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Shipping sector in Germany - Perspective

Klaus Küper*

Talking about the situation of shipping in Germany doesn't mean to talk about a stable situation – but looking back it's quite clear that shipping hasn't been stable in the past either.

The crisis has left the valley – if we are talking about the freight rates. Some companies have recovered with an enormous speed – Hapag Lloyd for example as German leading container vessel-company, was suffering from the crisis greatly and had to be supported by owners with 1.8 Billion Euros. These days Hapag-Lloyd stated that the crisis is over and announced the best result in the history of the company for 2010. Reason for the quick recovery is not only the fact that rates are rising but also the fact that owners are trying to cut the costs.

Nevertheless, still several companies are in heavy weather because the shock of the crisis led to changes in the financing sector as well. Private investors avoid buying shares and also the political support regarding financial aids (tonnage tax) has decreased. Vessels in Germany bear the burden of 23.7 Billion Euros for ship credits. During the time of the crisis, a lot of banks have deferred paying the interest and redemption in order to avoid that ship funds went bankrupt. Their guarantees were the vessels only which could not earn enough money (low rates) and would not achieve a good price so there was no real other option.

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News

The ranking of Gartner consulting has included Portugal among the 11 developed countries that show greater potential to outsource services in the IT sector. In Europe, Portugal is included side by side with countries and regions such as Ireland, Israel, Scotland, Spain and Wales.
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Baptized Grenadines III, this 125 feet (38 meters) mega yacht was built by the Gulf Craft Shipyards, an internationally renowned boat manufacturer from the United Arab Emirates (UAE), in July 2010 and soon after registered in the International Shipping Register of Madeira – MAR, which will allow the use of the Portuguese flag and full access to E.U. waters.
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The Portuguese Ministry of Finance and Public Administration recently announced on its official website that negotiations towards the conclusion of a Double Taxation Agreement between the Portuguese Republic and the Saudi Arabia Authorities have been concluded and that a Double taxation Agreement has just been signed with the United Arab Emirates.
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Port State Control – The new inspection regime for foreign ships

Hélder Almeida**

Port State Control is a check on visiting foreign ships to see that they comply with international rules on safety, pollution prevention and seafarers living and working conditions. It is a means of enforcing compliance where the owner and flag State have failed in their responsibility to implement or ensure compliance, although usually ships have the respective certificates on board. Problems arise when the certification is inadequate or because at the time of the inspection by the Port State Control, the ship no longer corresponds to the patterns that characterized her when she was inspected in order to obtain the adequate certificates. In that case, the Port State can require deffects to be put right, and detain the ship for this purpose if necessary. One can say that Port State Control, which bears such great costs to public budgets, would not be necessary if the main parties involved did their "home work" correctly.

Port State Control was launched in 1982 when 14 European countries (including Portugal) agreed to coordinate the control of foreign ships on their ports, through the so-called Paris Memorandum of Understanding on Port State Control – Paris MoU. Currently, the Paris MoU has been expanded to 27 members: all European coastal States plus Norway, Iceland, Russia, Croatia and Canada.

The former regime of inspections, which has been in force until the 31st December 2010, foresaw the obligation of each State inspecting annually at least 25% of the foreign ships (considered individually) that call in one of its ports. This regime was rather fragile and, one might as well consider it, unfair:

- As a rule, all ships, in good or bad conditions, could be inspected every six months, with some exceptions;
- Member States could decide where and when to carry the inspection: in ports with more or less human resources, on working days only;
- A member State could decide to inspect only "easy ships", whereby an inspector managed to inspect two ships in just one day;
- A ship could be banned, i.e., after leaving the port she could be forbidden to enter another port of the Paris MoU region without fulfilling certain conditions, and the following day the shipowner could ask that ship to be inspected again in order for that ban to be removed;

On the 8th of November 2010, the Portuguese Ministry of Finance and Public Administration announced that negotiations towards the conclusion of a Double Taxation Agreement between the Portuguese Republic and the Angolan Government have been initiated.
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Highlights

2011 Promotional Events - In the first half of 2011 Madeira's IBC was promoted in ten countries: Spain, Switzerland, United Kingdom, Germany, Brazil, Norway, France, Turkey, USA and Mexico. For the second half, promotional events are already scheduled in France, Russia, Luxembourg, Spain, Italy, Brazil and India.

Madeira's IBC website available in five languages - Madeira's IBC website is currently available in five languages: Portuguese, English, Italian, Spanish and French. Though the Portuguese and English versions are the most complete, other versions also present the main existing features, including online tools that enable innovative contacts with S.D.M., interaction with social networks and the new layout and concept of Madeira's IBC "newsletter".

New EU Customs System - From January 1, 2011, compliance with an advanced cargo declaration regime will be mandatory for shipping within the Euro Zone. This measure aims to strengthen security of international transactions, enabling customs authorities to perform effective controls based on the electronically data sent by traders, prior to bringing goods in, or out, of the European Union. In order to adapt their electronic systems to the new rules, a grace period was given to traders, within which no penalties will be applied.

Minimum monthly salary - The minimum monthly salary in force in mainland Portugal, for the year 2011, was set in the amount of 485 Euros. The minimum monthly salary to be force in the Autonomous Region of Madeira, for the year 2011, was not yet published in the official gazette, but is expected to be around 494,7 Euros.

- Under this regime, several thousand ships skip the control of the Paris MoU, that is, they simply are not inspected.

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Links

Madeira's International Shipping Register
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