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THE CHANGING ENVIRONMENT FOR SHIPPING

Politics, economics and technology have dramatically changed ocean shipping since World War II.

Technology has left its mark in increased ship size, greater automation, computerization, new handling (containers, ro-ro, lighter carriers [Lash], heavy-lift capacity etc.) aboard ships and in ports. Vessels become obsolete faster... already we have witnessed several generations of container ships. Ship management has modernized, and shipboard skills have changed significantly.

Economics have had a tremendous impact as recession forced many shipowners into bankruptcy or merger. Consortium-forming and vertical integration (e.g. subsidiary offices displacing independent shipping agents) are found in all trades. Huge capital requirements for new-buildings have limited the number of companies (and banks) willing to consider shipping investments. Fuel costs have resulted in redesigned propulsion, hulls, engines and operating speeds. Labour costs have promoted the flight from traditional maritime flags to the flags of convenience, and to some extent, have led to the development of national fleets in the developing world.

Politics have recast the face of shipping, and the political impetus can have either a multilateral/bloc or a national character.

Looking first at national politics, many countries have responded to the allure of a national fleet for reasons of employment, balance of payments or economic development. Others have been mindful of the economic and strategic vulnerability proven during wartime conditions. Others have had distasteful experience in negotiating with foreign dominated conferences. The panacea to many is the national fleet. World shipping has been further complicated by the emergence of over 75 new states and new global and regional blocs since World War II.

On the multinational level, politics have produced many bilateral agreements and regional cooperative endeavours in the interest of promoting local political and economic aims. On a broader front, particularly within the UNCTAD (United Nations Conference on Trade and Development) the establishment and expansion of national merchant fleets of the developing world have been set as a priority. The United Nations Convention for a Code of Conduct for Liner Conferences was the product of an international review of liner conferences, including difficulties of negotiating with conferences and ensuring participation of national lines. The Code became the first internationally recognized instrument to endorse a role for national lines, which may entail a variation of cargo shares.