

From the Editor's Desk



My valued readers would know that World Maritime Day is celebrated all over the world, more particularly those bounded by the sea, during this month. The current year 2008 contains a number of key milestones and anniversaries for IMO: 6 March was the 60th anniversary of the adoption of the IMO Convention, by a conference held in Geneva in 1948, under the auspices of the United Nations; 17 March was the 50th anniversary of that Convention entering into force in 1958; and June, saw the 100th meeting of the IMO Council, the executive organ of IMO, which is responsible, under the Assembly, for supervising the work of the Organization in between successive sessions of the latter. IMO - originally known as the Intergovernmental Maritime Consultative Organization, or IMCO - held its first meeting in London in 1959. The purposes of the Organization, as summarized by Article 1(a) of its constitutive Convention, are "to provide machinery for co-operation among Governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade; to encourage and facilitate the general adoption of the highest practicable standards in matters concerning maritime safety, efficiency of navigation and prevention and control of marine pollution from ships".

The need for an international agency for shipping, stems from the fact that shipping is perhaps the most international of all the world's global industries. The ownership and management chain surrounding any particular vessel can embrace many different countries; it is not unusual to find that the owners, operators, shippers, charterers, insurers and the classification society, not to mention the officers and crew, are all of different nationalities and that none of these is from the country whose flag flies at the ship's stern. And, shipping's prime physical assets - the ships themselves - move permanently between countries and between different jurisdictions; hence the need for universal standards that can be applied to and recognized by all.

Shipping is also an inherently dangerous occupation, with ships having to confront the worst calamities that the elements can throw at them. Sometimes, disaster strikes - as witnessed by high-profile incidents of the type involving ships such as the Torrey Canyon, Exxon Valdez, Estonia, Erika and Prestige. There is, therefore, an over-arching logic in favour of a framework of international standards to regulate shipping. Without internationally recognized and accepted standards, you might have the ludicrous situation that a ship leaves country A bound with cargo for country B, fully compliant with country A's requirements for ship design, construction, equipment, manning and operation, only to find that country B has its own, different requirements. Clearly there has to be a common approach, so that ships can ply their trade around the world and that countries receiving foreign ships can be confident that, in accepting them, they do not place their own safety, security and environmental integrity at an unreasonable risk.

After 60 years of India's independence (1947), my year of birth as well, we could not put the Shipping and Maritime industry in the right perspective. Who is to be blamed? The situation demands an explanation. I would personally place it squarely on the Planning Commission than blaming from the grass roots. Out of the total fund allocation for public transportation, the shipping & port sector received a mere 6% in comparison with the railways which received 56%, roads 32%, aviation sector 6% and balance other sectors. On the one hand, it is proudly claimed and rightly so that 95% of the country's exim trade is by sea transportation and on the other, the government does not bother to give any priority to such a large volume of international trade by sea. Does it require a brave soul to answer this query, during this RTI age of transparency? There is a lack of initiative and motivation from those entrusted with the responsibility to perform, the need for Public, Private Participation in the national interest on international business earning foreign-exchange. The need for an awakening, with the national spirit to achieve better, as it is known from TOI Chennai edition dated 13th Sept.2008, of the 75 Vice Chancellors invited for the Vice Chancellors Conference held in Pondicherry of which, 35 responded, 25 attended. Noticing such a scenario, few have quietly left the venue by afternoon on Friday. The organizers therefore cut short the three day event and conducted the valedictory on Friday itself instead of Saturday. This was the sorry state of affairs causing concern to all.

A professional's love to one's profession, builds anxiety to know more and more, in theory and practice and be well informed, keeping abreast within the respective and associated field thus ACT right, to reach a stage of creative and innovative learning and thinking (thought process), to transform the best into one's own practice, to better the situation, thus the intellects integrate producing the right and better results. Research is another area of emphasis to bring in quality output, whether it is in manufacturing or in services. Most of the Maritime Institutions/Academies are facing an acute faculty crunch. It appears there is no proper mechanism to check, evaluate the number of faculty available to represent the actual scenario, as there is all likelihood for the mariner faculty to be listed but remain on sailing full-time or make in-betweens short sea-sailing and such of those have a mindset of little interest in teaching. The frame-work of the mind, need to be set to a given discipline to specialize. Could the nation afford to rest the entire issue to the ill-conceived mariners in the department doing desk-job for planning and deciding the required infra-structure, rather than inviting joint participation, consult specialized consultancy for specialized jobs? Private-Public Participation, for transparency and efficiency, keeping pace with the advanced technology and systems. HR Management in dealing with the neglected seafarers, viewing their welfare while active and after service benefits, as in shore in acquiring, motivating and retaining them with attractive benefits since they are handicapped to get-together and voice themselves.

The imperative need for active web-groups, functioning to streamline the topics for Debates and Discussions. Sincerely wish the seafarers all the best in life, be the most enlightened lot, be blessed with good health, for all the risks and sacrifices owing to the mobility in their profession.

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Gustav spares struggling marine market:

London-based underwriters may be relieved that Hurricane Gustav proved much less destructive than Katrina when it hit New Orleans in 2005.

The strong contingent travelling to Vancouver, some 40 from the Lloyd's market and 20 from member companies of the International Underwriting Association, for the International Union of Marine Insurance (IUMI) annual conference will however be acutely aware that the hurricane season still has three months to run.

Deirdre Littlefield, IUMI president, said in New York: "Fortunately, Hurricane Gustav did not turn as vicious as predicted, but still left a trail of destruction across the southern Caribbean and where it made landfall in the United States."

IUMI notes that, hurricanes apart, this year's conference comes at a time when the marine insurance industry, like most other industries, is facing up to the effects of the worldwide economic downturn and financial pressure from all directions, and predictions of worse to come.

Ms Littlefield said: "All marine insurance markets are struggling with a whole raft of problems: reducing premium income and aggravated competition as both seaborne trade and freight rates continue to slide; dramatic reductions in company and syndicate profits and significant deflation of the investment income cushion; newbuild orders being cancelled or delayed as talk grows of ships being laid up; continuing adverse casualty experience despite a welcome slowing of total losses; and the growing shortage of experienced mariners to crew ever more complex ships."

One of the keynote speakers to address the conference will be Rolf Tolle, director of franchise performance at Lloyd's. More than 400 marine underwriters representing 47 countries will meet in Vancouver as well as 42 guest speakers, 10 delegates from affiliate members and 13 observers and special guests will swell the total to around 470.

Mandatory expanded inspections warning:

The London P&I Club has warned that owners and masters who do not realise their vessels are subject to enhanced scrutiny

under Paris Memorandum of Understanding on Port State Control rules are risking heavy fines.

The club says that, in two recent incidents involving states which are parties to the Paris Memorandum of Understanding on Port State Control, P&I correspondents have been called to assist masters who were unclear why the local PSC officer considered their ships to be "high risk" and had threatened to impose a fine because of the masters' failure to report that their ships were eligible for a Mandatory Expanded Inspection (MEI).

All ships falling within the "high risk" definition in EU Directive 2001/106/EC (bulk carriers over 12 years old, oil tankers over 15 years old and bigger than 3,000 gt, gas and chemical tankers over 10 years old, and passenger ships over 15 years old, excluding those covered by the EU Ferry Directive) are required to undergo an MEI every 12 months.

This has also been extended to apply to non-EU members of the Paris MoU.

If such a ship has not been subject to an MEI within the previous year and is about to call at a port within the Paris MoU area, the master or owners must send a notice of arrival for MEI form to the PSC office in that port. Failure to do so can result in delay to the ship, the raising of a PSC deficiency against Section 10 of the ISM Code and, in some cases, a substantial fine.

JWC to meet as Gulf of Aden hijacks continue:

The Joint War Committee (JWC) comprising underwriting representatives from both the Lloyd's and IUA company markets is due to meet on Wednesday this week, against a background of an increasing number of hijackings in the Gulf of Aden. According to the International Maritime Bureau there are now nine commercial vessels, including a 50,000 dwt bulker, and a French-owned yacht being held for ransom. The JWC represents the interests of those writing war and related risks within the London market and usually meets every quarter and provides a forum for the London hull war market. While it is likely that insurance premiums will increasingly reflect the greater risk of hijacking while transiting the Gulf of Aden, the spike in attacks has also galvanised Coalition naval forces into establishing a formal patrol corridor

through the area and has stepped up patrols. In addition Malaysia has reacted to the hijacking of two MISC-owned, Malaysian-flag chemical tankers by sending three frigates to the area. The ships are reportedly specifically tasked with protecting MISC ships in the area, though not with attempting to intervene to rescue the crews of the hijacked ships.

RightShip ruling:

A recent decision by the English High Court has clarified owners' obligations in respect of maintaining RightShip approval in the dry bulk shipping trades, according to the Maritime Advocate. RightShip is a member of Maritime London.

The online maritime legal publication notes that RightShip is a private ship vetting organisation maintained by BHP Billiton, Cargill and Rio Tinto. Major dry bulk shippers in Australia, Brazil and elsewhere increasingly require vessels to be approved by RightShip. Vessels which are not so approved face difficulties in finding employment in trades where those shippers predominate. Accordingly, disputes between owners and charterers about RightShip approval are becoming more common.

In his recent judgement on *Seagate Shipping v Glencore International*, on appeal from a London arbitration award, Justice David Steel ruled that the charter party relating to the capesize bulker *Silver Constellation* could not be interpreted to require RightShip vetting. However he ruled in favour of the charterers on a second point, that the owners should not have refused to allow a RightShip inspection arranged by the charterer to go ahead. He agreed that the owners' refusal to co-operate with the charterers' efforts to obtain RightShip approval rendered the vessel unemployable on trades which were otherwise permissible under the charter terms.

Commenting on the decision in its latest Client Alert, international law firm Reed Smith says, "Both sides were given leave to appeal, but the decision provides welcome clarification to the industry. The lesson for charterers is that if they wish to employ a chartered ship between ports where RightShip approval is required by most shippers, then this needs to be an express term of the charter (as is the case with oil major approvals in tanker charter parties). The lesson for owners is that they ignore a request by their