Second push for Athens convention

Extending scope of regulation is ‘feasible’

Justin Stares

A Special report

October 31 2008

Extending the scope of the Athens convention is a “feasible” way for the EU to address the liability of carriers in transhipment, said Mr Paolo Costa, the Italian interior minister, in an address to the European parliament. Accepted by the transport committee, the proposal is expected to be approved by the full parliament today.

The proposed regulation, on the liability of carriers of passengers by sea should endorse the insurance committee on both international and domestic or cabotage routes, Italian member of the European parliament Paolo Costa, who is rapporteur and chairman of the parliament’s transport committee, says he believes extending the scope of the regulations is “feasible”.

Rejecting the common position of EU transport ministers, who decided to restrict the regulation to larger ‘class C’ vessels on certain routes, Mr Costa said he would reintroduce the extended scope. “The insurance market will have the capacity to insure these types of risks with a reasonable extra cost for the passengers,” he said. The regulation would oblige carriers to take out insurance or a guarantee to cover liability of around €300,000 ($475,000) per passenger.

Last year, transport ministers watered down the draft law after smaller shipowners, mainly in the Mediterranean, expressed concerns that the insurance industry might not be able to offer affordable cover. This angered the European Commission, which said that the law had been reduced “to an empty shell.”

With this response, Mr Costa seeks to rebalance the balance. The parliament and the council of Ministers will now enter behind closed doors talks on the centaur, with the outcome unpredictable.

Another restriction of the scope of the regulation does, however, seem to have been accepted by the transport committee chairman. After a personal crusade aimed at enforcing the Athens convention on inland waterways too, Mr Costa looks to have given up. He argued last year that the extension in scope was essential. “Do not have to wait for an accident on the Danube before everyone pays on this inland waterway measure?” he asked, despite several votes in parliament calling for compromises to be excluded.

The latest in a series of “The council (of ministers) shared the European parliament’s views to exclude from the scope of the regulation the [sic] inland waterway transport.” But Mr Costa added a proviso: “However, the European parliament adopted some provisions giving more time to adapt to the operators”.

The regulator seeks to tidy up the EU’s patchwork maritime passenger liability cover and make the Athens convention legally binding. The proposal faces resistance in Brussels that EU member states are not willing to rattle and enforce the material conventions they signed on a voluntary basis. The proposal is part of a seven-voting package of safety bids. Ministers have in general supported industry’s cost and viability concerns in several proposals, whereas the commission and parliament have sided with consumers and potential victims of maritime disasters.

EGYPT

A Lloyd’s List Special report

October 31 2008

Egypt is one of the most dynamic shipping and port markets in the Middle East region. The country has a fast growing container trade, and has been focused on larger ships, since freight and charter markets are treating. With a current fleet of 2.8m dwt with an 11.7% capacity utilization, the country’s ship owner operators are confident that they can find new business. They believe that the market is ready to fall slightly to around 37.97m gt by year-end.

Looking further ahead, given the current trend in the market, the country expects that the market will again surpass 38m gt quite soon.

Another driver to the market is the future government’s policy of focusing on larger ships, and eight dry bulk vessels valued at a total price of $779m in new ship orderbooks, having achieved 57% of its 2008 order target of $6.2bn by the end of third quarter.

The 98,000 gt Cosco Pacific Nacks, was accepted by the ship was named and delivered yesterday. It was feared the project could be after the ship was named and delivered, but the newspaper reported that the project was back on track with a promising future.

The owner of four 37,000 dwt bulk carriers for Won162.9bn was not named by the service companies, and the acquisition of additional ships, including two 47,000 dwt medium-range products, for the same price, will go towards general working capital or the reduction of debt.

The country is also considering the acquisition of new ships, including two 47,000 dwt medium-range products, for the same price, which is expected to reflect the country’s continuing confidence in the market.

The company has also been increasing its capacity to meet the growing demand for shipping services, and has recently announced the acquisition of two new vessels, which will be used for the transportation of bulk cargoes.

For advertising opportunities contact:

Mohir Patel
Tel: +974 336 5543
Email: mohir.patel@informa.com
Web: www.boydlist.com

Lloyd's List business