

OECD

THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT AND MARITIME TRANSPORT

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1. Introduction: global perspective

Apart from a brief recuperation in the oil tanker market due to the world fluctuations in oil prices, maritime transport continued during 1986 in a difficult situation. The bulk carrier sector fell to even lower levels and the general cargo fleet continued rising to a higher level than the moderate increase in transport, due to the higher number of container vessels of great capacity that were surrendered. The maritime transport societies and shipbuilding suffered heavy losses.

The maritime transport committee dedicated a great part of their work and resources to an analysis of the protectionist measures applicable to developing countries in the field of international maritime transport, strengthened in the formulation of principles intended to confront the pressures of activists in non-member states and employing, similarly, as a discouragement, the creation of agencies for the central offices of fleets created in member countries which control the distribution of cargo above an extraterritorial base, a practice which in numerous member countries is illegal. At the same time, the working group of the committee followed closely the movements of the ships in western

traffic, giving special attention to the protectionist practices in the commercial countries. The Maritime Transport Committee also admitted that within the ambit of OECD there persisted certain restrictive measures and pressures.

The special group of the Committee on International Organizations, as on other occasions, was the arena for political points of view and for common strategy of member countries of CNUCYD. In February 1986 a convention was adopted concerning the conditions for registration of ships. The group prepared the 12th session of the Maritime Transport Commission of CNUCYD, being occupied above all with the unequal structure between the offer and demand in world maritime transport, the United Nations Convention concerning a Code of Conduct for the Liner Conferences, with the relation between shippers and owners. The same committee also prepared the assemblies on port problems, maritime fraud and maritime liens and mortgages.

At an assembly held in Vancouver, the Committee continued with the suggestion of a document containing the common political maritime principles of member countries supporting these principles in five main ideas: no discrimination in the consultations between member states, a united front against external pressures, a written definition of public powers and the acceptance of such intervention on the condition, finally, that such intervention maintains the access in conditions of free competition. Added before was an agreement of principles concerning a moratorium on new protectionist measures and a series of lines directly concerning the application of the competence of the maritime conferences. The agreement concerning the moratorium was obtained in application of a parallel decision incorporating a resolution of the council, referring to the creation of a mixed working group, with the aim of identifying all the maritime means and practices which can oppose the obligations of the member states gathered together in the Liberalisation Code and to determine how, and at what time, the measures and practices in question ought to be modified to conform with the stated code.

II. The report of the maritime transport committee: important information

The thirty third annual report presented by the Maritime Transport Committee analysed those important matters in the field of maritime transport during 1986 and the first months of 1987. The most important features were as follows.

1. THE WORLD EXCESS OF TONNAGE

The world fleet registered in 1986 a new diminution which had alleviated 12 million tons of deadweight (approximately 2%). The tonnage of tankers, with a diminution of 25 million deadweight tons in 1985, fell, during 1986, by 7 million deadweight tons. This more modest withdrawal reflects a 50% reduction in demolished tonnage (which does not suppose more than 13 million deadweight tons) this is a slight increase in the delivery of new vessels coded in 6 million deadweight tons.

The reduction in capacity of the petroleum fleet associated with an increase in the demand of tonnage constitutes a new and simple progress making the re-establishment of balance between offer and demand.

The estimates with respect to the importance of excess residual petroleum vary according to the way in which the containment of the velocity is evaluated and the supplementary delays in port. The highest estimates are that the excess could be 70 million tons of deadweight, or 27% of the world fleet of tankers. The analysis in 1986 signalled that the progress of the demand, which was not sufficient to suppress the excess capacity could cause substantial increases in fleets, at least during short periods of time.

In the Bulk carriers sector, the volume of transformation in scrap was almost double that in 1986. Bearing in mind that the delivery of new ships fell by 12 million deadweight tons, the tonnage of the dry grain fleet fell only lightly. A fact which has put an end to the long period of expansion during which it had doubled since 1972, it being estimated that the actual excess fluctuated between 38 and 50 million tons deadweight.

2. Matters concerning the ambit of the United Nations

a. GENERAL AGREEMENT CONCERNING CUSTOMS AND TRADE TARIFFS

During the assembly on the General Agreement on customs and trade tariffs in Punta del Este (Uruguay) the members decided to open negotiations concerning the interchange of services with the aim of establishing a multilateral framework of principles and rules with a view to the expansion of this trade in conditions of clarity and progressive freedom and the promotion of economic growth. With the aim of setting in motion this programme a negotiation group was created.

In the framework of OECD the Committee on Interchange, the Committee on Movement of Capital and Invisible transactions, sought to examine the form of binding the negotiations in Uruguay with the work which OECD has undertaken in relation to interchange of ser-

vices. This examination presumes, likewise, an evaluation of the general conceptual framework concerning the interchange of services by OECD as to the possibilities of applying it to the distinct sector services.

b. UNITED NATIONS CONVENTION ON A CODE OF CONDUCT FOR THE MARITIME CONFERENCES

France was the only country which in 1986 adhered to the United Nations Convention on a Code of Conduct for the Maritime Conferences, in so doing having conformed with the dispositions of regulation 954/ of the European Community.

There are likewise signs, in the matter which now occupies us, of the initiation of preliminary works with a view to preparation of the revision conference of 1986 in the Maritime Transport Commission of CNUCYD and in other international fields.

c. UNITED NATIONS CONVENTION ON INTERNATIONAL MULTIMODAL TRANSPORT OF GOODS

1986 has not produced any new data with respect to this convention which needs to be emphasised.

d. UNITED NATIONS CONVENTION ON THE CARRIAGE OF GOODS BY SEA (HAMBURG RULES)

The 1978 United Nations Convention on the Carriage of Goods by Sea (Hamburg Rules) will enter into force when the governments of 20 states become contracting parties. At the end of 1986, only 11 states had ratified the Convention: Barbados, Chile, Egypt, Hungary, Lebanon, Morocco, Uganda, Rumania, Senegal, Tanzania and Tunisia. During 1986, there was only the accession of Senegal.

e. UNITED NATIONS CONVENTION ON THE LAW OF THE SEA

The United Nations Convention on the Law of the Sea draws together a regime which seeks the possibility of regulation of the oceans. At the end of 1986 the 1982 Convention, with 159 signatures, had been ratified by 31 states – 6 new states in relation to 1985 and by the Council of the United Nations for Namibia. The Convention will enter into force one year after 60 documents of ratification or adhesion have been deposited.

The preparatory Commission charged with establishing the foundations for the International Sea-Bed Authority continued its discussions, holding its fourth assembly in Kingston, Jamaica in March–April 1986.

There was no advance in the work of the major part of the subjects studied. A declaration, proposed by the group of 77, was adopted which considered the licences granted to the Federal Republic of Germany and the United Kingdom for extraction activities on the high sea, to be unlawful. Informal consultations were developed concerning the settlement of differences between the interested parties. The consultations dealt in particular with the Arusha agreement, concluded in February between the president of the preparatory Commission, WARIOBA, and France, India, Japan and the Union of Soviet Socialist Republics, who demanded their registration as investing pioneers. At the end of the assembly the president presented a report in which he declared that, in his opinion, the majority of delegates believed that the Arusha Agreement constituted an interesting base for the settlement of differences, making the continuance of consultation necessary.

The fourth assembly continued in New York during the month of August occupied with the matters of settlement of differences and registration of investing pioneers. The Commission arrived at an agreement with the aim of registering at the next assembly the mining sectors of France, India, Japan, and the Union of Soviet Socialist Republics. This agreement takes into account the negotiations which the Federal Republic of Germany, Belgium, Canada, United States of America, Italy, and the Low Countries, all states with interest in the private consortiums which had reversed the activities of exploitation of the sea-bed, had carried to a conclusion separately with the Soviet Union. At an assembly held in Moscow in November, there were elaborate preliminary agreements with a view to direct negotiations between the Soviet Union and the private consortiums.

f. UNITED NATIONS CONVENTION ON THE CONDITIONS OF REGISTRATION FOR SHIPS

The United Nations Convention on Conditions of Registration of Ships will enter into force when at least 40 states, representing at least 25% of the world registered tonnage have become contracting parties. The following six countries have signed the Convention and have the intention of ratifying it: Bolivia, Cameroun, Mexico, Morocco, Senegal, and the Union of Soviet Socialist Republics.

3. The fleets of the member countries of OECD

a. VOLUME AND AGE OF FLEETS

Bearing in mind the numerous tankers scrapped the total fleet of tankers reduced by approximately 6%, in a way that vessels of more

than 100,000 tons deadweight did not represent in 1985 more than 43% as against 49% three years ago. On the other hand the fleet of bulk grain carriers (excluding mixed transport) has seen an increase of 10%. In 1986 bulk carriers of more than 150,000 tons deadweight (equivalent to little more than 100,000 gross registered tonnage) gained 3 million tons, representing 8% of the fleet against the figure of 6% a year ago. The weak volume of new orders in 1986 relates above all to this category, the unity of more than 100,000 tons of deadweight of 67% of the total. There was an analogous tendency in the tanker market with a request in the second quarter of the year for 3 million deadweight tons constituted by supertankers.

In terms of age, generally, the age structure of the fleets of countries of the OECD does not differ from the world fleet, though there do exist major differences between diverse countries. In global terms the group 'Of less than five years' constitutes 19% of the world fleet and 20% of the fleets of OECD countries. For those in the 5-10 year age bracket the figure descended from 26% to 22% during the period from mid 1985 to mid 1986. The age range 10 to 15 years represents 33% of world tonnage.

Between the principal fleets of the OECD zone Belgium continues markedly to be the lowest with 6.9 years followed by Australia with 7.9 years. Japan, Sweden, Germany and the Low Countries have measurements noticeably similar of between 8.5 and 8.8 years. Continuing we can see Denmark (9.2 years), Norway (9.7 years), and Finland (10.6 years). The fleets of Greece, Norway and the United Kingdom registered important reductions which affected, above all, the older vessels, reducing by half their age, even though Greece is still amongst the highest it does not surpass those of Turkey (14.3 years), Italy (14.4 years), the United States of America (16 years), and Canada (18 years). These final two are particularly influenced by the Great Lakes fleet and the reserve fleet of the USA. The Spanish fleet (11.3 years) more modern than those just cited is to be the object of rejuvenation.

b. PERSONNEL

The rapid decline of the fleets of almost all the member countries of OECD has its root logically in a strong recession in shipping personnel. During the two years between the end of 1983 and 1985 the number of seamen diminished by 30% in the United Kingdom, 24% in France, 17% in Denmark, 15% in Finland, the Low Countries and Spain and 6% in Norway. Between the major maritime nations Germany and Belgium appear to be unique in not registering since 1985 reductions in the strength of their personnel, therefore they had great importance respectively in 1986 with 12% and 6%. Japan is probably the country most affected. They effectively lost 40%, even though this would

appear to be explained by the modernization in the means of evaluating the figures perhaps not comparable. The movement appears to have been accelerated in 1986, the year in which effective reductions have been registered of 19% in France and Norway, 12% in Denmark, 7% in the United Kingdom, Japan and Finland though in Spain there seems to have been a stabilisation in the mark of the plan in the reduction of the fleet.

The contraction of the fleets and the need for maximum economisation in the exploitation of ships has brought as a consequence a multiplication of demands to enrol foreigners on board ships flying the OECD flag. This is not legal in more than a small number of countries, which explains the increasing interest in extraterritorial registration in particular the use of the Kerguelan for France, Norwegian International registration and the registration of ships in dependent territories of the United Kingdom, with the object of employing non-nationals with salaries which support competition with the flag of convenience fleets. Greece in order to stimulate the repatriation of its ships under the national flag has arrived at the possibility of admitting 40% of foreigners in the crew of ships flying the Greek flag.

It should be noted that in the countries of OECD which authorise the enrolment of a notable fraction of foreigners and which keep information in this respect, it appears that the effective diminutions which have taken place, have affected above all non-nationals. In the United Kingdom the foreign element diminished, between 1983 and 1985, by 52%, being the proportion of 30% for crews. The percentages are respectively, for the Low Countries 22% and 17%. The figures are respectively, 22% and 15% for the Low Countries 29% and 19% in Denmark, 19% and 12% in Germany (For the period 1983-1986). The relation between nationals and foreigners remains constant only in Norway and Sweden, though the situation in Norway runs the risk of being seriously modified with the new International registry.

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