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Cash crisis to dominate IMO

THE International Maritime Organisation is facing a continuing cash crisis as it prepares for one of the most important meetings in its 30-year history.

The full assembly of IMO, which meets once every two years, starts next week and is almost certain to be dominated by the budget problem which has not been helped by events in Panama this week with the failed coup attempt against de facto leader General Noriega.

Panama owes nearly half of the £5million (\$8m) in unpaid fees owed to the IMO and so far, despite earlier promises, has failed to pay any of this year's contribution of £1,058,000 with a further £1.2m outstanding from previous years.

Panama is the second largest contributor to IMO, providing 10% of the organisation's

By John Landells,
Shipping Correspondent

budget, calculated by the size of its fleet, which at 66m tons gross is the second largest in the world.

US sanctions over General Noriega's alleged involvement in drugs have cost the Panamanian economy an estimated \$200m and been blamed for its failure to pay its share.

IMO has so far received 68% of this year's contributions but £3m remains outstanding with a further £2m from previous years. Among the leading non-payers are the Philippines with £365,000, Libya £153,000, Iran £180,000, Yugoslavia £167,000 and Iraq £115,000.

However, by the end of the year the IMO expects to receive £565,000 owed by the US and

\$590,000 outstanding from Liberia.

But in order to keep the organisation running, IMO has almost exhausted its reserves of £1,250,000, run up a deficit of £200,000, while it owes £160,000 on the rental of its London headquarters which the UK Government has not yet requested.

To cope with the crisis, the assembly will be asked to approve a cutback in the number of meetings over the next two years from 50.5 weeks to 42 weeks, although the budget is planned to rise 22% to £25.9m.

The assembly will also be asked to authorise work on drawing up a new convention designed to improve international co-operation in combating major oil pollution incidents and approve moves to seek governments to enforce IMO conventions more rigorously.