

# FONASBA

## COUNCIL MEETING OCTOBER 19<sup>TH</sup> 2001 – HILTON HOTEL ANTWERP

### Present:

Mr. B. D'Orey – President  
Mr. U. Masucci – President Designate, Chairman ECASBA  
Mr. A. Pérez-Maura – Executive Vice President  
Mr. C.P. Papavassiliou – Vice President  
Mr. S. Winger – Vice President  
Mrs. G.C. Noer, Chairman, Chartering & Documentary Committee  
Mr. J.A. Good – Chairman, Liner & Port Agency Committee  
Mr. J. Hunter – Vice-Chairman, ECASBA  
Mr. P.G.D. Smith – Vice Chairman, Chartering & Documentary Committee

C. Alogoskoufis	Greece	G. Georgopoulos	Greece
E. Bandelj	Slovenia	A. Houtved	Denmark
H. Duc Bang	Vietnam	E. Itoh	Japan
V. Banovic	Montenegro	K. Kuusela	Finland
A. Belmar da Costa	Portugal	F. LeBars	France
F. Carlini	Italy	L. Lindebäck	Sweden
L.A. Carvalho	Brazil	A. Lobadowski	France
R. Corrias	Italy	M. Ronayne	Ireland
R.J. Davies	Great Britain	B. Szalma	Hungary
P. Demeter	Hungary	V.M. Simoes Pinto	Brazil
R. De Meyer	Belgium	M. Tudor	Croatia
M. Duin	Netherlands	V. Vaichekauskas	Lithuania
Mrs. B. Fletcher	Great Britain	R. Veselko	Slovenia
G.G. Findlay	Brazil	G. Wramfelt	"The Shipbroker's Register"
M. Froio	Brazil		
G.J. Heinonen	Finland	P.J. Wood	Great Britain
M.J. Hennerbry	Ireland	R. Yu	Taiwan

### In Attendance:

Mr. J. C. Williams – General Manager

### Item

### Action

#### 1. President's Welcome

The text of the **President's** address to the meeting **is attached**.

Following his formal address, the **President** reminded the meeting that FONASBA is a world-wide organisation with authority and influence in the maritime industry. He therefore reminded those present that one of the primary aims of the Federation is to promote and protect the interest of shipbrokers and agents on a global basis. He therefore called on all members, and particularly those based outside Europe, to involve FONASBA in their local maritime activities. FONASBA was ready and able to put the experience of its entire membership at the service of national associations in whatever manner was appropriate. Closer liaison and interchange of information amongst members around the world would only strengthen FONASBA and this, he said, was of benefit to all.

#### 2. Minutes of the Last Meeting Held in Paris October 20<sup>th</sup> 2000

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

### 3. Standing Committee Reports

#### ECASBA

**Mr. Masucci** advised Council that the ECASBA Advisory Panel had met three times since Paris, with the most recent meeting being held on Tuesday. These meetings, and the Plenary meeting on Wednesday, had covered a number of matters of concern and interest. Foremost was the draft Directive on Access to Port Services. This was now making its way slowly through the European legislative process but was being continually modified as it did so. Even if everything now proceeded unhindered, the Directive would not take effect until early 2004. ECASBA is engaged in regular dialogue with the Commission and the European Parliament and its contributions to date have been welcomed by the Commission.

Europe is now engaged in a major programme to promote Short Sea Shipping and most littoral countries now have an operational short sea shipping promotion bureau and those that do not are making progress towards establishing same. In all bureaux, agents and brokers are playing a major and influential role.

ECASBA was also involved in the discussions relating to European Customs Union and Transit Reform and also played a major part in the development of techniques necessary for the delivery by video-conferencing of educational courses – a project that will in due course be made available to the wider FONASBA membership. He thanked **Mrs. Fletcher** for her efforts in developing this initiative and also for agreeing to stay on beyond her retirement as coordinator of the Education and Training Working Group.

He also gave details of the new Marine Safety and the Environment Working Group being formed by Rudi De Meyer, which was a welcome addition to the ECASBA portfolio.

**Mr. Masucci** also reported that ECASBA Vice-Chairman **Mr. Hunter** and Executive Vice-President **Snr. Pérez-Maura**, as senior ECASBA representative in the host country, would join him at the next meeting of the European Maritime Industries Forum in Valencia in late October. This would, he said, cover a large number of issues already being covered by ECASBA, including short sea shipping, maritime education and training and EU maritime policy.

Finally, he echoed the **President's** remarks regarding the comprehensive presentation given by Ms de Leeuw on EU Maritime policy developments.

#### Liner & Port Agency

**Mr. Good** referred to the very interesting discussion on adding value to independent liner agency operations as a means of increasing both the agent's revenue and also their value to their principals in the face of increasing competition from line owned agents, port authorities offering cut-price, or free, agency services and others.

He said that independent local agents have a wealth of experience and local knowledge that they can place at the disposal of their principals and they should be making every effort to boost the services they can provide. He also mentioned the drive to move liner remuneration away from the traditional commission based structure and to encourage agents to look at alternative methods of income generation.

**Mr. Good** then advised that following a lengthy debate at the Liner & Port Agency Committee meeting, it had been agreed to effect another amendment to clause 6.04 of the Standard Liner and General Agency Agreement relating to redundancy costs. He advised that the revised clause would include part of the previous 1993 clause and therefore would now read as follows :

**“The basis of compensation shall be the monthly average of the commission and fees earned during the previous 12 months or if less than 12 months have passed then a reasonable estimate of the same, multiplied by the number of months from the date of cancellation until the contract would have been terminated in accordance with clause 1.01 above. Furthermore the gross redundancy payments, which the Agent and/or Sub-Agent(s) is compelled to make to employees made redundant by reason of the withdrawal or suspension of the Principal's service, or termination of this Agreement, shall also be taken into account.”**

He therefore advised that this would now be placed before BIMCO for consideration at their November Documentary Committee meeting.

Finally, he thanked the members of his advisory panel for their assistance during the past year and also to **Mr. Smith** for his help in drafting the revisions to the Standard Liner & General Agency Agreement and for supporting it at the BIMCO Documentary Committee meetings.

#### **Chartering & Documentary Committee**

**Mrs. Noer** thanked the members of her advisory panel for their assistance over the past twelve months. Referring to the meeting held earlier on Friday 19<sup>th</sup>, she said that the meeting had discussed the “NORGRAIN SOUTH” charterparty and had also been informed by the BIMCO representatives that the Council was working on a new grain charter. FONASBA had requested that a representative be allowed to join the BIMCO committee working on this new project. **Mr. Smith** had been appointed to the CMI sub-committee on issues of maritime law. The meeting also included interesting discussions on both the influence of the internet on the shipbroking industry and also the on-going process of consolidation in the shipping industry generally. She said that the meeting was of the opinion that there was a role for the broker in spite of the developments in on-line chartering, particularly in terms of the provision of expert knowledge of markets. Consolidation was an on-going problem and the Committee would therefore keep it under review.

BIMCO and Intertanko representatives had both provided reports on developments within their respective organisations and BIMCO gave details of their IDEA charterparty editing application.

**Mr. Smith** gave a brief presentation on the moves within the legal profession to develop a modern liability and legal framework for the transport industry.

Finally, **Mrs. Noer** acknowledged the support and guidance given by **Mr. Smith** during the past year.

The **President** then asked **Mr. Winger** if he had any comments to make but the latter said he felt that he had commented fully during the previous meetings. The **President** then asked for comments from the floor but none were forthcoming.

#### **4. Member Association Reports**

Reports from Spain and Ireland had been tabled. **(Copies attached)** No other association took the opportunity to provide a verbal report and therefore the **General Manager** asked that any association that did wish to provide a report should send it to the Secretariat in London.

#### **5. Membership**

The **General Manager** advised that a number of membership issues had been discussed by the Executive Committee and gave the meeting details of their recommendations in the following cases:

- Having secured the qualified approval of the member association in Taiwan, to support an application for membership from the China Association of Shipping Agents
- Subject to receipt of all outstanding membership fees, to support an application for re-admission from AMAU of Ukraine
- To cease the associate membership of Ekmar
- To make one final attempt to contact the existing member in Morocco but, if no response is received, to proceed with application for membership from a new association, APRAM
- To expel SABA Yemen for continued failure to settle membership subscriptions
- To support membership applications from the Asociación Naviera de Venezuela (Full Member) and
- Transport Mutual Europe (Associate Member)
- To attempt for the final time to contact SYNDINAVI of Ivory Coast with a view to securing settlement of subscriptions due.

The **President** then asked **Mr. Yu**, as representative of the Taiwanese members, to verbally comment upon the application from China.

**Mr. Yu** reiterated that his association supported the admission of China to FONASBA and they felt this would be of benefit to the Federation. The only concern, which had already been communicated to the Executive Committee, was to ensure that China did not attempt to gain advantage over Taiwan or any other existing members. If this were the case, he said Taiwan would certainly do everything possible to assist in resolving the matter. He added that China and Taiwan were already members of a number of international and regional associations and that both were now in the final stages of joining the World Trade Organisation. He said Taiwan was very proud to be members of FONASBA and valued the support of the Federation. With this in mind they hoped that all associations in membership would benefit from the admission of China.

The **President** thanked Mr. Yu for his comments and support and stressed that within FONASBA, all members are equal.

The **President** then asked if any member objected to the application from the China Association being taken forward. With there being no adverse comment, the **General Manager** was **authorised to proceed with the application process.**

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The **President** then asked for approval from Council to proceed on the other membership matters as recommended by the Executive Committee. Council **approved all** the recommendations of the Executive Committee and the **General Manager** was authorised to proceed accordingly. With regard to the application from Venezuela, **Mr. Findlay** asked that FENAMAR be kept copied in on the initial exchanges as they have been progressing a number of contacts in South America. They also offered to take over once the preliminary arrangements had been completed.

JCW

The **General Manager** was then asked by the **President** to remind Council of the current membership arrangements for Greece. He advised that there are currently two full members and two associate members. Of these, one of the full members, the Panhellenic Association of Agents of Passenger Ships, had failed to settle subscriptions due for the past two years. The association had been advised that failure to settle the outstanding amounts would lead to expulsion and that this final sanction had been recommended by the Executive Committee. As no adverse comment was received from Council, the **General Manager** was authorised to **notify the association that it had been expelled from FONASBA membership.**

JCW

With regard to the other three, the **General Manager** advised that efforts had been underway for some time to bring them together in one Greek Federation. He then

asked **Mr. Georgopoulos** to bring the meeting up to date on the latest developments. **Mr. Georgopoulos** advised the meeting that final agreement to establish the “Hellenic Federation of Agents and Brokers” had been achieved and on their behalf he was now applying for full membership of FONASBA. He also thanked both **Mr. Papavassiliou** and the **General Manager** for their assistance in bringing this matter to a successful conclusion.

The **President** asked Council if there were any comments on the application from the new Federation. As no adverse comment was received, and with the full approval of Council, the **President** welcomed the **Hellenic Federation of Agents and Brokers** into FONASBA membership.

## **6. Articles and By Laws Revision**

At the request of the **President**, the **General Manager** advised the meeting that the ECASBA Advisory Panel had reached agreement on the wording for a new clause in By Law 10 to allow Norway to become a member of ECASBA. The meeting was also advised that amendments to Article 7, in respect of protecting the integrity of documents transmitted by electronic means, and By Law 4.2, relating to the nomination of officers, had been agreed by the Executive Committee at the meeting held on June 21st. All three amendments had therefore been circulated to member associations ahead of a proposal to approve same at the Council Meeting (**Copies attached**).

The wording of the proposed amendments was read to Council and proposers and seconders for each amendment were requested.

The amendment to Article 7, Alteration of the Articles of Association, was proposed by **Ireland**, seconded by **Great Britain** and on a show of hands was **approved unanimously**.

The amendment to By Law 4.2, Nomination of Officers, was proposed by **Ireland**, seconded by **Greece** and on a show of hands was **approved unanimously**.

The addition of By Law 10.1.2, Membership of ECASBA, was proposed by **Finland**, seconded by **Belgium** and on a show of hands was **approved unanimously**.

## **7. External Relationships**

Although the representatives of BIMCO and Intertanko were not present at the meeting, the **President** took the opportunity of expressing the appreciation of FONASBA for the close relationship with those bodies and hoped that these would improve further in the future. He also said that there would be times in the future when FONASBA and BIMCO did not agree on the format or content of certain documents but he hoped that both sides would appreciate the other's views and that such disagreements would not have an adverse effect on the relationship between the parties.

## **8. Finance/Funding**

The **President** advised Council that under the terms of the service contract, the annual fee payable by FONASBA to the Institute of Chartered Shipbrokers for provision of the secretariat function would be held unchanged for the first two years and then increased by an amount equivalent to the rise in the UK Consumer Price Index (CPI) over the same period. From then on, the fee would be increased annually by an amount equivalent to the annual increase in UK CPI.

Under the terms of the contract, therefore, the Institute had applied for an increase in the service fee of 5.1% for the period January 2000 – December 2001. This request had received the agreement of the Executive Committee and he now put it before

Council for approval.

The **President** then advised Council that the Executive Committee had agreed to the proposals to increase the annual ECASBA membership fee for the financial year 2002/3 by 9 % and the FONASBA membership fee for the same period by 2 %. This, he said, reflected the present situation whereby the requirements of ECASBA place a proportionately higher demand on the resources of FONASBA than do those of the non-ECASBA members. He hoped, however, that in due course the efforts to increase the non-European membership would result in this imbalance being redressed.

The **President** then asked **Mr. Masucci** to comment upon the ECASBA increase. **Mr. Masucci** restricted his comments to stating that the proposed increase had received broad approval from the member associations that had attended the ECASBA Plenary meeting.

The proposals to **increase the Institute service fee for the calendar year 2002 by 5.1%**, the **ECASBA membership fee for the year July 1<sup>st</sup> 2002 to June 30<sup>th</sup> 2003 by 9%** and the **FONASBA membership fee for the year July 1<sup>st</sup> 2002 to June 30<sup>th</sup> 2003 by 2%** were put to Council and by a show of hands were **approved unanimously**.

The balance sheet and audited accounts for the year July 1<sup>st</sup> 2000 to June 30<sup>th</sup> 2001, and the budget for the year July 1<sup>st</sup> 2001 to June 30<sup>th</sup> 2002 had previously been circulated and the **President** asked Council for comment. As no comment had been made previously or was forthcoming, the motion to **adopt the audited accounts for 2000 to 2001** was proposed by **Greece**, seconded by **Portugal** and, on a show of hands, **approved unanimously**.

**Mr. Duin** of the Netherlands then asked whether there was any facility for FONASBA to cover the costs incurred by those officers and others who were required to travel on behalf of the Federation or of ECASBA. He cited the case of Mr. Stolk, coordinator of the ECASBA Customs and Transit Working Group, who regularly attended meetings in Brussels in this particular regard. This placed a financial burden on the reserves of the Dutch association and he therefore requested some form of recompense from FONASBA. The **President** then advised Council of the financial assistance that had been offered to **Mr. Heinonen** and **Mr. Froio** should they be elected to the Executive Committee and the **General Manager** reminded the meeting that this subject had been discussed in Paris. At that time it had been agreed that once the Federation's reserves were approximately equivalent to one year's subscription income it would be possible to begin defraying the travel costs of officers and others. This point had now been reached and **Mr. Duin** was therefore asked to put a proposal to the **General Manager** for consideration at the next Executive Meeting.

MSBD

Having briefly mentioned the requirement to elect, mid-term, two more members of the Executive Committee, the **President** decided to proceed with the elections and so asked the **General Manager** to clarify the reasons for same. It was confirmed that it was necessary to re-elect **Mr. Heinonen** as Immediate Past President in order to comply with the rules relating to the composition of the Membership and Nominating Committees and further that there was one vacancy on the Executive Committee following from the election of **Mr. Masucci** as President Designate whilst he retained his position as ECASBA Chairman. It was also pointed out that these two nominations were for a period of one year only and that the whole Executive Committee was scheduled for re-election at the Rio de Janeiro meeting.

The **President** therefore proposed that **Mr. Gunnar Heinonen** be elected as **Immediate Past President** and that **Mr. Mario Froio** be elected as a **member of the Executive Committee** with both to serve until the 2002 Annual Meeting. As no objections were raised the **two nominations were approved**.

## 9. “Ships Agent & Broker” Contract/Publicity

At the request of the **President**, the **General Manager** advised Council of the failure of the “Ships Agent & Broker” magazine and the outcome of his investigations into the options for a replacement. He said the options were :

- Do nothing
- Expand and improve the current internal newsletter
- Secure FONASBA space in a current shipping news publication
- Start a new magazine

It was agreed that neither of the first two options were acceptable. With regard to the third, Fairplay International was considered by many to be the magazine that best reported agency and broking matters and the **General Manager** had discussed the option of a FONASBA section within the magazine. The publishers of the magazine were not responsive to this idea but did suggest a regular FONASBA insert as an alternative. In return for producing the insert, Fairplay would require details of individual companies within FONASBA member associations for marketing purposes. It was also confirmed that those companies that were not already subscribers to the magazine would be offered concessionary rates.

Discussions had also been initiated with a reputable publisher of maritime journals who had stated that he was sure there was sufficient room in the market for a magazine dedicated to the agency and broking professions and that it would be possible to fund the production and editorial content of the magazine from advertising revenue. The publisher had offered to produce the magazine for a year to see if it would generate enough interest to remain viable.

The Executive Committee had considered the two options and after some debate agreed that the Fairplay insert option was worthy of further investigation. Whilst the new magazine option found some favour, there were concerns about its ability to survive in an already crowded market and there were fears that if it failed within, or after the first year, FONASBA’s reputation would suffer by association.

The **General Manager** had therefore been authorised to start substantive discussions with Fairplay. Since then, the Executive Committee had been approached by **Mr. Wramfelt**, who had offered to use his contacts in the maritime publishing field to ascertain if any other options were available. He was therefore asked to put his suggestions to the **General Manager** for consideration at the next Executive Committee meeting.

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Any other considerations notwithstanding, was also agreed that irrespective of whether the proposals came to fruition, Fairplay’s standing within the agency and broking community was such that it should henceforth be used by FONASBA as its prime conduit for the dissemination of press releases.

## 10. FONASBA Standard Documentation

The **President** asked **Mr. Good**, as Chairman of the Liner and Port Agency Committee, to bring the meeting up to date on recent developments in this regard.

**Mr. Good** said that the latest developments with respect to the Standard Liner & General Agency Agreement had been discussed during his report under item 3 and he therefore took the opportunity to remind Council that following a failure to secure BIMCO approval for the Standard Port Agency Conditions form, this had now been published without approval. As with all new forms it would take time to achieve widespread use but initial usage was encouraging. In terms of increasing market awareness, he advised that a useful article on the form had appeared in Fairplay International earlier this year.

The **President** then asked **Mr. Winger**, on behalf of ASBA, to bring the meeting up to date on progress with marketing the new "NORGRAIN SOUTH" charterparty. He said that advance copies of the form, together with explanatory notes, had been sent by ASBA and the FONASBA secretariat to a number of major grain houses, maritime lawyers, the shipping press and other interested parties with a view to promoting its use. He said that to date the response was not as positive as had been expected but ASBA were hopeful that in time the traditional market reticence to use any new form, that **Mr. Good** had referred to, would lessen and that enthusiasm for the form would thereby increase.

Finally, **Mr. Smith** reminded Council that following the introduction of the Contract Terms, Rights of Third Parties, Act into English law, the International Brokers Commission Contract form was now obsolete.

#### 11. **Website and Internet**

The **General Manager** advised Council that the revised FONASBA website, with its incorporated ECASBA pages, was now up and running and member associations were encouraged to visit and make use of it. He asked that all member associations ensure that all changes to contact and other details be passed to the Secretariat as soon as possible in order that the site can be kept up to date.

He also reminded Council that e-mail was the preferred form of communication within the Federation and he once again encouraged those remaining few associations that did not have e-mail to endeavour to arrange connection - and having done so to notify the secretariat - as soon as possible.

Finally, he advised that FONASBA would, for the foreseeable future, be standardising on Windows 98, Microsoft Office 2000 and Adobe Acrobat version 4.0 as its standard operating system and applications.

#### 12. **Education & Training**

The **President** once again thanked **Mrs. Fletcher** for all her efforts in developing the ECASBA training initiatives, full details of which had been given during the ECASBA Plenary meeting. He also thanked her for having agreed, in spite of her impending retirement, to continue to coordinate the ECASBA Education & Training working group. He then said that he hoped the initiatives that are currently being carried on under the ECASBA banner, would in due course be made available to FONASBA members world-wide.

Looking beyond the current training programme, the **President** said that all member associations needed to look at future training requirements for their staff. He said that improvements in technology and also competition from others meant that well trained staff were vital to the continued viability of the industry. Whilst an ability to use new technology was mandatory, new entrants to our professions also need a good grounding in industry specific training.

Supporting the **President**, **Mr. Masucci** said that the ECASBA programmes had worked very well and the feedback from the students had been very positive. He therefore fully supported the concept of expanding the schemes outside Europe and therefore called on non-European member associations to consider taking part.

#### 13. **Any Other Business**

**Mr. Georgopoulos** mentioned the enquiries that he had passed on to the secretariat with regard to customs attitudes in Europe and elsewhere to the liabilities of agents in cases where contraband cargo had been wilfully mis-declared. He said that the Greek authorities were in some cases taking a very hard line with the agent - who in most cases was totally innocent - and therefore his association had sought



assistance from other members with a view to convincing the Greek authorities that their attitude was not in tune with the world-wide view. Unfortunately, however, he said that only a few replies had been received and this had been disappointing. The **General Manager** advised that a number of replies had been passed on but he would undertake to repeat the enquiry to all FONASBA members at the earliest opportunity.

JCW

#### 14. **Date and Place of Next Meeting**

The **President** advised that the next Council meeting would take place on Friday, October 11<sup>th</sup> 2002 in Rio de Janeiro. He then asked **Mr. Findlay** of FENAMAR to make a short presentation on the Rio Meeting.

At the conclusion of the presentation, the **President** advised members that the Hungarian Shipbrokers and Agents Association had kindly offered to host the 2003 Annual Meeting in Budapest. He advised that there had been an offer from the Turkish association to host the meeting but beyond an initial approach there had been no further communication from the association in this regard. He therefore asked the **General Manager** to clarify the status of the Turkish offer. If this had indeed been withdrawn he asked that the meeting confirm its willingness to accept the Hungarian offer.

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For the Hungarian association, **Mr. Demeter** said that his executive and members were looking forward very much to welcoming FONASBA to Budapest in 2003.

Before bringing the meeting to a close, the **President** reminded Council that Mr. Wolfgang Elsner, Head Of Unit at DGTREN in Brussels, would be making a presentation on the draft Directive on Access to Port Services immediately afterwards. He therefore asked as many Council members as possible to attend.

**There being no further business, the President brought the meeting to a close.**

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