

the creation and expansion of merchant marines on the other. Mr. Bouayad dismissed the common allegation that developing countries pursue a fleet development policy for the sake of owning a fleet. *"Irrational behaviour does not tend to be characteristic of developing countries"* he said. In fact from the outset, developing countries' shipping policy has been *"primarily directed towards trade-related aspects of shipping, particularly the protection of shippers' interests"*.

Since 1964, the UNCTAD Committee on Shipping has paid particular attention to the protection of shippers' interests, and has passed a number of resolutions on the issue. In parallel the UNCTAD Secretariat has produced studies on shippers' councils, freight rate negotiations and related issues.

Hence both shippers' interests and fleet development have received intensive consideration. The two form the core of the Convention on a Code of Conduct for Liner Conferences which entered into force in October 1983. While fleet development and national participation are undoubtedly major elements of the Code, *"equally important are those parts dealing with external conference relations, basically with shippers"*. Thus the Code establishes equitable principles for the relationship between shippers and conferences, such as consultative processes and rules for freight rate increases, surcharges and currency adjustment factors.

However nearly ten years passed between the Code's adoption in 1974 and its entry into force. There have been important political, technological and economic development. Mr. Bouayad suggested that there is a widening technology gap, as developing countries own only 13 percent of the world's containerships, as compared to one-quarter of conventional general cargo tonnage. Overtonnaging has been a current problem. The long delay in introducing the Code also caused a number of countries to promote national fleet employment through unilateral cargo reservation or bilateral cargo-sharing agreements which do not necessarily reflect the provisions of the Code. *"It can be rather safely assumed that such proliferation of cargo reservation measures was a result of the frustrations*

*prevailing among a number of countries resulting from the delays in implementing the Code principles, and could have been avoided had the Convention entered into force earlier.*

Mr. Bouayad noted that many nations were aware of the incompatibilities between such measures and the Code. Differences in perception of the nature of the instrument are more apparent now than at the time of its negotiation and adoption. A Review Conference scheduled for November 1988 will be a forum to address such fundamental questions.

Meanwhile progress by developing countries in the bulk cargo sector has been minimal. Developing countries sought international recognition of their right *"to equitable participation"* in such trade, and a division of opinion had emerged on whether barriers existed to the entry of developing countries into bulk operations. A parallel discussion had simultaneously addressed the issue of flags of convenience. The negotiating process culminated in the adoption in February 1986 of the United Nations Convention on Conditions for Registration of ships. *"In effect over time the original theme of phasing out flags of convenience had been gradually converted into an instrument providing international standards for ship registration, accompanied by concrete mechanisms to ensure the genuine link between ship and the flag"*.

In his closing remarks Mr. Bouayad returned to his main theme, **the need to find internationally acceptable solutions in shipping**. He eloquently presented the case for UNCTAD as the most appropriate international forum to address and resolve these matters, and made a strong plea for **international cooperation**. He concluded that unilateral action *"will invariably impinge on the shipping interests of other countries"*. In summary *"a proliferation of uncoordinated unilateral, bilateral or subregional action would not only represent a cumbersome and inefficient approach to problems, but would rather aggravate than remedy them. Thus, there is no justification to sacrifice the global approach for a fragmented one"*.