

# Return of flag sparks renaissance

## Stable shipping environment entices owners back to Belgium ship register

THE return of the registry has been an undoubted success and has seen Belgium develop a significant shipowning presence.

Royal Belgian Shipowners' Association managing director Marc Nuytemans said the flag's return has generated much more interest in shipowning and the maritime sector generally.

Belgium's success can largely be put down to the stable shipping environment that has been created, he said, rather than merely the introduction of tonnage tax.

Belgian owners are back with the flag and many are expanding.

Capt Nuytemans pointed to Conti-Lines, which used to have one ship and has increased the complement to five.

Shortsea operator Delphis has expanded rapidly in just a few years to become one of the largest shortsea operators in Europe. Meanwhile, Kleimar is back into shipowning with its fleet of six bulk carriers and Croisier has launched its second cruiseship and is planning a third.

CMB's dry bulk arm Bocimar is another firm with investment high on the agenda. Euronav has entered into the FSO market and Exmar, too, is expanding. The LNG regasification vessel *Explorer*, jointly owned by Exmar and Excelerate Energy, was delivered in March. This vessel enters directly into a 25-year time charter with Excelerate Energy.



Nuytemans: shipping has again got a voice when it comes to policy-making.

Three LNGRVs under construction — *Exquisite*, *Expedient* and *Exemplar* — have already found long-term employment.

But Capt Nuytemans does not necessarily think that these rapid growth rates will continue in the Belgian fleet, given the current credit crunch.

He believes true shipowners will probably dig in and batten down the hatches. "They have made the decisions to build up their fleets, placed the orders and already taken their long-term positions," he said.

"Uncertainty is always the worst thing in the shipping market and this more than anything affects the shipowners' strategic decisions."

Capt Nuytemans fears the impact of Brussels and the European Commission. As long as there is consistency, shipowners can work with that, he said, but he worries about knee-jerk reactions to events.

He cites the single-hull ban while pointing out that most quality owners already had double-hulls.

"On the other hand, global rules for industry are needed so owners know where they stand," he stressed.

"Employers are afraid of instability and there is sometimes rather too much sabre-rattling coming out of Europe."

One of the greatest challenges will be the handling of ship emissions. The association has ordered an in-depth study by European Union maritime ambassador Frank Maes from the University of Gent on a CO<sub>2</sub> index for the Belgian fleet and it will contribute to the debate.

Belgium's new labour legislation was introduced in November. Some outdated practices have gone and now it will be possible to operate an electronic system instead of using paperwork for signing documents. Data can also be exchanged with the government via web-based applications.

The move catapults Belgium to the forefront of modern maritime countries, said Capt Nuytemans.

But he admits to being frustrated that shipping is taken for granted in terms of its importance to the world economy. "No matter where you are, things can always be shipped at incredibly low cost," he said.

If the industry is in for a rocky time given the situation in the financial markets, shipping will continue to grow even if it not at such rapid rates, he said.

Although Belgium, like other countries, is finding it difficult to find European seafarers the numbers entering the Antwerp Maritime Academy have risen dramatically following industry efforts. In 2000, only 217 students entered but this has risen to 585 this year.

"There is definitely more interest in shipping and shipowning and shipping has again got a voice when it comes to policy-making," said Capt Nuytemans.

## Just 17 But Belgian fleet is expanding fast



THE Belgian-controlled fleet is now the 17th largest in the world, with 226 seagoing vessels and a total tonnage of 12.4m dwt, according to UNCTAD's Maritime Review 2007.

Compared with 2006, this represents an increase of 23 vessels totalling

931,000 dwt. In 2003, prior to the reflagging, the fleet stood at 6.1m dwt.

Last year, 95.96% of the Belgian-controlled tonnage operated under a national flag, mainly one of the European Union member states. Of these, 51.74% flew the Belgian flag. Only 4% are with

an open register, representing 505,000 dwt. This covers 36 small ships registered in Panama (12), the Bahamas (13), Malta (10) and Cyprus (one).

Pictured is the 2003-built, 77,773 dwt Belgian-flagged liquefied natural gas carrier *Excel*, which is owned by Exmar.

## Maritime law revamp a lengthy task

BELGIUM is rewriting its maritime law in what is believed to be the largest legal revamp in its history.

The mammoth task of replacing the old maritime law book of 1879 is due to be completed in 2010, and is expected to strengthen the national port and shipping sector.

Although the law dates from 1879, it actually originates from the French law book of commerce from Napoleonic times, which was literally a copy of the 'Ordonnance de la Marine' of 1681.

The ambitious project was put in place by the Commissie Maritiem Recht under the chairmanship of Eric Van Hooydonk. The commission was formed by a Royal Decree on April 27, 2007 and started work in September last year.

Essentially, Belgian maritime law is outdated and is not thought to offer the legal security needed in today's shipping industry, says Professor Van Hooydonk. The old maritime law is in total contrast to the position of Belgium in the maritime world, he stressed.

The United Nations Conference on Trade and Development report of 2007 put Belgium in 10th place of 25 on the list of the most active maritime trading nations. The same report stated Belgium was the world's 17th most important maritime nation.

Belgian ports handled 265m tonnes in 2006 and the country boasts a number of Europe's leading ports.

Dredging companies rank in the so-called 'Champion's League' with Belgian companies handling 28% of the global share of the dredging and harbour development work representing an annual turnover of €930m (\$1.5bn).

The maritime cluster in Belgium employs 12,100 people and has an annual turnover of €3.8bn. Ports employ 106,600 employees and have a turnover of €12.7bn.

As a member of the International Maritime Organization, Belgium plays a significant role in decisions in world maritime politics.

"It can only continue to fulfil this role if it has a legal framework which is totally in tune with the realities of the shipping and port activities of the day," he added.

The former Flemish minister-president and minister of mobility and now Belgian prime minister, Yves Leterme, has earmarked a budget of €1.3m for the project.

He insists the current law is out of date. "In 1879 there were no container ships, mammoth tankers or electronic data inter-

change," he said. "All of these developments are not found in the maritime law.

"The transport of dangerous goods is also not taken into account. Half of the maritime law's regulations are completely alien to the world today and completely irrelevant. In addition, the law is often disjointed and not transparent and lawyers had been pointing out for years that a new law was necessary. In contrast to the Netherlands, the Belgians don't really appreciate that the country is a nation of seafarers. Belgium's controlled fleet today represents 12m dwt. But among the public this is not sufficiently known and they are not sufficiently proud of it. Our dredging companies are asked for all over the world and more than a quarter of all dredging works worldwide are done by Belgian firms."

Antwerp is one of the world's largest ports and the country's harbours create €20bn in added value every year. "We can maintain our position if we have a legal framework in tune with the realities of the shipping world."

For the first time in Belgian legal history, he added, the rewriting activities were preceded by consultation period. "I would like to give my appreciation to the commission, which have been able to enhance and find the reactions out of several sectors," he said. This had resulted in a rich harvest of proposals, comments and expectations.

In the meantime, preparations are being made for the editorial part of the new law book — expected to be in place by 2010.



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