary and Principal ports . The secondary ports deal mainly with the cabotage trade . The principal ports are linked primarily to over-sea transport . These are the ports of Luanda , Lobito and Porto Amboim .

Most of the goods loaded and unloaded in the principal ports continue to be general cargoes , despite some containerised cargoes which have started to increase in proportion in the principal ports . In the past before independence , Angola was a strong exporting Country of mainly raw-materials . Nevertheless , during the period after independence the National panorama has deeply changed . Due to the war situation which has created so many problems in the general National economy , Angola has become in a large importing country . Actually most of Angola's needs come from abroad . Therefore Angolan ports have become more and more solicited for discharges .

As regards moving cargo , in 1980 the Port of Luanda , which moves 50000 tons per month on average , had moved 711050 tons(\*) of import cargoes and 159583 tons(\*) of export cargoes . The Port of Lobito which moves much more cargo than Luanda Port ,in the same year has moved 469265 tons(\*) , about 80% being imports , the remaining part including exports and the cabotage service . The

Port of Namibe loaded 2013 tons(\*) and unloaded 76568 tons(\*) . In the year concerned the Cabotage Ports as a group have moved about 123515 tons(\*) of cargoes .

As regards the basic type of ships which usually call at Angolan Ports , they have not changed very much in their DWT capacity if comparison is made with ships calling at National ports over the last decade of the colonial period in Angola . Those ships are units of general cargo with a tonnage of between 10000 and 15000 DWT usually from Liberia , Greece , Spain , Russia and Portugal , while in the period before independence those ports were fundamentally called at by Portuguese ships.

#### 2.5-THE NATIONAL AGENCY SERVICE

As it is in other areas , in this field the activity is also centralised . For doing this service Angola fundamentally relies on a National enterprise , the so-called Agenang . This National Company has branches

in all Angolan principal ports to represent its business. Roughly , the Agenang-National Agency Company covers about 90% of the agency services relating to ships which call at Angolan ports .

Nevertheless , Angola has in this field a joint venture with a British agency interest which covers the agency service for ships in transshipment from Lobito Port .

## CHAPTER 3

### 3. HOW ANGOLA'S MERCHANT MARINE CAN BE CONTROLLED

An important factor determining the pace of economic and social development in Angola is its participation in world trade . However , such participation in world trade is dependent on developing its infrastructure , human capabilities and administrative structure for handling the transport of that trade .

Since the major bulk of commodities involved in world trade are transported by sea , which in turn covers about three fifths of the globe , there is a strong interdependence between world trade and maritime transport .

The intention to improve the Maritime Administrative Organisation within the framework of Angola's overall maritime activities , is to provide the

Government with the machinery which would enable it to satisfactorily and efficiently undertake the aforesaid functions .

However , Angola still without the necessary National Maritime Code , urgently needs to create and complement it with other indispensable functions and regulations in order to give legal standing to the control by the National Directorate of Merchant Marine and Ports .

Actually Angola faces the challenge to consistently work to improve the present situation to its benefit . This action will be possible through a better understanding by the Angolan Government of the problems facing the National Shipping Industry as it appreciates more and more the importance of the contribution made by the shipping industry to the National Economy - particularly the contribution of shipping earnings to the National balance of payments .The Government needs to influence and motivate the development of the National Merchant Marine . Thus ,it needs to create real interests in this field and therefore to promote and protect them . Those interests can be the economical and strategic objectives which enable the Country to :

- reduce economic and trade dependence
- develop economic and trade relations with all nations willing
- protect the shipping industry during its infancy , thus also acquiring the transport means necessary to secure supplies from and links with overseas countries in times of emergency .

For the fulfillment of these objectives , the establishment of a coherent National merchant marine code and policy plays an important role .

### 3.1- THE IMPORTANCE OF THE NATIONAL MERCHANT MARINE POLICY

Growth of shipping in developing countries is related to their economic histories , which have fostered agrarian societies with raw materials or primary product exports and

manufactured goods imports .With the price of manufactured goods increasing at a faster rate than that of primary products , with the exception of petroleum countries only now affected , the income gap between developing and developed trading partners has widened . As a consequence , the gap between per capita GNP has also continued to widen and is today larger than even before in relative terms . Shipping has played a dominant role in widening this gap because the producer of the primary products , often a developing country , usually pays the cost of shipping services . The effects on the producer's economy is detrimental , and any rise in the cost of shipping services , means that the respective burdens usually return to the producer and do not affect the price to the consumers .

To oppose the aforesaid picture , developing countries have tended towards developing of national shipping which is often government owned , controlled and financed .

The economic contribution of national shipping in most of the developing countries is often overestimated, as most of the costs , such as vessel acquisition , fuel, foreign port stevedoring , and repair and manning costs as well , are often paid in foreign exchange . Then to determine the benefit of national shipping to developing countries is difficult , particularly when measured against benefits achievable through investment of scarce resources into other segments of the developing countries' economies .

As a result , many developing countries have put a rather low priority on shipping ; they consider the use of alternative shipping arrangements such as joint ventures , chartering , and share licensing to be more effective approaches for a greater role in , and economic control of , shipping in their foreign trade .

The way in which international trade can contribute to the economic growth of a developing country differs in scope according to the difference of trade policies applied .

As Angola has neither an industrial nor a maritime background and shows slow relative growth in its foreign trade , it would face difficulties in running its National fleet in free competition against old , experienced , skilled administrations and on well established shipping routes . Angola needs to adopt a protectionist policy in its National shipping activity through well-arranged strategic programmes.

### 3.1.1-THE NEED FOR ESTABLISHING A NATIONAL MERCHANT MARINE STRATEGY

In the world where trade impediments are the rule and free trade is the exception , it would be unrealistic to consider the shipping business in separation from the real conditions of the world economy .

One of the deviations of the present state of the world economy from any viewpoint is the unjustified impediments to trade by which industrial countries protect their markets . It would be unfair to criticize the new maritime developing

countries in following discriminatory shipping

policies , while their exports do not enjoy free access to the developed countries .

At the outset , it is necessary to clarify the conceptual framework of the entire subject and then proceed to break down the subject to its bare essentials .

To attain the objectives of such strategy in Angola , short and long term policies have to be adopted . The implementation of this national merchant marine strategy has to be taken at two levels : the state level and the company level including shipping , agency and ports service being seen in harmony with each other .

### 3.2-POLICY FRAMEWORK FOR COASTAL SHIPPING

One of the less known sectors of Angola's economy is coastal shipping . Since independence it has suffered ups and downs in cargoes carried because of lack of a consistent policy in the preceding plans .

Coastal trade has been reserved for Angolan ships since independence .

From the standpoint of economics , the current cabotage regulations is the best one , on the assumption that foreign-flag vessels are not to be permitted to ply Angolan domestic routes .

### 3.3-THE POLICY FRAMEWORK FOR SHIPPING SERVICES

It is important for Angola , having a national fleet , to draw for itself a strategy so as to develop more favourable national factors as inputs in the process of producing an adequate maritime transport service .

It is necessary for the National defense and development of its foreign and domestic commerce that Angola has a merchant marine capable of :

- .Carrying its domestic water-borne commerce and a substantial portion of the water-borne export and import foreign commerce of Angola and to provide shipping services on all routes essential for maintaining the flow of such foreign water-borne commerce at all times .
- .Serving as a naval auxiliary in the event of war or national emergency .
- .Owning and operating under the Angolan flag with citizens of Angola in so far as may be practicable .

From such a policy the Government is committed to support the Angolan-flag merchant marine . The commercial reasons for supporting the Angolan-flag merchant marine are the following :

- 1.To insure continuity of service .
- 2.To protect Angolan shippers against exorbitant rates .
- 3.To improve the service given to Angolan



shippers .

I believe that the presence of an efficient Angolan merchant marine may discourage foreign lines from setting discriminatory high rates for shipments by Angolan exporters and importers. Such discrimination is more likely to occur when tonnage is scarce. To some extent , then , an Angolan merchant marine is very helpful to the country . This assures the shipper proper governmental support should the shipping company owned by the Government receive the reservation of shipping services . Armed with suitable laws , the Government can then take appropriate action .

### 3.3.1-THE IMPORTANCE OF CARGO PREFERENCES

Cargo preference can be defined as a desirable way to build up and maintain a nucleus of the merchant marine for National interests . Angola has tended towards development of a National shipping which is government owned , controlled and financed . So , for its successful establishment and involvement in international shipping , it needs to adopt efficient and practicable measures on the reservation of cargo , such as whenever Angola shall procure a contract for , or otherwise obtains for its own account any equipment , materials or commodities within or without Angola , or shall advance funds or credits or guarantee the convertibility of foreign currencies in connection with the furnishing of such equipment , materials or commodities , the appropriate agency shall take such steps as may be necessary and practicable to assure that at least 50 per cent of the gross tonnage of such equipment , materials or commodities which may be

transported on ocean-going vessels should be transported on nationally owned Angola-flag commercial vessels . However , where measures such as those made by the Government to foster the exporting of agricultural or other products are taken , provision should be made so that such products should be carried exclusively in Angolan vessels . Therefore Angola needs to issue acts which provide that National-flag vessels shall be used exclusively in the transportation by sea of provisions , food stuff, or supplies of any other description purchased by Angola . Only through this way can Angola survive in international maritime affairs .

### 3.3.2-THE WAY TO IMPLEMENT CARGO PREFERENCE.

There is a certain strength as well as a certain limitation on Angolan trade and trading relations with the world . This is a primary fact which nobody can discount . When I talk about national cargo for national ships , at the same time I have to recognise both the strengths and the limitations of Angola's trade in volume , trading relations with the world and particularly Angola's bargaining position in terms of trade as such . Similarly , I have to recognise both the strength and the limitations on what Angola can achieve in terms of the carriage of National cargo with the tonnage Angola has , the types of ships which it owns , the pattern of Angolan trade with destinations overseas , the changes which have taken place in the types of ships being used , etc .

There are so many difficulties , so many hindrances , difficulties of shippers , difficulties of the shipowner , lacuna of the services , etc . This means that a significant portion of Angola trade cannot be moved by national ships .

Roughly , Angolan trade is divided into :

- . general cargoes ;
- . bulk cargoes ; and
- . liquid cargoes in tankers .

I do recognise that Angola has not yet reached the stage of being able to serve everything that it is trading to every destination that it is trading with .

As far as national trade is concerned , if a good commitment is made on both sides - understanding on the part of the shippers who are predominantly public sector and understanding on the part of national shipowner , and given the volume of Angola's general cargo trade , much more progress can be achieved . I do not for a moment suggest that it is going to be possible for Angola to carry all its general national cargoes , direction-wise , position-wise , volume-wise or tonnage-wise . There may be many handicaps which will come into play . It is not possible for Angola to carry every tonne of national overseas exports and imports in its own ships . However , better coordination of the exports and imports tonnage can be made . If the intention is to make shipping the hand-maiden of the trade or shipping to be a catalyst without any major detriment to its commercial interests then bringing about a large volume of trade can come into play . This is what the role of shipping should be in

Angola - as a catalyst .

So ,in this initial moment of establishing the National Merchant Marine , Angola should not be careful in spreading its limited national resources on shipping services for covering the above kinds of goods . Therefore , due to the types of national ships , such preferences should nowadays be firstly given to the general cargoes and secondly to the bulk cargoes. For this Angola can use the following alternatives : Besides the establishment of the rules stating that national imports and exports must be transported in national ships insofar as such ships are available , there must be at the same time an undertaking for the creation of mechanisms permitting the National Shipping Line to cover at least 50 per cent of all the routes frequented by it and a bilateral agreement must be made for sharing cargoes on a 50-50 basis .

#### 3.3.4-THE ADVANTAGE OF THE UNCTAD CODE ON THE NATIONAL MERCHANT MARINE

One manifestation of the rapid growth of maritime protectionism is the UNCTAD Liner Code , which aims to regulate the world's liner traffic . This Code is not yet used in Angola but , nonetheless , it has already had a significant influence on developments and new protectionist shipping laws are often justified by reference to it .

Actually , due to the lack of national tonnage , Angola can not compete in free shipping services . It needs to protect the establishment and development of its national merchant

marine . For this , it can also rely on the Unctad Code .

One well-known item in the Code is the 40-40-20 rule , the chief purpose of which is to guarantee national lines priority access to 80% of national trade , both export and import . 40% is to be carried in ships of the exporting country , 40% in ships of the importing country , leaving 20% available for cross-traders . Other important clauses restrict the ability of conferences to raise freight rates and establish rules for settlement of disputes .

The Unctad Code which thus lays down that 80% of cargoes are to be reserved for the merchant fleets of the exporting and importing countries , was originally intended as an instrument for the international regulation of the liner conference system . This at any rate is what Angola needs .

To some extent , the Unctad Code would seem to make it easier for Angola to build up a merchant navy of its own .

In fact it is unlikely that developing countries will be able to find the capital needed to take over 40% of their own foreign trade . Insofar as any expansion of third world tonnage takes place , it will be because many developing countries will become what is called "flags of necessity" , i.e, companies in traditional seafaring countries will be forced to register their ships in developing countries in order to hold on to their markets in those regions .

One serious problem in this connection is that an allocation of seaborne foreign trade between two countries according to the 40-40-20 rule presupposes fairly well balanced traffic with equal amounts of cargoes going both ways . This is very seldom the case in Angola . However , the Unctad Code pro-

mises to be advantageous in its application in Angola.

### 3.4-THE POLICY FRAMEWORK FOR PORTS

If shipping activity is considered an international industry influenced by numerous factors affecting the different national fleets in the ocean-transport market , the port activity is an industry that is influenced by internal factors . It was estimated that in transporting commodities by cargo liner service , about 60-85 per cent of the unit shipping cost of the commodity is paid for in the port(\*\*) .

Angola's port industry is a complex organization under the non-executive National Merchant Marine and Port Authority as the central policy-making organ . This type of National port administration makes the state :

- able to draw a unified plan for all the ports of the Country . Within this system national interests as well as the local interests are considered .
- concentrate and specialise in the optimum location of capital and in assessing the different projects for port development .
- the authority which can standardize charges , port practices and procedures .
- the Central Authority in managing the three important tasks of :training , research and statistical information on wide and advanced

scales .

For the utility of those advantages Angola needs to clearly establish the aims for the executive Ports Authorities on :

- a) the minimum turn-round time of ships in the port ; and
- b) the port must be operated on commercial lines .

- a) the turn-round problem :

Angola's executive Ports Authorities face this problem in two phases. In the first phase they must operate all the existing port facilities to obtain full capacity . Second , they must develop their capacity to absorb all trade traffic that is passing , as well as that which will pass , through the respective port .

The total time of the operation of a ship's turn-round in the port is consumed by three sub-operations : time taken until the ship is berthed ; time needed for ship's replenishment ; and time for any temporary repairs . The facilities of the ports system serving these three sub-operations needs to be provided in the desired capacity at the desired time .The overall capacity of a port is equal to the capacity of the necessary facilities with the lowest capacity within that port. Unless the capacity of the facility with the lowest capacity is equal to all the demands made upon it , bottlenecks are created in the ports . Therefore a realistic evaluation of port capacity based on sound judgment is a prerequisite both for attaining efficiency from the exi-

sting facilities and for starting major investment programmes.

For evaluating port capacity in handling volumes of cargo within a year, the required daily dry cargo turnover rate per metre of quay in tons in all Angola's ports should be used. It is known that the yearly capacity of one metre of berth is dependent on numerous elements such as cranes, type of cargo, rate of loading and discharging, number of working hours per day, number of working days per year, the type and tonnage of vessels likely to enter the port, depths of port channels and berths, pilot services and navigational aids for entering or leaving the port regardless of night time or weather conditions, capacity of sheds and warehouses, etc.

In measuring and evaluating the port productivity, the several ports authorities need to collect the proper data which is a prerequisite so as to be able to follow up with appropriate programmes to optimize on the ports existing facilities and to eliminate bottlenecks, before carrying out any new heavy investment programmes.

The data which must be collected concerns :

1. Gross gang forms productivity.
2. Rate of berth tonnage productivity, meaning tons of cargo carried from the quay to the ship and vice versa.
3. Berth occupancy in terms of hours for each berth or metre of berth occupied each day for working vessels.

Aids of operational research and work study can play an



important role in helping the administration in increasing port capacity . The port's productivity needs to be increased through more effective administration methods and by developing the quality of labour . A great deal of time is lost in complicated customs procedures which must be made faster and by documentations which must be simplified .

b) The port must be operated on commercial lines.

The Angola's ports must be in a strong financial position so as to be able to continue their expensive development . The target should be the generation in the port authorities in the awareness of balancing expenditure with revenue .

Following commercial principles , charges must be levied correctly . In Angola ,for example , charges are lower than those needed to achieve the self-support principle. In determining the charges in the ports , the charges levied in other competitive ports must be compared . In fact well adjusted charges to the actual costs would lead to the optimum allocation of resources .

The port users need to pay the price corresponding to their direct benefit from the services given to them, instead of letting the tax payers carry a part as a subsidy for the costs of port developments . If such policy can be applied successfully the dependence of the ports can be secured and the opportunity to modernise the ports can be achieved .

Ports are essentially commercial service organisations and must remain economically viable . Like any other commercial organisation , they must also be able to generate some surp-

luses for further development . Unfortunately over the years while the costs of maintaining the services which are rendered by the ports to trade and shipping have escalated , charges have not been adjusted on a par . It is in this context that the Government needs to be aware of the importance of revising port charges and raising the efficiency of port services . It is for this reason that the ports must gear themselves up in order to offer the best possible services to trade and shipping .

#### 3.4.1-RECOMMENDATIONS ON THE MAJOR NATIONAL PORTS' OPERATIONS .

The operations of the major ports have thus to be viewed in the context of a vast coast-line , the economic needs of a sub-continent , the national share in world trade and shipping , the revolutionary changes in the types of ships which have come into use , the push for a radical transformation in the mode of carriage of general cargo and last but not least , the costs of port development on the one hand and the impact of port charges on trade and shipping on the other .

Ports are complex organisations with diverse facets in their operations . The nature of the ports' operation not only changes over time but in some respects may even change from day to day . The National Administration has set up the statutory rights and responsibilities of port administration from which is granted the immunity to be maintained in health . Port operations are almost as complex as the human body . Each one of its limbs or systems has to be organically intragrated with the others in order to avoid sickness .

As the artery between the economy of the country and its trade and shipping , it cannot be allowed to be clogged by inefficiency or failure of any part of its total mechanism . The responses to remedy the defects or short comings must be instantaneous like the thought process detects and heals an ailment . It is in this awareness that I would like to consider out some thoughts relating to operations at major ports .

#### 3.4.1.1-ON THE HANDLING OF CARGOES

Over the year , cargo handling methods were necessarily limited to the nature of cargoes which had to be handled . The handling gear was also suited to the unit to be handled . Actually , due to the fact that many ships arrived at the same time at the major national ports , congestion has frequently been created . National ports , nowadays are characterized by a systematic vicious in becoming congested . The inefficiency of the several agencies services working in the ports , the poor engagement of port workers , the lack of certain indispensable facilities , such as appropriate container terminals and the shortage of road transport and railway provoked by the war situation in Angola are the more important causes of the deterioration in the ports' operation . This multiplicity has led to costs being higher than what they ought to be . A basic rationalisation of handling methods aimed at through movement of cargo and a functioning scheme of incentives in which the entire chain of workers participates as well as the creation of the necessary facilities will bring improvement in the quality of services and a reduction in costs . The rationalisation of a cargo-handling system is not only the concern of the Governament or

the respective port authority ,it is the responsibility of all the agencies connected directly or indirectly with port working . Everyone connected with servicing or handling cargo has to play a part in this transformation .

#### 3.4.1.2- ON PORT CHARGES

The level of rates and charges levied by the ports should make port organisation economically viable. The determination of the principles on which the capital and interest on port development should be recouped and its apportionment as between trade on the one hand and shipping on the other requires careful consideration . It may seem an easy exercise to balance port budgets by a progressive increase in port rates .But the effect of port charges on trade and shipping must not be overlooked . It is obvious that they affect the economic operation not only of Angolan tonnage but also the levels of freight in international trade for Angolan exports and imports . A most rigid control of costs , on the one hand and the necessary improvement in services as well as the review of tariff charges are the only obvious answers . A fullyfledged management accounting system to determine the cost of each service and the fixing of responsibility for its control must be part of port management . On the other hand , the review of port tariffs followed by improvement in the quality of the service rendered by the port organisation will bring more significant results . Particularly , the per unit cost of handling commodities can be reduced by increasing the efficiency of port services .

So , ports are the gateways of National commerce and consequently , these gateways must never be cluttered . Ports are merely regulatory Authorities , they are not revenue collecting Authorities . They are essentially service orga-

nisations . They need to operate with commercial efficiency . They need to remain acutely conscious of the fact that their operations have a cumulative chain effect on a whole series of aspects touching the economy of the country .

What is now required is a conscious effort to transform port services into a smooth and functional operation .

### 3.5- THE ROLE OF THE CENTRALISED SHIPPING AGENCY

The aim of having a centralised cargo shipping agency in Angola is to make it the sole and exclusive shipping agent for all lines , both Angolan and foreign , trading in Angola. In persuing that target , this organ needs to be autonomous , controlled and managed strictly on a commercial basis under the following main tasks :

- a) To collect and disseminate information to shippers in Angola of the availability of services , ports from which available , loading ports , discharging ports , frequency , period of shipment , regulated service and elimination of freight disadvantages where they exit .
- b) To make certain without qualification that the Angolan Line is able to cater to not less than 40% of general cargo and more in bilateral trades , not by quantity (DWT) but by quality so that the nett retention is equivalent to 40% of the foreign exchange involved .
- c) To devise means for the pre-emptive shipment

of Angolan general cargo on Angolan vessels except for any insuperable difficulties in terms of trade and then operate on the cross trades .

- d) To bring about the necessary agregation of Angolan export cargo , where found necessary , in the interest of the shippers and the shipowners .
- e) To establish and maintain on land warehouses in selected centres if possible in cooperation with local port authorities and issue bankable documents and,or receipts .
- f) To arrive at firm arrangements with freight forwarders for the regulated flow of aggregated cargo of inland centres at recognised rates to selected ports .

For the best performance of these objectives , the Centralised Shipping Agency needs to have a very well defined and regulated relationship with its principal on its duties and rights under the voyage charter party and time charter party contracts and furthermore the conditions for charging the agency fees .

### 3.5.1- THE RELATIONSHIP BETWEEN THE CENTRALISED SHIPS'AGENT AND HIS PRINCIPAL

Usually there is a contractual relationship between the ships' agent and the shipowner (principal) whereby the agent agrees to perform certain services for his principal who similarly agrees to pay him for those services .It means that the agency has been created,that is , whether he is

appointed directly by the shipowner to act on his behalf or whether the agent received his appointment through a term of charter party, the agent is required thenceforth to act fully in his principal's interest and he has a bonded duty to carry out all the instructions of the shipowner or Carrier and, or Operator. At the same time, the ship's agent must never forget that, as an agent, he only holds limited authority and he must be sure never to exceed his instructions and to keep his actions within the authority given to him, should he exceed his authority and his actions are not accepted or ratified by his principal. The agent shall be responsible as a principal and liable for his own actions.

Agenang, as the National Agency Company, needs all the time possible to ensure that the "third parties" with which it is in contact with are aware that the duties undertaken and all the expenses incurred in carrying out the agency service on behalf of the principal, are carried out strictly as an "agent" and not as a principal. Therefore, in its own interest, it needs to take great care that all the documents signed in connection with the work of the agency service, be qualified with the addition of the words "As Agent only" or "As Agent for Owners".

However, two main types of relationship need to be very well defined between the Agenang National Shipping Agency and owners and time-charterers.

In a time-charter party, the time charterers become the temporary disponent owners. They stand, for the performance of the charter, in the shoes of the owners

and take on the duties and responsibilities of ship's operators. This means that they determine where the ship shall load and discharge , what cargo shall be loaded and how it is to be handled . They order and pay for all the fuel consumed during the period of the charter and all port charges , pilotages , towages , stevedoring costs , agencies and commissions .

Agenang , having been appointed by the time charterers (operators) , therefore needs to act in the interest of the principal and carry out all the requirements including those of the Master's maxim which is that "the protection of the vessel's interests at all time should be the aim and duties of a ship's Agent" .

Agenang obviously needs to perform its duties in view of the contractual relationship existing between itself and the time charterers . Thus , all the measures the Agenang National Company needs to undertake in order to charge the real principal at the time of a commercial relationship are the following :

- 1- To represent the principals and undertake all activities while complying at all times with any specific instructions which the principal may reasonably give .
- 2- To recommend and,or appoint stevedores , watchmen , tallymen , terminal operators , hauliers and all all kinds of suppliers .
- 3- To provide marketing and sales activities to canvass and book cargo , to publicise the services and to maintain contact with shippers , consignees , forwarding agents , port and other authorities and trade



organisations.

- 4- To issue on behalf of the principals , bills of lading and manifests and such others documents as may be required .
- 5- To provide for an efficient communication system .
- 6- To arrange for calling forward , reception and loading of outward cargo and discharge and release of inward cargo and to attend to the transshipment of through cargo.
- 7- To provide for , and administer , a proper system for the control and handling of container and Ro-Ro traffic , if necessary
- 8- To prepare proper disbursements accounts in respect of the call of each vessel , and to prepare periodical financial statements as required .
- 9- To keep principals up-to-date with amendments to Port tariffs and regulations and all other charges as they become known .

### 3.6- THE IMPORTANCE OF THE SHIPPERS' COUNCIL IN ANGOLA

The prime purpose of a Shippers Council is to give to the shippers the necessary bargaining strength to obtain adequate and efficient services at one minimum cost-whether in the liner or in the non-liner sectors of shipping . The need for a council is likely to be greatest from the shippers who are currently utilizing liner services point of view , because liner operators already wield considerable power through their liner conferences , and a comparable organization is thus needed on the side of the shippers if a more equal

balance of power is to be established . There is , however , another purpose in setting up a Shippers' Council which is also important : that of providing shipowners , government agency and ports authorities with a means of communicating with shippers and of obtaining an authoritative shippers' viewpoint . The need for shipper spokesmen in Angola has become essential in today's situation , because there is a need for a high degree of co-ordination between all parties in order to adapt traditional shipping procedures and practices to modern-day conditions . If there is no proper organization to represent the shippers , the solving of problems can be frustrating , or problems may be resolved in a manner which suits the other parties but ignores the interests of the shippers .

The immediate function of a council formed in Angola has to be to exert maximum pressure to reduce conference demands for freight increases . It should not confine itself solely to the defensive role of reacting to shipowners (conference) demands , but should be ready to take the initiative in collaborating with the shipping investigation unit and other arms of Government shipping policy in assessing the suitability of existing services , and in investigating the possibilities of more economical alternatives .

### 3.6.1- THE IDEAL ORGANIZATION FOR THE THE ANGOLAN' COUNCIL OF SHIPPERS

The Angolan Government , through its own system , controls the major part of export and import commodities through an official marketing board which is the main national shipper , while a very restricted private sector

makes direct imports through its own board .

In a country like Angola , it is desirable for the Government itself to perform the functions of a shippers' council , or to vest those functions in the agencies concerned .

For a council to be able to deal with national shipowner and conferences , the most important organizational requirement is that it needs to be representative : it should represent all , or nearly all , of the shippers of the cargo which is the subject of consultation with a particular liner conference . Due to the fact that Angolan ships carry practically the same mixture of commodities on each of the liner trades , then the Council can be set up to equally represent shippers , regardless of the conference with which it is dealing .

The need for strict representation arises from the fact that each individual conference Shippers has a contractual relationship with a conference , either on a continuing basis if he signs a loyalty agreement , or on a shipment-by-shipment basis if he does not . Individually , shippers shall act in accordance with the terms of any overall agreement reached between a conference and a council only if they have been properly represented in the consultations which have resulted in that agreement . If a council represents only some of the shippers in a trade , or if it negotiates on the basis of instructions which have been influenced by members who are not shippers , then any overall "agreement" which it concludes with the conference would be without practical value : individual shippers would not consider themselves bound by it , and the "official" consultations between

the council and the conference would then be followed either by real negotiations directly between the conference and its shippers, or by unilateral action on the part of the conference.

There are two possible systems of membership which can be used by Angola to appoint the representative of the shippers: membership by individual shippers, or membership by organizations.

The practice suggested is to follow the second system because practical difficulties arise if individual shippers are members of the council. The sheer number of shippers is often excessive, and it is difficult to obtain "commodity view points" if shippers are not represented through their organizations. Organizations can be either specific commodity association, or general trade or individual associations. Usually the shippers of general cargo and miscellaneous items lack and specific organization, but they can be represented appropriately by a body such as a chamber of commerce. In any individual Shipper controls a substantial presentage of the cargo moving in a trade, then there may be reason for admitting him to membership along with associations as its members, but otherwise a council is more likely to function smoothly if it is formed with the associations as its members rather than individual shippers. It association shall have to decide for itself wether its delegation to the council should comprise shippers, members of the association secretariat, or a mixture of the two.

In order to insure that the proposed shipper's council shall include all the associations which ought to be

included, and none which ought to be excluded, the government needs to prepare a simple statistical survey, in value terms, of the cargo moving in the country's liner trades.

Commodity movements need to be grouped according to the associations which appropriately represent the Shippers, and the survey needs to indicate the value of each group of commodities as a percentage of the total value of liner shipments. Such value percentages shall be an indication of the representational strength which might be given to each of the associations of the council in terms of numbers of delegates or voting rights.

Gaps in representation could arise for three main reasons : first , the shipper of one or more significant commodities may be without an appropriate association , in which case it would seem necessary for the government to persuade them to form the necessary associations before making further progress in forming the shipper's council ; secondly , the Shipper of a significant percentage of commodity may have failed to join an existing association , in which case he should be pressed to join . If the council's negotiations with conferences have been frustrated by the failure of individual shippers to join its member associations , then the Government may have to consider taking further measures . For example , the Government can make membership of an appropriate association a condition for the granting of an export or import licence ; thirdly , there is the possibility that an association may refuse to join a proposed Council , which is much more serious .

Of greatest importance is that a worth while . Shippers'

Council can be established if its members include a substantial majority of the commodity groups , and if each of those commodity groups represents the individual shippers who control all , or nearly all of the liner shipments of the commodities in question . If a council is set up and is not well representative , it may fail to become a forum for discussions with conferences , but upon the level of rates or the standard of services , and it may actually be harmful to the development of effective consultation procedures .

The Council needs to be a representative body in exercising its general function of acting as a spokesman for the shippers' interests . However , in this area its interests are wider than those of liner shippers , and a constitution needs to provide some form of associate membership for bodies which are concerned with other aspects of Shippers problems . Such association members might include representatives of non-liner shippers, producers and importers. Forwarding Agents occupy a peculiar position midway between shippers and shipowners , and the question whether it is appropriate to give them some form of representation , is an important consideration of the Government .

In the initial stage , the basic function of the Council even when dealing with conferences on major issues , is to act as spokesman , and this in itself does not require a full-time secretariat assuming that it can be found to act as office-bearers , and one of the member associations can make a room available for meetings . Then the main intention is for a minimal amount of secretarial assistance which can be provided by the Shippers at a very modest cost .

The Council needs to be able to rely upon its Government's shipping investigation unit to assist it in scrutinizing conference demands , and in preparing the facts and figures on which to base counter-demands .

The first task of the Government relating to a Shippers' Council , is the need to obtain from each of the liner conferences an undertaking to consult with it on matters to be specified later . Decisions need to be taken on whether all issues should be the subject of consultation or only major issues .

The Angolan Government should not automatically assume that the Council shall need legislative backing : the representativeness of the Council is rather more important . The principle of consultation is now widely accepted and it is difficult to envisage a situation in which a conference would refuse to consult with the council which actually represents the Shippers who use its service . On the other hand , if the Council is not properly represented , then no amount of legislation can force a conference to hold meaningful , as distinct to formal , consultations with it .

### 3.6.2- THE BARGAINING PROCEDURES

Angolan shippers should not wait until they receive the conference demand for an increase in freight rates before they start to take action : they should take the first steps months in advance . In fact , soon after the Council has concluded one round of negotiations with a conference , Angolan shippers should start preparing for

the next .

The Angolan shippers' council needs to collaborate with the shipping investigation unit in estimating the results which must be achieved by using each of the specific bargaining tools . Estimates should be expressed as percentages of the estimated freight revenue of the conference in question , so that the effectiveness of the various bargaining tools can be compared . The Angolan shippers' council shall then be able to form an advance idea of its powers of resistance in relation to various percentage increases which may be demanded by the conference .

The Angolan shippers' council should first look at the liner trade as a entity . The shipping investigation unit should prepare estimates of savings which can be achieved by rationalization of the sailings and by rationalization of the cargo presentation .

The next step would be how to examine specific segments of the trade . If the entire range of shipments cannot be rationalized , it may still be possible to rationalize the presentation of specific commodities for shipment . Groups of shippers who can adopt satisfactory non-conference methods to use charter or contract methods, or non-conference "second-class liner services" , should obtain quotations for their respective segments of the trade . The Angolan shippers' council should also endeavour to ascertain how many of the remaining shippers , that is those who are not in a position to enter into agreements with , or obtain satisfactory undertakings from non-conference carriers , would be prepared to use non-conference liners on a casual basis , having regard



to the port coverage and sailing frequencies likely to be offered , and what proportion of the shipments of those shippers would have to be shipped by the conference service .

In order to decide upon its broad policy in dealing with the conference , the council needs to weigh up the estimates of the results likely to be achieved by using the different bargaining tools , either with regard to the entire trade , or with regard to parts of the trade . The Angolan shippers' council may decide that the best overall results could be achieved by using different bargaining tools with respect to different segments of the trade , but it must note that in most instances the percentages that can be saved are alternatives rather than cumulatives . Angolan shippers should not save a certain percentage by rationalizing a conference trade , and an additional percentage by making casual use of outsiders : they must settle on one course or another--though in the course of bargaining , they can take tentative steps in both directions . The biggest choice which the Angolan shippers' council shall have to make in most trades , needs to be between opening a trade to outside competition and reaching an agreement with the conference with the aim of reducing costs and hence rates by rationalization .

Furthermore , it would seem that the question of the costs of liner services must be faced sooner or later , and it is easier to face this issue sooner rather than later : rationalization of a service is more difficult if it is delayed until after additional operators have entered the trade . A Council may also be in a stronger position vis-a-vis a conference if the trade is

rationalized while some of the potential non-Liner Shippers are still utilizing the conference services . The presence of such groups may give to the Angolan shippers' council the strength it needs in order to negotiate a satisfactory agreement with Shippers through a reduction in freight levels .

Pending receipt of an actual conference freight demand , the Angolan shippers' council's formulation of policy can be no more than tentative , and on receipt of an actual demand , the first action the council needs to take is to clear its lines of authority to act on behalf of its shippers . It should ask each member association to ascertain the attitude of its members i.e.the individual shipper , and then hold a meeting to formulate the national shippers' council policy . The Angolan shippers' council's policy should have the support of all participating members , but it does not need to be uniform : council members can agree , for example , that a particular commodity should receive differential treatment . It is necessary to stress the point that while the Council may still be able to function if one or two complete commodity groups stand outside the collective negotiations , it shall be incapable of performing its functions if it represents only some of the shippers of particular commodities . The Angolan shippers' council needs to get clear authority from its individual shipper members . If the Angolan shippers' council is collaborating with other smaller councils in the same conference area , similar consideration shall apply at the inter Council level.

In a major negotiation , quite obviously the process of obtaining authority from member associations shall be a

continuing one : after each round of consultations with the conference , the Angolan shippers' council shall have to report back to members associations , which shall in turn have to consult their individual members in order to re-define their attitudes .

If negotiations approach the stage where agreement is imminent , the Angolan shippers' council must hold the authority to sign a simple agreement with the conference , which may be no more than an exchange of letters , according to which the conference shall undertake to maintain rates at a certain level for an agreed period , and the National council shall undertake to recommend that its shippers sign new loyalty agreements in respect of the same period .

In the view of the indirect relationship between the national council and its individual shippers , the national council should not actually commit its shippers to sign new loyalty agreements ; the most it should do is to make a recommendation to that effect . Nevertheless , it should be able to give the conference a reasonable assurance that its recommendations shall be carried out and it must therefore hold assurances from its members associations that the proposed agreement with the conference shall be accepted to all the individual shippers , or at least to a very substantial majority of them .

Through this way , it shall be possible for the shippers as a whole to make the conference they are dealing with , accept the consultation formula . Indeed , a broader base of rapport or dialogue with conferences serving national

trade seems necessary . In this context , the consultation procedure should include items such as freight rates , uniformity of tariff rules , rules governing preshipment conditions , bills of lading , practices on payment of freight and practices relating to freighting of commodities . It is known that conferences do not adopt any uniform rules or practices, for example, for freighting by weight or value, etc. Due to this , the council needs to evolve a set of problems touching these aspects for discussion with the conference in Angola's overseas trades.

### 3.7- ANGOLA'S TRAINING FACILITIES

The most abundant resource available in most developing countries is the human resource.

Angola's main problem in this area is the lack of nationally trained personnel in the maritime sector. Due to that shortage in having skilled people, Angola faces the aforesaid difficulties in all the maritime sectors. It seems that the government through the National Maritime Administration has to assume the lead role and the primary responsibility in harnessing such human resources and utilizing them appropriately to maximum national advantage in the maritime field, including benefits for national seafarers themselves and the national shipping industry .

The main reasons are the following:

- 1) Due to the centralized philosophy of the

Government as regards labour matters in general it is also bound to affect maritime labour (seafarers) , in spite of the special characteristics linked with maritime workers.

- 2) Due to the interest in the country's maritime development , it is the National Maritime Administration which has to :
  - a) make the assessment as regards the manpower needs in the maritime sector ,
  - b) plan for and ensure the availability of such man-power , both in quantity and quality and ,
  - c) utilise such manpower to the National advantage and in the optimum way .

Since shipping is an international industry , Angola's maritime labour force may be subject to international pressures in various forms , therefore , the National Maritime Administration needs to be better equipped within the shipping industry , to deal with such pressures in the context of national interests .

There is no doubt that the Government in such a matter is in the best position to :

- a) monitor international developments affecting its existing and or future marine personnel ,
- b) seek and avail itself the opportunity to influence in its favour , to the maximum extent possible , such development , through international fora and support from other governments when they emerge

- and , finally
- d) adopt policies compatible with national interests .

Maritime training , examinations certification of seafarers and manning of ships are three vital and inseparable links in a chain which determines the standards of safety and efficiency of the operation of ships .

In assuming such a role , the National Maritime Administration shall no doubt have to act in concert with the shipping industry companies , relevant professional institutions and other educational institutions . Whether such concerted action is taken through suitable consultative procedures or through the establishment of a merchant navy training board , in which all interested parties are represented and which can serve as a collective Advisory Body , is a matter for the Angolan Government to examine and decide .

For Angola to develop such maritime facilities to meet its present and future requirements , as well as to meet the mandatory international standards , the National Maritime Administration needs to take the following steps :

- 1) A manpower study to be undertaken to make an assessment of the manpower needs in categories and numbers for the shipping industry over a period of ten years .
- 2) Based on the aforesaid manpower study , manpower planning should be made for the next ten-year period , reduced on an annual basis .

- 3) In order to meet the planned manpower requirements , it is important to formulate recruitment policy , as regards the number and quality of persons to be recruited as new entrants . While the numbers would be in accordance with the planned requirements , the quality can only be ensured by prescribing the minimum educational standards for new entrants to the seafaring profession , one standard for the seaman entry and a higher standard for cadet apprentice entry .
- 4) In conjunction with the above , suitable training programmes need to be formulated and training course facilities , both pre-sea and post-sea , need to be identified and provided for the various categories of personnel.

The training of seaman improves safety standards and efficiency , factors vital to the country . By acting in this direction soon the country shall be able to reduce the employment of foreign officers in national ships and consequently to diminish the burden of this expenditure on the national shipping industry .

#### 3.7.1- ALTERNATIVE WAYS FOR THE CREATION OF SUCH FACILITIES.

The categories and numbers of personnel to be trained will decide upon the nature and extent of training facilities to be developed . Since cost effectiveness shall have to be the main criterion , the following options may

be considered in this connection :

- a) The establishment of a National Training Institution ,
- b) Establishment of a Regional or Sub-regional training Institution in co-operation with other governments .
- c) Utilisation of appropriate maritime training facilities already existing in the region or elsewhere .

In the context of Regional or Sub-Regional cooperation , it can be pointed out that IMO has actively promoted , assisted in the meetings of representatives of the Government concerned and developed models for such co-operation agreements .

Further , IMO has also provided technical assistance in the setting up of National Maritime Training Institutions in a number of countries , as example , the IMO training project at Cabo Verde with view to serve portuguese countries speakers in Africa . Accordingly , those mechanisms can be used by Angola in implementing the training process . Since adequate maritime training is carried out , it is expected to have the greatest effect upon efficiency and productivity in National Maritime development programmes .



## CHAPTER 4

### THE ADJUSTMENT OF THE NATIONAL MARI- TIME LEGISLATION TO NATIONAL NEEDS.

While up-to-date merchant shipping legislation is a condition precedent to maritime development and the effective enforcement of appropriate maritime safety standards , Angola has not yet established its National Merchant Shipping Act . Therefore , this deficiency needs to be covered as a matter of urgency . Accordingly it is now proposed to elaborate upon the approaches towards the setting up of a National Merchant Shipping Legislation .

Angola needs to establish the respective Maritime Code under National interests and in conformity with relevant international law convention principles . It needs to be clearly and precisely worded , with effective sanctions and capable of promoting a helpful law-abiding atmosphere .

With those principles regulated and in order to provide guidelines to those who may be involved in the preparation of the National Maritime Code , it is important to mention that the document should include aspects on administration , registration of ships , procedures for legislation , certificate of registry , mortgages , names of ships , national characters and flag , masters , officers , seamen , etc .

Such legislation should also contain articles that empowers the Maritime Administration to issue regulations such as e.g. :

- No ship registered in Angola will be taken to sea from a port or place within or outside Angola except a valid licence granted by the National Shipping Authority .
- No ship will engage in the coasting trade of Angola except under a valid licence granted by the National Shipping Authority . A licence granted according to the aforesaid statement may be either a general licence or a specific voyage licence or a licence for a specific period and will be subject to such conditions as may be specified by the National Directorate granting the licence .
- The National Directorate may in his discretion at any time revoke , cancel or modify a licence granted .

From the above suggestion , in doing so , the Angolan Government will be more able to exercise the power which is normally vested in any sovereign Government of a maritime nation . However , those controls do not yet exist due to the absence of an indispensable legal mechanism .

Furthermore the Government also needs to deal with the employment of vessels on specified trades and routes and control of freights and fares .

#### 4.1- THE NEED FOR REAL ENFORCEMENT OF THE MERCHANT SHIPPING LEGISLATION

The problem of enforcing the rules and regulations which are going to establish a legal regime in Angola is indeed fundamental because if the machinery for the enforcement of the law is weak and defective, it is clear that the necessary respect for the law would tend to be undermined and the legal regime would at once face irregularities and illegalities that need to be rectified for which there may be neither sanctions nor remedies. The legal regime in such circumstances, would tend to wither away. It is, therefore, necessary to examine the instruments for the enforcement of law on which the regime comes to rest. This, in turn, will depend on the nature, extent and limits of the legal national regime.

It is clear that in its operation, merchant shipping is so internationalised that national vessels are more often than not plying in foreign waters and thus becoming subject to foreign national jurisdiction of multifarious states. In the circumstances, it is necessary to look to international judicial machinery for the enforcement of law governing merchant shipping. In this regards, international conventions dealing with international safety control need to be ratified and embodied in the national legislation in order to make national control applicable to all ships visiting national ports thus enabling the national court to entertain such cases and to exercise jurisdiction by punishing all flags violating the international conventions.

#### 4.2- SUGGESTION ON THE USE OF THE NATIONAL FLEET ON INTERNATIONAL ROUTES .

The Angolan National Liner Company has regular services from certain countries in Europe such as Portugal , Spain , the Netherlands and Brasil in South America for transporting imported manufactured commodities .

The national vessels involved in those routes usually go in ballast to ship the goods of the respective lines from abroad to Angola . It is seldom that national ships going abroad carry national export goods . However , Angola is one of the strong exporter of raw-materials such as coffee ,

cotton , iron , etc . this situation is a result of the terms of trade between developed and developing countries which began after the last world war and continue to be adverse for raw-material exporting countries , when at the same time a sheltered domestic market and inflationary pressures tend to support a high domestic cost structure .

As regards the phenomenon of export shipment , Angola is one of those benevolent developing countries exhibiting one of the most bizarre , most uncontrolled systems of shipment of national cargoes . Nobody really knows how the canvass cargo process is going on in the country which always serve foreign flag vessels . Sometimes , one used to hear about phanto shipping agents dealing with this unfair business , in the national interest . It seems to be that in Angola foreign flag vessel can come and call at any Angolan port at any time it likes and pick up cargo for any destination in the world without anybody being the wiser for it . Nobody knows who is the owner of these vessels , nobody concretely

knows who is the charterer of these vessels . This is the situation as far as the nation is concerned , without efficient control whatsoever .

To overcome these undesirable features , once again the National Shipping Agency needs to enforce its efficiency by applying coherent legislation and by exercising strong authority as well , to encourage more canalisation of cargoes so that :

- a) these cargoes are preferentially made available to Angolan vessels ;
- b) they are made available to vessels which are interested in regularly serving Angolan interests , because it is known that the National Shipping Company cannot serve 100% of the National imports and exports and therefore canalisation is necessary ;
- c) These improvements will permit to overcome the difficulties of shippers with regard to availability , regularity and frequency of services and the type of vessels which will leave the destination ports , etc.

Those regular destinations where national ships used to go , the respective export trade does not represent much more than 70% of total exports . On the other hand , national vessels are not in fact , specialised to carry all the export cargoes passing through the regular routes of national vessels . For carrying commodities such as raw materials , it obliges the nation to have bulk carriers . thus , due to the absence of ships like those , and while the national financial capability does not permit the purchase of the aforesaid specialised ships , those cargoes need to

be carried by foreign flag vessels . However , other exported commodities can very well be carried by national ships . So , for turning the situation about , the National Merchant Marine and Ports Administration has an important role to play . It needs to create a well-arranged communication system with mainly the Ministry of Foreign Trade and other sectors linked to shipping and through this harmonized relationship to set up official measures to force the shippers to give preference to the National Shipping Line .

This preference for shipment on national vessels irrespective of the fact whether there is pooling or not ,

may be affected by the terms of trade , pooling , etc . But , a relative preference can always be exercised and therefore the Angolan shippers should not only look for short-term and basically unhealthy financial advantages . It is believed that shippers are patriotic enough to make use of these services when they are available .

Therefore , in this regard , the Government needs to set up legal measures for pre-emptive shipment of cargoes sold and bought by Angola . As far as National Shipping services are concerned , no agreed procedure between Ministries exists for the pre-emptive shipment of these cargoes on Angolan vessels . Guidelines for selling CIF and buying FOB as far as possible need to be set out . Despite this it is not always possible for Angola to lay down the terms . It may be possible in some cases and eventually National Authorities doesn't lose anything for trying .

So , steps must be taken to encourage the National Ministry of Trade to make more use of Angolan ships pre-emptively .

Now , the problem of rate charges for carrying the cargo on Angolan vessels will arise . The answer to this question can be the object of further studies and as assessment of the real situation .

Such a policy of force can be fruitful . The Government needs to prepare a list of export items which may be carried by National ships , taking into account the techniques required and the capabilities of national vessels . For this, the Government needs to receive power through the establishment of the National Merchant Shipping Act .

#### 4.3- THE NEED FOR THE ESTABLISHMENT OF A SHIPPING DEVELOPMENT FUND AND RESPECTIVE CONTROL COMMITTEE .

Actually no planned fund is concerned with shipping activities in Angola . The overall assistance to sector involved in shipping is given according to the present final result of the Institution in case . Due to this concrete situation , the Government needs to establish such a mechanism enabled to do so not only for the acquisition of vessels but also for meeting short-term financial requirements . It should also take care of the long-term plans and ship-repairs . This power would be exercised only when necessary . But when funds are going to be made available to call the institutions of the sector even for meeting short-term financial requirements , obviously , the need for stringent Governmental control or the laying down of stringent terms for the manner in which these funds are being used , is necessary .

There is no other industry for which the Government's non-lapsable fund exists , from which funds are made

available for meeting short - term financial requirements . In other words , the country is , in fact , departing-and departing for good reasons : in order to prevent sickness , in order to prevent for example the National Shipping Company coming into difficulties where no other avenue will be left open because of the liquidation of assets . No one wants to face such a situation .

As far as the safeguards are concerned , it may be concluded that there are at least two which Angola should be able to enforce :

1- If in fact , funds are made available for

short-term financial requirements , some provision in the agreements should be made for at least the right to conduct a revisionary audit .

2- If and when , in fact , the Shipping Company is unable to meet their short-term requirements and assistance from the Shipping Development Fund is necessary , it should be possible for the Director of the Shipping Company to see that all the statutory provisions in relation to provision of initial depreciation are made and that provisions relating to depreciation as to be prescribed by the Angolan Shipping Company Act and the statutory provisions relating to general reserves etc , are fully observed . It is only after this , that the question of even consideration of dividend can arise . It means that no dividend whatsoever should in



fact be declared except with the permission of the Government .

If in fact the national intention is to rescue the industry ,the Angolan Government should and must do so because over the years Angola has with difficulty - with the large funds invested in the industry - been able to build up a certain international position in terms of tonnage and in terms of the rights of Angolan shipping , despite being new .

When the objective now ,as regards the shipping industry , is to look to the future , for the preservation and proper development of the sector , it seems that the Government needs to place much more importance on the controlling of the deployment of Angolan tonnage . The Government needs to control and give licence to the routes on which Angolan ships can be employed , to make decisions on the deployment of the tonnage in the National interest and in the best financial interest of the Shipping Company itself .

#### 4.4- MEMBERSHIP OF IMO AND PARTICIPATION IN THE EVOLUTION OF IMO' STANDARDS

It is of great importance that the representatives of Angola do participate in the evolution of IMO' standards , viz , conventions , codes , etc .

Angola can only make its contributions to the evolution of IMO' standards by its Membership of IMO , participation in the various sessions of sub - committees , committees and conferences of IMO .

Such active participation would ensure the following :

- 1- The relevant standards are the "highest practicable" ,taking due note of the situation obtaining in different developing countries and not the "highest conceivable" .
- 2- Possible alternatives to sophistication , which can be met by Angola by utilising indigenous resources , skills and systems , are also provided for .
- 3- The relevant standards do not , even unwittingly , tend to prolong indefinitely the dependence on external sources , except by choice , if so desired .
- 4- The relevant standards are justifiable on the grounds of safety and , or pollution prevention and not motivated by other considerations . In this connection it deserves to be mentioned that even though the history of IMO meetings and , or sessions has been commendable as regards the spirit of compromise and sense of accommodation exhibited by the representatives of governments present , it would not be an exaggeration to state that the non-participation by most of the developing countries would have denied to all concerned the benefit of making known their own views and limitations .
- 5- The needs of developing countries , including Angola , as regards technical assistance

and the attendant funding assistance are not only made known but are recognised by the developed countries .

6- Additional knowledge and experience gained by their Officials through discussions and consultations during the Sessions , both formal and informal .

7- Personal contacts are established with their colleagues from other countries , leading to better understanding and co-operation .

By the way , it is pointed out the the "Process for the Implementation" of any international maritime conventions :

#### PHASE I

- a) Ratification and or accession .
- b) Prepare National Legislation (primary & subsidiary) .
- c) Documentation .
- d) Prepare executive orders , instructions to Officials concerned .
- e) Develop appropriate and adequate maritime administration infrastructure .

#### PHASE II

Implementation of national legislation through the exercising of appropriate functions by the Officials of maritime administration .

### PHASE III

Certification of ships and or seafarers and issue of clearances to ships to proceed to sea .

The making of a uniform maritime law by way of international conventions restricts to a certain degree the freedom of individual states in framing their own national maritime laws , the achievement of uniformity becomes a primary aim of states , which base their policy on the principle of peaceful co-existence . In this connection , the legislative work concerning the maritime law performed in various countries has been restricted to a certain extent , to the reception of international agreed solutions , as contained in international conventions and rules , in their national law .

Angolan maritime economy works on the line of contact between the socialist and the capitalist economic systems . Its engagement is based on the assumption of co-operation with the maritime countries of various socio-economic systems . Consequently Angola needs to participate more actively in the work of international organisations concerned with the making of international maritime legislation .

## CHAPTER 5

### 5. SHIPPING - BILATERAL AND REGIONAL CO-OPERATION

The intention here , is not to deal with the impediments to the growth of Regional trade , or the measures necessary to increase the volume of this trade . The traditional limitations on the growth of trade are known . Countries of the region have , by and large , competitive rather than complementary economies . The traditional trade ties with developed Metropolitan countries - arising from a colonial past - cannot be abruptly severed .

The balance of payments difficulties and differences in the stages of development in each country are some of the handicaps . Trade is mainly directed to developed countries in the west because of the growing need to import capital goods and technical know-how . As yet there is not enough awareness of the growing potential for growth in regional trade .

The intention here is to point out the possibility of expansion in mutual trade and also the promotion of industrial collaboration among the countries of Africa , in regional terms , which depends on the availability of adequate infra-structural facilities - particularly shipping services .

The developing countries of the region are presently confronted with serious problems in respect of their shipping development . The merchant fleet of the developing African countries accounts for only 0.8 per cent of the total world fleet in terms of GRT(\*\*\*) . This is largely composed of old , obsolete and uneconomic vessels which need replace-

ment involving huge costs . There is inadequacy of shipping services . Sailings are not available on an assured basis for cargoes flowing from developing countries . What is more , for various reasons , the freight rates have been going up sharply .

In fact , adequate shipping services constitute a major impediment in the economic development of many countries of the region . Thus , the lacuna is the absence or inadequacy of services between developing African countries , comprehensiveness of service to defined shipping regions and primarily for the carriage of dry cargoes of all kinds. It is this lacuna which hinders the growth of the intra-regional trade and , therefore , economic development and further growth in trade as a whole.

#### 5.1- THE NEED FOR CLEAR DELINEATION IN THE TRADE AMONG COUNTRIES IN THE REGION.

Actually , it is not possible to delineate each of the services which exists to and from developing African countries to developed countries , and inter se those African countries. It is also not possible to describe the maze of conferences and the rate agreements which operate . These services have developed from the historical pattern and the volume of trade of each of these countries-which largely subsists to-date-and the fact that none of them possess any significant national tonnage.

The membership of the conferences and rate agreements and their practices are governed by diverse considerations , some wholly extraneous to the trade , the service or the country served . There is however , a clearly discernible pattern in these services . The services are overwhelmingly provided by 8 or 9 developed maritime nations . This is true for oil and bulk cargoes as well(\*\*\*\*) .

The most disturbing features of existing services are :

- a) that services between two developing African countries are usually a cross trade for foreign flag vessels as part of the service on a major international trade route more commonly to another developed country , or
- b) a way port trade on an international route , or
- c) by transshipment at one of the major organised transshipment ports around the world touched at in the service on an international route .

This is not to suggest that such pattern is necessarily undesirable . There is no reason why a service from Nigeria to Angola or vice-verse should not serve the trade from Togo to Angola . But certain consequences flow from this pattern . The regularity and frequency of such services is contingent on the nature and volume of cargo offered on each occasion and the capacity or willingness of the ship to carry it .

While freight rates in direct services between developed countries or even between the developed country and an African developing country may be largely governed by round voyage economics , the rates in cross or way port trades are determined almost arbitrarily on the principle of what the commodity can bear . Further , the freight rates are determined by lines not intimately interested in the promotion of intra-regional trade . This is even more so in the impact of overall costs , when transshipment is involved . Briefly , the pattern is not intended to serve in the true sense of the word , the intra-regional trade - but as a factor contributing to the commercial viability of a major service . It is not primarily based on the trade between two developing African countries . The conferences or rate agreements , confined to those lines engaged in the service are not fully responsive to the needs of the trade . It is this structure of services which has prompted the establishment of shippers' councils and the insistant demand by developing African countries for a Code of Conduct for Liner Conferences .

That pattern cannot be altered in the immediate future . It is not desirable to do so because the trade cannot be disrupted . The existing pattern provides a service ,



however inadequate , at rates however uneconomic or anomalous . But it is clear that the growth of African regional trade cannot be envisaged by perpetuating this situation . The answer clearly lies in developing African countries steadily , acquiring national tonnage and in establishing intra-regional shipping services .

The service may be within a region or overlap from one region to another , depending on the volume of trade to make the service economically viable . Such intra-regional services served dominantly by national tonnage of the countries concerned are today insignificant . The primary difficulty is non-availability of tonnage with developing African countries able to participate in such services.

Normally , a conference would be organised - mainly as a protective device - at fixed rates and practices as between lines engaged in the trade . Paradoxical as it may seem , the answer for developing African countries would appear to be the prior organisation of regional shipping conferences .

The entire conceptual framework of regional conferences would , however , be totally different from the traditional concept of a conference . It is not possible to define it fully . It will grow with time and experience . The concept will , however , radically differ in three main aspects : developmental , jurisdictional and functional .

- The Developmental Aspect

The organisation of regional conferences will require the support of both the shippers and governments concerned .

The primary objective will be to service intra-regional trade . In its developmental spirit the conference will determine the type of ships most suited for an economically viable service for the trade of the region concerned .

It is often argued that the present volume of trade between any two developing African countries is not sufficient to make a shipping service viable . The argument is not conclusive because viability will depend on the type of ships used . The ships used in short-sea trades in Europe illustrate this . Further , an intra-regional service for a region comprising several developing African countries - only the regularity and frequency must be based primarily on the service to intra-regional trade . Proceeding further , the conference can determine the overall tonnage requirements of the trade intended to be served .

While the right of a country to expand its own merchant marine remains unaffected , there is no reason why a multinational effort supported by governments for acquisitions of tonnage by member lines of a conference , with assistance from international financial institutions such as the African Development Bank and the World Bank , should not be initiated so long as employment of tonnage is linked with viable regional trade . Such efforts can include acquisition of second hand tonnage and new construction . A regional conference can also assess the shipbuilding capacity within the region and harness it for construction of the type of ships required . The primary concern will be

the acquisition of tonnage to establish regional services in co-operation with other countries of the region .

#### - The Jurisdictional Aspect

In its jurisdictional aspect , a regional conference will be primarily concerned with the trade of the region . Its membership will be limited to the lines of countries interested in serving the trade , but will remain open at any time to any other line of any other developing country in the region .

A line in a developing African country will not only have the right to membership of the regional conference serving it but also the claim , as of right , to membership of any other intra-regional conference if and when it intends to serve the countries covered by another regional conference .

The unqualified right of every developing maritime African country to participate up to 50 per cent in its national trade both ways with any other country will be unequivocally recognised by a regional conference . This participation can grow only *pari passu* with increasing tonnage.

Over a period of time in the initial stages , the conference may not be able to operate a scheme for sharing of cargoes and rationalization of sailings or limit carriage by a member line - but the basic right will remain .

The regional conference will determine whether or not to permit any non-national foreign flag line to membership . Participation by any foreign flag line in what is a cross trade between two African countries can be essentially a

matter of negotiation .

The celebrated formula of 80 per cent equally shared between the national lines of two countries and 20 per cent for foreign flag Lines now discussed by Unctad in connection with the Code of Conduct for Liner Conferences , can be adopted automatically by regional conferences .

There is another important jurisdictional aspect of regional conferences . Normally bulk cargoes in large volume are carried by tramp ships on charter terms . The carriage of certain types of bulk cargoes in limited quantities , however , often serve to buttress the economy of liner operations . Unlike traditional conferences , a regional conference operating in intra-regional trade should include , in its jurisdiction , movement of dry bulk cargoes with the right to fix or negotiate rates and permit carriage by non - conference Lines or tramps only in cases where it is unable to cater for part or whole of these cargoes .

#### - The Functional Aspects

In its functional aspects , regional conferences must also depart from traditional practices . Normally , a conference confines its functions to regulating the trade in terms of practices to be commonly observed by member lines and fixing tariff rates of freight and terms and conditions of carriage . It may operate pooling and rationalisation of services between member lines .

It is only over the last decade that the process of consultation with shippers has been initiated . If the developing African nations insist on a Code of Conduct for Liner Con-

ferences so far dominated by foreign flag lines , they must in practice be able to evolve for the regional conferences a more flexible and open approach . Regional conferences , thus , should be able to quote not only tariff rates on liner terms , but also they should be able to provide alternative facilities such as free in and free out rates with ballast bonus , negotiated rates for large parcels , contractual rates for large volumes of cargoes , etc . It may even permit a line to negotiate a rate with conference concurrence and provide promotional rates where needed .

In relationship with shippers , discussions must not be confined only to occasions when it is intended to increase freight rates or levy surcharges . The mutual exchange of views must be continuous and embrace all aspects of conference work , such as pre-shipment practices , frequency of service , aggregation of cargo , non-conference competition , practices of shippers , etc . The exchange of data should not be confined to the presentation of conference costs and revenues but also shippers FOB costs .

The developed maritime nations continue to argue that developing countries need not employ their meagre resources in acquisition of shipping tonnage at high capital costs since services such as they are , are provided by them . They also characterise the canalization of cargoes to national flag vessels as "flag discrimination" . Both these arguments , in the existing context , are old fashioned . The era for these arguments has already ended . The compulsions to earn through exports and imports , both visible and invisible , to pave the way for rapid economic development in all developing African countries are getting to be irresistible . The developed nations in their own long-term interests , have a decisive and constructive role to play in this deve-

lopment .

## 5.2- BILATERAL SHIPPING SERVICES; AGREEMENT BETWEEN ANGOLA AND OTHER COUNTRIES .

It is a matter of great importance that any agreement to be carried out , should be done in accordance with the safeguard of the interests of the parties concerned . Bilateral agreements should be established with the spirit of bringing new knowledge as well as keeping and developing the trade between two countries . In such cases , the agreement should serve as an instrument for the growth of the respective mutual trade .

The bilateral agreements should be done preferentially with friends of the developing countries , not only on the political plane , but also in the field of economic development , when they involve developed countries .

Perhaps unlike other spheres of economic activity , the historical backlog of the developing nations in terms of development of merchant shipping and ports facilities is larger . Roughly , maritime developed countries are well positioned in the world . So , bilateral agreements should be established in the sense of opening up vistas for cooperative effort in furthering the progress in international trades of the developing nations , including Angola . While basically the agreement is a bilateral shipping service agreement , it needs to provide for cooperative effort in serving the trades of both countries to third countries while respecting the traditional rights of each other . It should also provide the machinery for continuous dialogue

and discussion to enable both parties to play their role in the sphere of international shipping .

In this field , Angola has the following bilateral agreements :

- Decree NO. 70-77 has approved the agreement on economic and scientific-technic co-operation between Angola and the People Republic of Bulgaria .
- Decree NO. 26-78 has approved the general agreement on relationship and co-operation between Angola and the Democratic Republic of Sao tome and Principe .
- Decree NO. 63-78 has approved the commercial agreement between Angola and the Federative Socialist Republic of Jugoslavia .
- Decree NO. 91-78 has approved the general agreement of co-operation between Angola and Portuguese Republic .
- Decree NO. 92-78 has approved the commercial agreement between Angola and the Socialist Republic of Romania .
- Decree NO. 11-79 has approved the agreement between Angola and USSR on relationship and collaboration .
- Decree NO. 13-79 has approved the general agreement of relationship and co-operation between Angola and the Republic of Cabo verde .
- Decree NO. 21-79 has approved the agreement of collaboration between Angola and Cuba .

-Decree NO. 51-79 has approved the general agreement on relationship and co-operation between Angola and the Republic of Liberia .

From these volume of agreements in side of the Angolan merchant marine sector , it is easier to conclude that these agreements are much more carried out between Angola and European countries than countries of the region where Angola belongs .

This peculiar aspect occurs due to the lack of communication between developing countries as regards trade relations , exchanges of experiences , etc , which eventually use to affect the shipping relations between developing countries including Angola . That's why , in most of the cases , developing countries for having communication between them , need to pass through a developed country which make more difficult the approach between developing countries and consequently , facilitate the tie of developing countries by developed countries .

In this context , Angola needs to take more advantage from the all agreements so far celebrated and at the same time , to try in promoting more close shipping relationship in the region by applying , according to the needs and possibilities , the recommendations stated before and in next point of this chapter .



### 5.3- NATIONAL AND REGIONAL SHIPPING POLICIES OF DEVELOPING COUNTRIES

The most important development following the 1960's was the attainment of independence by several of the developing countries in the region .

Political independence however could not be expected to transform overnight either the stage of economic development or the economic relationship historically established with the erstwhile metropolitan powers . It germinated however the consciousness for achieving rapid economic development with some emphasis on achieving self reliance .

The process of economic development is , however , highly complex . It requires a combination of capital resources , skilled manpower , consistent national economic policies geared to the development of the endowment in natural resources possessed by the country in agriculture and for industry . Starting with severe constraints in these components economic development in the developing countries of Angola's region has therefore not been rapid .

At the end of the 1950s , an overwhelming portion of the trade of the developing countries was linked with the sovereign metropolitan powers .

Exports consisted mostly of raw materials , some of them in bulk . There was hardly any export of manufactured or processed general cargoes . Imports of manufactured goods from the metropolitan countries were rather limited .

Liner shipping services for general cargo to and from deve-

loping countries were mostly directed to the respective metropolitan country and in many cases provided by it , sometimes jointly with other developed countries . With the currency link with the metropolitan power , awareness of the importance of freight and insurance as components in the balance of payments was dormant . Except for minor tonnage to serve coastal trades , there was no tonnage owned for international seaborne trade . Bulk cargoes were serviced by foreign flag tonnage fixed on international markets . Tanker tonnage for the movement of oil was also internationally supplied .

In the 26 years to 1986 , since 1960 this picture did not substantially change except to a minor extent in some directions . The commodities structure of both imports and exports of developing countries to some extent changed . The efforts to achieve rapid economic development implied a pressing need on both imports and exports on a larger scale . There was thus some growth in the overall volume of trade but not at the same pace as world seaborne trade .

The traditional trade tied with developed metropolitan countries could not be severed . The directions of trade changed only slightly . The trade between the countries of the region , being mainly competitive and not complimentary, did not grow . The balance of payments difficulties arising from international trade as a whole of each of the countries in the region were not uniform . Aid from developed countries was spasmodic and uneven .

The countries in the region continued to remain at different stages of economic development . The efforts of developed nations to maintain markets and a dominant share in the carriage continued . There was a distinct resistance to develo-

ping countries acquiring tonnage or shares in the carriage even of their own trade .On the other hand , the economic development of the region was influenced by the dependence on the developed countries which provoked an indirect impact on the region as a whole and inter-se the region .

Diversification in the direction of trade did ,to some extent ,begin . The organised liner services continued to be provided by developed nations , but were more broadly multinational . The unit values of exports from developing countries fluctuated but did not rise pari passu with the prices of manufactured imports or inflationary trends . The terms of trade in general were progressively adverse to the developing nations .

Certain overtures were made in the acquisition of liner tonnage . But in the decade prior to 73 - 74 the share of the region's developing countries in world shipping tonnage was hardly 2%(\*\*\*) . International financial assistance for acquisition of tonnage or shipbuilding by developed countries was practically absent except in cases where such assistance was guaranteed by governments ; there was only limited assistance for the modernisation and development of ports . While shipping was regarded as a life-line for foreign trade , a substantial earner of foreign exchange and the second line of defence in an emergency by the developed nations , the same criteria when urged by developing countries did not find ready acceptance . The resistance of international liner conferences to the admission of national lines of the developing countries continued and so did their policies in relation to freight fixation for the trade of the region .

It is in this context that the United Nations found it

necessary to recommend for the decade starting from 1970 , policy measures for implementation in relation to :

- a) international trade and
- b) invisibles including shipping .

a) Guidelines for International Trade :

- 1- Conclusion of international agreements or arrangements on commodities and constant review of existing arrangements .
- 2) All possible resources for the prefinancing of buffer stocks .
- 3) Agreements on general principles of pricing policy to secure stable remunerative and equitable prices for increasing foreign exchange earnings from exports of primary products .
- 4) No new tariff and non tariff barriers to be raised or existing ones increased by developed countries against imports of primary products or discriminatory measures introduced which will reduce access for manufactured and semi - manufactured products .
- 5) Accord priority to reducing or eliminating duties and other barriers to imports of primary products including processed and semi - processed exports from developing countries .
- 6) Supplement resources of the developing countries in their endeavour to diversify

their economies with exports of manufactures and semimanufactures .

- 7) Restrictive business practices affecting the trade and development of the developing countries to be identified and remedied .
- 8) The developing countries will continue their efforts to negotiate schemes for regional and sub - regional integration or measures of trade expansion among themselves.
- 9) The developed market economies will render financial and technical assistance to support regional and sub - regional cooperation of developing countries .
- 10) Each economically advanced country should endeavour to provide by 1972 annually to developing countries financial resource transfer of a minimum net amount of 1% of its gross national product at market prices in terms of actual disbursements .

Nevertheless , there was no noticeable progress in implementation of these guidelines . Failure of the North - South dialogue , the prolonged debates without resultant commodity agreements , meagre commitments on buffer stocks and reservations in the GATT on the simplification of tariff and non-tariff barriers bear testimony to the chequered progress . Barring honourable exceptions , the quantum of aid never reached 1% and over the decade began to diminish .

b) For Invisible, including Shipping the guidelines were:

- 1) to promote by national and international action earnings of developing countries from invisible trade and minimise their net outflow of foreign exchange .
- 2) National shipping lines of developing countries should be admitted as full members of liner conferences operating in their national maritime trade and have an increasing and substantial participation in the carriage of cargoes generated by their foreign trade .
- 3) Liner conferences should consider favourably admission of national shipping lines as full members to way port trades related to these countries' own foreign trade .
- 4) To enable developing countries to have an increasing participation in the carriage of maritime cargoes , they should be enabled to expand their national and multinational merchant marines to compete in the international freight market .
- 5) Any existing unfair practices and discrimination in liner conferences should be eliminated .
- 6) In determining liner freight rates consideration , should be given to promote non-traditional exports , port improvements , technological developments and improvements in the organisation of trade.

- 7) Developed countries should consider extending directly , or through international institutions , financial assistance for the expansion of national and multinational merchant marines including tanker and bulk carrier fleets and port facilities in the developing countries.
- 8) Terms and conditions on which bilateral aid and commercial credit are available for the purchase of ships by developing countries should be constantly reviewed.
- 9) Freight rates, conference practices, adequacy of shipping services, etc, should be the subject of consultation between liner conferences and shipper councils.
- 10) National and international effort should be evolved to promote the development and improvement of port facilities.
- 11) Encourage the growth of national insurances and the reinsurance market in the developing countries to reduce foreign exchange costs.

Finally there is no doubt now that the expansion in mutual trade and promotion of industrial collaboration among the countries of the region is dependent, to a large extent, on the availability of adequate infrastructural facilities-particularly shipping services. Inadequate shipping services constitute a major impediment in the interdependent economic development of many countries of the region. As yet, there is not enough awareness of the growing potential for growth of

inter-regional trade given the necessary shipping services.

It is obvious that the primary answer lies in expanding the merchant fleets of the countries of the region not only to serve inter-regional trade but the traditional trade of each of the countries. However this will have to be considered in the larger context of containerization, the UN Code and the manifest constraints . Nevertheless increasing participation by the national tonnage in carrying these trades greatly assists in narrowing the "external resources".

The absence or inadequacy of services between the countries in the regions and the lack of services to different shipping regions, is the lacuna which hinders the growth of inter-regional trade. It is significant that while the exports of developing countries of the region have increased in volume, the rate of growth is very poor compared to the growth of trade between developed nations and there has been very little growth in inter-regional trade.

The answer for promoting the inter-regional service lies in the developing countries of the region steadily acquiring suitable national tonnage and in the establishment of inter-regional shipping services.

The service may be within a region or overlap from one region to another, depending on the volume of trade to make the service economically viable. Thus , a regional conference needs to be established in the area working with the aforesaid three main aspects: developmental, jurisdictional and functional.



If in fact Angola and the countries in the region are agreed in establishing the links for co-operation , as stated above , these countries including Angola will assist much more development of communication and trade between them and , consequently more development of infra-structures serving the trade in each country of the region .

## CHAPTER 6.

### CONCLUSION .

It is noted that Angola suffer from the lack of a well--defined shipping and maritime policy objective. A well--defined shipping and maritime policy will result in securing the necessary consistency of both policy and law , which is vital . Thus , adopting a proper legislative framework on joint ventures , ports , repair yard , shipping and agency companies and other maritime activities .

One of the basic functions of the Governmental Maritime Organization needs to be to implement policy decisions and , at the same time , to assist policy - makers in developing a well-defined maritime policy .

In order to implement a National maritime policy a number of policy instruments may vary according to the subject of the decision to be affected . Here can be distinguished at least three types of instruments : Rules and Regulations ; Financial and tax incentives and persuasion .

It is always very important to note that in applying any of these instruments , consultation about interested parties like shippers , shipowner , trade associations , port authorities and other governmental bodies , is a pre-requisite for the effectiveness and acceptability of the instruments . In this case , the existence of formal

and informal relations and consulta-

tions between the Maritime Administration and all parties mentioned , and others involved in the maritime industry , is of great importance to the successful implementation of the maritime policy . Then , one of the major tasks of the National Maritime Administration is ti develop an up-to-date maritime legislation .

It is of great importance to include an effective information , documentation sub-division in the National Maritime Administration . the main purpose of such a unit would be to collect information on shipping for dissemination among officers of the Maritime Administration . This would keep them informed of National and international developments in their respective fields of responsibility and thus enable them to assist effectively in policy - making .

It is in this context that it is referred that time has arrived for framing some kind of legal framework to the National Shipping Policy.

As regards the contour of such a policy , in general way , could be as the following :

- 1- Plan about National tonnage to be fully used according to the flow of National trade.
- 2- Enforce proper guidelines on trading organisation sectors both with regard to terms of trade and pre-emptive shipment on an Angolan vessel at the going world charter rate .

- 3- Forge a consensus for the integrated overall deployment of Angolan tonnage with operational flexibility in the Liner trades and provide service where needed .
- 4- The improvement of the National Shipping Agency efficiency by establishment the respective statutory authority for the canalisation of cargoes to the benefit of both Angolan Shippers and Angolan Shipping .
- 5- The improvement of the operation of the Shippers' council .

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