

World Maritime University

The Maritime Commons: Digital Repository of the World Maritime University

World Maritime University Dissertations

Dissertations

1985

Maritime safety administration : suggested model for Cyprus

Andreas A. Constantinou
World Maritime University

Follow this and additional works at: https://commons.wmu.se/all_dissertations

Recommended Citation

Constantinou, Andreas A., "Maritime safety administration : suggested model for Cyprus" (1985). *World Maritime University Dissertations*. 2043.
https://commons.wmu.se/all_dissertations/2043

This Dissertation is brought to you courtesy of Maritime Commons. Open Access items may be downloaded for non-commercial, fair use academic purposes. No items may be hosted on another server or web site without express written permission from the World Maritime University. For more information, please contact library@wmu.se.

WMU LIBRARY

THE WORLD MARITIME UNIVERSITY

MALMÖ , SWEDEN

TITLE OF PAPER:

MARITIME SAFETY ADMINISTRATION. SUGGESTED MODEL FOR CYPRUS

by

Captain Andreas A. Constantinou

A paper submitted to the World Maritime University in partial satisfaction of the requirements of the Department of Maritime Safety Administration (Nautical).

The contents of this paper reflect my own personal views and are not necessarily endorsed by the World Maritime University or the International Maritime Organization.

Signature

Date May 17th 1985

Paper directed by:

Professor P. S. Vanchiswar

The World Maritime University

Aknowledgements

I would like to express my deep gratitude to the International Maritime Organization and particularly its Secretary General Sir C. P. Srivastava and the United Nations Development programme for the opportunity given to me to attend the two years course in Maritime Safety Administration at this unique Institution.

I would also wish to aknowledge with thanks Professor P. S. Vanchiswar for his advices, support and assistance throughout the training period at the World Maritime University.

I aknowledge also with thanks the generous support and assistance rendered by the various Maritime Safety Administrations and Organizations in the respective countries visited during my training.

Lastly I would like to express my warm appreciation to the Professorss, Lecturers and the Administration of the University for the cooperation and assistance which greatly facilitated my studies in Malmö.

Andreas A. Constantinou

Malmö

May 1985

MARITIME SAFETY ADMINISTRATION SUGGESTED MODEL FOR CYPRUSTABLE OF CONTENTS:

- CHAPTER I: PREFACE
- CHAPTER II: INTRODUCTION
- CHAPTER III: MERCHANT SHIPPING DEPARTMENT
- Part I: Present situation
 - Part II: Maritime legislation
 - Part III: Structure of the Merchant Shipping Department
 - Part IV: Function of the Merchant Shipping Department
- CHAPTER IV: REGISTRATION OF SHIPS UNDER CYPRUS FLAG
- Part I: General
 - Part II: Procedure for registration
 - Part III: Conclusions and recommendations
 - Part IV: System of maintenance of Records/Plans of National ships
 - Part V: Number of ships and their particulars
- CHAPTER V: SURVEY; INSPECTION AND CERTIFICATION OF CYPRUS SHIPS
- Part I: Conventions Ratified by the Cyprus Government
 - Part II: System for survey, inspection and certification of Cyprus ships
 - Part III: Procedure for detention of unseaworthy ships
 - Part IV: Conclusions and recommendations
- CHAPTER VI: TRAINING AND CERTIFICATION OF SEAGOING PERSONNEL
- Part I: Particulars of present Institutions for training seafaring personnel
 - Part II: Procedure and system for issuing of certificates of competency to Merchant Marine officers and ratings
 - Part III: Conclusions and recommendations
- CHAPTER VII: CREW MATTERS
- Part I: Present legal status as regards crew matters
 - Part II: Registration of seamen
 - Part III: Rules and procedures for manning National ships
 - Part IV: Number of seagoing personnel

CHAPTER VIII: OTHER MATTERS RELATING TO THE DUTIES OF THE MARITIME SAFETY
ADMINISTRATION

Part I: Investigation into shipping casualties and "investigable incidents"

Part II: The proposed model

Part III: An outline for a "Maritime search and rescue plan" for Cyprus

Part IV: Present arrangement for the prevention/compat/control of Marine Pollution

CHAPTER IX: FINAL OBSERVATIONS, RECOMMENDATIONS

Part I: Strategic planning

Part II: Investments in the shipping industry. Proposed establishment of the "Special Merchant Shipping Fund"

Part III: Recommendations related with the Department's structure

MARITIME SAFETY ADMINISTRATION

SUGGESTED MODEL FOR CYPRUS

CHAPTER I PREFACE

Cyprus, in the north eastern corner of the Mediterranean, lies on the meeting point of Europe, Africa and Asia, with an area of 9,160 SQ km it is the third largest island of the Mediterranean after Sicily and Sardinia. From Cyprus to Egypt in the south is 385 km, Syria in the east 96 km and Turkey in the North 65 km. Hellenic since ancient times island became an independent Republic since 1960, a member of the United Nations and of the Commonwealth, with the nearest Greek islands 380 km to the west.

In shipping terms the republic is of increasing importance as an offshore centre, as a port of registry and as a transit center for the region.

For the maritime activities of Cyprus, history is repeating itself. As in ancient times, the island is once again a focal point for the Maritime trade of the Eastern Mediterranean. Long term plans now completed, have given the island two modern ports, Limassol and Larnaca, which have been able to react swiftly to the changing fortunes of the area. Since first put into effect the plans have been strictly adhered to and everything has been completed on time while traffic has been held to manageable proportions. Thus, the reputation for speed and efficiency has been maintained and the temptation to accept extra business resisted.

Recent events in Lebanon have proved that the ports are capable of dealing with more ships, extra cargo and a lot of people. During February 1983 the ports were calmly dealing with warships of the four nations making up the peacekeeping force in Lebanon, mountains of transshipment cargo and an even increasing number of refugees "calmly" was the operative word to the highly qualified management and the skilled labour force took it all in their stride. All this, it should be remembered, on top of the normal domestic and transit trade.

Both ports are neat, clean and tidy, in fact model ports that make a favourable impression immediately upon entering. They are modern ports in every sense of the word, being new and purpose designed although built on sites that have been dealing with seaborne trade for centuries. While today Cyprus sits at the junction of east and west, in ancient times it was almost the center of the world. When trade flourished between ancient Greeks and the rest of the known world Cyprus was an important market and destination for all manner of cargoes. Indeed the oldest ship to have been recovered from the ocean floor, the Kyrenia ship build 389 B.C. 144 years (carrying millstones from Kos, almonds and wine from Rhodes) was discovered just offshore.

As an island Cyprus has relied on sea transport, for both internal and external communications for over 2000 years. Harbours and sheltered bays eventually gave way to ports so that by the coming of the steam ship and parallel developments in land transport the island had established ports in the sense understood today. At the turn of the century these ports were located at various geographical centres dictated by either import or export requirements

Large towns and populated areas were the main traffic centres while particular exports, either minerals or agricultural produce, had their own outlets. At that time the port had only developed to the sheltered harbours stage with limited cargo handling gear although stone quays were utilised right from the beginning of this century.

Famagusta, for example, had stone quays in 1906 and storage facilities were built in the 1920's to protect the increasing flow of cargo coming into the island. At the end of war world II Farmagusta was the main port and the only one where ocean going vessels could secure alongside. It held its leading position up to the independence of the republic through to 1974 when it was occupied by the Turkish army.

Cypriots see the development in the ports, and therefore foreign trade, in three phases covering the period from the end of war world II to independence, (1945-1960), from the establishment of the Republic to the Turkish invasion (1960-1974) and from the loss of Farmagusta to the present day.

In the immediate post-war years several factors contributed to the pattern of trade and the need to improve the ports. Better prices for agricultural and mineral exports together with increased military spending by the British created a period of relative prosperity and stimulated a demand for consumer goods. All this placed a strain on the ports which by independence, 1960, were found to be lacking in facilities and, by congestion problems, becoming expensive to shippers.

Although several ports were in use at the time the bulk of the traffic was handled at Farmagusta which was being developed as the main port in the country. As early as 1951 it had become obvious that more berthing capacity was required and, to receive the burden on internal communications, it was thought best to divide the port facilities between the east and west side of the island. This led to an improvement in the facilities at Limassol which, with hindsight, was a wise decision. Larnaca, being close to Farmagusta, did not get the same treatment but its turn was to come later. In the event the Turkish invasion of 1974 meant an end to the port development plans and almost ruined the economy.

By the time it came under Turkish occupation, Farmagusta was the leading shipping centre handling 83 % of the Cypriot cargo. As well as the port itself and all its facilities the area had the largest concentration of shipping and forwarding agencies, packing houses and transport companies.

Ports were administered until 1976 by the "Department of Ports" under the umbrella of the Ministry of Communications and Works. The same Department was also responsible for all matters related with Merchant Shipping functions (Registration of ships, Mortgages etc) Henceforth, under the terms of various foreign loan agreements the running of the ports was transferred from the Ministry of Communications and Works to the newly-formed "Cyprus Ports Authority" on the understanding that it operates on a strictly commercial basis. Immediately multimillion pound development plans, on a long term basis, were put into effect at both Limassol and Larnaca. Today, despite keeping up the loan repayments the C.P.A. is operating at profit.

To replace the lost facilities at Farmagusta, which had 52 per cent of the quay capacity, 53 percent of the storage, 70 percent of the State-owned cranes and 65 per cent of the private sector port equipment, a great deal of work was required. By 1982 facilities at Limassol and Larnaca had been greatly extended and much improved so that an average of 25 vessels can berth at any time with a further three to five smaller ships handled at the Limassol lighter basin.

In an effort to reactivate the economy after the Turkish invasion of 1974 the Government encouraged manufacturing activity and this helped to move to containers. Manufactured goods being more easily containerised meant a sharp rise in container movements. In 1975 just over 5000 containers passed through the ports but by 1981 this had risen to 126000, with 50 % of them being in transit because of Beirut hostilities.

Now that the infrastructure is completed, it is estimated that the full potential of Limassol alone is at least 300.000 TEU per annum and possibly 400.000 TEU. With this in mind the C.P.A. is now out to attract transit business and its quick to point out that Cyprus not only has the ports but also the essential back-up services, brokers, agents, banks, telecommunications services etc, which go to make up the complete maritime centre.

As the present study will be focussed in the field of the Maritime Safety Administration, I feel that I must point out at least the basic elements which consist the presuppositions for Cyprus to be developed as an International shipping centre.

The island is already well on the way to becoming a bussiness and financial centre in the region following special legislation covering off-shore activities which was introduced in 1975. This legislation was designed to encourage non resident aliens to register companies in Cyprus for carrying out operations abroad.

From 83 such companies in 1976 the number has risen to almost 2000 suggesting an increasing awareness of the island's advantages in the area. New liberal and flexible regulations regarding off-shore banking units are expected to show results. Offshore companies incorporated in Cyprus are taxed at one tenth of the standard rate. Expences incurred and depreciation are permitted as tax deductions. Foreign employers pay reduced taxes (half the standard rate) and may import motor vehciles, office equipment and personal effects duty free. In addition the republic has an impressive and expanding network of double-tax treaties.

All non-resident persons and business entities are free to keep and operate bank accounts in any foreign currecy either in Cyprus or abroad as well as ballances expressed in Cyprus pounds in freely convertible accounts.

The establishment and operation of insurance and reinsurance companies is regulated by the insurance companies law which empowers the council of Ministers to exempt from the application of the law any company registered in Cyprus if the council is satisfied it is inappropriate or unduly onerous.

As regards telecommunications the island is said to be the fourth best in the world (after the U.K, U.S.A. and Australia) with direct dial telephonelines with more than 70 countries and 148 on telex. In both cases further countries can be conducted threw operator. Since 1980 a satellite earth station has been in operation providing additional communication lines including computerized data facilities.

These conditions coupled with the high standard of service and labour available, not to mention an agreeable climate, have made the island an attractive centre for shipping activities. Furthermore International Enterprises based in Cyprus can employ highly qualified technical and administrative staff at wages far beyond European Standards.

A key to attracting business to the island had been the establishment of the Department of Merchant Shipping. Set up in 1977 under the umbrella of the Ministry of Communications and Works, the Department has been making a concerted effort to improve the image of the Cyprus flag. Since 1978 big effort have been made to improve the quality of the Cyprus fleet.

The results are very obvious. In 1979 ships over 20 years made up 63 % of the fleet and by July 1983 this figure was down to 21 %.

At the same time faith in the flag has been renewed and after recording an average annual decline of 8 % between 1974 and 1980, registrations since 1980 are up to 126 %. Despite the relatively small income in the form of taxes and fees earned from the registry (700.000 Cyprus pounds in 1983) the indirect income is in multiples of this coming through company operational expenses, including fees paid for legal and accounting services, employment of local staff, remittances from Cypriot seamen etc. Thus the contribution of shipping to the National Economy is extremely important as the earnings from this industry are resulted from foreign investments expressed always in foreign currency, and therefore create a positive effect to the balance of payment of the Republic.

CHAPTER II

INTRODUCTION

1.1 One of the most important factors for the development of the Merchant Shipping and further more for the economy of a developing country, is the establishment of a well organized and efficient Administrative Department, the duties of which would be to deal exclusively, with the Maritime Affairs. This Department is well known as Maritime Department.

Since nearly in all countries there are specific Ministries responsible for the Trade, Commerce and Transportation, the Maritime Department is not involved directly with matters regarding to external Trade or Commerce effected through shipping and the attendant economic aspects. For this reason in the present thesis I will deal with the infrastructure needed for a Maritime Safety Administration in Cyprus.

1.2 The duties of a Maritime Safety Administration in every country can be summarized as follows .

- I. To provide the Government with the efficient machinery which would enable it to apply satisfactorily the Government's policy, programs, plans and pursuits for the Maritime development, as well as to apply the National Merchant Shipping Legislation.
- II. To advise the appropriate Governmental Authorities on the adoption and implementation of a legislation and on more up-to date and improved methods and standards required for the safety of life at sea, the welfare of the seafarers on board and on the application of their Maritime policy in general.
- III. To advise the Government on the adoption of practical measures in order the above pursued development to be successful.
- IV. To advise the Government on the adoption and the ratification of the International Conventions related to the Maritime field (IMO's and ILO's conventions) as well as on the adoption of any regulations, decrees and orders which may needed for the better carrying into effect the provision of those Conventions.

- V. To represent the Government at all International conferences relating to maritime affairs and undertake the fulfilment of their obligations under the International Conventions.
- VI. To maintain the National Ship's Register book and apply the Registry legislation. Additionally to follow-up the National ships relating mortgages, change of name, change of ownership, and their legal status in general.
- VII. Main activity of the Department is also to follow-up and control the safe Navigation and the safety of National ships in accordance with the existing legislation.
- VIII. To provide and organize appropriate facilities for the survey and certification of ships.
- IX. To register the National seafarers and apply the "Masters and Seamen" legislation, as well as to adopt such measures capable to improve the welfare of same. Also to provide a machinery for the examination and certification of Master's, engineers and other Maritime personnel.
- X. To improve the Maritime education and develop maritime training facilities in order to provide the National ships with qualified and skillfull seafarers.
- XI. To enforce the legislation relating to the prevention of pollution and maintain a machinery which would enable the Government to minimize the damages in case of a pollution at sea (contingency plan)
- XII. To investigate shipping casualties involving National Ships or seamen serving on those ships
- XIII. To maintain or coordinate a machinery providing "Search and Rescue" services.

CHAPTER III

MERCHANT SHIPPING DEPARTMENT

Part I: Present situation

From 1960 (the year of independence) until 1977 the appropriate Governmental Department dealing with Maritime Affairs was the "Department of Ports". The above Department, which directly was under the supervision of the Ministry of Communications and Works, was fully responsible for the development, operation and the economy exploitation of the ports of Cyprus as well as for the registration of ships and any other matters related with merchant shipping functions.

Following considerable development in the fields of Cyprus ports and the Merchant Shipping Safety, need was created for diversifying the functions of the "Department of Ports" and thus the "Department of Merchant shipping" and the "Cyprus Ports Authority" were created.

I. Merchant Shipping Department

The Department of Merchant Shipping was established and started functioning in 1977. It has the immediate responsibility for the Merchant Shipping affairs and it is directly responsible to the Ministry of Communications and Works with which the ultimate responsibilities of the Merchant Shipping matters are rest. Its headquarters are situated in Limassol which also is the Port of Registry of the Cyprus ships.

II. CYPRUS PORTS AUTHORITY

Since 1977, under the terms of various foreign loan agreements the Administration and running of the ports was transferred from the Ministry of Communications and Works to the newly-formed "Cyprus Ports Authority" on the understanding that it operates on a strictly commercial basis. According to the "Cyprus Ports Organisation Law 1973", the "Cyprus Ports Authority" is a semi-Governmental organization and its overall objective is "to manage and exploit the Ports in the Republic". The headquarters of C.P.A. are situated in Nicosia.

PART II: MARITIME LEGISLATION

2.2.1 The Maritime legislation, being the most important factor for the development of merchant shipping in Cyprus need a lot of efforts to be up-dated and complete. Proposals and recommendations for the existing legislation will be dealt with upon the study of each field.

2.2.2 The various existing Maritime Laws and Regulations which regulate the operations and the activities of the Merchant Shipping Department are as follows:

I. The Merchant Shipping (Registration of ships, sales and mortgages) Law as amended. This law is a consolidation of following laws:

45 of 1963
32 of 1965
82 of 1968
62 of 1973
102 of 1973

II. The Merchant Shipping (Master and Seamen) Law. This Law is a consolidation of the following Laws:

46 of 1963
33 of 1965
69 of 1968
25 of 1969
24 of 1976

III. The Merchant Shipping (Taxing Provisions) Law, which is a consolidation of the following laws:

47 of 1963
34 of 1965
70 of 1968
63 of 1963

- IV. The Merchant Shipping (Safety of Seamen) Law 1952 (cap 292) as amended by the law 38 of 1963
- V. The Merchant Shipping (Life Saving Appliances) Regulations 1953
- VI. The Merchant Shipping (Wireless Telegraphy) Law cap, 293
- VII. The wrecks Law cap. 298
- VIII. The boats regulations Law Cap. 288
- IX. Boats Regulations of 1958
- X. Communications with vessels Law, Cap. 289
- XI. The Merchant Shipping (composition and size of the crew) Regulations 1964 as amended 1984
- XII The Merchant Shipping (Dietary of Crew) Regulations 1964
- XIII. The Merchant Shipping (Hours of work, hours of rest and leave) Regulations 1964
- XIV. The Merchant Shipping (Certificate of competency of only note) Regulations 1965
- XV. The Merchant Shipping (Certificates of Competency of Wireless Operators) Regulations 1965
- XVI. The Merchant shipping (Certificate of Competency of engineers) Regulations 1977
- XVII. The Tonnage of ships (foreign countries) Order, 1965
- XVIII. The Tonnage Tax and annual dues in respect of member of crew, Regulations 1965
- XIX. The Cyprus ships (Prohibition of transportation) Law 26 of 1966 and 53 of 1971

- XX. The Merchant shipping (crew) minimum percentage of Citizens of the Republic Regulations 1969
- XXI. The Merchant shipping (tonnage of ships) Regulations 1974
- XXII. The Merchant shipping (Temporary provisions) Law 45 of 1974
- XXIII. The Merchant shipping (Fire Appliances) Regulations 1975
- XXIV. The Merchant shipping (revocation of the character of Cyprus ships) regulations 1979 as amended.

PART II Structure of the Merchant Shipping Department

The existing structure of the Merchant Shipping Department is as follows:

A. Director

The Director is the head of the Merchant Shipping Department and "ex officio" the Registrar of Cyprus ships. He supervises the activities of the Department and he is responsible to the Ministry of Communications and works for the efficient operation of the Department. He also has to advise the Ministry on matters related with Maritime Policy, to deal with various Maritime affairs and works in connection with IMO and relevant International Maritime Conventions, propose to the Ministry introduction of new or amendment of existing Legislation, supervise the activities of classification societies recognized by the Republic in connection with survey and certification of Cyprus ships and deal in general with any affairs relevant to Maritime field.

B. Marine Surveyors

Presently there are eight posts of Marine Surveyors, seven of which are filled by Master Mariners and one by a Naval Architect. The Naval Architect is stationed in Cyprus, assisting the Director in technical matters. One surveyor is stationed in London and another one in Piraeus. Two more posts for marine surveyor have been approved for the year 1985 (Master Mariners)

The duties of the surveyors as designated by their scheme of service are:

- I. Survey and inspection of Cyprus ships and foreign ships while in Cyprus.
- II. Tonnage measurement of ships
- III. Inquiries into shipping casualties involving Cyprus ships or seamen serving on those ships
- IV. Inquiries into shipping casualties, involving foreign ships when a casualty occurs within the territorial waters of the Republic.
- V. Resolve labour disputes or passenger's complains regarding Cyprus ships.
- VI. Assist the Director in the implementation of the National shipping Legislation and International Conventions ratified by the Government.
- VII. Carry out functions such as of shipping Masters
- VIII. Any other work may given to them

Beyond the above mentioned duties one of the surveyors is nominated as Marshal of the Admiralty Court of Cyprus, two as Deputy Marshals having the responsibilities on arrested ships according to court orders.

The two surveyors posted abroad, in addition to their normal duties, act as assistants of the Registrar issuing certificates of Provisional Registration, mortgage etc. upon the Registrar's instructions.

C. Administrative Officers and Clerical staff

The Administrative Officers and clerical staff engaged in the Merchant Shipping Department are as follows:

- I. Two Administrative Officers, assisting the Director in the performance of his duties as Registrar of Cyprus ships and in administrative matters
- II. One accounting Officers
- III. Two clerks
- IV. Thirteen clerical assistants.

All above mentioned personnel is transferable

PART IV: Functions of Merchant Shipping Department

The Department of Merchant Shipping is operating under the instructions and auspices of the Ministry of Communications and Works, and is responsible to the same for the following activities and services.

- I. Registration of ships and other relevant Matters
- II. Investigation into shipping casualties involving Cyprus ships or national seamen, or foreign ships sailing within the territorial waters
- III. Enforcement of the Merchant Shipping (Masters and Seamen) Laws.
- IV. Resolving labour disputes on board Cyprus ships
- V. Control on Cyprus ships and port state control on every ship
- VI. Registration and control of boats.
- VII. Investigation of reports on contraventions of International rules and regulations involving Cyprus ships
- VIII. Co-ordination of the work of Classification Societies on board Cyprus ships
- IX. Organisation of training courses for Cypriot seamen.

CHAPTER IV

Registration of Ships under Cyprus flag.PART I: General

The registration of ships under the Cyprus flag is regulated by the Merchant Shipping (Registration of ships, Sales and Mortgages) Law 1983, as amended. It is, in fact, based on Part I of the British Merchant Shipping Act 1894, with minor differences. When the law was enacted, the main intention was, by encouraging registration of ships through tax and other incentives, to attract a large number of ships from abroad and thus give Cyprus an incentive to be involved in shipowning, to the benefit of the Cyprus economy. This objective has been achieved to a very satisfactorily extent, in that a number of firms with purely local Cypriot interests are now owners of ships, whilst a number of Cypriots living abroad or companies controlled by Cypriots and employing Cypriots abroad are using the Cyprus flag as well. However, although the ships under the Cyprus flag are in fact, numerous, far too few Cypriots have as yet become shipowners with the Cyprus flag, but recent developments lead to a very significant increase of companies controlled by Cypriots, as those companies were operating their ships under foreign flags but - for reasons which will be explained later - since the middle of 1981 started switching to Cyprus flag. It is impossible to give exact figures as regards the percentage of purely Cypriot interests in Cyprus flag ships and no attempt to do so is made here. However, one can safely say that the number is constantly increasing and according to some recent estimations the tonnage controlled by Cypriots is more than 35 %. An other important feature is that many foreign shipowners and shipping companies controlling fleets partially or wholly registered under Cyprus flag, have established their headquarters in Cyprus and employed Cypriots, thus their contribution to the National economy is important.

Henceforth, taking into consideration the recent developments, there are clear grounds to conclude that in the near future the majority of the vessels registered under Cyprus flag might be either controlled by Cypriots or by foreigners or foreign firms having their headquarters in Cyprus.

Qualifications for ownership.

Section 5 (1) of the law provides that: "5-(1) A ship shall not be deemed to be a Cyprus ship unless more than one half of the shares of the ship are owned:

- a) by a Cypriot
- b) by a corporation established and operating in accordance with the laws of the Republic and having its registered Office in the Republic, or
- c) if specially authorised by a decision of the Council of Ministers by a corporation incorporated outside the Republic in which the controlling interest is vested in Cypriots."

Section 6 (1) provides that "every Cyprus ship shall, unless exempted from Registration under subsection (2), be registered under the provisions of this law." The ships exempted from registration are:

- a) ships not exceeding fifteen tons burden, employed in Cyprus coastal Navigation:
- b) ships not having a whole or fixed deck and employed solely in fishing, lightering or coastal trading along the shores of Cyprus or within such a radius therefrom as may be prescribed
- c) or directions not to effect the registration thereof have been given under section 14A, or if the same has been erased from the Register under section 6A, and in both such cases the same has not been subsequently transferred, to persons who are capable of owning a Cyprus ship (section 14A provides: "Notwithstanding the provisions of this law, the Minister shall have power, where the registration of a particular ship or of a particular class of ships in the Cyprus Register would be contrary to the general policy followed by the Government of the Republic or to the public interest in general, to give directions to the Register not to effect the registration of such ship or ships".

Section 6A provides". The Minister, after due inquiry and after giving the parties interested an opportunity to be heard, is empowered to delete and strike off the Cyprus registry a Cyprus ship if it is found that her captain or owners are systematically contravening the law or the regulations or if the ship is used or operated in a manner contrary or prejudicial to the interests of the republic or a Cyprus ship or any person having charge of any Cyprus ship does not comply with any condition for the registration of that ship imposed by the Minister").

Subsection (3) of Section (6) of the Law provides "(3) A ship shall not be recognized as a Cyprus ship if:

a) the same has not been registered under this Law although its registration is required under subsection (1):

b) following directions under section 14A, the same is not registered: and

c) the same is erased from the Register under section 6A"

According to the above provisions, those who may register a ship under Cyprus flag, so long as they own at least half of the shares of the ship, are:

- 1) Cypriots individuals
- 2) Companies incorporated in Cyprus
- 3) Foreign incorporated companies with controlling interest vested in Cypriots, if specially authorised by a decision of the Council of Ministers.

Furthermore several restrictions have been imposed recently by the Council of Ministers and by the Minister of Communications and Works, by virtue of Section 14A. Henceforth, the appropriate Authority will not entertain applications for the registration of ships, unless following requirements are fulfilled.

1. VESSELS UP TO 17 YEARS OF AGE

Vessels of any type and tonnage not exceeding 17 years of age may be registered under not any additional conditions.

2. VESSELS OF AGE BETWEEN 18 AND 25 YEARS

Vessels of any type and tonnage between 18 and 25 years may be registered subject to the following conditions:

- a) the owner must sign the Cyprus Collective agreement for Seamen,
- b) the owner must undertake to engage Cypriot seamen on each of his ships registered under these conditions, to the extend of at least 51 % of the crew, provided that Cypriot seamen are available, and
- c) (i) either the vessel is managed from Cyprus by a company registered in Cyprus, having offices and employing personnel for this purpose, or

(ii) at least one of the shipowning company's Directors is a Cypriot, permanently residing in Cyprus, provided that it is proved, that there exist a close and effective link of the vessel with Cyprus and a close and effective participation of the Director as regards the management and control of the activities of the shipowning company, or

(iii) the shipowning company will make a deposit in a Cyprus bank in cash, or giving a letter of guarantee through a Cyprus Bank satisfying the competent Authority, for an amount equal to three month's wages of the crew of the ships. The amount must remain as a guarantee in favour of the Registrar of Cyprus ships available on demand, as long as the ship is registered under the Cyprus flag,

- 1) to cover possible debts of the vessel towards the Republic of Cyprus
- 2) to cover expenses for investigation of accidents involving the ship
- 3) for the reparation and relevant expenses of the crew in cases of emergency and
- 4) to safeguard the good reputation of the Cyprus flag with regard to the ship.

iv) or the vessel is owned by a shipowner who has registered at least two other vessels in the Cyprus Register of ships and the average age of the ships under the Cyprus flag of this shipowner, including the new vessel, does not exceed 17 years. For the purposes of this sub-paragraph, vessels owned by different companies, the shareholders and Directors of which are, by and large, the same, may be considered by the competent authority as owned by the same owner,

d) a confirmation must be submitted by a shipbuilder and/or a recognised Classification Society, at the discretion of the competent Authority, stating, in the case of passenger vessels, that they comply with the regulations of the International Convention of the Safety of Life at Sea, 1960 and the International Convention on Load Lines, 1966 applicable to "new ships" and, in the case of cargo vessels and vessels of other type, that they comply with those Regulations of the first Convention applicable to "new ships" and those of the second applicable to "existing ships".

In addition, a certificate of annual general survey issued by a classification Society or other Surveyor approved by the competent Authority, must be submitted to the Registrar of Cyprus Ships every year, within three months following the calendar month in which the vessel was first registered, either provisionally or permanently under the Cyprus flag.

3. Overaged vessels (more than 25 years of age)

A ship of any type over 25 years old may be registered in the Cyprus Register of ships subject to conditions (a), (b) and (d) of Paragraph 2 above provided that:

a) the ship is owned by Cypriots, residing in Cyprus, or by Cyprus companies,

(i) at least 50 % of the shares of which are owned by Cypriots permanently residing in Cyprus and the remaining percentage by foreigners, permanently residing in Cyprus, and

(ii) at least 50 % of the Directors of which are Cypriots, permanently residing in Cyprus, and

b) the main offices of the managing company are in Cyprus.

PART II

Procedure for registration

Port of registry: Initially Farmagusta was the Port of registry of all Cyprus ships. After the Turkish invasion of 1974 and the capture of this city by the Turkish troops, ships registry office transferred to LIMASSOL port.

Registrar of Cyprus ships: Initially the Director of the Department of Ports was -infact- the Registrar of Cyprus ships. Since 1977 a new Authority was created, the Cyprus Ports Authority which is responsible for the Ports Administration and operation. Henceforth, the Department of Merchant Shipping was created, which is responsible for ships registration, administration of shipping and ships safety.

Provisional registration

Following English legal provisions, the Law provides for the provisional registration of ships by a Cyprus Consul abroad, if the ship is not in a Cyprus port at the time of registration. The physical presence of the ship at the place of provisional registration by a consul is not necessary, provided that all documents are in order.

The provisional registration, which to all intents and purposes is legally deemed as a full registration, lasts for six months with the facility, upon application made prior to the expiry of the six months period, for an extension for a further period of three months. Within this period of provisional registration the ship must be permanently registered, otherwise she loses her nationality. The ship must also be permanently registered if she calls at a Cyprus port at any time during the period of provisional registration. A ship which was previously either provisionally or permanently registered cannot be reregistered except permanently. Though permanent registration, however, can only be effected in Cyprus, at the Registrar of Cyprus ships, the physical presence of the ship is not necessary, provided that all documents deposited are in order.

An application for provisional registration must be made on behalf of the Cyprus company - usually by the secretary of the company - to the Registrar of Cyprus ships. The application must contain all relevant information and particulars regarding the ship to be registered and must also indicate the Cyprus consulate abroad at which registration intended to be effected.

In addition to conditions imposed in regard of the age of the ship the vessel must be inspected by a surveyor of her classification Society at some stage fairly near to the time of registration, who must confirm that:

- a) the ship maintains her class
- b) the ship is in possession of all valid SOLAS and Load Lines Certificates
- c) her present condition is satisfactory and that the Classification Society will be in position to issue all SOLAS and Load Line Certificates, ordinary and without recommendations, on behalf of the Cyprus Government upon registration of the ship under the Cyprus flag.

If inspection by a surveyor of a Classification Society is difficult, facilities exist for a visit to the ship to be arranged by one of the Cypriot Surveyors stationed in Cyprus or abroad.

In the case of a tanker ship the classification Society or a Surveyor of Cyprus ships must in addition to the above, confirm the following:

- (i) That the ship is equipped with an oil water separator according to IMO resolution A 393 (X) or
- (ii) That the ship is equipped with an oil water separator according to IMO resolution A 233 (VII) or
- (iii) In cases where the ship is not equipped with an oil water separator as mentioned in (i) and (ii), above that she has an approved system which effectively prevents the escape of oil into the bilges or one of the following equivalent systems:
 - 1) There are means to retain on board all mixtures of oil and water collected in the bilges, for disposal to a reception facility, or
 - 2) All mixtures of oil and water collected in the bilges are pumped to the ships tanks for disposal with cargo (load on top)

In case a tanker ship does not satisfy any of the above requirements, an oil-water-separator must be installed, in accordance with IMO Resolution A 393 (X) prior to her provisional registration under the Cyprus flag.

In addition to the above the Registrar of ships must receive either by letter, telex or cable:

1) A confirmation by an Internationally recognized Accounting Authority, approved by the Government of Cyprus, that a contract has been signed between the Accounting Authority and the shipowner for the settlement of the ships accounts with the Telecommunication Authorities of different countries which serve her.

The following Accounting Authorities are recognised by the Government of Cyprus:

- 1) SAIT Electronics S.A., Belgium
- 2) International Marine Radio Co. Ltd U.K.
- 3) Marconi International Marine Co. Ltd U.K.
- 4) United Marine Electronics U.K. Ltd
- 5) DEBEG GMBH, Federal Republic of Germany
- 6) HAGGENUK GMBH, Federal Republic of Germany
- 7) Kyoritsu Radio Service Co. Ltd, Japan
- 8) Compagnie Radio Maritime, France
- 9) Peminsular and Orineal Steam Navigation Co, United Kingdom
- 10) Radio Holland B.V. Netherlands
- 11) Hellenic Co. Settlement Account Radiotelecommunications, Greece

The Registrar of Cyprus ships may approve the provisional registration of a ship after the conditions as to inspection of the ship has been fulfilled, and will allot a call sign for the ship and will telex his authority to the consul chosen to proceed with the provisional registration, on submission of the following documents:

a) Certificate of deletion of the ship from previous registry or confirmation by the Registrar of ships of the country of the previous registration that the ship is free of encumbrances although if the ship is a new construction, a shipbuilders certificate is required, instead of the certificate of deletion.

- b) bill of sale under which the ship is sold to the Cyprus company. The bill of sale must be executed in the presence of the appropriate authorities of the previous flag. If the ship is a new construction and was build for the account of the Cyprus company, no bill of sale is required.
- c) minutes of the board of directors of the Cyprus company (buyers) resolving purchase of the vessel and registration under Cyprus flag.
- d) power of attorney of the same company, authorising a director of the company or an attorney to sign all documents necessary for the provisional registration.
- e) declaration of ownership signed by the person authorised by virtue of the above mentioned power of attorney (Form MS3)
- f) Document for the appointment of ships husband, signed by the same person (Form MS10)
- g) application for radio telephone and or radiotelegraph licence (as the case may be according to the ships gross tonnage Form M.S.30)

Documents referred to (c), (d), (e), (f) and (g) above, must be executed before a Cyprus Consul, or the Registrar of Cyprus ships or a certifying officer of the Republic of Cyprus.

It must be noted that once a ship has been provisionally registered under the Cyprus flag, all SOLAS and Load Line Certificates with which she is furnished must be re-issued on behalf of the Cyprus Government. The Registrar of Cyprus ships will accordingly instruct the ship's Classification Society to re-issue the ships certificates and will also inform the Port Authorities of the port where the ship is at that time not to permit her to sail until all certificates have been re-issued. Also the Consul informs the Classification Society about the date of registration in order to enable it to issue the new certificates. The provisional certificate of registry is not delivered to the owners unless the Classification Society confirms that new certificates on behalf of Cyprus Government have been issued.

Tonnage Measurement

The measurement of the ship must be made in accordance with the Cyprus regulations as well as the completion of the Cyprus Tonnage certificate (Form MS 12, MS 12A, MS 12B depending on the type of the ship), and of the certificate of Survey (Form MS 1). These forms may be completed, signed and sealed by a surveyor of the ship's Classification Society, or by a Cypriot Surveyor. The Cyprus Tonnage regulations are based on the IMO Recommendations for dual Tonnage Measurement and on the English Tonnage Measurement Regulations 1967.

Marking and Carving of the Ship

Upon submission to the Registrar of Cyprus ships of the above mentioned forms, an official number is allocated to the ship and a so-called "Carving and Marking Note" is issued. This note contains all the particulars which must be either carved or marked on the ship - the name of the ship, port of Registry, Registered Tonnage and Official Number.

The carvings and markings must then be effected by the crew and either a Surveyor of the ship's Classification Society or a Cypriot Surveyor, must be called on board to inspect them and to sign and seal the carving note.

Permanent Registration

After the above requirements have been complied with, SOLAS and Load Line certificates have been submitted to the Registrar together with a copy of the contract signed between the shipowners and a recognised company for the clearance of the Radio-maritime accounts, the ship becomes permanently registered and the Registrar of Cyprus ships issues the relevant certificate of Cyprus Registry.

Register Book - Entry of particulars in it.

Any new registration or any other transaction (reregistration, mortgage against the vessel, change of name, transfer of ownership, deletion of mortgages, alterations effected ships' dimensions or tonnage etc) are recorded in the register book which is signed by the Registrar of Cyprus ships. Ship's particulars as prescribed in the Measurement Certificate and certificate of Survey (Forms MS 1, and MS 12) are recorded in the Registry book.

Custody and use of Certificate of Registry: Article 16 of the law provides that "The certificate of Registration shall be used only for the lawful navigation of the ship, and shall not be subject to detention by reason of any title, lien charge, or interest whatever had or claimed by any owner, mortgagee, or other person to, or in the ship".

Obviously, the certificate of Registration must be kept always on board the ship, otherwise the vessel is not allowed to sail

Power to grant new certificate

If the Registry certificate of a ship is being lost, or destroyed, the Registrar will issue a new one after the Master or any other person having knowledge of the fact of the case, make a sworn declaration before the Consul or the Registrar stating the circumstances under which the certificate was lost.

Endorsement of change of Master

A memorandum of change of Master must be endorsed and signed by the Registrar of Cyprus ships or a consular officer or a proper officer of the court in the case of the removal of the Master by the court under the provisions of legislation in force.

Endorsement of change of ownership

Change of ownership must be endorsed on the certificate of Registry, either by the Registrar of Cyprus ships or by a consular officer.

Delivery of certificate of ships lost or ceasing to be Cyprus ships

In case of a constructive total loss of a ship, capture by the enemy, burn, broken up, or ceasing by reason of a transfer to non qualified person, the certificate must be delivered either to the Registrar or to the Consul.

2. Registration of Mortgages

2.1 Register

2.1.1 TYPE OF REGISTER: The mortgages register is the same as the register of the vessel kept by the Registrar of Cyprus ships. Entries are always made in manuscript.

2.1.2 CONTENTS OF REGISTER: The mortgage register shows only brief details of the mortgage, such as, the letter of the alphabet designated to the particular mortgage, the number of shares in the vessel mortgaged, the date and time of registration, the amount or liability secured and the name and address of the mortgagees.

In addition to the above, the Registrar keeps in the vessel's file the mortgage documents, which consist of the instrument creating the mortgage in the form provided by the law and an accompanying deed of covenant- a contract between the parties to the mortgage containing all terms and conditions governing the loan or, other valuable consideration.

The mortgage register is open to any interested party upon payment of relevant fee and a certified copy of the mortgage and deed of covenant is given on application.

The order of priority of mortgages is determined by the date and time of their registration. Interim payments made and, in general, partial dealings are not recorded. When the mortgage is completely discharged, a discharge receipt duly signed by the mortgagees and Notarially attested is registered with the Registrar of ships or with a Cyprus Consul abroad authorized by the Registrar of Cyprus ships to accept it, either as a separate document or endorsed on the reverse side of the mortgage.

2.2 Type of ship mortgage

2.2.1 EFFECT OF SHIP MORTGAGE: Under the Cyprus Law the mortgagee shall not by reason of the mortgage be deemed the owner of the ship or share mortgaged nor shall the mortgager be deemed to have ceased to be owner, except as far as may be necessary for making a mortgaged ship or share available as a security for the mortgage debt.

Furthermore the Law provides that where under the deed of covenant, the mortgagee is entitled to take possession of the mortgaged ships or where the owner allows the ship to remain burdened with a maritime lien, which impairs the security of the mortgage, the mortgagee may take possession of the ship and thereupon he shall have all rights and powers if any owner in possession.

A registered mortgagee in possession may either assume the management of the ship, whereupon he must give notice of such assumption of management to the Registrar of ships, or sell the ship by private treaty.

A subsequent mortgagee's power to sell the ship or share cannot be exercised without the concurrence of every prior mortgagee except pursuant to the order of a court of competent jurisdiction.

If the above statutory or other contractual powers of the mortgagees cannot be exercised, either because the mortgagee concerned is registered as such in respect of the shares in the ship or because he is a second or subsequent mortgagee unable to obtain the consent of every prior mortgagee, he can resort to the court and arrest the ship in a mortgage action "in rem" under the English Administration of Justice Act of 1956 which is applicable in Cyprus.

2.2.2

DIFFERENT TYPES OF MORTGAGES

The law prescribes two forms of mortgages, the mortgage to secure principal sum and interest and the mortgage to secure an account current. The first form is only used whenever an advance of a fixed sum and the agreed interest thereon are sought to be secured. However, the modern complexity of most financial transactions tends to make this form more and more rarely used and mortgagees are not often content to use it, even in the cases when the debt sought to be secured is simply an advance of a fixed amount. The second form of mortgage is much convenient as it can secure further amounts, such as possible costs and expenses or other liabilities and almost any conceivable obligation of the shipowner and can suit all and any description of financing arrangement, including past and future in addition to present debts or other liabilities, and including loans in alternative currencies or alternative liabilities at the option of the parties.

The law further provides that the matters to be agreed between the parties to the deed of covenant accompanying a mortgage shall include the mode of payment of interest and of repayment of principal, the insurance of the ship and the renewals and application of the proceeds there of, limitations of employment of the ship, - if any - definition of events of default upon which statutory or other agreed powers of the mortgagee may be exercised and powers exercisable by the mortgagee.

2.3

Evidence of a duly registered mortgage.

Mortgages may be produced for registration either to the Registrar of Cyprus ships or to a Cyprus Consul abroad whom the Registrar will, on application, authorise by telex to accept such mortgages. In this way mortgages may be produced to a Consul at the time of provisional registration of a vessel.

Mortgages are recorded in the order in time in which they are produced to the Registrar of ships provided they are duly executed. Also a duly executed mortgage produced to a Cyprus Consul, is considered to be duly registered and recorded by the Registrar as at the time of its acceptance by the Consul. This is very important as mortgagees interests are fully covered for the period from depositing the mortgage to a consul until the mortgage is recorded in the Register book of the Registry.

The legal provisions for mortgages on Cyprus ships being similar with the English afford full protection to the Mortgagees, a fact which has been fully appreciated by all serious Banks and Financing Organizations in London, Hamburg and Piraeus where mainly ship mortgages over Cyprus vessels are effected. In addition a number of American, Scandinavian and other banks and financial institutions have not only accepted Cyprus Mortgages but do in fact recommend Cyprus Registration for a ship they propose to finance.

2.4 Assignability of Mortgages

Mortgages may be assigned provided that the necessary documents (together with the form of assignment of the mortgage) will be deposited with the Registrar or a Cyprus Consul. It must be noted that the existence of the above legal facilities is very important as in cases of transfer of ownership or refinancing arrangements is not necessary to delete the Mortgages first and then register the same.

3.1 Deletion of a ship from the Registry

The procedure is very simple and uncomplicated in that a Cyprus ship shall be deleted from the Cyprus Registry as soon as she is sold and delivered to person or persons or legal entities not qualified to own a Cyprus ship. Upon such an event, the owner is bound to notify the Registrar of Cyprus ships and to produce to him, or to a Cyprus Consul abroad, the following documents evidencing such sale and facilitating the deletion of the vessel from the Cyprus register:

- a) Bill of sale under which one-half or more of the shares in the vessel are sold to a non-Cypriot person or company
- b) Protocol of delivery and acceptance of the vessel signed by the seller and buyer and duly notarised.
- c) Original certificate of Cyprus Registry
- d) Discharge receipts of any mortgages existing on the vessel.

The Registrar will agree to close the register of a vessel which is declared a total or constructive total loss. In this case the register will be closed subject to any mortgages existing on the vessel.

Also the Registrar will agree to close a vessel's register without the mortgagee's consent, if requested to do so by the Minister of Communications, pursuant to the powers vested in the Minister under the Law to require that a vessel be deleted from the Register if reasonable grounds exist satisfying him that such vessel is being used contrary to the interests of Cyprus or the Public interest at large or the owner or Master thereof fails to comply with Cyprus Law.

The consent of any Governmental agency or other authority is not required for the sale of a Cyprus registered ship to a foreign buyer unless the owner is a Cypriot resident or a Cyprus company the shareholders of which are wholly or in part Cypriot residents, in which case the consent of central Bank of Cyprus is required.

PART III

CONCLUSIONS AND RECOMMENDATIONS

1. Policy in connection with registration requirements:

Restrictions in connection with age limitation and other conditions imposed by the Ministry for ships registerable under the Cyprus flag had as ultimate purposes:

 - a) the renewal of the Cyprus fleet. This has been achieved in a satisfactorily extend as in 1979 the ratio of vessels over twenty years of age registered under Cyprus flag was 56 % and in 1983 the same fell to 23 %
 - b) the attraction of big and responsible operators to register their vessels under Cyprus flag. Despite the fact that overaged vessels are not always less safe than same of smaller age, obviously operators of small aged vessels are usually more responsible and enjoy higher financial credibility. Thus operators of those ships are allowed to register also vessels of more than 17 years of age together with their newer ships.
 - c) the improvement of safety standards. The additional conditions imposed for vessels of more than 17 years of age and passenger ships together with the stable condition of general inspection of the ship prior to her provisional registration led to a remarkable improvement of safety standards.
 - d) the protection of seamen. The additional financial guarantees required from operators registering ships of age more than 17 year - if they have not registered other ships of smaller age - can effectively protect seamen against ships abandonment by the owner or refusal by the same to pay their salaries
 - e) the encouragement of Cypriot owners - or foreign owners operating their bussiness from Cyprus - to register their ships under the Cyprus flag by prodiving more relaxant facilities in connection with registration requirements and thus accomodating their ships in a fleet of an average small age, and of better safety records.

2. Recommendations in connection with registration requirements:

- a) The age limit of 17 years was imposed in 1978 and at that time ships were extremely expensive thus a small operator could not buy a younger ship and the financial guarantees required could serve that purpose. With the todays market ships aged 17 years are sold in scrap value or slightly above that. In my opinion the age limit must be readopted to 13 years. Big operators will not face problems from the proposed new policy as they usually sell the overaged ships during the low market and renew their fleet. Furthermore joint ventures with Cypriots will be promoted.
- b) Ships of less than 500 tons G.R.T have been observed having poor safety records. In my opinion the main reason is that International Conventions such as SOLAS Convention do not cover this category of ships. Thus, Classification Societies are neither familiar with Cyprus National Safety Standards for ships of that category nor such standards have been updated. On the other hand no documentation is required by the Law in relation with above safety standards.

Obviously, the Cyprus Government has to provide facilities - at least for Cypriot Nationals - to register such ships in the Cyprus registry.

In my opinoin a decision has to be taken either restricting at least foreign operators registering such ships in the Cyprus registry or - after up-dating safety regulations - imposing the additional condition of inspection of the vessel by a surveyor of Cyprus ships prior to registration. Furthermore documentation must be introduced in connection with the safety inspection and a mandatory annual inspection by a surveyor of Cyprus ships for renewal of the document of Safety inspection must be introduced. Thus the administration must realize the reorganisation of the Department of Merchant Shipping taking into consideration the above necessities.

- c) Transfer of ownership is not subject to any restrictions. Thus any overaged ship can be transferred to any operator without any furhter conditions. I believe that same requirements must be required to be fullfilled as in the case of first registration.

PART IV

System of Maintenance of Records/Plans of National Ships.

There is not any legal obligation for the submission to the Registrar of any ship's plans or other records, prior to, or after registration.

The Department is receiving only copies of all certificates issued to Cyprus ships by Classification Societies and after above copies are examined by a surveyor, are kept in the ship's file.

Owners obligation to submit plans arises only under the Merchant Shipping (Tonnage of ship) Regulations of 1974, where it is stated that "the owner or the Master of a ship to be measured shall produce for the surveyors use or retention if required, such plans drawings, specifications and other documents relating to the ship".

Usually the above mentioned documents are given back to the owners after tonnage computation has been completed.

Number of ships and their particulars

The ships permanently and provisionally registered under Cyprus flag until 30th September 1983, are, by category as follows.

DESCRIPTION OF VESSEL	PERMANENT		PROVISIONAL		TOTAL	
	No. of ships	G.R.T.	No. of ships	G.R.T.	No. of ships	G.R.T.
CARGO	446	1.545.712	59	376.446	505	1.922.158
PASSENGER	18	95.115	1	4.363	19	99.378
TANKERS	28	542.619	22	1.405.607	50	1.948.226
RO-RO/CARGO/FERRIES	1	2.186	3	7.666	4	9.852
CONTAINER	4	4.339	-	-	4	4.339
BULK CARRIERS	19	3397.685	16	340.158	35	737.843
GAS CARRIERS	3	4.795	-	-	3	4.795
REEFERS	1	499	-	-	1	499
FISHING SHIPS	25	5.071	1	246	26	5.317
TUG BOATS	9	1.341	1	97	10	1.438
MARINE SALVAGE	1	232	-	-	1	232
LAUNCHES	2	108	-	-	2	108
BARGES	3	2.361	-	-	3	2.361
SURVEY SHIPS	1	396	-	-	1	396
PASSENGER HYDROFOIL	1	142	-	-	1	142
YACHTS	594	11.082	58	1.301	652	12.383
TOTAL	1156	2.613.683	161	2.135.784	1317	4.749.467

According to later figures ships over 300 grt registered on the 31.12.1984 were 699 with a total GRT of 6.607.219. It is believed that the increase tendency of ships registration under Cyprus flag will continue and soon Cyprus will be amongst the first ten Maritime Nations of the world.

CHAPTER V

SURVEY, INSPECTION AND CERTIFICATION OF CYPRUS SHIPS

PART I

Conventions ratified by the Cyprus Government

The survey, inspection and certification of ships is the most important and basic function of a Maritime Safety Administration in every country. For a nation to be deemed as a maritime it has to ensure that ships flying its flag are safe and well maintained

Having ensured the safety of vessels one can achieve the protection of the human life at sea, the protection of the sea and the environment in general, the prevention of shipping casualties and can promote the reputation of the national flag internationally.

Towards these purposes Cyprus has ratified the following International Conventions:

- a) The International Convention for the Safety of Life at Sea, 1960
- b) The International Convention on Load Lines, 1966, as amended 1969 and 1975.
- c) The International Regulations for Preventing Collisions at Sea, 1972 as amended.
- d) The International Convention for the Avoidance of Pollution of the Sea by Oil 1954, as amended 1962 and 1969.
- e) The International Convention for the Certification, Training, Standards, Watchkeeping of Seafarers 1978.

It is believed that the International Convention for the safety of life at sea 1974 together with its protocol of 1978 and 1981 and 1982 amendments will be ratified soon (most probably within 1985).

PART II

System for survey, inspection and certification of Cyprus ships

The following laws and regulations govern all aspects of safety, survey, inspection and certification of the Cyprus ships, of all types and sizes:

- a) Law 30 of 1965
- b) Law 39 of 1969
- c) Law 18 of 1980
- d) Law 8 of 1980
- e) Law 8 of 1985
- f) The Merchant Shipping (Safety and Seamen) Cap. 292 of 1952 as amended by the
- g) Law 38 of 1963
- h) The Merchant Shipping (Life Saving Appliances) Regulations, 1953.
- i) The Merchant Shipping (Fire Appliances) Regulations, 1975

The first five Laws are those by which the previously mentioned International Conventions have been ratified, respectively. These Laws contain only some articles regarding general provisions towards the implementation of the Conventions and then the text of the International Conventions themselves have been reproduced as National Legislation.

All surveys, inspections and certification of Cyprus ships according to the above Laws and Regulations have been delegated to the Classification Societies.

The Classification Societies recognized by the Cyprus Government for the purpose are:

1. American Bureau of Shipping
2. Bureau Veritas of Paris
3. Det Norske Veritas of Oslo
4. Germanischer, Lloyd
5. Hellenic Register of Shipping
6. Lloyd's Register of Shipping
7. Nippon Kaiji Kyokai
8. Polish Register of Shipping
9. Registro Italiano Navale
10. Romanian Register of Shipping

The above Classification Societies are authorized to survey Cyprus ships, issuing the following certificates:

1. Cargo ship Safety Construction Certificate
2. Cargo ship Safety Equipment Certificate
3. Cargo ship Safety Radiotelephony and or Radiotelegraphy Certificates
4. Passenger ship Safety Certificate
5. Load Line Certificate. Assignment of Free Board
6. Tonnage Certificate
7. Certification of carving and marking note
8. Certificate of Survey for the Purpose of Registration

Ships below convention size can also be surveyed and certificated by the above mentioned Classification Societies. In these cases the Classification Societies concerned are following their own rules and regulations since the existing National rules and regulations covering the field are rather inadequate.

However the Classification Societies are not authorized to issue exemption certificates or to grant dispensations without the consent of the Minister of Communications and Works. The procedure usually followed - when such an exemption or dispensation is requested - is not always effective. The Minister of Communications and Works always requests the opinion of the Classification Society concerned together with the opinion of the Department's surveyors. But obviously in many cases we should not have to ask the opinion of the Classification Society concerned but simply to rely on the Department's advice. It is advisable that a certain area of discretion must rest with the Department for granting dispensations and exemptions and only in serious cases such power has to be exercised by the Minister of Communications and Works.

Having delegated the survey and certification of Cyprus ships to Classification Societies the Department co-ordinates and supervises their work by checking the certificates granted by them. Besides that the survey, measurement and licencing for coasters, dredgers, barges, fishing vessels, yachts and small ships remains with the Department and it is performed by the Government's surveyors posted in Cyprus or abroad. Furthermore the Government's surveyors carry out unscheduled inspections on board Cyprus ships anywhere as well as on board foreign ships while in Cyprus.

PART III

Procedure for detention of unseaworthy ships

While the primary legislation enabling an officer to detain an unsafe ship exists - Cap 292 of 1952, Regulation 19 of SOLAS, Article 5 of the Law 18 of 1980 ratifying the International Regulations for the prevention of Collisions at Sea 1972 - there are not any rules or regulations determining the procedure to be followed.

Cap. 292 of 1952, gives power to the Minister to detain unsafe ships; Art 5(2) empowers the Minister to delegate his power and

appoint "detaining officers" for the purpose. However nothing in the above legislation or elsewhere regulates the procedure which the detaining officer will follow, to ensure that detained ships will not sail or evermore if a detained ship violates the above legislation what sanctions or punishment can be taken against the master, owners or agent.

Nevertheless the procedure followed at present has as follow:

A Government surveyor - despite of not having the appropriate legal power - detains unseaworthy ships. He simply gives the Master of a detained ship a letter stating the reasons of detention and copy of the same letter to the Senior Collector of customs for the particular port requesting him not to give to the ship custom's clearance for depature unless he will be advised on the contrary in a later stage.

In the same time the surveyor detains the ship's statutory certificates and this is the only measure taken to ensure that the ship will not sail. When the surveyor is satisfied that the ship is safe to proceed at sea he informs the customs to issue custom's clearance to the ship and certificates are releized.

Obviously the legislation concerned has to be revised and furthermore effective procedures for the detention of ships must be determined. The new legislation and procedure must also contain provisions for the detention of unsafe Cyprus ships while abroad.

PART IV

Conclusions and Recommendations

- a) Consequences resulting from the Ratification of SOLAS 74 and its Protocol of 1978.

As ealier mentioned, the Government of the Republic of Cyprus is in the process of ratifying the 1974 SOLAS Convention and its 1978 Protocol, which would result in specific measures for their implementation at present and in the future.

The 1974 SOLAS Protocol contains strengthened requirements for survey procedures and for the control of ships; among other requirements we have the mandatory annual surveys, initial surveys and intermediate surveys for tankers.

It is recommended that the Government must again authorize Classification Societies for the survey and certification of Cypriot ships in connection with the requirements of 1974 SOLAS and its Protocol. I personally oppose the idea of authorizing independant surveyors or any other bodies for carrying out the surveys as required by th 1974 SOLAS Protocol. But in the meantime there is an urgent necessity for the Government's surveyor to inspect each Cypriot ship at least once a year and perform functions and inspections which cannot be delicated to Classification Societies or any other bodies, such as inspection of Log Books, Articles of Agreement, crew accomodation, application of manning Regulations, general conditions of employment of seamen, inquiries as per violations of conventions and the Cypriot Law in general, inquiries as per crew complains e.t.c.. Furthermore Classifications Societies surveyors will perform their duties more strictly if they are aware of the fact that a Government's surveyor will also inspect the vessel.

The above mentioned necessity cannot be fulfilled at present without causing a heavy financial burden - either to the ship-owner or to the Government - since most of Cypriot ships are involved in International Trade and therefore, travelling and other expenses are considerably high.

Obviously there is a lot of space for cooperation between the Cyprus Government and the Classification Societies, in the field. Such cooperation could involve the performance of joint surveys specially as regards mandatory annual surveys. The matter has been discussed by me - in private - with one of the Classification Societies and found to be realistic and workable. According to the proposed scheme of cooperation, the Classifications Societies prior carrying out a mandatory annual survey should consult the

Department to ensure whether a Government's surveyor could possibly carry out the survey for a specific ship in a specific port. If the Department decides it is appropriate and feasible the survey to be carried out by one of its surveyors - instead of a surveyor of the Classification Society - informs the Society accordingly and makes the necessary arrangements. If a nautical surveyor is sent he would be able to inspect whether the ship complies with the requirements of the mandatory annual survey, in his field. The Society would continue to charge the shipowner exactly the same fees as the survey had been carried out by its surveyors. Then half of the amount collected has to be transferred by the Society to the Department.

Obviously, the Government's surveyor, beyond the survey called for by the mandatory annual survey requirements, can additionally perform functions and inspections required by the Department. Therefore it will entirely be upon the Department's discretion to decide which ships have to be inspected by its surveyors, and such inspections will directly be financed by the fees transferred to the Department without causing any additional financial burden to the shipowners. As a matter of fact, in many cases, the fees collected will exceed the real cost of the survey but the "net profit" from such operations should be used for financing inspections of other ships elsewhere.

The only obligation of the Department, will be the submission to the society of a copy of the survey report since many items are connected with statutory certificates. I also believe that this will be a realistic approach and would not create any difficulties.

If the proposed scheme will be adopted, the Department will be able to employ more surveyors, since survey operations will directly be financed. On the other hand we will be in position to exercise a real control on all ships flying the Cyprus flag.

Besides supervising and co-ordinating the work of the ten

Classification Societies, the Department has the task of registering, surveying and licencing all ships not covered by the Societies (coasters, fishing vessels, tugs, yachts e.t.c.). It is recommended that the Government must require also a mandatory annual survey for the above ships and such survey must be carried out either by a Classification Society or by a Government's surveyor.

b) Closer co-operation with Classification Societies

A continuous dialogue should be maintained with the authorised Classification Societies to ensure equal treatment of Cypriot ships by different Societies. This could be partly done by dissemination of circulars, but more effectively by annual meeting of the Societies with the Department at which e.g. uniform interpretations of convention requirements could be agreed.

Furthermore, the Department should request each Classification Society to submit lists of type approvals of safety equipment and of materials in accordance with IMO specifications. These lists should be updated as necessary and re-circulated to all Classification Societies for guidance.

As regards certification of Cypriot ships, the only obligation of the Societies towards the Department is the submission of copies of all certificates issued to Cypriot ships. I strongly believe that this requirement is absolutely inadequate and I recommend that the authorization to the Societies should be subject for certain conditions such as:

- I) The Department shall receive a detailed report on each survey covering all requirements concerned;
- II) The Department shall receive copies of all forms, reports, checklists and instructions that the Societies sent to its surveyors;

- III) The Department shall have access to any additional information deemed necessary; and
- IV) Surveyors of the Department shall be allowed to participate in surveys.

Application of the above mentioned conditions will certainly lead to a better control of Cypriot ships by the Department, since Government's surveyors will have available extremely valuable information directly reflecting to ship's actual condition.

CHAPTER VI

TRAINING AND CERTIFICATION OF SEAGOING PERSONNEL

PART I

Particulars of present institutions for training seafaring personnel

There are four different training institutions in existence for the training of seafaring personnel.

I) The Higher Technical Institute of Nicosia, established in 1968, being a joint project of UNESCO, ILO and the Cyprus Government. The main disciplines are: civil, electrical, mechanical and Marine Engineering. Marine Engineering section was established in 1977 training about 30 students per year. The three year full-time course program covers theoretical and applied studies related to marine engineering and scientific principles with appropriate supporting laboratory activities, and workshop practice/technology.

The entry qualifications to the course is graduation from a secondary school or, alternatively to have completed 12 years of education. The courses are designed and organised on the level and standard of the United Kingdom Higher National Diploma and graduates satisfy the requirements of Part I of the U.K. Engineering Council examinations for chartered Engineers status.

The H.T.I is well established education and training center with good buildings, well equipped laboratories and excellent workshop facilities. The staff are highly capable and well qualified, and there is no doubt that the H.T.I. Diploma awarded on successful completion of the three-year course is held in high esteem. The exemption granted to holders of this Diploma by the U.K. Engineering Council and the progression of H.T.I. graduates into university degree and post graduate degree courses testifies to this.

There is no doubt that the H.T.I. Marine Engineering course is

in compliance with the S.T.C.W. Convention requirements. Though H.T.I. does not provide any facilities for fire fighting, sea survival, proficiency in survival craft training courses, such facilities exist in Limassol (The Hanseatic Marine Training School) and it is understood that cooperation between the two institutions has already commenced.

II) The Higher College of Technology (Nicosia)

The college is a private school training radio operators with entry qualifications to the course graduation from a secondary school. Obviously the one year training course provided is inadequate and furthermore the college is not equipped with all necessary technological facilities. As a matter of fact the managers of the college have made many efforts for improvement but I believe that it is rather impossible for them to meet the requirements of the modern technology of the field, as they have to operate on a commercial basis.

III) Morse School of Limassol

The above school is running also a one year course for radio operators and its standard is more or less the same with the standard of the Higher College of Technology.

IV) Hanseatic Marine Training School

This is an established training institute in Limassol. The premises have been provided with the assistance of the Government of Cyprus and are adjacent to the old port of Limassol. The school has been established for the training of ratings on a non profit basis, for the training of Cypriot nationals as well as foreign crews engaged on Cypriot or Hanseatic ships.

The school is providing some of the essential elements of maritime training and operations performance of and meet training objectives of the 1978 STCW Convention on such matters as training

in fire-fighting, sea survival and first aid at sea e.t.c..

Other training arrangements

Thirty scholarships are provided yearly by the Greek Government for Cypriot candidates in the Greek Marine Academies. The Greek certificates granted in the above mentioned academies have full international recognition and candidates may serve on Greek ships also.

PART II

Procedure and system for issuing of certificates of competency to merchant marine officers and ratings

The rules and regulations in existence for that purpose are:

- a) The Merchant Shipping (certificates of competency of engineers) regulations, 1977
- b) The Merchant Shipping (certificate of competency of only mate) regulations, 1965
- c) The Merchant Shipping (certificate of competency of wireless operators) regulations, 1965

Above regulations are completely outdated and there is an urgent need of revision in order to meet the international standards and the requirements of the 1978 STCW Convention.

The only machinery at present to conduct examination for the issuance of certificates of competency exist in the case of "wireless operators". Candidates (usually graduates of the Higher College of Technology, Nicosia and the Morse School, Limassol) can be examined by a radio telecommunication specialist of the Ministry of Communication and Works. The procedure and syllabus for the issuing of the "wireless operator" certificate, are defined by the Merchant Shipping (certificates of competency of wireless operators) Regulations of 1965, but there is a need of updating the above regulations in order to meet the international standards.

Due to the lack of existence of national certificates of competency and/or proficiency Cyprus Government recognizes certificates issued to Cypriots or foreigners - engaged on board Cyprus ships - by other countries. This is permissible under section 5 of the Merchant Shipping (Master and Seamen) Law. Among other certificates of competency recognized by the Cyprus Government are those issued by the following countries:

GREECE, U.K., U.S OF AMERICA, FRANCE, WEST GERMANY, ITALY, PHILIPPINES; EGYPT, TURKEY, INDONESIA, INDIA, LIBERIA, SPAIN, SWEDEN, DENMARK, NORWAY, HOLLAND, SRI-LANKA, BELGIUM, SOUTH KOREA, JAPAN.

PART III

Conclusions and Recommendations

Cyprus, being a small country, is not capable of supplying adequate number of officers and seafarers for the purpose of manning Cyprus ships in a great extent. Furthermore seafaring employment is not a field of interest for young Cypriots as they can enjoy attractive salaries ashore. Any development in the field must be directly connected with the modern technology of the shipping industry which has been enjoying nowadays very enormous and substantial changes.

I would rather recommend that the Cyprus Government should give special attention in this direction by creating more officers instead of seafarers. The size as well as the quality of the Cypriot fleet might lead us to the conclusion that Cypriot officers could have excellent employment opportunities, provided they are well educated and trained.

The H.T.I., being the only marine training institution of an acceptable standard, must maintain and develop - if possible - its standard, and furthermore it could be the focal point of the developments in the field.

I personally oppose the idea of creating new institutions - such as Marine Academies - in order to serve the immediate needs of the shipping industry. Such institutions will absorb a great volume of funds, which I believe could better be used if the existing facilities of the H.T.I. should be developed and extended.

Having in mind the developments in the shipping industry field, I would recommend that any possible new marine training facilities

should be established with the ultimate purpose to serve the needs of the new technology and future developments.

It is well known that in the end of the present decade, modern ships will be equipped with sophisticated equipment and there will be a great demand for highly educated and trained personnel. Radiotelegraphy will be abolished and such ships will need an officer responsible for the maintenance, operation and repair of all electrical and electronic equipment on board as well as radio, telex and satellite communication. Such officer - "the electronic engineer" - will be as important as the Chief Engineer of the ship today is, and may enjoy even the same salary.

I strongly believe that the H.T.I. could develop the necessary facilities for the training of such officers and adequate funds must be transferred in this direction instead of creating Marine Academies or other institutions. The existing infrastructure, personnel and laboratories of the H.T.I. can already cover such a new project in a great extent and only additional personnel and marine electronic equipment plus further arrangements will be necessary.

As regards the training of deck officers we could continue with existing arrangements with the Greek Government's offer to train a number of candidates in the Greek Marine Academies.

Furthermore, practical training in seamanship for the H.T.I. Marine Engineers and Electronic Engineers, as well as training in fire fighting, sea survival, proficiency in survival craft e.t.c. could be provided in cooperation with the Hanseatic Marine Training School.

It must also be mentioned that the academic status of the H.T.I. electronic engineers has to reach the level of BSc. It is also believed that such officers will have good employment opportunities in the shore industry.

Facilities for the training of Department's marine surveyors already exist through arrangements with I.M.O..A number of surveyors have already attended training courses in various countries and three surveyors are now attending the Maritime Safety Administration courses in the World Maritime University. A marine lecturer of the H.T.I. is attending the Maritime Education of the same university and other three students from the private industry are attending the Technical Management of Shipping Companies courses. Obviously the above mentioned facilities will be also available in the future.

As regards the establishment of certification and examination of seafarers and officers system, I believe that technical assistance is needed and could be provided through IMO facilities.

CHAPTER VII

CREW MATTERS

PART I

Present legal status as regards crew matters

The Laws and Regulations dealing with matters related with masters and seamen are the followings:

a) The Merchant Shipping (Masters & Seamen) Law, which is a consolidation of the following laws:

46 of 1963

33 of 1965

69 of 1968

25 of 1969

24 of 1976

b) The Merchant Shipping (composition and size of the crew) Regulations, 1964

c) The Merchant Shipping (Dietary of the crew) Regulations, 1964

d) The Merchant Shipping (Hours of work, hours of rest and leave) Regulations, 1964

e) The Merchant Shipping (Minimum percentage of citizens of the Republic) Regulations, 1969

f) The Merchant Shipping (Composition and size of the crew) Regulations, 1964

The regulations of (b), (c), (d), (e) and (f) above have been approved by the Council of Ministers under the virtue vested to it by Act 109 of the Merchant Shipping (Master and Seamen) Law, Matters regulated in the law among others are:

Registration of seamen

Manning of Cyprus ships

Engagement of Master and Seamen

Discharge of Seamen

Duration of employment

Payment of wages

Health and accommodation provisions

Relief and repatriation of seamen

Facilities to crew for making complains

Discipline provisions

The above legislation is based on the U.K. legislation in force prior the Cyprus independance (1960). Consequently it is outdated and in need of extensive revision, particularly as regards matters relating to control mechanism and welfare of the seamen.

PART VI Registration of seamen

The only provision in the principal law related with the registration of seamen is the section 105 which states that "the Director shall keep at his office a register in the prescribed form of all persons who served in Cyprus ships". While it is so stated in the law, there are no other sections, rules or regulations defining the register's form and the mechanism for the registration of seamen. Furthermore there are not any provisions for issuing seamen's papers (seamen book or certificate of service).

Despite the absence of legislation covering the field, the Department is maintaining seamen's register book since 1980. Furthermore many Cypriot Officers and seafarers have been employed on board Cyprus ships through arrangements made by the Department. The legal obligation of Cypriot ships to be manned at least with 15 per cent by Cypriot Nationals (when available) has been extended, for ships registered under certain conditions, to 50 per cent. The Department is attending the implementation of the above provisions but it is believed that the lack of social insurance and pension system for Cypriots serving on board Cyprus ships as well as the lack of mechanism for issuing internationally accepted seamen's books and certificates of competency has led many Cypriot seamen to work on board foreign ships (mainly Greek ships).

Greek Government is providing facilities for the registration of Cypriot seamen serving on board Greek ships as well as facilities for the issuance of Greek seamen's books, examination and certification under the same conditions as for the Greek nationals. In fact the majority of Cypriot graduating from the Greek Marine Academies are serving on board Greek ships and they obtain their certificates of competency from the Greek Authorities.

PART III

Rules and procedures for manning National ships

The provision for manning Cyprus ships are contained in the Merchant Shipping (Composition and size of the crew) Regulations, 1964, as amended, 1984, as well as, the Merchant Shipping (Minimum percentage of citizens of the Republic) Regulations 1969 and the Merchant Shipping (Master and Seamen) principle Law.

Manning Regulations as amended in 1984 have already been enforced and proved to be very effective and realistic serving the purpose for which they were created. It is believed that the implementation of the above Regulations had very positive effect in the field of safety of Cypriot ships.

Still the principle Law has to be revised and consideration must be given to which competency certificates has the Government to continue recognising since the STCW Convention has already been ratified by Cyprus. Obviously the Government must cease recognition of competency certificates issued by Government not parties to the 1978 S.T.C.W. Convention.

PART IV

Number of seagoing personnel

Since no system for the maintenance of Cypriot Officers and seamen's books and registry exist, we can only give estimations as to the number. It is believed that there are more than 600 officers certificated (deck, engineer, radio officers) and the number of seafarers is rather uncertain as the great majority of them are not profesional seamen but served on board ships for a limited period when no other employment opportunities were available (years following soon after the Turkish invasion)

As a matter of fact there was no tradition in seajobs before the independance of Cyprus (1960). After 1963 Greek Government offered a number of posts in the Greek Marine Academies and after the events of 1974 this offer was extended to 30 posts per year. From 1981 we commenced having nearly other 30 Enginners graduating the H.T.I. At the same time nearly other 30 radio officers were graduating the Cypriot private schools. Nowadays we have nearly 90 young officers every year but this number can be maintained or increased only if training facilities in Cyprus will be upgraded and extended as previously explained.

CHAPTER VIII

OTHER MATTERS RELATING TO THE DUTIES OF THE MARINE SAFETY
ADMINISTRATION

PART I

INVESTIGATION INTO SHIPPING CASUALTIES AND "INVESTIGABLE
INCIDENTS"GENERALConvention obligations for conducting investigations into
shipping casualties

Investigations into serious casualties is an area of responsibility of all contracting Governments to SOLAS, Load Line Convention and the Convention of the Law of the Sea and furthermore various recommendations have been made within IMO's line of business.

I International Convention for the safety of life at sea (SOLAS) 1974. Regulation 21 - Casualties

(a) Each Administration undertakes to conduct an investigation of any casualty occurring to any of its ships subject to the provisions of the present Convention when it judges that such an investigation may assist in determining what changes in the present Regulations might be desirable.

(b) Each Contracting Government undertakes to supply the Organisation with pertinent information concerning the findings of such investigation. No reports or recommendations of the Organisation Based upon such information shall disclose the identity or nationality of the ships concerned or in any manner fix or imply responsibility upon any ships or person.

II International Convention on Load Lines 1966 Article 23.
Casualties

"(1) Each Administration undertakes to conduct an investigation of any casualty occurring to ships for which it is responsible and which are subject to the provisions of the present Convention when it judges that such an investigation may assist in determining what changes in the Convention might be desirable.

(2) Each Contracting Government undertakes to supply the Organization with the pertinent information concerning the findings of such investigations. No reports or recommendations of the Organization based upon such information shall disclose the identity or Nationality of the ships concerned or in any manner fix or imply responsibility upon any ship or person".

III Resolution A.147 (November 26 1978) Reports on accidents involving significant spillage of oil

"The Assembly,

For the purpose of promoting rapid action by the government concerned in cases of significant spillages of oil following accidents,

Having in mind the recommendation of the Council of the I.M.C.O. as its third extraordinary session,

Recommends to Governments that they

(a) require masters of all ships to report immediately through the channels which may be found most practicable and adequate under the circumstances, all accidents in which their ships are involved which have given or may give rise to significant spillages, of oil. Such reports should, if possible, include details on the nature and degree of pollution, the movement of the oil slick and any other useful information as appropriate;

(b) appoint an appropriate officer or agency to whom such information maybe referred. Such officer or agency would also be responsible for transmission of relevant details to all other Governments concerned;

(c) ensure that any such reports received by any authority in the country be forwarded to such an officer or agency with all despatch

(d) provide the Organisation with information concerning the appointment of such Officer or Agency for circulation to Governments."

IV Resolution A.173 (November 28, 1968) Participation in Official Inquiries into Maritime casualties

"The Assembly,

Noting that there is a variation in the practices of member states with regard to Official Inquiries into maritime casualties, and other proceedings directly consequent upon such inquiries,

With a view to ensuring that states seriously effected by or having a substantial interest in maritime casualties, particularly where oil pollution to their coasts has resulted, shall have an opportunity of being represented at inquiries into, or other such proceedings relating to, such casualties, and

Disiring to encourage international unification of practice in relation to such inquiries and proceedings,

Recommends to Governments that if a state other than the state of the flag is known to have been seriously affected by or to have a substantial interest in a maritime casualty occurring to a ship of the flag state (particularly where the coast of that other state has been polluted by oil) as a result of the casualty:

(1) (a) the state of the flag should, unless an inquiry is held by that state as a matter of course, consult with that other state as to the holding of an inquiry into the casualty by one or other of the states, complying with the provision of subparagraph (2);

(b) if such an inquiry is held as a matter of course by the flag state, the other state should be informed of its time and place;

(2) Such an inquiry should be so conducted that, subject to the national rules related to the special conditions under which inquiries are held in camera,

(a) the public is permitted to attend; and

(b) arrangements are made which would, subject to the discretion of the authority holding the inquiry, allow a representative of the other state concerned to attend and participate in the inquiry at least to the extent of:

(i) questioning witnesses or causing questions to be put through the authority concerned; and

(ii) viewing all relevant documents;

(3) If an inquiry is held by a State seriously effected or having a substantial interest, a representative of the state of the flag should be given similar facilities.

V Resolution A.440 (November 15, 1979). Exchange of information for investigations into Marine casualties

"The Assembly,

Noting that the Maritime Safety Committee has considered reports of investigations into serious marine casualties and has recognized the importance of a free exchange of information between Governments and, in particular, the need for providing details of those casualties.

Being aware that investigations into shipping casualties, especially in the case of collisions, are often hampered by lack of exchange of information where ships under different flags are involved.

Having considered the recommendation made by the Maritime Safety Committee at its thirty-ninth session.

Urges Governments to cooperate on a mutual basis in investigations into marine casualties and to exchange information freely for the purpose of a full appraisal of such casualties".

VI The Convention of the law of the sea
(Article 94 Par. 7)

"Each state shall cause an inquiry to be held by or before a suitable person or persons into every Marine Casualty or incident of Navigation on the High Seas involving a ship flying its flag and causing loss of life or serious injury to nationals of another state or serious damage to ships or installation of another state or to the Marine environment. The flag State and the other state shall co-operate in the conduct of any inquiry held by the other State into any such marine casualty or incident of navigation".

Purpose of casualty investigations

The immediate purpose is to establish, if at all possible, the cause of the casualty and report thereon to the Minister in order that he may determine whether any further action is necessary and, if it is, the nature of that action.

The ultimate purpose is the promotion of Safety of Life at Sea and protection of the Environment. Recommendations made and measures taken as a result of these investigations held to achieve the purpose through the correction of deficiencies and remedial action to prevent recurrence.

Special importance of Casualty Investigations for CYPRUS

International Enterprises - such as ships'and cargoes'Underwriters, Transport Federations and in some cases Governments - have accused Cyprus Administration for failure of conducting investigations into serious shipping casualties. It is not in my intention to deal with these accusations whether are justified or not, but as a matter of fact the outcome of the above mentioned accusations has led to a discrimination of Cyprus ships from some International enterprises. In some cases Hull and cargo underwriters asked for extra premiums against Cyprus ships and cargoes intended to be carried by them.

Cyprus Government has, in some cases, entrusted investigations of serious casualties to International Firms (e.g. the case of the tanker CRETAN STAR). In other cases investigations have been carried out by Officials of the Administration.

But we have to bear in mind that the shipping industry is an International Industry and has to be treated as such. I stongly believe that drastic and substantial developements in this field followed by closer cooperation with shippers, hull and cargo underwriters and other bodies involved will not only lead to lifting of discriminatory measures taken by the various enterprises but on the contrary Cyprus ships will be treated more favourably than ships of some other flags. Such a development will have as a result the expansion of the Cyprus fleet, (quantity and quality wise) as flag competitiveness today, is not only an immediate result of low taxation by the flag state or of other direct benefits offered by it, but furthermore the good image of the flag constitutes a determinative factor of the fleet's prosperity and expansion.

The existing legislation and procedures

Although Cyprus has undertaken the obligation to investigate maritime casualties by ratifying the SOLAS 60 Convention as well as the Load Lines Convention 1966, there is at present not any statutory definition of a casualty for which investigation must be held. Furthermore there is not any reference at all, in the Cyprus law, for the appointment of "investigation officer", his duties and powers.

The procedure followed at present by the Department is as follows:

When information is received that an accident or a shipping casualty has occurred involving a Cyprus ship or any foreign ship while in Cyprus territorial waters, a marine surveyor is appointed by the Director of the Department to investigate the matter.

The appointed surveyor, despite not having legal power and not appropriately appointed under a specific law, takes declarations, statements from the master, crew and other persons involved, provided that above persons are in Cyprus. Furthermore he requires the production of books and documents and he makes any examination or investigation necessary to his judgement. In some cases similar investigations are held abroad by consular officers or surveyors posted in foreign countries within their area of jurisdiction.

When the investigation is completed, a confidential report is submitted to the Department for further consideration.

It is not the Department's practice to publish the surveyor's report since it contains information and statements, given to the investigating officer, in confidence. However, in some cases, interested parties can be furnished with the report or statements derived from it after Minister's consent.

Another area which very often is directly linked with maritime casualties is the area of marine fraud, but the authority to investigate such cases has been rested with the police. I believe that such cases need rather skilful and experienced personnel to be able to investigate deeply and such personnel could be the surveyors of the Department provided that legal power will be given to them.

Obligation to report a casualty

Obviously, new legislation has to be introduced to cover the so sensitive and substantial field of casualty investigations. Such legislation must clearly define that the Master, Agent or any other responsible person for a Cyprus ship within or outside the territory of the Republic of Cyprus, or any other ship within the territory of Cyprus, have an obligation to report any casualty to the Administration immediately.

Categorization of Casualties

Casualties must be categorised for the purpose of judging whether and to which extent an investigation has to be followed.

a) Major casualties can be defined as the casualties which resulted in

- i) Loss of life
- ii) Total loss of vessel or vessels
- iii) Constructive total loss of vessel or vessels
- iv) Watertight integrity of vessel is lost, necessitating drydocking

b) Substantial casualties

- i) Cases of heavy structural damage not affecting the watertight integrity of the vessel but involving heavy financial outlay for repairs.

c) Minor casualties

Where repair involves the vessel in little or no delay and where the watertight integrity is not lost.

Determination of "shipping casualties"

The Law must clearly define what a shipping casualty is. I suggest that a shipping casualty shall be deemed to occur.

- a) when, any ship is lost or supposed to have been lost, stranded or damaged in Cyprus waters, or on a voyage to or from a port of Cyprus;
- b) when, any ship causes loss or damage to any other ship in Cyprus waters;
- c) when, by reason of any casualty happening to or on board any ship in Cyprus waters, loss of life ensues;
- d) when, any such loss, abandonment, stranding, damage or casualty happens elsewhere, and any competent witness thereof arrives or is found at any place in Cyprus;
- e) when, any loss of life occurs by reason of any casualty, happening to or on board any ship registered in Cyprus;
- f) when, any Cyprus ship is lost, or supposed to have been lost, abandoned, stranded or damaged elsewhere;
- g) when, any ship is lost or supposed to have been lost, and any evidence is obtainable in Cyprus as to the circumstances under which the ship proceeded to sea or was last heard of.

Determination of other "Investigable Incidents"

The Law must define that an "investigable incident" shall be deemed to occur when:

- a) There is suspicion or information that any ship being in Cyprus waters or on a voyage to or from a port of Cyprus, or any Cyprus ship elsewhere has been used for unlawful action (i.e. action composing a marine fraud).

- b) there is suspicion or information that any ship being in Cyprus waters, or on a voyage to or from Cyprus, or any Cyprus ship elsewhere has violated any international convention - of which Cyprus is a party - or the Cyprus Law in general.

Actions to be taken by the Administration following a casualty or an "investigable incident".

- a) Very early stages: It is advisable that an officer of the Department (preferably a Marine Surveyor) must coordinate the collection of information in regard to a shipping casualty or "investigable incident" in the very early stages. Then he must inform accordingly the Director of the Department and advise him of any possible action to be taken.
- b) Minor casualties or "investigable incidents": For minor incidents (e.g. less important wharf contacts, reported contravention of collision regulations, reported minor pollution incidents e.t.c.) the request of completion of a form setting out the basic characteristics of the ship, the crew and cargo carried, the time, place and nature of the incident together with official Log's extracts might be adequate.

Report of a casualty or incident: where the circumstances, although not serious, suggest a need for more information, the surveyor must be asked by the Director to report on the incident without necessarily involving the taking of declarations. Then the Director must submit the report to the Ministry together with his comments, if any.

Where the Director thinks it would be helpful to have statements from those best able to describe the casualty or incident the surveyor must appropriately be authorised to take declarations.

In cases of more serious casualties or incidents, or where inquiries instituted show the casualty or the incident is to be more serious than at first thought, the Director must suggest to the Ministry to appoint a surveyor to conduct a preliminary inquiry. This must involve the taking of declarations and thorough investigation into all aspects of the casualty or incident and the appointed surveyor must be given the formal legal power as below.

Authority to hold Preliminary Inquiry into Shipping Casualties or Investigable Incidents

The Minister of Communications and Works must be empowered by the Law to order a preliminary inquiry into any shipping casualty or any "investigable incident", if and when he deems it appropriate:

Appointment of officers to hold preliminary inquiry

The Minister of Communications must be empowered by the law to appoint a surveyor of Cyprus ships or any officer of the Government of the Republic of Cyprus or any other person, to make preliminary inquiry respecting any shipping casualty or investigable incident, and may define the territorial jurisdiction of any such officer or person.

5.4.2. POWER AS TO INQUIRY

The Law must empower any officer or person conducting a preliminary inquiry to:

- a) go on board any vessel or wreck, and inspect it or any part thereof, or any of the machinery, boats, equipments, lading, or articles on board thereof, the boarding or inspection of which appears to him to be requisite for the purpose of his inquiry, not unnecessarily detaining any such vessel from proceeding on any voyage.

- b) enter and inspect any premises, the entry and inspection of which appears to him requisite for the purpose of the inquiry.
- c) require the attendance of all such persons as he thinks fit to call before him and examine for such purpose, and require answers or returns to any inquiries he thinks fit to make.
- d) require the production of all books, papers or documents that he considers important for such purpose.
- e) require every person examined by him to make and subscribe a declaration of the truth of the statement made by him in his examination.
- f) Apply in writing or by cable or by telex and request any information or the forwarding of any document from any person, Agency, Organization, Enterprise or any other body being or operated outside the territory of the Republic of Cyprus, as he thinks appropriate.
- g) may, as regards any premises or ship which he has power to enter on board, give a direction requiring that the premises or ship or any part of the premises or ship or such a part shall be left undisturbed (whether generally or partially respects) for so long as is reasonably necessary for the purposes of any examination or investigation he thinks appropriate.
- h) may take such measurements and photographs and make such recordings as he considers necessary for the purpose of any examination or investigation as he thinks appropriate.
- i) may take samples of any article or substances found in any premises or ship which he has power to enter or board and of the atmosphere in or in the vicinity of any such premises or ship.

5.5. REPORT TO THE MINISTER

The Law must further provide that:

- a) upon the conclusion of any such inquiry, the officer or person who made it shall send to the Minister a report containing a full statement of the case, and his opinion thereon, accompanied by such report of or extracts from evidence and such observations as he thinks fit.

5.6. REGULATIONS

The Law must further empower the Minister of Communications to make regulation or issue instructions:

- a) respecting the reporting of shipping casualties or investigable incidents by ships in Cyprus waters or Cyprus ships in any waters
- b) respecting the reporting of accidents or dangerous occurrences or investigable incidents happening to or on board ships in Cyprus water or Cyprus ships in any waters
- c) respecting the reporting of deaths on and the disappearance of persons from ships in any waters
- d) prescribing the information to be included in any report referred in para a), b) or c) above and the form of the report
- e) respecting any other matter related.

Financing of investigations

Obviously investigations will cause a considerable financial burden to the Department especially when investigators will have to travel abroad. Taking into account the remarkable volume of the Cyprus fleet involved in international trade, travelling expences will be rather high and during an investigation procedures the investigator must not perform any other duties apart from his duties as investigator.

We must also take into consideration that investigation procedures must commence immediately after a casualty or incident has been reported. Financing system for such operations must be effective, very flexible and independent from budgetary restrictions. I would rather suggest that financing of such operations should be achieved through the creation of a "special merchant shipping fund" for which reference is made in a separate chapter.

PART III

An outline for a "Maritime Search & Rescue Plan" for Cyprus

INTRODUCTION

Cyprus, due to its Geographical location could play a very important role over search and rescue operations in the region of Eastern Mediterranean. Furthermore the island has very advanced telecommunication network with a satellite earth station in operation since 1980. But unfortunately since 1974, after the Turkish invasion, nearly 43 percent of the Cyprus land is "de facto" controlled by an illegal regime supported by Turkey and Turkish troops. This fact must be taken into account when search and rescue operations have to be carried out near the coasts of Cyprus which now are under Turkish occupation.

In the present study I will elaborate with possible arrangements taking into consideration the presence in Cyprus of a) two military sovereign bases of the United Kingdom and b) the United Nations peace keeping forces.

2. Alerting system

The Cyprus Radio, a coastal station based in Nicosia, provides marine telecommunication services on a 24 hour basis. The station is adequately manned and equipped with conventional radiotelecommunication systems and in parallel it has direct access to an advanced telecommunication network including the Cyprus satellite earth station. In fact the station provides services to Merchant ship of any Nationality with a remarkable efficiency and with a global coverage.

Furthermore Cyprus Telecommunications Authority has established V.H.F. stations in various locations of the island with direct connection with the Cyprus radio head office. The access of V.H.F. communication system in some cases is more than 400 km.

The Cyprus Radio could be the alerting point of all distress signals and its role in search and rescue operations would be most remarkable if Cyprus Government will be a member of the International Maritime Satellite Organisation (INMARSAT). Obviously, in such a case, the station must be equipped with all necessary machinery and equipment devices.

3. Coordination Center

Search and rescue operations must be coordinated by the Maritime Safety Administration. Coordinators should be Officers of the Maritime Safety Administration with marine background (preferably ships' surveyors employed by the Department of Merchant Shipping) Accordingly the coordination center should be located in the premises of the Department of Merchant Shipping. If search and rescue operation have to be carried out during office hours there must always be at least one surveyor in the Department. But a procedure is necessary to be introduced enabling anyone to contact one surveyor at least after office hours. The "on duty" surveyor can be appointed on a rotation basis and the alerting point (Cyprus Radio premises) must be informed in due time who is the "duty officer" and where can he be contacted. If we take into account that the maximum time needed for a surveyor to reach the Department's premises from any point of Limassol is no more than 15 minutes, I believe that the suggested arrangements are adequate.

4. Duties and powers of the coordinator

The Ministry of Communications and Works after consulting all parties involved, must issue statutory instructions to the coordinators which must determine a) their geographical jurisdiction b) their authority as regards the use of governmental, semigovernmental or private equipment, machinery, craft, aircraft, boats, ships etc. for the purpose of carrying out search and rescue operations c) the departments, persons and or authorities which should or might be contacted over the process of search and rescue operations and d) the existing cooperation arrangements with neighbour search and rescue centers of other countries.

An updated and complete list containing a) an inventory of all means which could be used for search and rescue operations (crafts, tugs, fire fighting, brigades, aircraft, helicopters etc.), their location and capability, persons in charge, telephone and or telex number of them, b) the location, telephone and or telex number of all authorities/departments or persons involved (such as harbour police, police head quarters and or major police stations, officer in charge of the National guard, officer in charge of civil aviation, Port authorities etc.) and c) the telephone numbers and telex numbers of search and rescue centers of neighbour countries.

5. Availability of means which can be used for search & rescue

5.1 Police

Two modern medium size patrol-boats (built 1981, speed 35 knots, designed for open sea operations) have been operated by the police which can be manned at any moment within a very limited time by police personnel specially trained for sea operations. Both patrol boats are equipped with modern radiotelephone apparatus.

5.2 The National Guard

The patrol-boats are available by the National Guard manned with Military-marine personnel.

5.3 Cyprus Ports Authority

Ports of Limassol and Larnaca have available a number of tugs, pilot crafts and patrol boats which can be used for search and rescue operations.

5.4 Ministry of Agriculture

Two light aircrafts are operated by the Ministry of Agriculture, for agriculture purpose mainly and in some cases for oil pollution surveillance. It would be feasible to include those aircrafts in the search & rescue planning.

5.5 The Cyprus air-club

A number of light aircrafts (eleven at the end of 1982) owned by the Cyprus air-club can be operated by amateurs. I believe that most of them shall offer requested service for search and rescue operations.

5.6 The private sector

A great number of craft, fishing boats, tugs, yachts, speed boats etc. could be made available by individual owners and companies. Furthermore a private company with its headquarters in Limassol operates two hydrofoils.

5.7 The Cyprus Airways

Cyprus Airways, the National air carrier, operates about 13 passenger aircrafts. In serious cases the company can make available its aircrafts.

5.8 Possible co-operation with the Government of UK.

As earlier mentioned there are two British sovereign military bases in Cyprus with permanent military staff and Royal Airforce unite. If the Cyprus Government considers it is appropriate, could negotiate with the U.K. Government for a possible cooperation in search and rescue operations. British Royal Airforce could play a very important role in search and rescue operations as it has available a great number of helicopters and aircrafts of various types manned with skilfull pilots familiar in such operations.

5.9 Possible co-operation with United Nations peace keeping forces

United Nations peace-keeping forces in Cyprus have available a considerable number of helicopters which could be very helpful in search and rescue operations. Furthermore United Nations forces could be much helpful when such operations have to be carried out near the coasts of Cyprus which are now under Turkish occupation. I strongly believe that it is advisable for the Cyprus Government to negotiate with the United Nations a possible co-operation in the field.

6. Ratification of the 1969 International Convention on Maritime Search & Rescue

It is recommended that the Cyprus Government ratify as soon as possible the above convention. In order to implement the above convention following steps have to be taken in addition to those explained before.

6.1 CHAPTER 2 Para 2.1.2

The Government of Cyprus must forward to the Secretary General of IMO information on the search and rescue organization including a) national maritime search and rescue services b) the location of the rescue coordination center (telephone and telex numbers of the alerting center (Cyprus Radio) and the coordination center (Department of Merchant Shipping)), the areas of responsibility and c) principal available rescue units (together with possible arrangements between the Cyprus Government on the one hand and U.K. Government and United Nations on the other hand)

6.2 CHAPTER 2 Para 2.3.3.

The requirements of this paragraph can be met - as the alerting center (Cyprus Radio) can directly communicate with rescue units and can receive all distress communication - provided that Cyprus radio can intervene in the phone circuits of the Department when the lines are busy for the purpose of forwarding emergency information (such a technical requirement can be met very easily)

6.3 CHAPTER 2 Para 2.4.1

The Government must designate all state, public or private rescue units or other rescue units which possibly can be available after suitable arrangements (possibly with U.N or U.K) and all elements of the search and rescue organization state, public or private services able to participate in search and rescue operations and the functions of those elements must be clearly defined.

6.4 CHAPTER 2 Par. 2.5

The Government must supply the rescue units with appropriate equipment in accordance with subparagraph 2.5.4. I would recommend the supply of the following rescue units a) the two police patrol boats b) the three patrol-boats of the National Guard c) the two aircrafts of the Ministry of Agriculture d) at least one tug-boat

in each of the ports of Limassol and Larnaca e) the two hydrofoils based in Limassol.

6.5 CHAPTER 3

Regional Cooperation could be achieved between the Cyprus Government and the Government of Israel, Lebanon (hopefully peace will prevail in that country), Syria and Greece. Unfortunately under the present circumstances there is no space for cooperation with Turkey, of any kind.

6.6 CHAPTER 4

In addition to the requirements mentioned in para. 4 in connection with information relevant to search and rescue operations which must be available in the search and rescue coordination center, all requirements of CHAPTER 4 have to be met.

6.7 CHAPTER 5

As the convention will be adopted as part of the National legislation, the ratification requirements of chapter 5 - which concerns the alerting station (Cyprus Radio) - have to be met and the procedures for the rescue coordination center during emergency phases must be followed.

PART V

Present arrangements for the prevention/combating/control of Marine Pollution

I) International Conventions:

Cyprus has ratified the 1954 International Convention for the avoidance of pollution of the sea by oil as amended in 1962 and 1969 and the Convention for the Protection of the Mediterranean Sea against pollution together with the "Protocol for the prevention of pollution of the Mediterranean Sea by dumping from ships and aircraft" and the "Protocol concerning co-operation in combating pollution of the Mediterranean Sea by oil and other harmful substances in case of emergency". It is also member of the Regional Oil Combating Center based on Manoel island, Malta.

II) Other legal requirements related to Marine Pollution:

The Law 8 of 1980 (Ratification Law of the OilPol Convention) among other things requires:

- a) Art.(4) Prohibition of oil or oily mixtures discharge within the territorial waters of Cyprus or within the sea area extending 100 miles from the shore.
- b) Art.(5) Prohibition of the use of chemical dispersants for the purpose of combating oil pollution at sea, without the consent of the appropriate Authority.
- c) Art.(6) Obligation as to report pollution incidents observed within the territorial water by ships' masters or aircraft pilots.
- d) Art.(7) Obligation of the ships' masters to deliver all oily mixtures or residues to the Cypriot reception facilities.
- e) Art.(8) Obligation of ship repair units and oil load, oil discharge and oil transfer terminals to provide reception

facilities according to the necessities of ships using them.

- f) Art.(9) Obligation of tankers'masters approaching Cypriot ports or bays as a result of "act of God" to inform the appropriate Authority as per the time of arrival the quantity and type of oil carried on board, as well as oil residues and dirty ballast, the last port of call and the reasons for the approach.
- g) Art.(10) Obligation of ships' masters and other responsible persons to take all appropriate measures for the avoidance, elimination or combating of oil pollution, reporting their action to the appropriate Authority. Empowerment of the appropriate authority to use private equipment and units for the purpose of combating oil pollution.
- h) Empowerment of the Council of Ministers for the issue of Regulations in connection with the better application of the Law.
- i) Art.(12) Sanctions against persons violating the Law (imprisonment up to two years and or penalty up to 500.000 Cyprus Pounds).
- j) Art.(13) Empowerment of the Minister to accept compounding settlements.

III) The special importance of Pollution Prevention for Cyprus

Cyprus economy is based on a significant extent on the tourist industry. During the decades of 1960 and 1970 Cyprus beaches were heavily polluted by oil and oily mixtures originated from tank washings of tankers operating in the eastern Mediterranean Sea.

The situation now has been improved to a great extent since MARPOL Convention came into force internationally, determining Mediterranean Sea as a special area. Apart from legislative, administrative and other measures which have to be taken,

(establishment of adequate reception facilities, coast surveillance, improvement of pollution combating capability e.t.c.) we must also take into consideration the consequences of a major shipping casualty in the area which will possibly cause heavy pollution of the Cyprus coasts. Under the present circumstances, such an incident would be catastrophic for the Cyprus economy. We must also bear in mind that the possibilities of such a casualty occurring, have been increased since the enlargement of the Suez Canal has made feasible the passage of fully or partly loaded supertankers.

IV) Concequencies resulting from the Ratification of 1973 MARPOL Convention and its Protocols

a) Reception Facilities: Cyprus is not yet a party to the above Convention but it is believed that the Convention and its Protocol will soon be ratified .

Reception facilities will be needed in the ports of Limassol and Larnaca for the purpose of receiving and treating oily mixtures and bilge water from ships calling at Cypriot ports. Furthermore additional facilities will be needed for the purpose of receiving and treating dirty ballast, sludge and oily mixtures from ships intending to carry out repair works in repair yards or tankers intending to load oil or oily products from Cypriot oil terminals.

Obviously the relevant obligations of the three different enterprises involved (The Cyprus Ports Authority, the repair yard and the oil terminals) could be distinctive but there is area of cooperation among them.

Several studies have been carried out through IMO's technical assistance, but existing facilities are absolutely inadequate for meeting the requirements of MARPOL.

Proposals: I will not deal with the subject from the point of

view as what kind of facilities would be adequate, since the matter has been extensively and in detail dealt with by experts. I would recommend that as regards the facilities, which have to be created and operated by the Cyprus Ports Authority, they should be administered in such a way as to encourage ships using the facilities. A small increase in the ports dues for all ships entering or using Cypriot ports - regardless of using or not the Ports reception facilities - could be adequate to cover operational expenses of those facilities and part of the capital needed for their establishment. By this scheme shipmasters will not have any reason for discharging illegally oil residues or bilge water at sea. Being aware of the fact that a major increase of the ports fees - for the purpose of covering the capital and operational expenses of reception facilities - would endanger the commercial competitiveness of Cypriot Ports, I would rather suggest that the Cypriot Ports Authority must be financially supported for that purpose. Funds adequate to cover partly or in full the capital expenses for the creation of reception facilities could be made available from the proposed "Special Merchant Shipping Fund" (the subject is dealt with in the end of the present study).

As regards reception facilities to be provided by oil terminals, such facilities must be adequate to receive dirty ballast if facilities are used by tankers proceeding in these terminals for loading oil or oil products. If such facilities would not be provided, then Government should introduce legislative measures enabling the Department to prohibit loading of those ships unless (a) they are furnished with segregated ballast tanks of enough capacity to perform ballast voyages without necessarily ballasting cargo tanks and (b) there is proof to the satisfaction of the Administration that cargo tanks were washed and cleaned from previous cargo remains while the ship was alongside another terminal or reception facility or, tank washing was not performed in a manner contrary to the Convention and furthermore that the clean ballast in cargo tanks will not be discharged in a manner violating the Convention.

Accordingly ship repair yards should be required to provide reception facilities adequate to meet the needs of ships using them.

b) Certification of ships flying the Cypriot flag

Classification Societies must be authorised to carry out surveys in accordance with the provisions of the Convention and issue the relevant certificates (International Oil Pollution Prevention Certificate)

V) OIL POLLUTION COMBATING SYSTEM - CONTINGENCY PLANNING

The Department of Fisheries, Ministry of Agriculture and Natural Resources, is the Department dealing with combating of oil pollution at sea. The above Department maintains a continuous co-operation with the Regional Oil Combating Center of the Mediterranean countries based in Malta. It has also developed its own contingency planning for dealing with oil spillages. Two small ships belonging to the Department of Fisheries are equipped with antipollution equipment devices and also two light aircrafts can be used for surveillance and spreading of dispersant chemicals on the sea surface.

It must be noted that the capabilities of the Department of Fisheries are limited and it is believed that the existing facilities and infrastructure are not adequate to deal successfully in a possible case of major pollution incident. To the best of my knowledge, no efforts have been made for the coordination of the Fisheries' Department planning and activities (in the field of oil pollution) with the Department of Merchant Shipping. Obviously close co-operation between the two Departments is absolutely necessary and further consultations have to be done. The contingency planning must enrol also surveyors of Cyprus ships with primary duties and new legislation must define the duties of each Department as well as responsibilities.

VI The necessity for ratifying the 1969, Brussels, Liability Convention and the 1981, London, Fund Convention

The 1969, Brussels, Convention which limits the liability of tanker owners (tankers carrying more than 2000 tons of oil) to a certain degree, must be ratified soonest possible, for enabling the Government to become a member of the 1971, London, Fund Convention. In a case of a severe tanker casualty which would have as result extensive pollution of Cyprus coasts, the consequences would rather be catastrophic for the economy of the country, since - as mentioned before - its tourist industry is the most important economic field of vital interest. The International Fund for compensation for Oil Pollution Damages, is the only scheme at present covering extensive pollution damages above the Civil Liability limits. Obviously the annual contributions necessary for the Government to become member of the Convention (annual contribution based on the quantity of oil imported) have to be paid by the Oil Companies. It is self evident that finally the consumers would cover that cost indirectly but the same procedure has been followed by the great majority of other countries.

VII Port state control in connection with Pollution Prevention Requirements

After MARPOL 73/78 ratification, ships which do not comply with the requirements of the Convention must not be allowed to enter Cypriot Ports. Additional pollution prevention measures will have to be taken and inspection of ships, examination of Oil record books etc. Furthermore regulations and checklists for tankers proceeding to oil terminals, to load or discharge cargo, must be enforced. It should be recommendable for surveyors of the Department to inspect all tankers during loading and discharging operations and ensure: a) that all necessary measures for the prevention of pollution have been taken and b) the said tankers did not discharge any slops or ballast within the Mediterranean Sea area.

CHAPTER IX

FINAL OBSERVATIONS, RECOMMENDATIONS

Part I strategic planning

During the past four decades the shipping industry of the entire world has experienced a period of virtually unprecedented change. Advances in intermodal and vessel technologies, high inflation levels, fluctuations in currency exchange rates, unstable energy supplies and prices, volatile interest rates, labour unrest and political instability in many world areas, have combined to introduce a level of uncertainty unparalleled in recent business history. The above factors have led to deterioration of the shipping industries of countries with long maritime tradition while countries with no tradition at all in the field or at least not a considerable one, have made enormous progress.

I would like to start by spending a few words discussing the priority which I believe must be given to the strategic planning process in an industry subject to ever increasing risks and uncertainty. Without a clear and well conceived strategy, that industry will not survive in the highly competitive environment within which it operates today. Such strategies must be based on comprehensive planning and a sustained participatory commitment by senior policy makers, for the real challenge of strategic planning is in its implementation which has to be in harmony with the desirable goals and objectives. Another challenge in this planning process is to convince the decision makers that they can plan effectively, and that they will be much more successful if they devote sufficient time and effort to this activity. Neither challenge can be met without an unqualified commitment by the decision makers.

Obviously, Cyprus has developed a remarkable shipping industry. By the term "shipping industry" I do not only mean the shipowning and shipmanagement industry but the whole infrastructure including its activities from the point of view as an open registry country. Despite criticism and discrimination - in many cases - of open registries, it is a fact that those registries not only have survived but furthermore their sharing in the International market has been increased.

It is not my intentions to argue in favour or against the so-called "flags of convenience" but most economists agree that they must better be called as "flags of necessity" instead, and based on the latter characterization I will try to explore what possibilities does Cyprus have in the field, connected with strategic planning.

While, in the case of Cyprus, figures and statistics have been enjoying prosperity, I do not think we have taken full advantages of opportunities in the external environment. To clarify, I must mention that despite our absolute advantages over other open registries, only European operators are using our facilities although shipowning and shipmanagement activities are increasing in the Far East and decreasing in Europe and the West. Our main advantage over other open registries is that Cyprus being a small country can afford to offer its services at comparatively very low prices. Furthermore our administrative and technical control as well as services over our fleet are provided directly by employees of the Administration (surveyors, administrators, consuls etc.)

Presumably our strategic planning was rather not appropriate as the results are rather poor compared with the opportunities we could take advantage of. I believe that effective planning followed by effective implementation, in the case of Cyprus, would certainly have as a direct result multiplication of its shipping industry and obviously benefit to a great extent the national economy. It is self evident that to achieve this goal, continuous investments have to be directed to the shipping industry.

PART II Investments in the shipping industry. Proposed establishment of the "Special Merchant Shipping Fund"

The present system for financing the Merchant shipping activities (within Government's responsibilities) has certain limitations and inflexibilities. For instance all non budgetary expenses (such as expenses for the participation of Cyprus in International conferences, expenses for casualty investigations, training of surveyors etc.) must be approved by the Ministry of Finance, usually after long consultations, which, in many cases, lead to misunderstandings or disagreements.

But obviously different criteria should be taken into consideration when decisions concerning the Merchant Shipping Department are made, since the Department's activities are mostly international ones.

I believe that the best solution should be, the Department to be allowed to develop its own sources for financing the improvement of its own infrastructure or operations and furthermore contributing in the financing of related projects. The main areas of development in the field are the followings:

- I) Financing investigations into shipping casualties and, or, other investigable incidents.
- II) Financing ships survey or and inspection operations.
- III) Financing the participation in international conferences, meetings and other related activities for the purpose of promoting Cypriot shipping interests.
- IV) Financing the training of Department's employees.
- V) Financing Port State Control operations
- VI) Financing the Department's infrastructure development (such as expenses for the purchase of equipment, instruments, books, manuals, stationary, expenses for computerization, purchase or rent of a suitable building to be used for premises etc).
- VII) Covering expenses for the repatriation of seamen - in cases of abandonment by the shipowners - their relief and legal protection.
- VIII) Subsidizing development projects in the field of Maritime training.
- IX) Subsidizing projects in the field of control and combating oil pollution (e.g. the development of reception facilities, purchase of antipollution equipment etc.)

- X) Financing search and rescue operations.
- XI) Financing the projection of Merchant Shipping activities and developments.
- XII) Financing Department's projects, such as expenses for consultants' services, expenses for the Department's legal representation abroad etc. All the above mentioned objectives could be achieved by the establishment of a "special Merchant Shipping Fund". The sources of the Fund could be:
 - I) Revenues from direct taxation of Cypriot ships. It must be mentioned that Cypriot ships taxation is extremely low compared with the same type of ships flying the flag of other open registry countries. Some additional taxation for the fund will not influence at all the competitiveness of the Cypriot flag; On the contrary the fund's establishment will enable the Department to follow the Government's policy for better and more effective control of the fleet which will certainly result in a better reputation of the flag and furthermore services to the shipowners would be improved. The contribution of each ship to the "special Merchant Shipping Fund" must be based on a) her tonnage b) her age (multiple contribution for overaged ships) c) her type (double contribution for passenger ships, increased to 50 % for tankers etc). d) her real owner-ship or management (less contribution to 50 % for ships belonging to Cypriots or having the real management in Cyprus). Having in mind the present structure of the Cypriot fleet, an annual average contribution per ship of 1000 pounds could result a revenue of 800 000 pounds.
 - II) Revenues from fees payable in connection with services provided by the Department such as measurement of ships, inspection and survey fees, certification, stamp duties, documentation etc. With the present status it is believed that these revenues could reach the amount of 150 000 pounds annually, but we should expect a much higher amount if the proposed scheme of joint surveys with the classification Societies - which has been dealt with in CHAPTER V - will be adopted.

Administration of the Fund

The Fund could be administered by a committee appointed by the Council of Ministers. It is self-evident that special legislation must be introduced which must determine the duties and responsibilities of the above mentioned committee. It would be extremely important to establish a mechanism enabling the Department to decide - within certain limitations - on expenditures related to urgent necessities (e.g. casualty investigations, repatriation and relief of seamen, survey and inspection of ships etc.)

The committee should have as primary responsibility the evaluation of long term necessities and infrastructure development. All expenditures must be approved by it and it should be responsible for them to the Auditor General's Office of the Republic. Any credit balance of the Fund at the end of the year should be transferred to the next year's budget.

PART III Recommendations related to the Department's structure

I Port state control:

Guidelines referring to Port State Control are included in the following International instruments

- a) IMO's Resolution A.466 (XII) embodying "Procedures for the Control of Ships"
- b) IMO's Resolution A.481 (XII) embodying "Principles of safe manning" together with its two Annexes entitled "Contents of minimum safe manning Document" (Annex 1) and "Guidelines for the Application of principles of Safe Manning (Annex 2)
- c) IMO's Resolution A.542 embodying "Procedures for the control of ships and discharges under Annex 1 to MARPOL 1973/78
- d) The Merchant Shipping (minimum standards) Convention, 1976-ILO Convention 147

The development of an effective mechanism and sources for the purpose of exercising satisfactorily the Port State Control would be extremely beneficial for Cyprus for the following reasons:

- 1) Substandard ships will not be allowed to trade in Cyprus and consequently many problems will be eliminated such as casualties, congestion in ports, commercial disputes etc.

2) Cyprus may be in a position to become a member state of the 1982 Paris Memorandum of Understanding. The consequences resulting from such a possible development will be extremely beneficial for the Cypriot fleet since:

- i) a direct communication network with the other member states will be established which will certainly contribute significantly to the field of the control of Cypriot ships proceeding to the ports of the above mentioned states
- ii) Cypriot ships will not be discriminated in these ports.

To achieve the above objective I believe that at least two surveyors of the Department must exclusively deal with Port State Control. Besides their responsibilities resulting from the above duties they could also deal with survey, inspection, and certification of small ships, crafts and yachts, crew claims etc. within their area of jurisdiction.

One surveyor must be stationed in Limassol and the other in Larnaca. The surveyor stationed in Larnaca will also be able to deal with tankers' safe load and discharge operations, and pollution control and prevention since the traffic in that port is less than Limassol port.

II Admiralty Marshal: The functions of the Admiralty Marshal are quite independent from those of the Department. Being the executive of the decisions of the Supreme Court (related to shipping) he is directly responsible to that Court and administratively he should belong to the Ministry of Justice instead. I would recommend either a newly recruited person (with marine background) to occupy this post, or a surveyor of the Department to be transferred instead, provided a new surveyor's vacant post bill be created.

III General policy: Another surveyor should be dealing with general policy matters and assist the Director in his duties. Such matters are:

- a) Matters related to classification Societies, co-ordination of IMO, ILO, UNCTAD matters, preparation of shipping legislation, supervision of developmental projects related to safety matters etc.

IV Pollution combating and prevention: A marine surveyor should be responsible for pollution prevention and combating matters, implementation of MARPOL and other conventions related to pollution, casualty investigation matters, Navigational matters, dangerous goods etc.

V Tonnage measurements and other matters: A surveyor with the background of naval architecture should be responsible for Tonnage measurement, ship construction including load line matters etc.

VII Maritime education, training and other matters

A marine surveyor should be responsible for maritime education and training matters, examination - certification of officers and seafarers, employment conditions, complaints, working conditions, register of seamen, licencing of small craft and pleasure yachts, search and rescue etc.

VIII Services outside the Republic:

a) London: There has already been posted a surveyor in the Cypriot High Commission of London dealing with IMO's affairs and spot checks of Cypriot ships within his area of jurisdiction. Despite the great importance of this location it wouldn't be recommendable at present to strengthen the delegation there since another administrative official of the High Commission is dealing with registration of ships and other relevant matters and furthermore other priorities prevail. There is of course a necessity for a better attendance and follow-up of IMO's matters, but this objective could be achieved by strengthening the head office's capabilities and by the attendance of IMO's important meetings by Department's officials or the Director.

b) Piraeus: The Marine surveyor posted in Piraeus in addition to his duties as surveyor and inspector of Cyprus ships, act as assistant to the Registrar granting certificates of provisional registration and accepting documents concerning transactions in respect of Cyprus ships upon the Registrar's instructions. It must be mentioned that the load of work in the Piraeus Office is extremely heavy since almost half of the Cypriot fleet is controlled by Piraeus based operators.

Therefore we have an urgent necessity either to post an Administrative Officer in that Office - in order to perform the duties of the Registrar's assistant or, to post a second Surveyor. I am in favour of the latter idea since the surveyor's task requires him to work out of the office even for days and weeks (inspection and survey of ships in other Greek ports or ports of countries within his jurisdiction) and therefore the office would remain without technical staff if an Administrative Officer is posted instead. Furthermore the Administrative Officers are transferable personnel within the Government's system and dealing with such delicate functions as those of the Merchant Shipping require special knowledge and long experience. It is self-evident that the office's capabilities would be eliminated when the sole surveyor is absent for other reasons (health reasons, vacation etc.)

c) Hamburg: Since Cypriot ships operators having their premises or managing offices in Germany are controlling a significant volume of the Cypriot fleet consideration should be given whether it would be appropriate to establish an office in Hamburg and post there a surveyor. In addition the geographical location of Hamburg should be ideal for inspections and surveys of Cypriot ships calling at North European ports.

d) Far East: The establishment of an office in that area, - apart from the increasing capabilities for better and more effective control of Cypriot ships in the area - would certainly attract new business since at present the Cypriot flag is rather unknown by the Far East based operators.

VIII Administrative and other personnel

The two present Administrative Officers of the Department assist the Director in the performance of his duties as Registrar of Cyprus ships and in Administrative matters. Another officer of the Department is the accountant who is supervising the accounting office. Two clerks and thirteen clerical assistants are assisting the Director, the Administrative officers, the accountant and the surveyors in their office work.

It is an undisputable fact that had the Department been furnished with the necessary equipment, devices and systems, (such as personal computers, data processing systems, communication systems etc.) its capabilities should be multiple even with the present personnel, provided they would be properly trained for the purpose. I consider this as a necessity of high priority as I believe that it is impossible to develop the Department's efficiency to a satisfactory extent by applying conventional methods and technology even if we increase the number of employees.

IX Revision of the Cypriot Maritime Legislation

As it has been mentioned in previous stages there is an urgent necessity for revision and updating the Maritime legislation. An expert has been employed since 1982 working on that project.

I would recommend on the point that the private industry as well as other persons should be enrolled for that purpose. It is absolutely impossible such an important and difficult work to be carried out by an expert and the Department's personnel, without consulting the private industry and/or other persons and Authorities, at a certain stage.

Such consultations should require the establishment of an advisory committee consisting of:

- a) The employed expert and or other consultants
- b) Officers of the Department as well as the Director
- c) An ex judge or a legal adviser to advise on constitutional and legal matters
- d) Representatives of owners. Such representatives could be lawyers acting as secretaries of most Cypriot companies and thus their opinion or comments would reflect the same of the shipowners

IMO's technical assistance in the field could be extremely valuable. Such assistance could be more effective if the Department determines exactly what kind of technical assistance is required and supplies the Organization with all relevant information prior to IMO experts' arrival in Cyprus.

BIBLIOGRAPHY

1. CHRYSSES DEMETRIADES: CYPRUS AND INTERNATIONAL TAX PLANNING
2. P.S. Vanchiswar: IMO'S Mission report Maritime Safety Administration adviser, CYPRUS
3. I.L.E. Jens: Report of IMO's mission to Cyprus Maritime Safety Administration
4. The shipbroker: Shipping monthly magazine
5. Andrew Gipson: Notes on strategic planning

Shipbroker



Canals — open for
business

West Germany —
container boom

Rapid Communications —
the latest in the field

REGLIUM 10-100

SHIPPING'S BUSINESS MONTHLY

A Shipbroker special feature

Cyprus

Report by
Stephen Seary

An island building success on its natural assets

IT IS the geographical position of the island of Cyprus, standing as it does at the eastern end of the Mediterranean at the crossroads of Europe and Asia and offering, potentially, easy access to the Middle East that has been the making of the island's trade and shipping.

Yet it is a surprising fact that home-grown shipowners on the island are few and far between, but not a fact that has stopped growth of the island's burgeoning ship registry or the growth of its transit trade.

Since the events of 1974 which split the island between the occupying Turkish army and the native Greek Cypriots Cyprus has built a pair of modern and effective ports equipped to handle the trade that it can generate itself plus that transit trade

Since the outbreak of the Lebanon hostili-

Cyprus has been in the headlines for the past 30 years. Here we look at the ports and shipping of this nation of survivors

ties Cyprus has picked up trade in transshipment that might otherwise have gone to ports in that troubled area and there are still nagging fears within Cyprus that if the situation normalises in the Lebanon some of the trade may well revert to those ports.

The future for the ports of Limassol and Larnaca lies with the container business and the soaring statistics prove that the country's investment in new equipment to cope with the numbers of containers coming into Cyprus is more than justified.

Last year alone the country saw its container trade rise by nearly half and the numbers of calls by vessels in the ports also rose by a quarter leaving no doubt that the trade boom the island has experienced over the past few years is showing no signs of abating.

■



The new container cranes at Limassol in full use. Delivered in July 1984, they are partly responsible for the soaring throughput at the port.

THE TWIN ports of Limassol and Larnaca bear witness to the fact that Cyprus has shown massive determination to survive as a trading country following the events of 1974. A modernisation plan that involved building up the two ports to replace the former leader, in trade terms, Famagusta has been a tremendous success and Cyprus shows all the signs of a country that does not know the meaning of the word recession.

New container handling equipment and a new terminal at Limassol are set to improve on the 170,000 boxes containing 1,042,000 tonnes of cargo that passed through the port in 1984 and Larnaca, the smaller of the two ports recorded a throughout of 92,000 containers with 640,000 tonnes of cargo in them last year.

The two ports have expanded far beyond the needs of Cyprus alone and they are

now handling large amounts of the transit trade that would probably have gone to Lebanon for forwarding to the Middle East or other areas of the eastern Mediterranean.

Transit traffic now accounts for over one third of the total handled by Limassol and Larnaca.

Cyprus is an area that is prepared to provide any shipping service that the customer wants. Its own domestic trade is concerned with the exports of wine and cement plus, of course, the inevitable agricultural products including some of the finest citrus fruits to be found anywhere.

Imports are in the form of manufactured goods and raw materials. All the island's energy has to be paid for and oil must be imported. Electrical power is a bone of contention to the Cypriot people as it is still supplying power to the Turkish occupied

Containerisation has added to the Limassol skyline as well as to the country's trade.

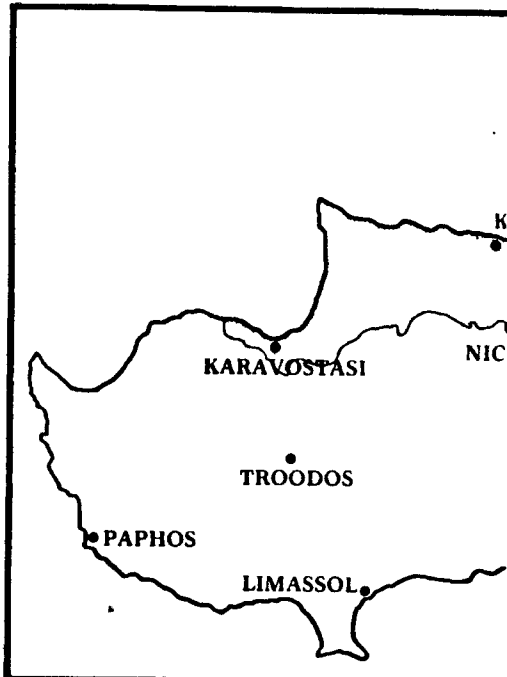


Port mod aids transit

north which is never paid for

The Cyprus Ports Authority which controls the ports of Larnaca and Limassol says that human skill has been a big factor in the development of the island's ports. Spokesman Nicos Nicolaou said that when the development of the ports started the country was not very advanced in terms of port technology but now the ports were getting ships in and out with the minimum of fuss and had advanced dramatically.

He paid tribute to the drive and eagerness of the pilots and the tug operators in the two ports who operate 24 hours a day. The



Economic despite poli

ANY LOOK at the political or economic state of Cyprus cannot ignore the fact that the island is split into two following the invasion of Turkish forces in 1974, but the reasons for that action do not belong in such an analysis.

When the invasion took place the economy of what is now the Republic of Cyprus was at least temporarily crippled. A large proportion of the most productive areas of the island were taken over and the Republic was forced to turn to other areas.

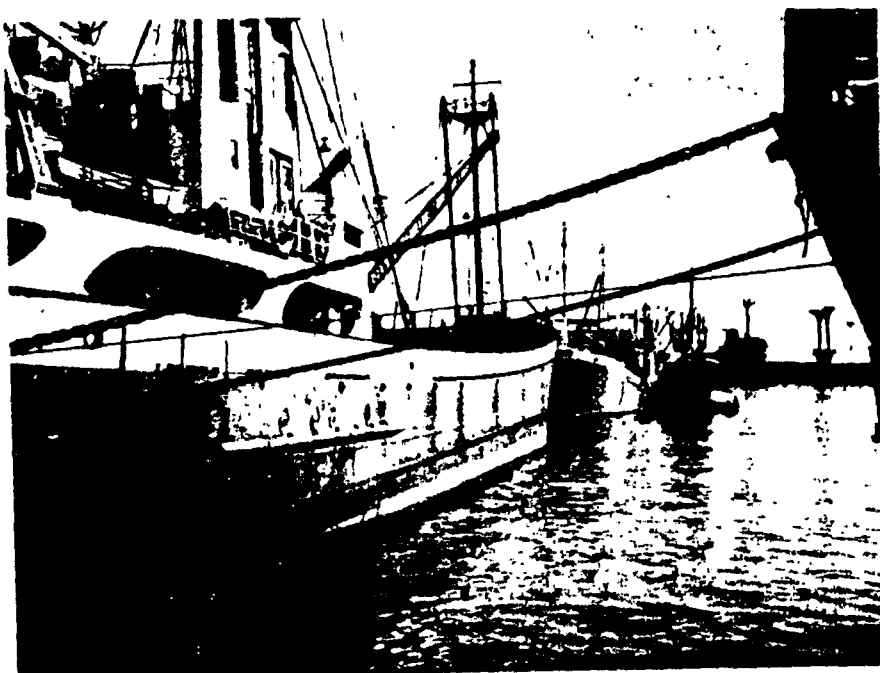
The situation today has improved for the Republic. When the invasion took place it lost the port of Famagusta which had been the

isation de growth

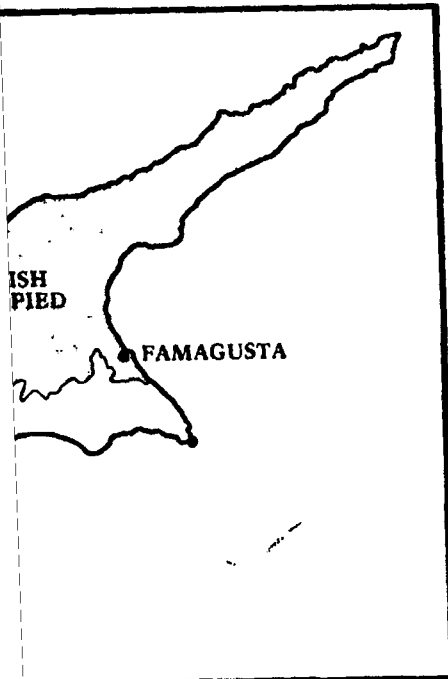
ports will load or unload ships up to 11pm but with typical Cypriot flexibility will work them at other times by arrangement.

Mr Nicolaou said that the CPA operates the two ports together, to ensure that the individual companies using them get the best possible service.

Despite the fears over renewed peace moves in the Middle East affecting trade in the two ports Limassol port manager Captain John Gingham said he was not interested in occasional flare-ups in the region to boost his trade. "We are trying to build a regular transit trade in both containers and other



Smaller vessels such as these play a large part in the transit trade of Cyprus acting as feeder vessels.



cargoes," he said. He added that the container business was now the major part of the trade in the port.

Containers are very important to the future of Limassol but this has not stopped the delaying of the commissioning of the new container terminal because of internal arguments over the type of equipment that the terminal should be given. Even this has now been solved and it should not be too long before the terminal is working at full capacity if the present growth rate is maintained.

At Larnaca port manager Captain George Mikellides bases much of his transit trade on the East German DSR Line which has just signed a new contract to continue using the port for the next five years — this means 500 calls by the line's vessels and 55,000 containers moving through the port.

May is one of the busiest times of the

year for the port of Larnaca when the potato crop is harvested and exports begin in a big way. Last year the port handled 130,000 tonnes of potatoes in 40 days.

Now the port is having dredging work that will take the maximum draft for vessels entering Larnaca to 10 metres from the present 9.5 metres and the port is to have a new crane capable of handling up to 45 tonnes at a time with a spread of 26 metres which will speed up the discharge of ships using the port's South Quay and allow a rate of 55 containers per day to be moved.

It is only two years since the port acquired a new quay and a 12,000 square metre shed plus a new Ro-Ro ramp. The South Quay is now well-equipped with two sheds

Continued on page 23

ansion problems

mainstay of its trading activities but since then with the port declared closed by the Republic the ports of Limassol and Larnaca have been developed in a multi-million dollar plan that has proved to be a great success.

The ports have a transit trade built on the ideal location of the island at the crossroads of the continents of Europe, Asia and Africa and it is this location that is proving to be a major attraction for much of the trade going into the island.

The figures show that the ports are healthy but compared to the figures for the previous

Continued on page 23

General cargo is still handled in the largely traditional manner on the quay at Limassol where liners also dock.



Looking to be competitive in the transit business

THERE IS no doubt in the mind of Cyprus' Minister of Communications and Works, Christos Mavrellis, of just how valuable to the island its ports and shipping industry is.

"We are an island, we have no other means of large scale transport — all our exports go out and our imports come in by sea," said Mr Mavrellis.

He confirmed that the island has been making a "tremendous effort" to improve the facilities at its ports. "We are now at a point where we can offer our facilities for transit," he said.

Mr Mavrellis confirmed the opinion of his officers that it has been the unstable situation in the Lebanon that has led to much of the transit trade arriving on the island. "We are trying to create a situation where we are not so sensitive to the developments in other countries.

Aggressive

"It is our aim to become competitive and aggressive in our efforts to attract trade in the Eastern Mediterranean. We are trying to cut our costs and improve efficiency so that we can handle the second and third generation container ships," he said.

And to this end there is to be more equipment for container handling at the Port of Limassol, but Mr Mavrellis confirmed that there has been some "controversy" over the equipment but he said that the authorities were approaching a decision over just what equipment would be installed within the port.

Mr Mavrellis said that there is no further expansion for the port of Limassol planned at present but he confirmed that Larnaca is to get a new 55 tonne capacity crane and is to be dredged to give it the capacity to handle bigger ships.

High point

On the registry Mr Mavrellis said that the tonnage had now reached its highest point and had increased by three times in the last three years as bigger and newer ships had taken advantage of the financial factors to hoist the Cypriot flag.

"The average age of the ships is now lower and we are preventing the registration of older vessels," said Mr Mavrellis.

And to assist in building the reputation of the flag Cyprus has now ratified the Safety of Life At Sea conventions of 1974 and 1978 and over the past 18 months the government has been engaged in a revision of the country's shipping legislation which will culminate in a Bill to be put before the House of Representatives by the end of the year.

The Bill will include new manning regu-

lations and the Government is looking at the possibility of establishing a network of surveyors in major shipping centres as well as the ratification of many of the international shipping regulations and conventions.

Mr Mavrellis is himself a former maritime lawyer and he confirmed that he was doing all that he could to regulate the growth of the country's registry and the regulations that govern the ships on that register.



Christos Mavrellis.

"We are an island — all our goods move by sea"

"In 1963 when the registry was established under the Department of Ports there were not sufficient personnel to regulate it and there were incidents that created gossip about the Cyprus flag being no more than a flag of convenience," he said.

"Now we have the Department of Merchant Shipping which has its own sur-

veyors and has been organised on a new basis. It is in touch with all the classification societies and ships have to comply with international conventions so we are doing what we can to improve the flag," said Mr Mavrellis.

He added that the department has created two new posts for surveyors this year but despite this Mr Mavrellis commented, "there is room for improvement in our inspection and control."

Nominating

Cyprus was a small country and as such could not afford to have its own permanent staff of inspectors but it was thinking of nominating a private company to carry out inspections on its behalf — a point that may be included in the new legislation.

"We are not a flag of convenience in that we do not care," he said, "accidents are always reported and always investigated but it is true that foreigners can own shares in companies."

Cyprus has bilateral agreements with countries that provide crews in order to ensure that conditions for the crews are much the same as those in the country of their origin. As a small country Cyprus must employ foreign seamen "there are just not enough local seamen," said Mr Mavrellis.

The minister was enthusiastic over the establishment of the country's marine school with its three month courses for engine room and desk personnel and an international examination syllabus that provided certificates of training for seamen — and the school is now to train seamen from other countries.

Promotion

The future for Cyprus shipping is looking good according to Mr Mavrellis with Cypriots owning more of the tonnage and the cargoes and strong efforts from the Government to promote shipping.

The Government sees moves towards more of the country's shipping being owned by its nationals as being particularly good. "This brings in foreign currency and helps to reduce the exports of currency," said the minister.

And with the nation's ship management business also flourishing the industry is now providing employment for more of the professional men and women on the island, especially accountants and lawyers, he said.

Despite consistent comment that the island is facing an economic crisis Mr Mavrellis said that there is no crisis at present, "but because there is always the potential risk we are always careful."



Container handling at Larnaca.

Quality boom as registry attracts newer, bigger ships

POSSIBLY one of the most important aspects of shipping in Cyprus today is the country's ship registry which, after a shaky start in the early sixties has found respectability and a fleet quality that might be envied by other nations.

The structure of the registry was altered in 1982 to make it more attractive for owners of larger and younger ships and more expensive for owners of older and smaller ships but according to Department of Merchant Shipping director Serghios Serghiou the registry is still much cheaper than the Liberian and Panamanian registries.

Cost is one of the major factors for the Cypriot registry. While keeping the cost low to the owners it does bring in much needed foreign currency which helps to offset the ever-mounting cost of oil to the country.

The registry is, of course, inextricably entwined with the laws of commerce in Cyprus which say that the company is considered independent from its shareholders and therefore some of the companies on the register can be foreign controlled but they are regarded as being Cyprus-owned.

Since taking office Mr Serghiou has reorganised the department so that it can now deal with technical problems and the country is planning to ratify the majority of the international conventions on shipping.

Cyprus has gone so far down the road towards ratification that it is now considering the addition of Marpol 1973 and 1978 and is considering the provision of reception facilities for oil waste under the International Maritime Organisation conventions.

There have already been three reports by IMO on the provision of such facilities

in Cyprus and the third one involved the reduction of costs to what has been described as an acceptable level. There are many existing facilities on the island which can be used for this purpose and there has now been established a committee to look at the whole question which will be asking for tenders from companies willing to run such a facility.

The whole question of waste oil for Cyprus must, of course, be interlinked with the island's tourist business. Dirty beaches mean fewer tourists — thus one growing business must not harm another.

For the incoming company there is also the point that prices quoted for the bilge oils can be as much as 60 per cent of the price for the clean product — and the island does not have a problem with dumping the surplus.

It has already been agreed with the agricultural authorities in Cyprus that land will be made available for the dumping of the bio-degradable waste from processing bilge oils.

The registry has also been boosted by the establishment of a training school for seamen. The school is a joint venture between the government and the Hanseatic Shipping Company which has more than 30 ships under the Cyprus flag.

Courses at the school are designed to complement the Higher Technical Institute courses for second year students and provide training in fire fighting and lifesaving to deck ratings, engineering ratings and catering staff as well as training that will put the students on their way to the third officer ticket.

The three month courses start in June last year and are to be complemented by two week courses for cadet officers in life saving and fire fighting.

Mr Serghiou quotes these courses as part of the island's moves to establish the infrastructure behind the registry that will make the difference between the Cyprus flag and those of the countries whose flags have been recognised as flags of convenience.

"We do not accept that we are a flag of convenience — every country registers foreign-owned vessels," said Mr Serghiou, "it attracts capital to the country and apart from the registry it attracts management companies to Cyprus — there is now a significant proportion of the registered fleet managed from Cyprus," he said.

Cyprus also benefits from the arrangements it has with Greece which accords Cypriot seamen the same treatment as its own seamen and allows Cypriots to obtain the Greek seamen's "book" — but the seamen must be specifically of Greek ethnic origin, said Mr Serghiou.

Cyprus is committed to improving the image of its registry and is also committed to improving the safety levels of the ships on that registry and Mr Serghiou is convinced that more ships will be attracted to the registry and will seek a flag that is respected if these levels are improved.

And to assist in reaching that goal the department of shipping is being strengthened with new personnel in both the technical and administration fields, "it is a gradual but steady growth aimed at improving the service and control over Cyprus-registered ships," said Mr Serghiou.

CYPRUS

PORT FIGURES 1984 (tonnes)

Limassol	1,644,000 cargo to Cyprus	Transit 709,000 total 2,353,000
Larnaca	555,000 cargo to Cyprus	Transit 674,000 total 1,229,000

CONTAINERS

Limassol	1,042,000 tonnes	no. of boxes 170,000
Larnaca	640,000 tonnes	no. of boxes 92,000

CALLS

Limassol	3,672	Larnaca	1,690
----------	-------	---------	-------

Continued from page 17

year they show that the numbers of containers arriving has risen by 46 per cent on the 1983 figure while the number of calls by vessels has risen by 48 per cent.

The container traffic is mainly in manufactured goods while the rest of the traffic is comprised of bulk goods such as grain, but Cyprus also has a thriving export trade in its wines — and these are consumed by all except the Cypriots according to figures — plus cement and the other agricultural products such as potatoes.

Besides the two main ports Cyprus also has other specialised facilities for such products as oil and its derivatives and cement.

There is an oil terminal at Larnaca which operates under special terms for the British bases and another at Vasiliko which is a small independent port and also the home of a fertiliser plant but the future of the fer-

tiliser plant is under consideration since it is officially described as having difficulties because of low world prices.

But Cyprus also has a good trade in break bulk facilities which involve the transit facilities at both Limassol and Larnaca. Both these ports are, of course, vital in the building up of the transit trade and break bulk is vital to that trade.

The political situation in Cyprus is still dominated by the question of the future for the island with one half occupied by the Turkish army and the other established as the Republic of Cyprus. Efforts by the president of the republic, Spyros Kyprianou at the United Nations this year have so far proved fruitless in their aim at re-establishing a one-state island — on whatever basis.

But in the meantime the republic continues to trade and survive well. Its tourist trade is vital as a source of foreign currency and this is being developed all the time.

Port aided by transit trade

Continued from page 17

and the new crane means that ships will be worked quickly.

The DSR operation is of great importance to the port which is used as a transshipment centre. The line brings containers in using large vessels and then tranships to five smaller vessels feeding to ports all over the Eastern Mediterranean. "We cannot delay these large vessels," said Captain Mkelides, they are new and they cost money to keep standing."

The prospects for the port are looking good. Larnaca is at present negotiating with Nippon Yusen and KKK lines to import vehicles and already it is being used by Mitsubishi and Datsun as a landing point for its vehicles.

Competition for the two ports is likely to become a serious matter as the trade grows. Already Larnaca regards the Syrian port of Lattakia as a threat to its transit trade and although the two Cypriot ports do not operate in direct competition there is the inevitable friendly rivalry between the staffs.



MEROIL BUNKERING LTD.

Bunkers in Cyprus

**Alongside/Anchorage
Day and Night Shinc**

All types fuels and gas oil
Prompt, efficient service
Excl. repr. Shell Marine Lubricants

Please contact your Bunker Broker or:

**MEROIL BUNKERING LTD.
P.O. Box 4084, Limassol
Telephone (051) 76111
Telex: 5135 MEROIL CY. VHF: CH. 13**



THE MEDITERRANEAN CONNECTION

*at the crossroads of Far East,
Europe, Middle East and through a
harmonious ensemble of positive human
attitudes, modern technology and amicable
nature, Larnaca/Limassol Ports reliably
and efficiently service transshipments
amongst above markets.*

details from
**THE CYPRUS PORTS AUTHORITY
P.O. Box 2007 Telex 2833 CYPACY
Cables CYPORIS Tel 50100 (6 lines)
Nicosia, Cyprus.**