

**MINUTES OF THE PLENARY MEETING OF
THE CHARTERING & DOCUMENTARY COMMITTEE HELD AT
SOFITEL HOTEL MARRAKECH
AT 1.30 p.m. ON FRIDAY, NOVEMBER 3rd 2006**

Present:

Mrs. G.C. Noer	Chairman
Mr. P.J. Wood FICS	FONASBA President
Mrs. M. Collins	Vice Chairman

In Attendance:

Mr. J.C. Williams FICS	General Manager
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Mr. P. Campbell	Argentina	Mr. G. Knudsen	Intertanko
Mr. R. Garcia Piñero	Argentina	Mr. R. Zuck	Israel
Mr. G. Hernandez	Argentina	Dr. R. Corrias	Italy
Mr. J. Hunter	Belgium	Mr. M. Gorgoni	Italy
Mr. X. van Engelen	Belgium	Mr. A. Marzullo	Italy
Mr. J. Tsatsas	BIMCO	Miss. E. Masucci	Italy
Mr. S. Larsen	BIMCO	Mr. V. Totorizzo	Italy
Mr. Mr. Froio	Brazil	Mr. G.E. Duci	Italy
Mr. G. Gordon Findlay	Brazil	Mr. F. Carlini FICS	Italy
Mr. M. Bonelli	Brazil	Mr. T. Iigaki	Japan
Mr. J.C.R. Gomes	Brazil	Mr. K. Nakaue	Japan
Mr. L. Oliveira da Silva	Brazil	Mr. M. Casanueva	Mexico
Mr. S. Kraichev	Bulgaria	Mr. V. Banovic	Montenegro
Mr. M. Tudor	Croatia	Mr. M. Bennis	Morocco
Mr. E. Kouzapas	Cyprus	Mr. A. El Glaoui	Morocco
Mr. G. Sarris	Cyprus	Mr. P. Ruelle	Morocco
Mr. C.P. Papavassiliou	Cyprus	Mr. A. Mantrach	Morocco
Mr. A. Houtved	Denmark	Mr. F. Nasser	Morocco
Mr. T. Paulsen	Denmark	Mr. K. Frode Eriksen	Norway
Mr. G.J. Heinonen	Finland	Mr. H. Sander	Norway
Mr. S. Lomberg	Finland	Mr. J. Azerado	Portugal
Mr. R. Sandberg	Finland	Mr. A. Belmar da Costa	Portugal
Mr. C. Génibrel	France	Mr. E. Bandelj	Slovenia
Mr. J.A. Good FICS	Great Britain	Mr. J. Nieto	Spain
Mr. J.W. Barclay FICS	Great Britain	Mrs. B. Blomqvist	Sweden
Mr. J.A. Ford FICS	Great Britain	Mrs. J. Cardona	USA
Mr. P. Demeter	Hungary	Observer	
Mr. B. Szalma	Hungary	Mr. M Almahdi	Tegerhy Intl.

Item

Action

1. President's Welcome

The **President** welcomed those all present, extending a particular welcome to **Mrs. Collins**, attending her first meeting as Vice Chairman of the committee.

2. Chairman's Opening Remarks

The **Chairman** added her welcome to all those present and in particular to **Mr. Tsatsas**, Chairman of the BIMCO Documentary Committee, attending his first FONASBA Annual Meeting, and also **Mr. Larsen** Deputy Secretary General of BIMCO. She also advised that with Mr. Smith having resigned from the Committee, Mr. Andrew Jamieson of ITIC had volunteered to provide legal expertise to the Committee. He was unable to attend the meeting due to

conflicting commitments but the **Chairman** thanked him for offering his services.

3. Minutes of the Last Meeting held Tokyo, October 20th 2005

With no comments having been received previously or made at the meeting, the minutes **were approved.**

4. C&D Committee Advisory Panel Reports

Mrs. Collins gave a report on developments in the **dry cargo** markets over the past year. A copy of her presentation is attached, but in summary the main points were:

- The volume of seaborne cargo continues to grow, primarily driven by China
- Further growth is constrained by bottlenecks in the supply of raw materials and the availability of suitable tonnage
- All market indices have been on a steady upward trend since May
- The Baltic Dry Index shows the upward trend although there are signs it might now be levelling off
- The rates are still below the 2003 highs so there remains room for improvement
- Seaborne trade continues to grow, driven by strong and ever-increasing demand for raw materials
- The demand for tonnage has boosted the earnings for older, well-maintained vessels and has fuelled the development of vessels providing increased cargo capacity within size limits (for example Panamax)
- The number of Capesize vessels has increased significantly
- The number of tonne/miles has quadrupled in 16 years

The **President** then gave a report on activity in the **tanker** market since the last meeting. A copy of his presentation is also attached and in summary the main points were:

- The limited numbers of producers and receivers of oil cargoes, compared to the dry cargo market result in less volatility in this market
- Bunker prices have remained stable over the past year, remaining in the range US\$ 270/280 a tonne
- The dirty tanker index showed a large rise at the end of 2005 but rates have eased since
- The clean index has also followed a similar path
- OPEC is trying to maintain US\$ 60/barrel for crude oil – up from US\$ 35/barrel last year – and is endeavouring to limit supply to keep prices stable
- Oil stocks in the OECD countries are at a 20 year high
- Alternative fuels are now being developed, including bio fuels in Brazil, and gas is increasingly being used for power generation
- There has been a 2.0% annual increase in tonne miles but some sectors, Middle East Gulf to Europe for example, have shown a reduction (5%), whilst others, to India and China, have increased
- Tanker fleet growth for 2006 is expected to be the lowest for 5 years
- The replacement programme for single-hulled tankers is slowing down and charterers are starting to refuse to take s/h vessels ahead of the European phase-out in 2010
- Yards are now concentrating on container vessels
- LNG production continues to grow on strong demand, except in the US where problems with re-liquefaction capacity still exist
- Some US importers are looking at using vessels with own re-liquefaction capability

Following the reports there was a brief discussion on whether or not the markets could be manipulated through the withholding of tonnage. It was agreed that this was unlikely. The **Chairman** thanked **Mrs Collins** and **Mr. Wood** for their presentations.

5. **Signing As Agents Only**

An extract from the ITIC publication “The Intermediary”, had been circulated in advance with the permission of ITIC and this was followed by a discussion on the issues raised. One particular point, raised by **Mr. Foord**, concerned the taking of liner cargo bookings – particularly in the intra-European trades – over the telephone with no written confirmation. It was suggested that in order to protect the agent a confirmation should be sent, probably by e-mail, in which the agent could confirm his status.

6. **When And How A Shipowners’ Liabilities Can Attach To An Agent**

This discussion was also prompted by an article in “The Intermediary” (circulated previously) and was a summary of the points raised in the presentation by Mr. Smith at the Tokyo meeting.

During the discussion, **Mr. Foord** warned that there had been cases of vessels sustaining stevedore damage for which the owner expected the agent to secure reimbursement. **Mr. Barclay** also advised that in some UK ports the relevant harbour legislation holds the agent responsible for payment of some port charges and this may be the case with other ports.

7. **Drafting Proforma Disbursements Accounts**

The third article from “The Intermediary” provided a draft wording for agents to notify their principals that a proforma invoice was just an estimate and therefore may be subject to change.

Mr. Larsen said that misunderstandings relating to the accuracy of proforma disbursements accounts had been around for a long time and disputes still arose on a regular basis. Delegates were therefore recommended to promote the use of this clause amongst their members in order to avoid any disputes.

8. **Members Issues**

No issues had been nominated for discussion under this item.

9. **BIMCO and INTERTANKO Reports**

For BIMCO, **Mr. Tsatas** summarised the current documents under review and development by the Documentary Committee. These included:

- Cementvoy – this document is being divided into sections to cover particular trades. Very good support was being received from charterers
- Ferticon – this much used form is now undergoing a thorough update which will see it reissued as a box type form, similar to the Gencon form
- Chemtankvoy – this form for the chemical tanker trades is being developed in response to demand from the industry
- Gastime – work on this form has been deferred to 2007
- Std. Pooling Agreement – work on this project is being held pending the outcome of the EC investigation into tramp pools
- Heavycon – work continues on this standard heavylift contract
- Conlease – this document is also undergoing review
- Revised Himalaya clause – work has been completed but release is being deferred due to concerns in the USA
- Hold cleaning and cargo residue clauses/non payment of hire clause – these have now been adopted

- The Committee is also looking at clauses to cover
 - Evidence of Performance
 - Ballast Water
 - Disposal of hold washing water in the vegoil trades

Mr. Larsen advised that work was continuing on the Standard Newbuilding Contract, the largest project undertaken by BIMCO in recent years. He said the committee had set itself a tight timetable, with the first draft to be ready in just two years. This has been achieved and the first draft was scheduled for circulation to major builders in early 2007. He admitted that support from the major yards was not as enthusiastic as had been expected but BIMCO are hopeful that their support will increase once they have seen the first draft.

For INTERTANKO, **Mr. Knudsen** had circulated a report in advance and he summarised its contents. He particularly mentioned the Hazardous Materials Inventory Clause that the INTERTANKO Documentary Committee is currently developing. He said the organisation hoped BIMCO would support the clause.

He also said that FONASBA received copies of the INTERTANKO Weekly Report and any input from FONASBA to INTERTANKO's activities would be welcomed.

The **Chairman** thanked both BIMCO and INTERTANKO for their reports.

10. Any Other Business

Delegates suggested that reports on the container market would be very useful and **Mr. Campbell** and **Mr. Findlay** said the South American members would be very interested in a reefer report. The **General Manager** undertook to try and source appropriate reports.

JCW

11. Date and Place of Next Meeting

The **Chairman** advised that the next Plenary meeting of the Chartering & Documentary Committee would be held in Buenos Aires during the 2007 Annual Meeting, the exact date will be notified in due course

There being no further business to discuss, the Chairman brought the meeting to a close.

JCW/11.2006