



# ECSA Newsletter

## European Community Shipowners' Associations

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### **THIRD MARITIME SAFETY PACKAGE** ***Political agreement on two remaining proposals***

On 9 October, the Transport Council reached a political agreement on the two remaining proposals of the Third Maritime Safety Package, notably on the draft Directive on flag state compliance and the draft Directive on civil liability and financial guarantees for shipowners. The political agreement includes minimum requirements for flag state to guarantee that they comply with their flag state obligations and for shipowners to ensure that their ships have an insurance when entering EU ports – regardless of flag. This insurance guarantees the solvency of the shipowner in the event of damage.

The Transport Council adopted, in addition to the political agreement, a statement on maritime safety in which Member States commit themselves to be bound, no later than 1 January 2012, by a series of international conventions, such as the 1996 international Convention on the Limitation of Liability for Maritime Claims (LLMC 1996).

The adoption of a political agreement on the two remaining draft Directives of the Third Maritime Safety Package results from the ongoing pressure from the European Parliament on the Transport Council at the occasion of the second reading procedure on the first five proposals of the Third Maritime Safety Package to come forward with a positive signal on the two remaining texts of this Package. To that end, the European Parliament had introduced key amendments from the first reading procedure on flag state compliance and on civil liability and financial guarantees for shipowners into the reports relating to the vessel traffic monitoring and port state control.

The European Parliament and the Council are now expected to discuss the two remaining draft Directives further during the second reading procedure. In parallel there will be conciliation talks on the five proposals of the Third Maritime Safety Package, notably those relating to accident investigation, port state control, classification societies, vessel traffic monitoring and the liability of carriers of passengers by sea (Athens Convention). These conciliation talks are expected to result into compromise texts within two months, which then have to be formally approved by both the European Parliament and the Council before these texts can become legislation.

### **SECURITY**

On 9 September, the long-awaited amendments to Regulation 1875/2006 relating to the Community's advance cargo declaration were approved. The amendments were the result of nearly a year of thorough negotiations between the European Commission, Member States and industry associations, including ECSA, with the aim at making the Community's advance cargo declaration workable in practice. Regulation 1875/2006, as amended, is scheduled to enter into force on 1 July 2009.

### **MARPOL ANNEX VI AND SHORT SEA SHIPPING: ECSA MEETING WITH COMMISSION ON 7<sup>th</sup> NOVEMBER**

The revised MARPOL Annex VI and NOx Code were, as expected, adopted last week in IMO with no significant change to that agreed in April. A proposal to relax the criteria for the establishment of Emission Control Areas (ECA) was not adopted.

In this context, in early November ECSA will be holding a second meeting of short sea operators to discuss with the Commission how to mitigate in Europe the

potential adverse consequences of a modal shift from sea to land as a result of the 0.1% requirement in ECAs as from 2015.

### **STUDY FOR COMMISSION ON TOURIST FACILITIES IN PORTS**

The Commission has recently launched an external study “to analyse the benefits for ports to invest in infrastructure and facilities for receiving tourists, notably through cruise tourism. This study examines the potential benefits and risks associated with such investments from a market perspective as well as the impact of costs to comply with environmental legislation and of measures to ensure sustainable development.”

Specifically, it aims to deliver the following key results:

- Clear facts on the benefits and costs of investing in tourist facilities in ports;
- More clarity about the opportunities and threats associated with investments in sustainable tourism facilities in and around ports;
- Insights in the costs associated with compliance to the increasingly stringent environmental rules or to provide environmentally sustainable facilities;
- An indicator to calculate the ‘return on investment’ when investing in tourist facilities in ports.

The 9 month study is due to commence shortly, with a workshop planned before it is finalised.

Put forward in the context of the debate on EU maritime policy over the past couple of years, the initiative could well have potential benefits for the cruise sector operating in Europe, and the European Cruise Council and ECSA will be actively contributing to the study.

### **EXTERNAL RELATIONS**

**India** – On 24-26<sup>th</sup> September the 5<sup>th</sup> round of the EU-India negotiations on a bilateral maritime agreement took place in Brussels. Most regrettably a necessary common view on the workings and practices of global shipping could still not be arrived at and no progress could be made on the core elements, such as direct beneficiaries, national treatment and the abandoning of preferential schemes for governmental cargoes. It was emphasized again that the generally well qualified Indian seafarers are very welcome to work on board EU flagged or controlled vessels operating in international trades, but always subject requirements and preferences by the individual shipowners. Forms of cooperation in modern maritime education and training schemes can be considered. A next round is to be held in New Delhi on initiative of the Indian side.

**China** – The 5<sup>th</sup> EU-China implementation meeting on the bilateral maritime agreement is to be held in Shenzhen on 5-7<sup>th</sup> November. It is recalled that the agreement was concluded in 2002 and after ratification procedures in the EU ultimate fully enacted in spring 2008. Operating conditions for EU carriers in China are continuously improving. High on the list of notably the EU container lines is agreement allowing these carriers to relay their international cargoes by own vessels between Chinese mainland ports. This would much enhance the lines’ operational control and efficiency and bring more business to Chinese ports – many millions of TEU with Chinese cargoes are being transhipped outside China.

**WTO-DDA** – After the stranding of negotiations at the mini-ministerial in July on the issue of safeguard measures, there was hope that the technical talks at officials’ level could progress again in September. There was the general sentiment that there was now far too much on the table, particularly for developing countries, to give up on these negotiations. Director General Lamy said:

“a vast majority of developing countries have insisted that all efforts be made to safeguard what is already on the table and

for those members that could not reach consensus in July to redouble their efforts in the coming weeks to resolve their differences” and “many [developing nations] have been able to realize huge benefits from increased commodity exports. But, as this year's Trade and Development Board report points out, it is exactly now that many of those same countries could use their trade surpluses to start focusing their investments on efforts to diversify their economies and to create the incentives for a sustained industrialization based on new investment in new productive capacities”.

Despite all this, no effective progress has been noted and we estimate the chances for even the basis of an agreement before the year-end as next to nil. Meanwhile the WTO did set up a permanent secretariat for the 'Integrated Framework' to provide trade-related technical assistance to the world's poorest countries as a means to integrate these more fully into the multilateral trading system.

### **Free Trade Agreements**

With the delay or even failure of the WTO-DDA round there is no sight of a well supported ambitious agreement on maritime transport. Also, the EU is enhancing its efforts to come to Free Trade Agreements with third countries, including maritime provisions. As reported earlier, negotiations are under way with notably Korea, India, the ASEAN countries, and two groupings in Latin America next to the stalled negotiations with MERCOSUR. The latest initiative relates to Lybia, also fitting into the EuroMed.

**EU Trade Commissioner** - Commissioner Ashton has assumed the challenging duties of Trade Commissioner and will soon appear in front of the trade committee of the European Parliament. The appointment by the Council of Ministers follows the departure of Peter Mandelson to take up a Ministerial post in the UK government.

**UNCTAD** - Trade and Development Report 2008 cautions that gloomy outlook for rich nations could spread, halt recent

boom in developing countries if commodity prices plunge. For full report: [http://www.unctad.org/en/docs/tdr2008\\_en.pdf](http://www.unctad.org/en/docs/tdr2008_en.pdf)

The very readable quarterly UNCTAD Transport Newsletter can be found under: <http://www.unctad.org/Templates/Search.asp?intlItemID=2068&lang=1&frmSearchStr=maritime+newsletter&frmCategory=all&section=whole#page>

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