Towards the establishment of a marine insurance industry in the Caribbean region

Carrol J. Pickersgill

Follow this and additional works at: https://commons.wmu.se/all_dissertations

Recommended Citation
Pickersgill, Carrol J., "Towards the establishment of a marine insurance industry in the Caribbean region" (1987). World Maritime University Dissertations. 806.
https://commons.wmu.se/all_dissertations/806

This Dissertation is brought to you courtesy of Maritime Commons. Open Access items may be downloaded for non-commercial, fair use academic purposes. No items may be hosted on another server or web site without express written permission from the World Maritime University. For more information, please contact library@wmu.se.
TOWARDS THE ESTABLISHMENT OF
A MARINE INSURANCE INDUSTRY
IN
THE CARIBBEAN REGION

by

CARROL J. PICKERSGILL
GMA1: 87

WORLD MARITIME UNIVERSITY
The Caribbean
WORLD MARITIME UNIVERSITY
MALMO, SWEDEN

TOWARDS THE ESTABLISHMENT OF A MARINE INSURANCE INDUSTRY IN THE CARIBBEAN REGION

by

CARROL J. PICKERSGILL
JAMAICA

A paper submitted to the Faculty of the World Maritime University in partial satisfaction for the award of a MASTER OF SCIENCE DEGREE in GENERAL MARITIME ADMINISTRATION

The contents of this paper reflect my own personal views and are not necessarily endorsed by the University.

Signature:
Date :

Supervised and assessed by: Mr. Pierre Houssin, Professor, World Maritime University and Mr. Carlos Moreno, Lecturer, World Maritime University;

Co-assessed by: Mr. Yves-Marie Lejean, Legal Adviser, Syndicat des Societes Francaises d'Assurances Maritimes et de Transports, France, Visiting Professor, World Maritime University.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CONTENT</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>TITLE</td>
<td>i</td>
</tr>
<tr>
<td>CONTENTS</td>
<td>ii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>v</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>vi</td>
</tr>
<tr>
<td>INTRODUCTION - WHY A MARINE INSURANCE</td>
<td>1</td>
</tr>
<tr>
<td>INDUSTRY?</td>
<td></td>
</tr>
<tr>
<td>CHAPTER I- SOME DEFINITIONS &amp; DELIMITITIONS</td>
<td></td>
</tr>
<tr>
<td>1.1 Marine Insurance</td>
<td>6</td>
</tr>
<tr>
<td>1.2 The Caribbean</td>
<td>10</td>
</tr>
<tr>
<td>1.3 Market/Industry</td>
<td>11</td>
</tr>
<tr>
<td>CHAPTER II- THE LAW RELATING TO MARINE INSURANCE</td>
<td></td>
</tr>
<tr>
<td>2.1 Basic Principles</td>
<td>13</td>
</tr>
<tr>
<td>2.2 International Legal Regimes &amp; Conventions</td>
<td>17</td>
</tr>
<tr>
<td>2.3 Caribbean National Laws</td>
<td>22</td>
</tr>
<tr>
<td>CHAPTER III- THE STRUCTURE OF THE INTERNATIONAL MARKET</td>
<td></td>
</tr>
<tr>
<td>3.1 The Lloyds Market &amp; The Companies Market</td>
<td>25</td>
</tr>
<tr>
<td>3.2 Other Commercial Insurers</td>
<td>28</td>
</tr>
<tr>
<td>3.3 Mutual Companies (P&amp;I Clubs)</td>
<td>29</td>
</tr>
<tr>
<td>3.4 Mutual Associations</td>
<td>30</td>
</tr>
<tr>
<td>3.5 The Caribbean Market</td>
<td>31</td>
</tr>
</tbody>
</table>
CHAPTER IV- A Comparison: The English & Norwegian Markets

4.1 Brief History and Development 34
4.2 Structure 35
4.3 Laws and Conditions 37
4.4 Relevance to Developing Countries 41

CHAPTER V- THE ECONOMICS OF MARINE INSURANCE

5.1 The Demand Side 43
5.2 The Supply Side 46
5.3 The Pricing 47
5.4 Case for the Developing Countries 48

CHAPTER VI- ANALYSIS OF CARIBBEAN MARINE INSURANCE OPERATION

6.1 The Approach 52
6.2 Cargo Insurance 54
6.3 Hull Insurance 56
6.4 The Case of The Port Authority of Jamaica 60
6.5 Cargo Traded: (Table 1) 69
6.6 Fleet Ownership: (Table 11) 70

CHAPTER VII- CONSIDERATIONS FOR THE DEVELOPMENT OF A CARIBBEAN MARINE INSURANCE INDUSTRY

7.1 A Summary 72
7.2 Insurance Denied- The Experience of Nigeria 73
7.3 Training and Qualification of the Insurance Personnel & Preparing the Insurance Support Sector 76
7.4 The Questions of Legislation, Reinsurance and Foreign Exchange 78
7.5 Going it alone or regionalization? 79

(iii)
CHAPTER VIII - CONCLUSION

8.1 Summary 80
8.2 Recommendations 87
8.3 Problems and Challenges for the Future 89

BIBLIOGRAPHY 92

ANNEXES 97
1. Survey Questionaire
   a) Cargo traders
   b) Hull operators
2. Index of Caribbean Cargo Capacity (containerised)
3. List of Caribbean Islands with major shipowning, shipbuilding and repairing companies.
ACKNOWLEDGEMENTS

To the persons and organisations appearing below and without whose assistance and inspiration this paper may not have been possible, I confess my greatest indebtedness and hereby express my sincerest gratitude:

The Port Authority of Jamaica and especially, General Manager, Mr. Lucien Rattray, for having afforded me the privilege of attendance at The World Maritime University and to those members of staff whose encouragement served as a source of inspiration during some of the most difficult periods of my stay in Malmo;

The Commonwealth Secretariat whose fellowship award made my attendance at The World Maritime University possible;

Mr. Robin Aggersbury, who took time out of his busy schedule to go through the paper;

Mr. Sven - Herick Svensen, lecturer, who not only assisted in the correction of the content of this paper but was also instrumental in affording me the privileged exposure to the Norwegian Marine Insurance Industry during the four weeks of my "on-the-job" training in Norway;

My professors and tutors at the World Maritime University and especially, course professor Dr. Ahmed Monsef and lecturers and assessors of this paper, Professor Pierre Houssin and Mr. Carlos Moreno and Mr. Yves-Marie Lejean;

My parents for their unfailing support,

I thank you all very much.
This study examines existing marine insurance markets or facilities and laws in the Caribbean and which are largely provided, since the colonial days by the traditional maritime nations and especially England, in the light of recent maritime developments in the region.

To this end the study shall look at the marine insurance industries of established maritime nations in general and their relationship with the developing countries to which the Caribbean belongs.

The London and Norwegian industries have however been singled out for special consideration. The London Market has been selected because it stands as the oldest marine insurance market and one on which many Caribbean countries continue to place their risks.

The Norwegian Market has been chosen, not only because of the wealth of assistance Norwegian governments and private enterprise has given to maritime development in the Caribbean but also because it is somewhat different to the London Market and stands as a viable alternative, although neither can be seen as a substitute to the development of the local sector.

It is considered that the greatest disadvantage of same is the vacuum created in place of the development of local expertise and consequent underdevelopment of the local market and a guaranteed dependence on overseas placement which is inimical to present economic realities.
It is therefore proposed to consider the development of such local expertise with a long term aim towards establishment of an indigenous and recognisable marine insurance industry geared to suit the needs and aspirations of the Caribbean Community.

An analysis has been attempted of the Caribbean experience by way of a small survey conducted amongst major ship owners and cargo traders within the region. The survey is by no means exhaustive neither are the returned responses considered complete. However, the survey does indicate the size of the market, the placement areas as well as the estimated premium expenditure of the Caribbean.

The case of The Port Authority of Jamaica has been illustrated in this study because it is considered as a fitting means of highlighting some of the problems attendant upon the placement of marine insurance overseas, given existing local conditions, regulations and certain fiscal policies necessary to the development of the countries as a whole.

Some suggestions and recommendations towards the establishment of a marine insurance industry in the Caribbean region have been incorporated in the study and are further summarised in the conclusion.
INTRODUCTION

WHY A MARINE INSURANCE INDUSTRY?

Marine Insurance like other forms of insurance is a risk transfer mechanism. It is intimately connected with foreign trade and in fact may be seen as the "backbone of shipping" which necessarily facilitates such trade. Developing countries, by their nature are usually forced into risky exposures. In a highly capital intensive world they have very little capital at their disposal. They are often producers of single commodities and so depend greatly on foreign trade.

Caribbean islands are classed amongst the countries of the developing world. Like most developing countries the islands therefore have to rely on an efficient transport system to facilitate their access to foreign markets. Many developing countries are now shifting from former dependence on developed countries for transporting such trade. They are consequently moving towards the establishment of their own merchant fleet, not only as a means of improving their balance of payment situation but also with a view to promoting their foreign trade.

This study is therefore concerned with the importance of developing a marine insurance market in the Caribbean region, given the move by some of these islands towards development of merchant fleets as well as investments in modern and sophisticated ports and facilities.

In addition to merchant fleets mentioned above, many developing countries through their Ports and Ports Authorities now own and operate not only harbour crafts,
such as is used by harbour police and fire departments, but also larger rescue boats, tugs, work launches, ferry boats and or barges.

Further, for Caribbean islands, as is the case with most island states, the sea is a prime source of internal economic sustenance. Fishery and Tourism are usually at the base of the economic structure of almost all of these islands. Literally hundreds of fishermen not only in small canoes but also in larger and more sophisticated vessels used for deep sea fishing, earn their livelihood as well as food for the nation, from the seas of these islands.

These fishermen are often left on their own to contend with the perils of the sea and the vagaries of nature. Therefore, they often have neither the force of law nor the incentive of future reward to impel them towards the practice of good seamanship or maritime safety for themselves or for other users of the sea.

In one case reported to the Marine Board of Jamaica for example, a Jamaican fisherman had his vessel which he alleged had broken down in the middle of the channel smashed and sunken, and himself and members of his crew narrowly escaping death, by a large breakbulk vessel which had been entering the channel.

The breakbulk vessel which was owned by and registered in a foreign country was at first arrested by the Marine Board. However her almost immediate release was secured by attorneys in Jamaica acting on behalf of her P.& I Club, who contended that the Board had no power, under the circumstance to detain the vessel. The fisherman who
had no insurance was consequently left without his only means of livelihood and without any legal remedies.

Within the Tourist industries of many of these islands, watersports activities not only serve as a means of entertainment to tourists but also as a means of livelihood to the many nationals who operate them.

These sporting activities often involve the use of small crafts used for example, to pull water skiers or jet skiers. The use of larger vessels is sometimes utilised. Formerly these vessel were under no regulations. Recently however the Jamaica Government enacted legislation making it compulsory for all persons operating in the tourist industry to be properly licenced and for their vessels to be licenced by the Marine Board. There is however no requirement for such vessels to carry insurance coverage.

Cruises have always been one of the hallmarks of Caribbean tourism. This may be in the form of cruises within the individual islands or cruises around the various islands. These vessels are usually large passenger vessels and are almost always registered with foreign registries. They normally carry full marine insurance coverage, particular the ones engaged in inter island cruises.

Hand in hand with the tourist trade as well as with certain middle-class ethics enhanced by the proximity of the sea in the islands, yachting has become one of the pleasures to be enjoyed on these islands.

Some of the more prudent yachtsmen, whilst not being particular about the practice of good seamanship and proper
certification, are often careful to insure their vessels and especially where there exists local insurers willing to take the risk.(1)

As tourism and yachting flourish in the Caribbean, so has the business of marina operations. However whilst yachts and other crafts, including large vessels, left in the care of these Marinas, may be insured by their owners, many marina operators fail or neglect to insure against legal liability for loss or damage to or by crafts left in their care and custody.

In light of the foregoing it is to be perceived that there is a potentially large market for marine insurance in the Caribbean. However, and although the Caribbean is said to be poised for development as an autonomous maritime region, marine insurance does not seem to play any major role in this development. This is in spite of the fact that such insurance is one of the most important mechanism for protecting against certain risks inherent in any such development as well as being complementary to the setting up of a shipping register for which plans are being made. (2)

----------------------------------------
(1) See case involving overturning of "The Seaquel" and consequent drowning of 3 persons, June 1982 - Marine Board Report Jamaica, 1986
(2) See for example: Working Paper, Maritime Task Force of Jamaica d/d 10.5.83 titled: "DEVELOPMENT OF JAMAICA AS AN INTERNATIONAL MARITIME CENTRE-MACHINERY FOR THE REGISTRATION OF SHIP. See also Fourth Report of The Law Commission on Marine Insurance (Trinidad & Tobago) op. cit.
Also noteworthy is the reported intention of the Caribbean Economic Community (CARICOM) to embark on the promotion of intra regional trade. Such a move would no doubt necessitate increased insurance activities within the region. (3)

The reasons for this lack of marine insurance participation could be due to the lack of local expertise, or to the ignorance on the part of developers, or to the non-existence or partial non-existence of viable local marine insurance concerns or to the opined prohibitive cost of obtaining existing marine insurance coverage.

Nonetheless, and whatever the real reasons are, the fact of what is perceived as an over dependence on the markets of the traditional maritime countries has become of sufficient concern to warrant examination.

---

(3) See Seatrade: North American Yearbook 1985 p. 31
CHAPTER 1

SOME DEFINITIONS & DELIMITATIONS

The definitions herein will relate principally to those contained in and applied by existing Caribbean laws. However, given the dominance of the British market, such definitions may be mere re-enactments of British statutes. References to British statutes, particularly the principal enactment, The United Kingdom Marine Insurance Act 1906 (hereinafter referred to as "the 1906 Act") are to be taken as being applicable to Caribbean laws.

1.1 Marine Insurance
The Marine Insurance contract has been defined by the United Kingdom Marine Insurance Act 1906 (hereinafter referred to as the 1906 Act) as:

"...a contract whereby the insurer undertakes to indemnify the assured, in the manner and to the extent hereby agreed, against any losses that is to say, the losses incident to marine adventure."

In essence the assured, by the payment of a premium, transfers his risk to the insurer who, on the occurrence of stated losses pays for such losses "to the extent... agreed". Such losses must have been occasioned consequent on a "marine adventure".

Marine adventure is itself defined as occurring where:
(a) any ship, goods or other moveables ... are exposed
(b) the earnings or acquisition of any freight, passage money, commission, profit or other pecuniary benefit or the security for any advances, loan or disbursements are endangered by exposure to...
(c) any liability to a third party incurred by the
owner of or other person interested or responsible for insurable property by reason of Maritime Perils". (1)

Maritime Perils is defined by the 1906 Act to mean:

"The perils consequent on or incidental to the navigation of the sea, that is to say, fire, war perils, pirates, rovers, thieves, captures... and other perils of the like kind or which may be designated by the policy."

The perils provided for by the Act may be extended by the inclusion of additional perils under the Institute Clauses. Not all the perils so added are of a marine character. This is particularly true in the cases covered by the Inchmaree Clause and Liner (Negligence) Clauses which extend to cover certain machinery damage involving latent defect, malicious acts, negligence, error of judgement and or incompetence of the crew.(2)

It is noteworthy that the Insurance Act (General)1973 of Jamaica further defines maritime perils to include:

(1) See Section 3 of the 1906 Act. Also sections: 5&7 of the Marine Insurance Act (1973) Jamaica; Act 1978 of Trinidad and Tobago; Act (1979) Barbados for similar definitions.

(2) Clauses framed and sanctioned by the Technical and Clauses Committee of London Underwriters for attachment to the Standard form of Policy.
"...risks incidental to the construction, repair or docking of vessels including third party risks..."

The Lloyd's SG policy form also cause maritime perils to include "...charges to sue, labour and travel for or in and about the defence, safeguard, recovery of goods, merchandise and ship..."

Subject Matter:
Ships and goods have always and universally been regarded as the proper and main subjects of marine insurance. Insurance on ships is usually taken to include the hull and machinery. However, Schedule 1 Rule 15 of the Rules of Construction to the 1906 Act provides that the term ship includes the "...hull, materials and outfit, stores and provisions for the officers and crew and in case of vessels engaged in a special trade, the ordinary fittings requisite for the trade, and also, in the case of a steamship, the machinery, boilers and coals and engine stores, if owned by the assured."

SHIP:
It is worthy of note that the term "ship" though denoted as inclusive of certain items, is not of itself defined. However this term has been defined in the various Merchant Shipping Acts. The British Merchant Shipping Act (1894 - repealed) first defined ship, as "a ship registered in the (UK) not including a fishing vessel." Later Acts have defined ship to mean: "...any description of vessels", "any vessel used in navigation not propelled by oars (and inclusive of fishing vessels)."

It is also noteworthy that in dealing with the licencing and registration of vessels, certain Acts exempt vessels
below a certain size, fishing vessels pleasure crafts and government owned vessels from such requirement. (3) In recent times there has however been a move away from such exemption of these vessels. (4) This means that all crafts are now being required to be properly licenced and registered in the interest of maritime safety and of cleaner seas.

CARGO/GOODS
According to rule 17 in schedule 1 to the 1906 Act, the term "goods" means goods in the nature of merchandise and does not include personal effects of provisions and stores for use on board." Therefore clothes and other personal effects would not be covered on a goods (cargo) policy, unless shipped as such and although the ship only carries passengers. The materials in which goods are packed may be considered as part of the cargo.

However in the case of containers and similar articles of transport which have a commercial value of their own, it is believed that it is not the practice to treat them as being covered by a blanket policy on cargo. They therefore have to be covered by a separate policy. However where they are owned or hired by the owner of the carrying vessel they are usually covered by specific wording on the hull policy as part of the ship. (5)

(3) See Marine Board Act (1958) Jamaica

(4) See Act Amending The Tourist Board Act (1986) Jamaica

FREIGHT
Rule 16 Schedule 1 to the 1906 Act provides that in the ordinary policy, the term "freight" includes the profit derivable by a shipowner from employment of his ship to carry his own goods or moveables as well as freight payable by a third party but does not include passage money.

It is the writer's opinion that the other subjects of marine insurance as provided for by the Acts and denoted herein are self-explanatory and therefore no further explanation will be entered into.

Delimitation
Whilst this study will deal with Marine Insurance as a composite subject, emphasis will be placed on hull and machinery (ship's) insurance. This is due mainly to the writers previous dealings with this type of insurance and the availability to her of information on same.

1.2 THE CARIBBEAN
Defined
The Caribbean may be described as an island grouping surrounded by the Caribbean Sea. Frequently this grouping is held to include not only the islands but also mainland territories such as French Guiana, Guyana, and Surinam which are geographically part of South America. Bermuda which is geographically part of North America is also included.

The political statuses of the Caribbean territories range from fully independent countries such as Cuba, the Dominican Republic and Haiti through to independent members of the Commonwealth such as Jamaica and Trinidad and
Tobago to dependencies of: France such as French Guiana, Guadelope and Martinique; Netherlands such as The Netherlands Antilles; The U.K such as the Cayman Islands, Monsterrat, Turks and Caicos Islands; The U.S. such as The U.S. Virgin Islands and Puerto Rico with its commonwealth association to the U.S.

The shipping interest of the Caribbean is served by two regional bodies, The Caribbean Shipping Association and the West Indies Shipping Association (WISCO) which is a multinational shipping company owned by the Caribbean Community (CARICOM). There is also the Naviera Multinacional del Caribe which is another multinational shipping line owned jointly by Caribbean member states and some Latin American countries.

It should be noted that the West Indies is also used to denote Caribbean states, especially those of the non-Latin Caribbean.

Delimitation
For practical purposes the study will be confined to the English-Speaking Caribbean countries. Of these emphasis will be placed on the islands of Jamaica, Barbados and Trinidad and Tobago. This is due mainly to the fact that these are the larger islands and with the exception of the Bahama Islands, Bermuda and The Cayman Islands which operate open registries, are the most important ship owning islands.

Market/Industry:
The term "marine insurance market" has been defined to refer to a loose description of a place where marine insurance is conducted or to a group of insurers offering
a particular type of insurance. Alternatively the term industry is used to collectively refer to the grouping of both insurers and assureds for the purpose of conducting marine insurance business. A Caribbean marine insurance industry is therefore being used to denote such a group of insurers within the Caribbean who are willing to offer marine insurance to ship owners/operators and cargo traders within the region.
In this Chapter, which cannot be divorced from Chapter One, a discourse on laws and principles considered to be fundamental to the business of marine insurance as well as a brief examination of certain related if not wholly applicable international Conventions will be attempted. Towards the end of the Chapter an attempt will be made to encapsule relevant Caribbean legislations, these, to a large extent, are either verbatim incorporation or are mere re-enactments of British laws, particularly, the 1906 Act.

2.1 Some Basic Principles

Insurable Interest:
One of the fundamental concepts of insurance is that one cannot insure against loss of or damage to property unless the proposed assured has some sort of interest in the property. Such "insurable interest" is found to exist wherever the assured stands to benefit from the safety of the property insured or be prejudiced by its loss or damage.

In a marine insurance contract and different to any other contract of insurance this interest need not be present at the time the contract is effected but it must be present at the time of the loss.(1)

(1) See Sections 5 & 6 of the 1906 Act
Indemnity.
It has been said that: "In theory the purpose of any form of insurance is to replace that which has been lost. It is not intended that the assured should make a profit from his loss but that he should merely be in no worse position than he was before the loss occurred." The principle of indemnity is therefore central to the definition of marine insurance. (2)

Total & Constructive Loss, Average & Contribution:
It is of note and often of some concern to assureds that such indemnity, subject as they are to "agreed extent", sometimes does not fully compensate for what has been lost. This may be so for example where as under English policy conditions, the extent agreed usually includes general average contributions and sue and labour charges as well as the usual policy deductibles.

In the case of a total loss of the subject matter, the insurer is liable for the full measure of indemnity which may be fixed by the policy. Also where there has been particular average loss that is, partial loss caused by a peril insured against, or where there has been general average loss, that is, a loss caused by or directly consequential on any extraordinary sacrifice or expenditure, voluntarily and reasonably made or incurred in time of peril for the purpose of preserving the property imperilled in the common adventure (3) such as in jettison or voluntary stranding to avoid shipwreck, the full measure of indemnity less policy deductibles may apply.

(2) See Arnould, Law of marine Insurance Vol. One (opcit)
(3) See Section 66 of the 1906 Act.
However in the case of general average contributions for which the assured may be liable or for example, for salvage charges, both of which may be in addition to particular average loss suffered by the assured, the assured may be treated as being technically underinsured where his expected indemnity in this case exceeds the agreed value. As provided, for example, by Section 73 of the 1906 Act: "... the indemnity payable by the insurer must be reduced in proportion... a deduction from the contributory value, and for which the insurer is liable, ...must be deducted from the insured value in order to ascertain what the insurer is liable to contribute."

A constructive total loss may be treated in the same manner as a partial loss or the assured may serve notice of abandonment on insurers thereby entitling them upon acceptance of same, to exercise subrogation rights, that is, to take over the interest of the assured, as well as in this case, all proprietary rights incidental thereto.

Agreed Value:
In a Marine Insurance Contract a value can be agreed between insurer and assured and which value will be conclusive of the actual insurable value of the insured property, except in the case where there has been a constructive total loss or partial loss as has been explained above.

Uberrimae Fidei & Disclosure:
A Contract of Insurance is deemed to have been effected in good faith, in the absence of which the policy can be avoided. In the case of Marine Insurance an underwriter may have never seen a ship but acts on the word of the assured as to its existence, value, destination, and such
descriptions will be considered by potential insurers in deciding whether or not to accept the risk and at which premium rate. The disclosures and representations made by the assured concerning the risk must therefore be accurate. (4)

In the event of non disclosure or misrepresentation of a material fact by the assured the insurer may treat the contract as being void ab initio, that is as if it had never been entered into. Where a misrepresentation was Innocently made there may be a return of premium.

The Policy
A contract of Marine Insurance must be embodied in a marine policy (in accordance with The Act) for it to be admissible in evidence although reference may be made to the slip or covering note in attesting to the conclusion of such a contract. (5)

These principles are merely some of the concepts underlying the basis of the marine insurance contract. Each country may have different legislation governing such contracts. Although the exact content of such legislation varies from country to country, broadly speaking, it can be said that such legislations often, though not universally, contain these principles as well as aspects of the contractual relationship governing such subjects as double insurance, warranties, assignment of the policy, the voyage and the premium.

(4) See Section 17 of the 1906 Act.
(5) See Section 22 of the 1906 Act.
The term Legal Regimes is being adopted here and has been used to refer collectively to all rules and procedures that affect the contractual relationship of the marine insurer and the assured. (6) It thus includes the policy conditions and legislative provisions as well as supplementary influences such as judicial decisions and market practices.

Marine Insurance functions in a very international context. However there are no uniform policy conditions. Instead there are varied policy forms produced by numerous national markets. (7) The most widely known and used of these forms is the Lloyd’s SG Form on which the British Marine Insurance Policy is based and which has remained virtually unchanged since its formulation in the eighteenth century. (8)

This form became so widespread as to make it virtually de facto international insurance conditions. It has been asserted that some two thirds of the major maritime countries of the world and three quarters of


(7) opcit

(8) The form was recently revised and a new form the MAR approved for usage. (1982 Cargo Clauses; 1983 Hull and Institute Time Clauses).
the developing countries use this form either solely or as an alternative to or in conjunction with local policies. (9)

The historical economic predominance of the British Market in terms of insurance placement on both a direct and re-insurance basis, particularly from developing countries has been cited as one of the reasons why British conditions continue to be so widely used despite the absence of any obligation to use them. The level of expertise and established precedent is another of the reasons advanced. It has also been asserted that insurance policies written subject to British conditions will be considered easier to re-insure or co-insure and will be more readily accepted by foreign assureds. (10)

With respect to legislation, numerous countries rely on the Marine Insurance Act, 1906 (UK) as the basic legislative regulation of the Marine Insurance contract. This reliance is occasionally formalised in some countries by incorporating the British Act into legislation either verbatim or in similar form. In other cases it is less formalised in that it may result from the practice of the local judiciary to refer to British law, as in the case of the U.S. or from contractual stipulation in the marine insurance policy. (11)

(10) UNCTAD Report (opcit.) at p 12
(11) UNCTAD Report (opcit) at p. 13
It is worthy of note that developing countries are not alone in the practise of referring to British law but that many developed countries and some socialist countries also refer to British Law. Hence the existence of local Marine Insurance legislation, does not preclude a reference to British law even if limited to a particular type of marine insurance, such as cargo exports. (12)

It is also noteworthy that even where national legislation exists there is still a tendency to leave a fair amount of discretion to the parties as to the exact terms and conditions which will govern their insurance relationship. In these places legislative provisions frequently tend to be optional so that they can be altered by contract. (13)

In some countries therefore, the legislative provisions applicable to Marine Insurance are completely overridden by uniform contractual rules agreed upon by the private industry within the country. (14)

-----------------------------

(12) Case of Scandinavian countries.


(14) Case of the Norwegian Marine Insurance Industry.
International Conventions:

Despite the international characteristics of Marine Insurance there exists no International Convention applicable to it.\(^{(15)}\) However there are certain Conventions which may be seen as relevant to marine insurance. Such Conventions relate to insurances in the event of oil pollution damage by ships.

Whereas one of the functions of Marine Insurance and especially that section dealt with by The Protection and Indemnity Clubs, is to insure against legal liability of shipowners to third parties, such liability relate primarily to physical damage or loss and not so much to material damage as may be occasioned in the case of oil pollution.\(^{(16)}\)

It has indeed been unfortunate that the necessity for the international response to such liability was only heeded after accidents occurred which resulted in disastrous consequences on the marine environment as well as on the coastlines of certain states.\(^{(17)}\) The Conventions now in force and which provide some form of insurance in the case of oil pollution include:

\(^{(15)}\) UNCTAD Report opcit at pp 4

\(^{(16)}\) But see Pollution Hazard Clause in Institute Time Clauses.

\(^{(17)}\) See reports of accidents involving The M/v "Torrey Canyon (1967) and The M/V "Amoco Cadiz"(1978) causing pollution damage of millions of dollars.
1. The International Convention on Civil Liability for Oil Pollution Damage (Civil Liability Convention) and Protocols of 1976 & 1984: This deals with pollution damage arising from the escape or discharge of oil from laden tankers. In becoming a party to this Convention a state has the right to demand that all tankers, wherever registered, entering its ports, must be insured against the limit of their liability under the Convention. Tanker owners of member states must therefore be insured. Further the offended state has the right of direct action against the insurer, in the event that the ship owner does not ensure the payment of a claim for compensation.

2. The International Convention for the Establishment of an International Fund for Oil Pollution Damage (Fund Convention (1971) provides additional cover to that provided under the Liability Convention to indemnify the ship owner for part of the increased burden placed on him under The Liability Convention.

VOLUNTARY COMPENSATION SCHEMES
The Tanker Owners Voluntary Agreement concerning liability for oil pollution (TOVALOP) and the Contract Regarding an Interim Supplement to Tanker Liability for Oil Pollution (CRISTAL) are International Agreements by entities in the nature of Mutual Association oil

of companies and Tanker Owners who have joined together for the purpose of indemnifying national governments for expenses incurred in the clean up of oil spills.

It is of note that without these measures and assistance from the international community and if individual tanker owners and oil companies were to otherwise individually approach their insurers, problems concerning the capacity of the world's insurance markets to underwrite unlimited liabilities may have arisen.

2.3 CARIBBEAN NATIONAL LAWS:
There is no uniform legislation within the Caribbean region. However a general perusal of the laws of the various island states tend to show that legislation on marine insurance usually exist in the form of a specific enactment which is sometimes supplemented by enactments on general insurance laws. Some examples of such enactments are: The Jamaica Marine Insurance Act (1973) and The Jamaica Insurance Act and regulations (1973); The Barbados Insurance Act (1979) and Exempt Insurance Act (1983); The Trinidad and Tobago Marine Insurance Act (1978 and The Stamp Duty Act; Marine Insurance Acts of The Cayman Islands read with the Merchant Shipping Act 1894 to 1919 of the UK and The Marine Insurance Act of The Bahamas (1965) and Act 39 of 1908.

Many of the Acts are also incorporations of the 1906 Act, either verbatim or in similar form. In fact many of these laws are re-enactments of The Federal Act which was in force in all the islands before the dissolution of the Federation of the West Indies in 1962 and which law closely followed or incorporated The 1906 Act. Before the enactment of the Federal Law, the law of Marine Insurance
was to be found in The Law Merchant and the Common Law of England which were received in the then colonies as the islands had been.

Section 4 of The Jamaica Marine Insurance Act (1973) for example still provides that "The rules of the Common Law including The Law Merchant, save in so far as they are inconsistent with the express provisions of this Act, shall apply to Contracts of Marine Insurance." Section 3 of the Act further provides that "This Act shall not apply to contracts made before the commencement of this Act or to marine insurance undertaken by the government other than insurance that extends beyond the limits of the island."

The Lloyd's SG form, as is the case with the other islands, forms part of the schedule to the Act. Section 27 of the Act further provides that contracts of marine insurance must be embodied in a policy in accordance with the Act. However and pursuant to Section 4 the revised Lloyd's Form of 1983 (MAR Form) of policy would be applicable.

The Caribbean Laws are therefore, in keeping with precedents set by developed countries as well as developing countries in their heavy reliance on British Laws. The reason for such reliance and the general feeling of the Caribbean may be expressed in the words of the Trinidadian Law Commission dealing with The Amendment and Re-enactment of the Law relating to Marine Insurance:

"The law as embodied in the UK Act represents the experience of a leading Maritime Nation, extending over nearly three centuries. It has stood the test of time, and
it has been adopted in many Commonwealth Countries. It can well be said to have assumed the status of a law of nations. ....As the law of Marine Insurance is international in character, both convenience and expediency require that our law should, as far as possible, be in conformity with a model that is accepted in Common Law countries and that hitherto has been applied locally. Moreover, there is an appreciable body of case law that interprets and elucidates the UK Act and its analogues that would be of assistance to our Courts in applying (our) Act. Many Marine Insurance policies are insured and reinsured in England and are governed by English Law. Uniformity of Law on policies will facilitate business and a form more worded in modern conceptions might involve misapprehensions." (19)

(19) Opcit-reported in Special Supplement to The Trinidad and Tobago Gazette Vol. 17 No. 187 20.6.78
But see UNCTAD Report (opcit) at pp 5 which states...The tendency for Marine Insurers to avoid formal litigation to settle disputes results in acute absence of legal decisions.
CHAPTER III

THE STRUCTURE OF THE INTERNATIONAL MARINE INSURANCE MARKET

London has been universally recognised as the principal international centre for marine insurance despite the establishment of markets in developing countries and the tendency towards expansion of insurance markets of the developed economies which were previously satisfied to confine their operations to domestic business. A review of the structure of the London market is therefore to be considered as a fair representation of the international market structure.

3.1 The Lloyd’s Market
The Lloyd’s Market has often been described as the only true market place in the insurance industry. "It is not a single insurance company. It is in fact a market place to which brokers bring risks and underwriters openly compete with each other to insure against these risks". (1)

Though regarded as the oldest and largest market place in the world Lloyd’s has no branches in The UK or overseas. The sole place of business is the underwriting room at Lloyds in the city of London. This "market place" is however not open for business from the general public, instead all transactions must be conducted by a Lloyd’s broker. Such brokers are approved by the ruling body, the

(1) The Professional Mariner -Vol Three No1 Aug. 1985,10
General Council or The Committee of Lloyd’s after strictest examination of their financial position, and who may then be allowed the name of "Lloyd’s Broker".

Though joined together for the purpose of writing insurance the Association at Lloyd’s in fact comprises of individual insurers, numbering some 14,000, each with unlimited personal liability for the risks they underwrite. These individual underwriters are grouped into some 300 syndicates. The affairs of each syndicate are managed by an underwriting agency which is responsible for appointing a specialist underwriter to accept risks on behalf of the other non-active syndicate members. (2)

In addition to brokers, there are agents approved by Lloyd’s in practically every port throughout the world. They are not underwriting agents but are at the service of all underwriters, and not only of Lloyd’s underwriters.

The Companies Market:
The Companies market comprises over 100 companies. They transact their business on a similar system to Lloyd’s. The big difference is that the company underwriter is the salaried official of a limited company. Thus whereas the liability at Lloyd’s is several and unlimited that of a company is limited to the capital of that company. (3)

(2) UNCTAD Report (1982) opcit
(3) Marine Underwriting CII Tuition Service (1981) at page 1/3
The Companies are represented by The Institute of London Underwriters (ILU). The Institute was created on much the same lines as Lloyds, ie: a number of underwriters exchanging views over coffee in one of London's 18th century Coffee houses.

The purposes of the Institute are the advancement of marine insurance and the protection of the interests of companies writing marine business through consultation and united action. The affairs of the Institute are managed by a Committee of 15, 3 of who retire annually and are eligible for re-election.

Although marine insurance is conducted on keenly competitive lines, tariffs are virtually non-existent. In normal conditions hull premiums are regulated according to shipowners' claims experience over a period of years and are influenced by various "Understandings of The Joint Hull Committee". The Understandings are mere codes of practice to be followed at the policy renewal with the insurer and broker being left free to negotiate the best initial terms possible. (4)

In all, there is said to be considerable co-operation between Lloyd's and the Companies and there are several joint committee such as The Joint Hull Committee, and The Joint Cargo Committee.

(4) ACII Tuition Service - opcit at pp. 1/4
3.2 The Other Commercial Insurers:
Non Institute Companies:
The other commercial markets comprise those companies not yet acceptable to the Institute or of foreign companies who wish to participate in the London Market offerings through foreign branch offices. These markets deal primarily with portfolios other than those consisting of large fleets and vessels not immediately concerned with the carriage of cargo such as trawlers, fishing vessels, yachts, hovercrafts and other such specialist vessels.

Captive Insurance Companies:
A captive insurance company is a wholly owned subsidiary of a parent company formed for the purpose of carrying on the latter's insurance business, i.e., the captive insures the risks of the parent company and re-insures the surplus amount of liability over and above its prescribed retention level. In order to obtain maximum benefit it is desirable to incorporate and manage it from somewhere where there is no local taxation, where premium and claims may be freely remittable and where legal, banking and accounting facilities are thought to be first class. One such place is Bermuda. The Bahama Islands, The Cayman Islands and Barbadoes are also being developed as suitable "grounds" for the operation of captive marine insurance companies.

3.3 Mutual Insurance Companies (P&I Clubs):
Section 85 of the 1906 Act provides that: "Where two or persons mutually agree to insure each other against marine losses, there is said to be mutual insurance". The Protection and Indemnity (P & I) Clubs embody this principle of mutuality.
The members of a P&I Club comprise the owners, charterers, managers and operators of ships who insure with it. Each Club is controlled by a board of directors who represent and are appointed by the members. The directors comprise a cross-section of the members and reflect the differing flags, types of ship, trades and sizes of the Club's fleet. Cargo owners, due to their diverse interests have not yet been able to form themselves into mutual Protection and Indemnity Clubs.

Each Club has its own set of rules which are subject to the Memorandum and Articles of Association and contain the terms upon which the clubs conduct their business. These rules are constantly changing to meet the needs and requirements of members.

Originally the liabilities covered by the Clubs were limited to loss of life of crew and that part of the collision liability not covered by the commercial market ie: one fourth of the total claim by the other vessel and other third party liabilities. The clubs now also cover damage to fixed and floating objects as well as loss or damage to cargo, property, seamen's effects, injury and death of seamen and others plus many other liabilities which could result from the business of shipowning.

Members of the club contribute in respect of each policy year only towards the total amount required to meet claims and expenses in that year. They pay firstly a percentage of the estimated total cost as an "Advance Call". A "Supplementary Call" may be required to make good the Club's shortfall if any.

In order to minimise the exposure of members, there is a
Pooling Agreement between clubs whereby claims on one club presently in excess of USS1.2 million are shared proportionately by members of all clubs. The liability of parties to contribute under the Pooling Agreement is unlimited save in respect of oil pollution risks. In addition the clubs collectively re-insure substantial parts of their liability for large claims in the commercial market under what is known as the Excess of Loss Re-insurance Contract.(5)

3.4 Mutual Associations:
Lloyd’s Underwriters’ Association: This body has no connection with The Committee of Lloyd’s but is an Association of underwriting members meeting for consultation on matters of general insurance interests.

Brokers Association: Comprised of members duly qualified and registered to practise as brokers as is provided for by most national legislation. The activities include, the promotion of their views on proposed legislation governing insurance, harmonization of insurance practices and assisting with the training of new entrants to the broking profession.

The Salvage Association: The Association undertakes arrangements for salvage and also surveys of damaged property on behalf of underwriters and other interested parties. There are offices in some 29 ports of the world as worldwide correspondents who have close links with Lloyd’s agents and others. Salvage vessels are not operated or owned by the Association but contracts for salvage are negotiated with owners and operators of such vessels.


30
Association of Average Adjusters: Association of persons skilled in the computation of average claims. They are independent of both insured and assured and associate with the objective, among others, of promoting correct principles in the adjustment of averages and the uniformity of practice amongst average adjusters.

U.K. Society of Average Adjusters: Formed in 1981 between a number of adjusting firms who were not members of The Association of Average Adjusters.

3.5 The Caribbean Market:
As may well have been imagined the structure of the Caribbean Market is not different to the above outline. In fact as one Jamaican Superintendent of Insurance stated in his report: "Lloyd's of London is also a part of the Jamaican (Caribbean) insurance market".

It is worthy of note that in the Jamaican insurance market there exists a governmental body supervising the placements of insurance and especially with respect to statutory bodies and organizations. This body emanates from the Office of The Superintendent of Insurance. Similar offices exist in other Caribbean Territories.

This Office of The Superintendent of Insurance was established in Jamaica in 1972 pursuant to Section 3 of The (General) Insurance Act. The Office has responsibilities for the "regulation, supervision and control of the overall insurance industry". In this respect it plays a central role along with the Bank of Jamaica in the remittance of all funds applicable to the insurance industry.

This means that all premium remittances by individuals or
brokers on behalf of clients to overseas underwriters as well as reinsurance remittances and remittance for claims settlements from overseas underwriters fall within the purview and scrutiny of that office. Approvals for any foreign exchange payments must therefore be first submitted to and given by that office.

The Insurance Placement Committee acts in conjunction with the Office of the Superintendent. It was established to facilitate "orderly and objective arrangements for the marketing of the insurance portfolio of the public sector." By this arrangement all public sector and statutory bodies are required to place their insurance portfolio up for public tender. Local brokers are thereby invited to place tenders through the Placement Committee for these portfolios.

The Committee with the assistance of an overseas firm of Consulting Actuaries then make recommendation on awards to the Superintendent whose office has the responsibility to advise the various agencies of the broker selected to broke their insurance portfolio.

The process of tendering was advisedly introduced in the hope that the competition it would engender will serve to reduce premiums on the portfolios tendered. Prior to 1986 awards were made annually. Presently awards are made every three years.

As has therefore been noted, and with the exception of the centralised insurance office as notedly exists in Jamaica and no doubt in other Caribbean islands, the structure of the market is predominantly influenced by the British experience. However given the emergence of
independent states from former colonial territories as well as the growth of indigenous assureds and insurers in these emergent states, it is to be recognised that what was once a relatively simple international structure involving a few nationally oriented marine insurance markets in developed countries, now involves increasingly complex contractual relationships of assureds, insurers, co-insurers and re-insurers situated across numerous national and cultural boundaries.

It would therefore seem, that save from The International Regime as governed by International Convention as is being proposed by the Secretariat of the United Nations Conference on Trade and Development, a conflict in national interests and realities could result from such continued "crossing of boundaries".

An examination of an attempt to break out of the usual mould and to offer what may be perceived as an international package may be judged from the Comparison between The English and the Norwegian Marine Insurance Markets in the preceding Chapter Four.
CHAPTER IV

A COMPARISON: THE ENGLISH and NORWEGIAN MARKETS

4.1 Brief History & Development
The historical development of the English Marine Insurance Markets, epitomised as they are by The Lloyd's tradition, need no further introduction to this study. Suffice to say that the historical economic predominance of Britain in all spheres of life and moreso in shipping and which placed it at the forefront of the "discoveries of the New World", served to place it as the dominant international centre for marine insurance.

Like the English, Norwegians have also been held to be a seafaring people. Commercial shipping has been said to have been a major Norwegian industry for centuries. "Marine Insurance business has been transacted within Norway from the beginning of the 19th century. Before that and during Norway's period of union with Denmark, insurance was arranged through Copenhagen and the European Continent, Hamburg being particularly important.

During the Napoleonic wars communication with the Continent became very difficult. This stimulated the establishment of a number of insurance companies in Norway. The first companies concentrated on cargo insurance, while the concept of mutual hull insurance spread rapidly to the coastal towns. The two Norwegian Protection and Indemnity (P&I) Clubs were established around the turn of this century.

Since the second half of the last century a number of
insurance companies covering all classes of insurance were established in Norway.

Today the Norwegian Market does more than just serve the needs of the Norwegian fleet. It makes a significant contribution to the international market and is used by many non-Norwegian shipowners." (1)

4.2 Structure:
The Norwegian Market is divided into 4 sectors:
1. The Company Market: This comprises a significant number of Norwegian Insurance Companies (mostly joint stock companies) which also carry out marine insurance business. These companies belong to the Central Union of Marine Underwriters (CEFOR) which act as a co-ordinating body and provide a number of services to its members. These companies have formed the Norwegian Hull Agreement and, associated with that, the Norwegian Hull Committee for the rating of domestic vessels. Its renewals are based on annual statistics over a five year period.

2. The Mutual Hull Clubs: These clubs, three all together, practise the concept of mutuality, as for example as is followed by P & I clubs. These clubs specialise in being "claims leaders" in the settlement of claims. All the mutual clubs belong to the Mutual Hull Clubs Committee (GSK). This committee along with the Central Union of Marine Underwriters co-operate with representatives of the Norwegian shipowners in producing clauses for the whole market as well as ratings and other matters of common interest.

(1) "The Norwegian Marine Insurance Industry,a leading alternative" Brochure by Norwegian Insurance Industry.

35
The companies and the Clubs may be seen as somewhat analogous to the British Companies Market. However the major differences, being the concept of the "claims leader" which is very unlike the "rate leader" in London and the fact of hull ratings being actually fixed by the committee in contrast to guidelines for the fixing of rates laid down by the London joint hull Committee, set them apart.

3. The P. & I. Clubs: The two (2) P. & I. clubs, Gard and Skuld, commenced operations about the beginning of the 20th century from the modest start of serving the needs of local shipowners but have now expanded to provide cover to vessels totalling in excess of 70 million gross tons or about 20% or one fifth of the world's tonnage. The clubs are members of the International Group of P. & I. Clubs and hence provide cover on basically the same conditions as other clubs of the group save for certain exceptions which will be enumerated later.

4. The Scandinavian Market Agreement (Regional Co-operation): As Norwegian insurers became more involved in the international field, "it was natural to seek co-operation with the rest of Scandinavia (Sweden, Finland, Danemark)" This co-operation was organised through a market agreement (1st July 1983). Through the Scandinavian Market Agreement an independent and co-ordinated market has been established in the field of international hull insurance.

5. The Brokers and other The Support Services: Norwegian Brokers handle direct as well as following lines on most domestic fleets. Since the establishment of the Scandinavian Market Agreement, brokers have been
actively encouraged to secure international business. There are now some 10 broking firms dealing in international business, several of whom have established offices abroad especially in Singapore, Hong Kong and Houston in the USA. Average Adjuster, by virtue of the agreement as is contained in The Plan can act as "advisors, consultants and adjusters" as well as having the authority to take whatever measures they think reasonable" in dealing with a claim. Average adjusters are appointed by "the King" (government).

4.3 Laws & Conditions:
The Law: Despite the existence of a Maritime Code, General Insurance Act and Marine Insurance Act, the pertinent regulations relating to Marine Insurance in Norway, are comprehensively contained in the Marine Insurance Plan relating to Hull Insurance (1964) and The Plan relating to The Carriage of Goods by Sea (1967) and the Standard Conditions. The 1967 Plan, issued formerly by the Norwegian Classification Society, Det Norske Veritas, is said to represent the fulfilment of long negotiations between shipowners, insurers, shipyards and other parties in commerce and industry, forming the embodiment of their common interests.

As a background regime The Plan is designed to be both more complete and more specialised than the general legislation affecting marine insurance. Whilst it reproduces the more important of the mandatory provisions of Norwegian Law, it has its own rules in areas where there is freedom of contract. These are better adjusted to the special needs of marine insurance.

Whilst an in depth analysis of the two markets could
easily be the subject of a study in itself, the writer's main purpose here is to look at what are subjectively considered to be the most important differences and similarities or advantages and disadvantages of the two markets particularly in light of applicability to this study.

As is to be observed, the historical development and legal basis and in some respects, the structural base of the two markets appear to be different. The historical domination of world tonnage by the British fleet as well as the British colonial power in regulating trade in far away territories, most of which now comprise the developing countries, afforded Britain an international base in the development of its world markets and practices. At the same time however, the mentioned "power" of the British system served as a limiting influence on the international character of the market.

Hence although a certain amount of informal international consultation is said to take place between some markets, say during revision of the Institute Clauses, the overall content and form of the British legal regime remains for the most part "a national product geared to meet national needs and national laws". (2)

The development of the Norwegian market is itself based upon national needs and national laws or conditions and The Plan. Indeed the internationalization of the market may be seen as a direct response to national demands in this case, decreasing national demand caused by decreasing national tonnage, rather than any conscious attempt

(2) UNCTAD Report (opcit) p. 41
attempt at internationalization. However whilst the laws of demand and supply may taken to respond in the same manner nationally as well as internationally, the laws of a nation inherently reflect the values and customs of a people.

The concept of the Norwegian Claims Leader, for example, which has worked perfectly for many years to the benefit of the Norwegian insurer and assured may seem to the non Norwegian buyer to represent a conflict of interest with the assured on one side and the insurer cum adjuster and where necessary cum arbiter on the other side with no choice of an independent arbiter save perhaps an adjuster appointed by the Norwegian Government or the court. Hence the Marine average adjuster may seem to be relegated to the place of loss adjuster in the eyes of the non Norwegian assured.

Nonetheless the clear and comprehensive layout of the Norwegian Law in the Plan as against the English law as is contained in various fine printed documents comprising Institute Time Clauses, Liner Negligence Clauses, Additional Perils Clauses and any other additional perils clause, which must be read together with the 1906 Act, court cases and practices, may be preferred. Additionally some of the differences considered to be substantive between the English and Norwegian conditions include:

Hull Conditions: In the definition section of the Norwegian conditions "ship" includes hull and machinery but excludes bunkers and consumable stores, same are however included under the English Conditions, if owned by the assured. By the perils clause of the Norwegian Condition (section 15) the assured is covered for all losses save
those specifically excepted so that there is no danger of a loss being rejected because it was not named in the policy. Under the English Hull Clauses the assured must choose which perils are likely to affect his vessels. Following a loss he must then prove that the loss resulted through the operation of a peril named in the policy.

Agreed Value & Underinsurance: Both sets of conditions provide for agreed values to be conclusive. However, whereas under section 70 of Norwegian conditions general average contributions are based on the actual market value of the vessel, under English conditions contribution is limited to the agreed value in the policy. Hence where the actual value is higher than the agreed value, the insured is treated as being technically under insured for such contributions, although this shortfall may be covered by the British P&I Clubs.

Deductibles: Under Norwegian Conditions the application of a deductible on claims for general average contribution and other costs incurred by the assured to minimise the loss is exempted (189). Under English Condition there is no such exemption although as pointed out, if such conditions serve to exceed the agreed value the recovery will be lessened.

Formerly under English condition there was an additional deductible for machinery damage only where there had been crew negligence. However the new policy form introduced in October 1983 does not include a penalty for crew negligence but there is now a separate Additional Machinery Damage Deductible Clause selectively incorporated with certain appropriate risks. Norwegian Conditions impose a general machinery damage deductible.
Payment On Account: By section 90 of the Norwegian Plan the insurer has a duty to make a payment on account. Under English condition there is no such legal obligation but merely a discretionary exercise on the part of insurer.

Interest On Claims: By section 86 of the Norwegian Plan the assured is entitled to interest on claims (1%) from the expiry of one month from the day on which notification of the claim was sent to insurers. There is no such provision under English Conditions.

Subrogation: By section 96 of the Plan the insured is entitled to share pro rata in any recoveries from third parties... whether or not a full recovery is made by the insurer. Under some English policy conditions the insurer retains all recoveries up to the full claim and only after this will the assured share in any of the recovery.

Cargo Conditions: Both the Norwegian Cargo Conditions and the English Institute Cargo Clauses purport to cover on an "All Risks" basis. They contain similar coverage of risks and expenses. However Section 70 of the Norwegian Plan, to which the Conditions refer, specifically excludes monetary and other consequential losses whereas the English Clauses are silent on this. Section 65 of the Plan, also referred to, implicitly covers constructive total loss which is expressly excluded by Clause 13 of the English conditions.

4.4 Relevance to the Developing Countries:
From the above, one may be concluded that the conditions within the Norwegian Market appears to provide for more benefits to the assured so that the differences would be more than mere form. Further the provision for interest
payment on claims imputes a greater urgency on the part of the Norwegian Market towards the settlement of claims.

The Norwegian Market also seem to offer a more direct and personalised service. However there seems to be a tendency towards the principles of honesty and trust as may be perceived from the claims leader system rather than the more commercially based principle.

The governing laws and conditions of both Markets seem to contain inherent national biases. However the only solution towards curtailing any such biases may lay in recommendations by The UNCTAD Secretariat for the establishment of International Legal Regimes or Conventions relating to Marine Insurance.\(^{(3)}\).

Hence although it is now being asserted that conditions of the Norwegian Market are as easily adaptable to the English Market as English Conditions are to the Norwegian Market such adaptation may prove to be disadvantageous to the assured, as in the case of interest payments.

For developing countries to make placements on or to adapt any of the practices of either market ie: the one tried tested and proven and the other new and promising, other considerations such as premium costings, service and flexibility in addition to the age old requirement of continuity and security of course have to be made. In the final analysis, however, whatever conditions or practices are chosen, and if such are to be fitting to the needs of a developing country then they should at least reflect necessary aspects of legal, social and economic realities of such a country.

\(^{(3)}\) UNCTAD Report op cit.
Marine insurance, as has been asserted, being the "backbone" of shipping, is inextricably interdependent upon the fortunes of that industry. The current and prolonged shipping recession therefore naturally affects marine insurance. This chapter therefore seeks to examine the effects of the current situation on the world market with a focus on its impact upon and implication for the developing countries.

5.1 The Demand Side: Marine Insurance Contracts concern the insurance of ships both on the high seas and in coastal waters as well as when laid-up and also of the cargoes they carry. At the national level the demand may be broadly based upon, inter alia, the vessels owned along with such considerations as number, size, type, value and the degree of risk exposure; and the volume of international seaborne trade. Hence a country may not own ships but may still demand marine insurance for the goods it imports or exports.

Fleets - A global view: According to statistical tables produced by Lloyd's Register of Shipping, 1986 saw the largest reduction in the size of the world's merchant fleet in a single year. The tables cover vessels greater than 100gt and exclude sailing ships and non-propelled craft. The world fleet at 30th June 1986 totalled 404.9 million gt, a fall of 11.4 million gt, or 2.7%. The biggest decrease having been suffered by Norway (6 million gt). Countries showing an increase in their fleet included the Phillipines (2.3 million) and the Bahamas (2.1 million gt).
Decreases in tonnages were commenced in the early seventies following considerable increases in the price of oil which led to a reduction in shipping occasioned largely by falling demand for oil based products many of which were associated with industrialisation programmes. Tanker tonnages were therefore the first to be reduced.

However, the container vessels which are regarded as being the fastest growing area of maritime transport and although reported to have grown by 23% in the last 2 years are reportedly beginning to show signs of decline in their rate of expansion. (1)

Naturally the international demand for marine insurance has been affected. However, the actual decrease in demand for marine insurance was said to have been cushioned by inflationary trends which obscured a declining rate in real premium growth. (2) Further the erratic pricing of oil since 1982 along with the resultant structural growth crisis being experienced by many countries leads one to conclude that the demand for marine insurance especially in developed economies, is unlikely to rise significantly.

Additionally and besides the problem of genuine reduction in tonnage of traditional maritime countries, there is now a continuing trend for shipowners, especially of developed countries, to use foreign registers or to "flag out" in order to reduce their costs. Such has been the case with Norway for example.

(1) I. Chrzanowski An Introduction to Shipping Economics 8
(2) Lloyds List June 19, 1986, p. 4
On the other hand, developing countries now reportedly possess some 12.5% of the world's tonnage, having doubled their share in the last 10 years. (3) It may of course be inferred that this increasing capacity of developing countries results not so much from any real growth in tonnage as from a transfer of vessels "flagged out" to these countries as a result of less expensive cost operations.

One of the effects of such "transfer" as well as of a genuine increase in tonnage capacity of developing countries, has been to increase the demand of these developing countries for marine insurance. Hence, it has been reported that the annual growth rate of developing countries as revealed by premium remittances, has surpassed that of developed countries.(4)

Arising from such increase in tonnage capacity many developing countries are now active in establishing marine insurance markets of their own in an attempt to replace markets formerly controlled by developed economies some of which have now gone out of business. Re-insurance by way of excess of loss cover is also in heavy demand by insurers from developing countries. However overseas underwriters particularly those in London, are skeptical about such "evergrowing excess of loss re-insurance which is said to be supplanting the traditional forms of participating treaties and which is growing to such a size that it is overshadowing, like

(3) Chrzanowski supracit
(4) Lloyd's List Special Report June 19th 1986 p.4
Some monster, the original direct business on which it feeds." (5)

The Supply Side: Supply is normally influenced by the factors affecting demand as well as the level of competition. In view of reducing volume of trade and of consequent vast amount of tonnage lying idle coupled with a decrease in new buildings, marine underwriters are now faced with an oversupply of underwriting capacity. The recession has also meant lower insurance values as shipowners try every means of reducing their running expenses.

Underwriters therefore have to contend with a considerable reduction in the spread of risks needed for a balanced book of business and are consequently faced with the choices of: increasing rates in order to maintain an even keel; or leaving the market; or creating new business or lowering rates in "cut throat" competition.

A number of insurers dealing in international marine insurance have reportedly left the market. The slack created by these withdrawals are said to have been taken over by the London market. With respects to the creation of new business it has been asserted that there are no new type of risks to be created in the future.

Instead some underwriters are said to be venturing into new areas such as residual value insurance which is a type of financial coverage say of mortgage interest, in

(5) Fairplay 27th February, 1986 p. 20
case the vessel has to be sold for less. Other innovative underwriting include the idea of French insurers to launch political risk firms to cover exporters against non payment by purchasers overseas because of acts of their governments. (6)

Yet, there is reportedly, no shortage of worldwide supply capacity for the greatly reduced amount of business on offer. This means that there is a constant downward pressure on rating levels. The international markets appear to be fearful to initiate any increase in rates. Some markets are in fact known to have reduced their rates. An atmosphere of "cut-throat" competition has subsequently been created.

In this atmosphere concern has been expressed regarding the practice for "fleets to be stolen from one market by another with scant respect for rating fundamentals. Many markets are completely ignoring past results when taking business from others. In some cases they do not bother to ask for previous figures."(7)

5.3 The Pricing:
Hence as shipping capacity decreases demand for marine insurance also decreases. However the supply of marine insurance appears to have remained constant thereby causing an atypical fall in pricing. The inevitable fall in required standard of the marine insurance product and of service is therefore not surprising. In ideal market

-----------------------------
(6) Lloyd's List 20th February, 1987 p.1

(7) Fairplay, 27th February, 1986 p. 20
conditions for example, a decrease in demand would ultimately lead to a decrease in supply and to an equilibrium or rise in price. It however remains true that the conditions of demand and supply do not exert the usual influence over the pricing or rating of marine insurance.

Such pricing although not freely discussed by underwriters, is said to be dependent upon such factors as type of vessel, size, propelling machinery, flag and classification society, valuation, area of operation, management and past claims experience and prevailing rates of interest. (8) As already stated, the ratings are influenced by the Code of Practice laid down by the Joint Hull Committee.

5.4 Case for the Developing Countries:
As already noted, there is now a tendency for increasing demand for marine insurance amongst developing countries. However, unlike for developing countries where a contraction of international capacity and consequent decrease in demand for marine insurance brought about rate cuts, in developing countries, increases in premium rates were occasioned. (9)

The argument in support of such increased rates is that insurers are unable to offer cheaper rates to cedants of developing countries as reinsurance support for this practice has all but dried up. In the meanwhile, "third

(9) Lloyd's List June 19, 1986 p.4
world" cedants are still said to be demanding high commission rates and high retention levels which guarantee profits in light of increasing interest rates. (10)

On the other hand the interest rates on the faculative business, premiums and loss reserves are said to be spiralling downwards. Reinsurers in London are therefore said to be "refusing to allow retention of reserves by cedants even where legislation exists requiring cedants to put up deposits based on gross premiums. Retentions are therefore being forced up to a level where the fortunes of cedants and reinsurers are much closer aligned(thereby) forcing cedants onto a faculative market that is not hungry for their business. (11)

"Third world cedants" who had actively participated in international business are therefore said to be largely withdrawing into their "domestic shells". "They have realised that they have been used as innocent capacity. They have paid and will for a long time continue to pay the consequences." They should now only be prepared to write business they truly understand. They must overcome the ignorance of each others market and find a way of writing such business profitably and safely. (12)

(10) op. cit. This would be immediately applicable, for example to, certain brokers/insurers, eg: in St. Kitts & Barbados who now have special contractual arrangements with London brokers whereby they cede risks except those within an agreed value and premium sum in return for a fixed commission rather than a percentage of total premium ceded.

(11) See Lloyd's List June 19 op. cit.
(12) Supracit
The attitude of overseas insurers and reinsurers to this current "forced" choice of developing countries to establish their own markets, is aptly expressed by one of such insurers when he said:

"many participants will have first hand experience of the results of placing their business with security which is unable to meet its obligations. They will appreciate the importance of a reinsurer being able to meet his obligations promptly. Those third world insurers who must seek exchange control authorisation to remit any monies, cannot be viable partners, however strong the political will for co-operation may be. Many third world cedants will not accept the security of the majority of reinsurers from other developing countries." (13)

Faced with this dilemma developing countries have not only been establishing insurance companies but have been coming together to form regional Protection and Indemnity Clubs. One such venture, and which since its formation in 1978 has been lauded for its success, is the Far East Club. This Club provides protection and Indemnity services to owners and operators of vessels and who are domiciled in South East Asia and The Pacific Basin whether such vessels are for deepsea, domestic or short sea trading. (14)

The members "are intent on concentrating resources within the region and have established the use of a network of commercial and legal correspondents possessed of in-depth local knowledge and expertise and who provide on the spot

(13) Lloyd's List June 19 op. cit.

advice and assistance. However they also recognise the need for global support. They have therefore sought to establish treaties and agreements with countries outside of the region. Such agreements are often in the nature of joint ventures in which one of the partners is from a developed maritime industry, often from Scandinavia or Northern Europe. (15)

In summary it could therefore be said that the failure of price response to demand and supply in the marine insurance market pertinent to developing countries is not novel in a market in which price is dependent not so much on the usual forces of demand and supply but more so on external forces such as claims experience and flag registration and management and more recently rates of interest available on the stock market, it having been asserted that "the markets knell of doom would be heard not with the sound of 100 tankers sinking but of 10 stock markets crashing." (16)

Nonetheless, it would be more difficult for buyers of marine insurance in developing countries to understand the changes in the market forces than it would be for those in developed countries whose managers are more attuned to such changes. Assureds in developing countries are therefore invariably "left out in the cold" and must therefore take what is available from overseas insurers, usually from the developed countries, or must themselves, maybe with the assistance of such other insurers, move towards the establishment of their own marine insurance industries.

(15) Shipping News International op. cit.
(16) Seatrade, August 1983 p. 13
CHAPTER VI

AN ANALYSIS OF CARIBBEAN MARINE INSURANCE MARKETS

6.1 The Approach: As stated earlier, there is no established marine insurance market in the Caribbean. However, as has been asserted, there exists the potential for such a market. This Chapter therefore attempts to support this assertion. This attempt will be based on responses to questionnaires sent out to various entities in the Caribbean and from information received through personal interviews as well as from independent literature.

It must be pointed out that the survey carried out as indicated above, was very limited. This is primarily due to the fact that for the most part only organizations were canvassed so that statistics of individual traders and shipowners are not represented. Also, some organizations did not bother to respond whilst others considered some of the information required to be confidential and therefore did not respond to these.

The approach being adopted here, is firstly to set out, as far as possible, the type and where indicated, the volume of the maritime trade of the designated Caribbean island states; to give, where possible, the quantity insured as well as to identify the market used or to indicate where no insurance on goods has been effected.

In examining the hull insurance market, it is intended to list the merchant trading vessels owned both by governments and by individuals where same has been made known through responses to the questionnaire or through Lloyds Register of Ships and of Shipowners or by other means, and
to state the types of vessels; to set out the values of these and, if possible, whether insured, the market used and the premium paid, area of operation and the claims record over a 5 year period, among other things.

It is then proposed to examine the strength of the existing market structure as well as the potentiality of establishing an autonomous market. To this end, not only the facts canvassed by the survey and readings will be used but also empirical evidence such as that garnered from the experience of the Port Authority of Jamaica will be used.

6.2 Cargo Insurance:
Some of the organizations operating in the Caribbean on the cargo side are; The Caribbean Agricultural Trading Company (CATCO) which is based in Guyana and is engaged primarily in the exportation of fresh fruits and vegetables, The Jamaica Commodity Trading Company which is the central co-ordinating body in Jamaica dealing with the importation and exportation of certain commodities and their distribution; Grace Kennedy Shipping (Ja. Ltd) a shipping company having its registered office in Jamaica; Trinidad Cement Ltd. who deal in the wholesale importation and distribution of cement in Trinidad and The Trinidad and Tobago Oil Company Limited.

With the exception of CATCO, no primary information was available in respect of those other organizations. Some information was however obtained pertaining to aspects of the trade of a few of these entities through contact with certain insurance companies, primarily operating overseas. As is generally known to be the case with most developing countries, trading patterns of the companies
identified showed importation to have been effected on the basis of Cost Insurance and Freight (CIF) payment which shows that insurance was actually effected overseas by the seller, whilst exportation was on the basis of Free On Board (FOB) which indicated that even as sellers on the overseas market it was preferred that the buyer overseas effected the necessary insurance overseas.

One of the effects of importing on a CIF basis was perceived from a case on the file of a certain insurance company. This involved loss to cargo so imported into a Caribbean island state, through shortage and or pilferage. The cargo was insured by the sellers through some four or five insurers overseas. The buyers/consignees were not fully cognisant of the extent of the policy of insurance as effected by the sellers. They sought to prove that loss occurred whilst the cargo was still at the risk of the sellers. In addition and in an attempt to further protect their interest they also found it necessary to themselves claim on the port management in the Caribbean which was the final port of destination.

Following investigations by the sellers' overseas insurers it was found that there were shortages due from the buyer's side as well as pilferage possibly from the buyer's side although the port claimed to have taken all reasonable measures to secure the cargo. The sellers' insurers eventually paid the claim. The buyers therefore had to account for payments which were allegedly made by the port management to them or to consignees. It is apparent that in addition to the delays in payment occasioned by the sheer distance of insurers which also resulted in delays in communication there was also a double handling of claims by 1) the sellers insurers and 2) the buyers
who due to insufficient knowledge of the insurance coverage felt compelled to themselves pursue the claim in a further attempt to protect their interest.

An examination of the results of the survey as shown in TABLE 1 overleaf, could lead one to the conclusion that there is an insufficiency of cargo traded to merit the establishment of an autonomous market in this respect. However due considerations being given to the limitations before mentioned and given the nature of Caribbean island states being developing countries who are known to depend heavily on overseas trade it must be imputed that the sufficiency of cargo does exist.

Nonetheless, and as noted before, there is a tendency to shift "the burden" of insurance onto the overseas trader. In fact, there is evidence to suggest that some Caribbean trader may not bother with the question of insurance at all. One trader advised that there were frequent damages to cargo carried but that claims were made by them directly against the carrier.

The tedious process, long delay in obtaining payment and consequential losses which can be occasioned was evidenced from the file of one insurer who was involved in settling such a claim on behalf of the shipowner/carry. The claim amounted to some US$6,000 for which the Caribbean shipper took action and had the ship arrested. After lengthy communication between the shipper and the ship and its overseas insurers, the matter ended up in the local Caribbean court. Legal costs were incurred on both sides with the ship claiming on its insurers. In addition and after a period of four years the matter is yet to be settled.
That Caribbean Insurers can in fact rise to the occasion and effect cargo insurance locally may be perceptible from an experience of the Port Authority of Jamaica. The Authority as an importer of heavy machinery and equipment needed for the Kingston Container Terminal was wont to import such cargo on a CIF basis. In recent times however faced with foreign exchange constraint and control The Authority decided to import FOB and to arrange for local insurance. In the first instance, equipment valued over US$500,000 was to be imported. After some gentle persuasion local insurers accepted the risk. A saving of some US$90,000, being total premium, was secured locally with a mere US$2,000 going out as payment for pre-shipment survey fee.

6.3 Hull Insurance:
Both Jamaica and Trinidad and Tobago possess national merchant marines. The Jamaica Merchant Marine (JMM) and JMM Atlantic Line are owned by the Government of Jamaica and operate some 4 vessels one of which was reportedly due to be scrapped. The Port Authority of Jamaica also owns and operates certain harbour vessels which will be the subject of later discussions. There are reportedly other individual owners of ships, notably the Jamaica Cold Storage Ltd.

The Shipping Corporation of Trinidad and Tobago (SCOTT), is a governmental organization which are the registered owners of some two tankers. The Trinidad and Tobago Oil Company Limited (TRINTOC) is also a registered owner of vessels. The Government of Trinidad and Tobago is also itself registered as owning certain ferries and harbour vessels. Barbados has no recorded merchant marine. There is however a suggestion that that government thinks it
more worthwhile to invest the development of ports in addition to its decision to operate an open registry. The Socialist Republic of Guyana is reputed to have a merchant marine. There are recorded in Lloyd’s Register of Ships some seven vessels owned by the Government of Guyana. Two of these are ro-ro carriers and five being general cargo vessels. These are in addition to passenger ferries and harbour vessels owned by the government as well as vessels owned by private shipowners but which are often registered outside of Guyana.

The Caribbean entity, West Indies Shipping Corporation (WISCO), which is a joint venture involving most of the Caribbean governments, also operates some two vessels, one of which has been chartered. In addition to the merchant vessels enumerated, there are also numerous fishing vessels and other crafts, some of which will be listed later.

Of the various entities approached in respect of the mentioned survey, only 3 made positive responses to the questionnaire, so that again required results will be limited.

The record shown in Table 11, even given the limited response, seem to suggest that the dominant insurance market for placement of vessels, is the London Market. Although Barbados indicated that some insurance was done locally, there is no indication of the amount of the risk retained by Barbadian insurers. In the case of Jamaica, the risks indicated to be covered locally involve the local ferries and rescue vessel and mainly includes third party liability damages and not actual hull damages.
There is no official information available from Guyana, however there are unconfirmed reports that almost all marine insurance risks are retained within Guyana through a form of self insurance scheme, especially in respect of Government owned vessels. In Trinidad and Tobago there is reported to be a local company, Consolidated Insurance Company Ltd. which writes marine insurance but which cedes most or all of the risks written to overseas companies, primarily in London.

Therefore there appears to be insurance companies in the region which writes marine insurance. There is Consolidated in Trinidad, Dyoll and others in Jamaica and even a CARICOM company. However the extent to which local economies benefit under present arrangements seem to be very limited. There is evidence to suggest that there is wide scale ceding of insurance and wholesale reinsurance to overseas companies.

In Jamaica for example, local companies were reported in The 1984 Annual Report of The Superintendent of Insurance, as ceding between 48.01% and 95.58% of their total marine aviation and transport business to foreign companies which amounted to some 84.3% of their average gross premium.

One of the purposes of The Office of The Superintendent of Insurance in Jamaica, seems to have been to ensure that a local broker is engaged in placements overseas and that at least a percentage of the premium is retained locally. However the commission of the local brokers usually does not exceed 5% of the total premium with another 12 to 15% being discount on premium, where this is merited, being retained in the local economies.
The recorded ports of registry and consequent flags of the vessels shown are also noteworthy. These range from British through to Panamanian and namedly Caribbean. In this respect, and with the possible exception of Barbados which is now embarking on an open registry policy, none of the other states, now operate a proper shipping register, although some steps are being taken, notably in Trinidad and Tobago and in Jamaica, for such establishment. This could be of grave implication since the operation of a proper register is a prelude to and complimentary to the establishment of an autonomous marine insurance industry.

The reported casualties appear to be minimal. The areas of operation of the vessels listed: West Indies and US coast except for the tankers which do some trading on the continent, are relatively safe and so would not adversely affect premium ratings.

Having thus examined the market as it presently exists in the Caribbean it is considered necessary to look at some of the problems affecting placement of insurances as well as the settlement of claims, where same exists. The writer having had practical experience of such problems through cases involving the Port Authority of Jamaica finds it instructive to present a study of such cases.
6.6 CASE OF THE PORT AUTHORITY OF JAMAICA Fleet: The Port Authority of Jamaica (hereinafter referred to as The Port Authority or The Authority) is a statutory organization with responsibilities for, inter alia the management and supervision of all ports and harbours within the island.

As one of the means of carrying out the named responsibilities, The Authority acquired: two tugs, for use within territorial waters with insurance extensions to go within a specified distance outside for the purpose of drydocking one, buoy tender for assistance with placement of buoys and other markings within the harbours one work launch for assisting the buoy tender, one rescue/fire-fighting vessel and one training vessel which is on loan to the Jamaica Maritime Training Institute but for which the Authority maintains full responsibility with respect to insurance.

As part of its function as a Maritime Administration the Authority also operates two passenger ferries which provides a sea link between Kingston and its suburb, Port Royal.

Since 1975 the hull insurances of the Authority, with the exception of the rescue vessel, the training vessel and the ferries which are placed with a local insurer, have been placed on the London Market (Lloyd's and ILU) except for the insurance year 1985 when they were placed on the American Market.

Claims Experience: The claims experience of the Authority on these vessels reveal a history of minor claims which on examination have proven to be less than the policy deductibles. There have been two notable excep-
tions. That involving the Tug "Port Antonio" in June 1982 being engine damage during a towage/salvage operation and subsequently involving a collision whilst being on drydock in Puerto Rico causing damage of over USD 600,000.

Recoveries from this claim are yet to be completed. A part of the claim concerning salvage under a sistership clause was subjected to arbitration and an award handed down in favour of the Authority. The question of denomination of currency is currently being considered for adjudication. Should adjudication be deemed necessary the matter must be argued on both sides by English lawyers in London.

The argument for adjudication is that at the time of the claim the currency was expressed in the policy as being in Jamaican dollars. Therefore, it is further being argued, although the vessel was drydocked in Puerto Rico and all expenditure by the Authority was incurred and paid in US dollars, the entire claim should have been expressed in Jamaican dollars and then converted to US dollars and later English pounds for payment.

This could mean a loss of over some US$ 60,000 to the Port Authority since at the time of the accident the exchange rate was USD 1 = JaD 1.78. Since being in drydock to date the JaD has fallen in excess of USD 1 = JaD 4.00.

Any argument by the Authority that US dollars as lawfully earned by them were used to pay the expenses may be thwarted by existing legislation prohibiting the use of such foreign currency except through the Bank of Jamaica which has to approve and authorise all such transactions.
The further question of collision liability for damage to the Puerto Rican pier and to the vessel of a third party is being dealt with by the Authority’s P&I Club, British Marine Mutual, as to its one fourth share. The third party is pursuing a claim for alleged non insurance losses. This would then involve another court settlement.

One of the major in-house problem with this claim has to do with failure to produce documents which have been ferried back and forth between the drydock, the Authority and various brokers in Jamaica and in London, and parts of which have been misplaced over the years.

The other claim involved damage to the main engine of the buoy tender, "Jamaica 11" and occurred whilst the insurances were placed on the American Market in June 1985. Again claim for sistership service is being put up for arbitration. This was occasioned by the non familiarity of the Boston based insurers with the Sistership Salvage Clause in the policy and consequent misunderstandings.

A forum for the Arbitration was decided upon by the Authority who showed a preference for London. However the Underwriters, had a preference for The US. In order to try to resolve a deadlock situation and minimise costs, the average adjusters presented a reasoned proposal for salvage service, which is presently being considered.

It is noteworthy that in this case the underwriters agreed to have the vessel’s engine dismantled in Jamaica by Jamaican personnel and for the engine only to be taken to the US for repairs. It was then brought back to Jamaica for replacement and re-alignment. In this way
exchange control problems were lessened since underwriters paid for the repairs in the US in US dollars and the Authority consumed the policy deductible through costs incurred in Jamaican dollars.

Prior to the claim the Authority was persuaded by insurers to lower the agreed values on the vessels giving due regard to depreciation factor. However by some subterfuge there was no consequent lowering of the premium. For this insurers advised that a provision of the American market practice was the existence of a minimum premium warranty. The Premium paid by the Authority it was claimed fell within this minimum.

During the 1985 period also, The Authority was advised of a cancellation of their policies by London insurers on the basis of alleged breach of the thirty day premium warranty payment period. Local Brokers however advised that the policies were deliberately removed from the London Market to avert this cancellation since payment could not have been met in time given the system of foreign exchange legislation and control.

Again during 1986, the Authority’s overseas placements were repeatedly threatened with cancellation due to difficulties in obtaining foreign exchange approvals in requisite time. This occasioned a loss of some JaD100,000 to The Authority, being the difference between the required premium initially paid over in Jamaican dollars to local brokers and the required sum after exchange approval, by which time the Jamaican dollar had experienced devaluations.
Until 1986 when awards were made for a three year period, brokers were only selected for 1 year at the end of which the portfolio came up for tender again. This could mean a change of broker and in turn insurers every year.

The process of tendering it was observed, did not serve to reduce the premium on the Port Authority's overseas marine hull placements as was anticipated. It has been asserted that this is due to the claims experience.

However the process has involved a total of three different local brokers handling the portfolio over the past 5 years and has also meant 5 different overseas brokers on the hull placements and invariably 3 different overseas leading underwriters.

In fact, in one year there was a total of three brokers on the overseas hull placings: the local broker and two overseas brokers. One overseas broker, The Authority was later advised, specialised in the placement of insurance on race horses (sic). It is implicit that whilst The Placement Committee seemed principally concerned with the "bottom line dollar " figure no similar consideration seems to be paid to the subject matter of the insurance.

The locally insured vessels are used wholly within the limits of the harbour and significantly no claim has ever been recorded against them. The premium payable over the years has not increased greatly except in the case of the training vessel which had undergone substantial repairs and improvement.

In summary it may be stated the The Authority's main problems have been those concerning claims and that of
premium remittance. With respect to claims, this has had to do with the frequency of claims experienced, even though mostly minor, and the length of time for settlement, due mainly to, inter alia, disputes as to policy wordings and the line of intermediaries through which claims documentation have to be passed.

With respect to the number of claims, The Authority carried an investigation and survey which led to the conclusion that the persons handling the vessels, though qualified, were relatively untrained in the handling of such vessels. As a consequence, a person was appointed to oversee the ongoing training of vessel operators as well as to the overall maintenance of the vessels.

The experience of The Authority has shown that during the currency of the policies, wordings may go totally unnoticed, unless and until a claim arises. In fact, in the case involving expression as to currency, even the insurers were unaware of the wordings until some four years after the actual claim and after many payments on account had been made by them in US dollar rating.

Therefore it is now a standing policy of the Authority that all policy documents must be read and agreed by both Authority personnel and the local broker at the beginning of every policy year and the contents confirmed. If policies are not readied at the beginning of the policy year then their content must be confirmed on the basis of the previous policy and alterations and amendments communicated and confirmed.

The tendering process ensure that all portfolios are dealt with through local brokers. The wisdom of this may
have been to ensure that at least a part of overseas premium remains in the local economy. However it also means the likelihood of a change of both local and overseas broker.

In the case involving the Tug "Port Antonio" mentioned, there was a change of both local and overseas brokers as well as a change in the composition of the underwriters handling the claim. Both sets of brokers subsequently lost sight of and interest in the case. Fortunately for The Authority, there was an Average Adjuster in London who is very keen on seeing the final settlement of the claim and who has remained as a link throughout the various claims of The Authority and has often had to go "above and beyond" the duties of adjuster.

It is quickly to be observed that the problems involving the claims experience and settlement of The Authority are by no means novel. They could have occurred in respect of any organization in the world and are possible whether insurance is effected locally or overseas. It is noteworthy that solutions to these problems are within reach even if only over set long term periods.

However the problem involving premiums and premium remittances, though still not novel, especially to developing countries, seem to be virtually insurmountable. Its solution could lie in the inconceivable decision to remove present requirements for approval of foreign exchange on restrictions on same, for overseas premium since this could open a flood gate to the ultimate destruction of the local economy.

Jamaica's trade deficit, for example, has stood at a cri-
tical level since 1975 under the effects of the oil cri-
sis beginning in 1972-3. At 1976 this deficit was some
USD350 million with a foreign exchange reserve of minus
USD -120 million at 1983 foreign deficit further increa-
sed to USD-441.5 million, foreign exchange reserve had
improved to some USD-93.5 million, however this was lar-
gely due to overseas borrowing. (1)

In the meanwhile the Jamaican insurance industry is in a
state of expansion. In 1979 the gross premium income
from all businesses stood at JaD 105,905 however the net
premium to the economy was JaD 51,066. In 1984 the total
gross premium income recorded was JaD 297,173,575 of
which JaD 8,761,929 was for marine insurance. The total
re-insurance ceded was then JaD 139,011,258. Marine Insu-
rance accounted for JaD 6,856,892. (2)

It would therefore seem, at least from the 1984 stastics
that more than 78% of the premium income for marine insu-
rance is ceded to overseas companies. This of course
means the use of much needed foreign currency.

Whilst the establishment of The Office of the Superinten-
dent of Insurances and The Placement Committee may be
seen as means to provide checks and balances in stemming
the outflow of such currency, their success at so doing
seems from the figures presented to have been very margi-
nal. Instead they have created bottlenecks in the

________________________________________________________________
(1) See Statistical Survey- IMF International Financial
Statistics 1984
(2) See Annual Reports of the Superintendent of Insurance
existing insurance practice in overseas placement.

The cancellation and or threats of cancellation of the Authority's policies due to delays in approvals for remittance of premium as well as the likely and frequent changes of brokers and consequent discontinuity in the placement system, being evidence at issue.

In this regard, the rapidity with which the overseas market moves for cancellation may be indicative of the fact that The Authority and Jamaica in general, as well as other such countries may be viewed as cases involving high moral risks.

Faced with what may be viewed as a "catch 22" situation of having to decide on development of the national economy as a whole through the assistance of premium income from marine insurance placements or continued reliance on the expertise, integrity and long standing tradition to be gained from marine insurance placement in a developed overseas marine insurance market the question must be: Where will we go from here?
# TABLE I: Volume of Cargo Traded & Premium

<table>
<thead>
<tr>
<th>Year</th>
<th>Country</th>
<th>Cargo</th>
<th>Import</th>
<th>Export</th>
<th>Value</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>Caricom *1)</td>
<td>Fresh</td>
<td>n/a</td>
<td>US$3,000</td>
<td>C&amp;F</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fruits</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td>Jamaica *2)</td>
<td>Bauxite</td>
<td>4,426,320tons</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sugar</td>
<td>149,818</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Banana</td>
<td>12,422</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Rapid Sheff.) Lumber</td>
<td>6,778</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Carib Cement) Cement</td>
<td>2,953</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Esso Antilles) Chemicals</td>
<td>24,474</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Ja. Flour Mill) Grain</td>
<td>17,699</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Ja. Gypsum) Gypsum</td>
<td>149,668</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Wherry Wharf) Grain</td>
<td>54,563</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Ja. Co. Trade) Codfish*</td>
<td>34,000</td>
<td>-</td>
<td>-</td>
<td>FOB</td>
</tr>
<tr>
<td>1984</td>
<td>Trinidad &amp; Tobago *(3)</td>
<td>T. &amp; T. Cement</td>
<td>3,000</td>
<td>US$240,000</td>
<td>C&amp;F</td>
<td></td>
</tr>
</tbody>
</table>

* Source—(1) Caribbean Agricultural Trading Co. (Catco)  
(2) The Port Authority: Dept Of Research & Special Projects Report, Feb. 4, 1986  
(all units in wharf tons)  
(3) Insurers file  
n/a = not available
## TABLE 11: Ships Owned, MARKET & PREMIUM

<table>
<thead>
<tr>
<th>Year</th>
<th>Country</th>
<th>No.</th>
<th>Type</th>
<th>Grt</th>
<th>Value</th>
<th>Market</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>Wisco</td>
<td>2</td>
<td>cargo</td>
<td>4043</td>
<td>5.2m</td>
<td>British</td>
<td>105,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JAMAICA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Govt)</td>
<td>3</td>
<td>reefer</td>
<td>11284</td>
<td>-</td>
<td>British?</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Jmm</td>
<td></td>
<td>cont.</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>P.A</td>
<td>4</td>
<td>harbour</td>
<td>462</td>
<td>2.2m</td>
<td>British</td>
<td>299,932</td>
</tr>
<tr>
<td></td>
<td>other</td>
<td>3</td>
<td>cargo</td>
<td>8235</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TRINIDAD &amp; TOBAGO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Govt)</td>
<td>4</td>
<td>ferries</td>
<td>5217</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>SCOTT</td>
<td>4</td>
<td>cargo</td>
<td>21653</td>
<td>48.836m</td>
<td>406,030</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>TRIOC.</td>
<td>1</td>
<td>Tanker</td>
<td>2085</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>NPMC.</td>
<td>1</td>
<td>barge</td>
<td>1400</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>BARBADOS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Govt.)</td>
<td>2</td>
<td>tugs</td>
<td>(66)</td>
<td>.979m</td>
<td>(Local)</td>
<td>9500</td>
</tr>
<tr>
<td></td>
<td>Seafood</td>
<td>22</td>
<td>fishing</td>
<td>2794</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GUYANA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(GOVT)</td>
<td>9</td>
<td>ferries</td>
<td>3059</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>cargo</td>
<td>2629</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>harbour</td>
<td>1500</td>
<td>-</td>
<td>n/a</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Fish.)</td>
<td>21</td>
<td>fishing</td>
<td>2280</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Nat.Ship</td>
<td>3</td>
<td>cargo</td>
<td>1489</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Oil Co.</td>
<td>1</td>
<td>Tanker</td>
<td>125</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>tug</td>
<td>(100)</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>GRT.</td>
<td>VALUE</td>
<td>PREMIUM</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>-----------</td>
<td>--------</td>
<td>------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>95</td>
<td>68,255tons</td>
<td>US$ 57.22m</td>
<td>US$820,462</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PS given missing values and other information, above undoubtedly far in excess of figures shown.
CHAPTER VII

SOME CONSIDERATIONS TOWARDS THE DEVELOPMENT OF A CARIBBEAN MARKET

7.1 A Summary:
The foregoing analysis, though limited in its scope, gives an indication of the capacity of the market in terms of trading activities, the absence of any real marine insurance industry and to some extent of the premium outflow. In light of the statistics presented, in-depth consideration must therefore be given as to the volume of the marine insurance business so as to ensure a sufficient spread of risks.

Furthermore, Caribbean shipping management must look to the fact that other classes of business form part of the marine insurance portfolio. The London Market, for example, is not solely concerned with insuring large fleets and eliminating smaller vessels from their account. The shipping industry, after all consists of many other types of vessels not immediately concerned simply with the carriage of cargo. There is therefore the need for the insurance of trawlers and fishing vessels, yachts, salvage tugs and harbour crafts as well as other such vessels which are peripheral to the commercial carriage of cargo.

Nonetheless and bearing in mind, assertions of the intention of Caribbean governments to expand their maritime activities as evinced not only by the fact of establishment of merchant fleet, but also through the development and or expansion of ports and the expressed intentions to establish national registers and to expand intra
regional trade, the establishment of a complementary marine insurance industry must be considered a necessity.

7.2 Insurance Denied: The Experience of Nigeria: The experience of Nigeria fully illustrates the consequences of a developing country not taking the initiative but rather, is forced into establishing a marine insurance industry. It further demonstrates the poignant danger of wholesale dependency upon the international market. A citation of that experience is considered instructive here. (1)

Nigeria experienced an economic boom in about 1976 as a result of the "four fold increase in the price of crude oil, which they supply, during that period. As with most developing countries, this boom was a signal to increase the "consumer spree" in imported items. This led to port congestions and consequent delays in discharge and subsequent pilferage of cargo. This was said to have prompted overseas underwriters, particularly those in London, to issue general cancellations on all open cover insurance written in respect of cargo consignments to Nigeria.

The government of that country was therefore forced to incorporate UNCTAD Resolution 10/vii of 1975 in their Insurance Act thereby making the local placement of marine insurance, especially in relation to cargo, compulsory. The local industry was not prepared for the "precipitous increase in the volume of their marine insurance

(1) See Marine and Aviation Insurance report No. 32 Sept. 1986 p. 18
account which followed. The severe difficulties occasioned in light of the very limited available expertise in the specialised and technical area of marine insurance seemed insurmountable.

Some underwriters then thought it best to re-insure their total marine insurance package. Others were afforded the assistance of overseas partners of foreign subsidiaries where same existed, in tackling the problems. However for the most part the industry was left to grapple with their ignorance and in the hope of bumping into suitable solutions to the problems and consequences of compulsory localization which included:

sharp increases in premium rates resulting in increases in the cost of imported goods which aided increase in inflation rate; circumvention of the market largely by overseas agents and importers who arrange additional insurance and passed the added costs onto local clients; refusal of guarantees given to salvors and claimants by local insurers due to what was perceived as the "overnight rise" of the market and consequent lack of security Insureds therefore had to "sue and labour" in their own rights leading to expenditure in foreign currency.

In spite of the problems, the Nigerian industry was however said to have benefitted through the expanding underwriting capacity and increased knowledge of marine insurance business. Underwriting companies it was said, were obliged to embark on various types of training programs to improve the quality and strength of their staff. Brokers on whom the bulk of the administrative work fell and whose business and commission rates increased, were also obliged to exert efforts to improve the quality of their expertise.
7.3 Qualification & Training Of Insurance Personnel: The experience of Nigeria ought not to be the Caribbean experience. However too often and for too long, Caribbean insurance personnels have been content to act as mere "post offices" between local assureds and overseas brokers and insurers without themselves being able to contribute meaningfully to the choice or decisions of local assureds. The qualification and training of a marine underwriting sector is therefore vital. Underwriters and brokers alike must be encouraged to participate in educational and training programs. Laws providing for the qualification and registration of brokers and underwriters may have to be enacted where such do not exist and or fortified where they do exist.

Preparing The Support Sector: The insurance support sector comprising such personnels as surveyors, average adjusters and lawyers should also be prepared and trained. Lawyers and other members of the judiciary, for example, must be prepared as marine accidents and damages are likely to happen in local ports and the legal system in such countries may be called upon as the lex fori to adjudicate although such incidents may have no bearing on the local marine insurance account.

An example of the urgency for such training was borne out from the file of a certain overseas insurer dealing with a claim arising from alleged damages to cargo in a certain Caribbean port as well as claims for demmurage and arrest of ship. In the first instance, local lawyers who were retained by overseas insurers to represent their interest, insisted that they must be allowed to instruct an English barrister for the purpose of drafting pleading and entering appearance.
Notwithstanding this request being granted, the pre-trial matter was so badly handled by the local lawyers, that the insurers had to retain another law firm from overseas. These latter, in deference to the canon of ethics, declined to relieve the local attorneys of their brief but instead advised that they would "put words in their (local attorneys) mouth" as to how the matter was to be handled.

In the second instance, the judgement of the Admiralty Court was so contrary to sound principles of maritime insurance law that insurers asked local lawyers to comment on it. The lawyers advised that although English laws relating to marine insurance were similar to and to some extent applicable to local laws, local "Judges sometimes misconstrue such laws." Such revelation of course speaks eloquently of the need for training and qualification of lawyers and other legal personnels in the laws relating to marine insurance.

The training and qualification of personnels such as surveyors and adjusters is also vital. There is for example only one known qualified marine surveyor, besides Lloyd's agents and surveyors where they exist, within the Caribbean region. There is therefore an "over-demand" for his services. Again there are no known average adjusters within the region.

7.4 Legislation: With respect to the development of the local industry it may be necessary to enact laws discouraging the wholesale "farming out" of marine insurance account on the overseas market and which leads to the self perpetuating situation of a lack of an established local marine insurance market with sufficient premium
volume, technical "know-how", extensive underwriting capacity and adequate claims servicing and settlement network necessary to the development of the industry.

Hence, whilst laws making for compulsory localization may not be the answer, nonetheless it is being submitted as prudent to have laws, for example, providing for a fixed proportion of the marine insurance account to be placed locally. Whilst of course accepting that localization does not guarantee expertise, it is being further submitted that, at least initially, the admission of outside expertise should be permitted to transact marine insurances. By so doing, the best practice, international techniques and technologies will be made available to the market. Legislative provisions may of course be necessary to regulate the amount of funds that can be repatriated by these personnels or companies.

Reinsurance: It is also recognised that localization does not automatically save on foreign exchange since due to the limited capacity of the market, there will of necessity be reliance on re-insurance which will merely shift the balance of payment burden in this respect. It is further recognised that not only would premiums be kept within the local economies, but so too would claims. This could be very disastrous to such economies in the event of catastrophies.

The continued provision of reinsurance overseas would therefore be necessary. Measures also have to be taken to allow for the formation of treaties overseas as well as to enhance the retention capacity of the local market. Latterly, shipowners, for example, could be encouraged to take higher deductibles on overseas account and to have
local insurers insure a part of such deductible. Increased values on CIF importations, could also be insured locally, where necessary.

Foreign Exchange: Should a regional market be established, the question of premium remittance will of necessity have to be considered, especially in light of the fact that there is no stable foreign currency in the region which could allow for sufficient mobility of funds. The question of how such a regional marine insurance industry is to be organised is a complex one. Believers in the invisible hand may no doubt suggest that it is in fact best to leave things to sort themselves out.

However as the marine insurance industry may be a "long tail" business requiring a long time as well as a wide spread of business in order to realise a profit, all of which requires long term commitment, it may be best for island governments to take the lead in any such establishment.

7.5 Going it alone or Regionalization? There is however the question of hegemony amongst the states, especially in respect of the "bigger islands". However the existence of the regional body Caricom, which, as noted already operates an insurance company, attests to the fact of the possibility of regional co-operation in such a venture. The actual day to day operation of the industry could of course be left to commercial enterprises which could ensure that, at least in the long run, the business will pay its way.

In the alternative and rather than establishing the
industry only through commercial companies, the establish­ment of regional Protection and Indemnity (P & I) Clubs could be considered. This has been the example in the Far East. Here shipowners and other interests have joined together for the mutual benefit of insuring their "marine adventure". The Far East Clubs, whilst intent on "concentrating their resources within their region, nonetheless, recognise the need for global support in order to provide proper and immediate service to members wherever their trading patterns may take them". (2)

Hence in addition to the various local and regional offices or representatives, and the regional financial and information banks established, the clubs also "encourage the steadily increasing number of joint venture operations throughout the region." One of the partners to such joint ventures is said often to be a Scandinavian company, many of which have, it is said "built up extensive familiarity with the region and its particular problems and customs". (3)

The germ of the solution to the Caribbean situation may indeed lay in this system which should be thoroughly con­sidered.

(2) See Asian Shipping, November, 1985, p. 43
(3) See Shipping News International, 5, 86, p. 19
8.1 Summary:
Marine Insurance undoubtedly bears an intimate relationship to overseas trade. Caribbean islands like the rest of the developing world continue to depend on such trade. However, the former reliance on traditional maritime nations for the movement of its trade is slowly loosening, as the developing countries move towards the ownership of means of transportation. The establishment of national merchant fleets are consequently high in priority for many of these nations. In the Caribbean region, the case of Jamaica and of Trinidad and Tobago are examples.

The development of ports and facilities is another feature evidencing the emergence of developing countries. The development and heavy investment in the Container and Transhipment port in Jamaica and heavy investment and development of port structures in the rest of the Caribbean region are noteworthy. Not only must the security and safety of such ports be guaranteed but safeguards as are ensured for example, in proper marine insurance practices and a sound legal system, especially with regards to admiralty matters.

Inevitably, the development of such ports and facilities have necessitated investments in modern harbour vessels, rescue vessels and supply vessels in order to facilitate the expected increase in both domestic and foreign trade traffic.
In addition there has been renewed expansion and investments in the tourist trade and fishing industries of the various island states. Attempts at establishing shipbuilding industry have been made by the Republic of Guyana as evidenced by vessels built by them since 1983 and which have been classed by Bureau Veritas. Some definite steps have been made, notably by Jamaica and Trinidad and Tobago, towards establishing proper national registers whilst Barbados has already established an open register.

Even if recognising that marine insurance is integral to all or any of such developments as mentioned, no Caribbean state has yet moved towards the establishment of a marine insurance industry, save in so far as overseas placement, mainly on the London market is carried out. The consequent reliance on such overseas market has been attributed to many factors. Amongst these are historical and traditional factors, available expertise, continuity and security.

Nonetheless, there is evidence suggesting, for example, that history and tradition have been inconsistent with the present realities of the newly emerging nations such as those in the Caribbean region. The chronic balance of payment problems of these countries, may, ironically, be attributed to the historical and inherent dependence of such countries on the now developed countries from whom they import finished products and export raw materials.

In addition there is the inherent tendency for developing countries to effect such importation on a c.i.f. basis and to export on a f.o.b. basis. This has of course made such countries seemingly committed to the placement of marine insurance overseas and to the payment of already
scarce foreign exchange to overseas insurers.

This is of course a perpetuation of the design of formative years whereby marine insurance was considered as part of the services as was shipping and banking, which were historically connected with the developed economies. Hence the developed markets provided all the services necessary for the smooth functioning of international trade and its finance. Techniques, conditions and practices were tailored to the needs of the industrialised countries.

The adherence, of many countries and with particular reference here to the Caribbean region, to traditional policy forms and conditions which as one British commentator observed, contained words "intended to frighten off other national markets which would have otherwise competed competitively against terms they could understand".(1)

The new English policy forms and clauses may be said to represent a break with tradition, at least for the English insurer, as well as an attempt to clarify the marine insurance language which had been in existence for some 200 years. The break has been viewed with suspicion and trepidation not only in developing countries, the USA and Europe but more specifically, by some London brokers, who have been noted to claim that, had they been given "more say" the new cargo clauses, for example, would have been simplified and would have contained fewer exclusions.(2)

(1) Journal of Commerce, Sept, 1983, p2c

(2) Fairplay, 11th Dec; 1986

82
Concern had even been expressed, as to whether even English lawyers "can be trusted" in correctly interpreting the new clauses. Such trepidation is noteworthy in light of this paper which invites a break with tradition on terms and conditions fitting to the Caribbean reality in their emergence as autonomous nation states.

Available expertise is to be seen as one of the brainchild of history and tradition in the experience of the Caribbean, where as noted before, "The Mother" country was possessed of all the experience and techniques. Such available expertise therefore served to sap the capacity and potential for development from countries which it purportedly served. Security was built up overseas through the secured flow of business from the colonies, as they then were, and continuity thereby guaranteed.

In recent times, there are nations who have challenged or at least, have sought to curtail the overwhelming influence and especially, of the London Market, on their own national marine insurance industry. These nations then primarily comprised European countries such as France, West Germany and Italy and which had enacted legislation making for compulsory nationalization of the marine insurance industry.

In more recent times, The USA, Japan and Norway, have sought to exert their influence in the international market. The US practices, though largely based on principles established in London, are said to be peculiar to the customs and needs of Americans. As one American insurer is reported to have observed: (3)

"American brokers design customised policies for their clients using standard and manuscript clauses providing the level of coverage best suited to respond to the insured's specific needs".

The Japanese market is newly emerging and though accepting some placements from the international markets, remains largely a local/regional concern. The Norwegian market, on the other hand, along with the regional cooperation of The Scandinavian Market Agreement, has now largely emerged from a largely national industry to the stage where it is now accepting large scale international risks.

The relevant laws and conditions of the Norwegian market compare favourably to those of the London market. However many of the conditions even appear to be far more favourable to the insured when compared to similar English provisions, and especially so in relation to hull insurance. Notably amongst these are provisions for compulsory payments on account in the event of a claim falling under the policy and that for payment of interest on claims which not only secure financial benefits to the insured but also serves to ensure the speedy settlement of claims.

Nonetheless, there are certain provisions which still retain distinct local flavouring, such as the Claims leader system, which though appearing desirable for easier settlements lends itself to conflicting interest especially when a non Norwegian assured may be involved.

It had been noted that the Norwegian Market was virtually forced to go international due to a reduction of national
tonnage on which the domestic market had thrived. Such reduction was largely occasioned by the "flagging out" of such tonnage to countries allowing for less expensive operation. Such countries usually operate flags of convenience or open registers. Invariably, these are developing countries, notably amongst which are, Liberia and Panama, and whose tonnages have swelled from such shifts in tonnages.

In an age of disappearing tonnages due largely to vessels being broken up and to a cutback on new ship buildings occasioned mainly by the uncertainties in the oil market which affects the volume of seaborne trade since oil is essential to the process of industrialization, such shifts in tonnages is significant to the marine insurance industry.

On the one hand the decreasing capacity of the developed countries has inversely affected underwriting capacity so that there have been too many underwriters chasing too few ships. The response of the underwriting community has been to resort to cut throat competition "to capture" existing tonnage. This has resulted in unmindful rate cutting and consequent decreasing premiums.

However such decreasing premiums have apparently not filtered through to developing countries, in spite of the shift in tonnages and the ostensible increase in tonnages registered or managed by them. The reasons given for this are many. Notably being the reason that risks from developing countries are almost always placed on a facultative basis, the reinsurance sources for which type of business, it has been said, has all but "dried up".
Developing countries have therefore found that they have been "used as innocent capacity" and are now being abandoned in favour of more stable business.

The implication of all this is tremendous to the Caribbean. It is true that the Caribbean has not benefited directly from the transfer of tonnages, although Bahamas and recently Barbados have established open registers. However, the case of Nigeria as cited herein, points to the danger of wholesale dependence on overseas insurers who may have just cause or otherwise, find it necessary to suspend or cancel all insurance coverage within a particular country, as was the experience of Nigeria.

One may be tempted to conclude that the Caribbean does not possess a sufficiency of cargo or ship tonnage to make a strong enough case for the establishment of an autonomous marine insurance industry for the Caribbean. There are even those who will suggest, that the absence of a mature marine insurance market is proof that it is not a viable idea. Nonetheless the figures shown in Tables 1 and 2 herein, though limited in scope, does indicate the existence of a sufficiency of tonnage. Again the likely outflow of premium even from such small Caribbean entities as shown, does recommend the establishment of a market as is proposed by this paper.

Further, and it is the assertion of this paper, that the underdevelopment of local marine insurance markets is the consequence rather than the cause of the fact that an insufficient volume of marine business is placed in the local markets. It is therefore the considered opinion of the writer that should the Caribbean islands, as should any other developing country succeed in breaking the
vicious circle and secure for its national marine insurance market a constant flow of a large volume of business, namely, the bulk of the cover for a considerable volume of foreign trade, this market would gradually overcome its traditional weaknesses and develop into a stable marine insurance market providing both adequate cover at fair prices and satisfactory services.

8.2 Recommendations:
Given the potentiality, which one would like to think has been evidenced herein, for a vibrant local marine insurance market, the following recommendations and suggestions have been made. Firstly, that an assessment of the full capacity of the market be taken by way of an in-depth analysis and feasibility study, preferably on a government to government basis.

Further, the opinion has been expressed that the fundamental changes that would be necessitated, should a regional marine insurance industry be considered, may not be achievable without the intervention of government. Caricom it has been suggested, could be used as a vehicle for such changes, and especially since this regional body is already involved in the ownership of insurance concerns.

The intervention of government, if deemed necessary, need not take the form of compulsory legislations towards localization so as to conflict with time honoured policy of laissez faire. Ship and cargo owners therefore need not be compelled to insure their vessels with the regional company. However it is considered that if such a company is properly administered and security can be built up and guaranteed then combined with proximity and
local pride the shipping community would be influenced to support such a company.

Again it has been suggested that such a body need not take the form of commercial companies but may be set up as local or regional P.& I. Clubs, as has been the experience of the marine insurance industry in the Far East. In this case the role of governments may be considerably limited. Joint ventures with companies outside the region may also be desired in this respect.

It has further been recommended that, given the limited or lack of expertise, the entry of specialist with interest to actively participate in such local or regional industry should be encouraged so as to make the best international techniques and technology available to the market. It may of course then be necessary to enact legislation governing such participation as has been suggested.

However, the almost immediate need for the proper training and qualification of marine insurance personnel, insurers and brokers alike as well as lawyers, average adjusters and surveyors, cannot be overly emphasised. These persons must of course be prepared and ready, even if the proposal for the establishment of an indigenous marine insurance industry, becomes a pipe dream.

As long as shipping is encouraged on the waters of the Caribbean, Caribbean personnel must be prepared to protect all interests associated with such shipping. The interest of importance to this paper being that of marine insurance. This may involve the securing of proper insurance coverage on cargo imports; or the ability to
properly represent ships which have in some way been invited to trade in the region. This may have resulted either through such ships having been arrested or having otherwise become involved in litigation involving marine insurance issues and local courts are called upon to adjudicate as lex fori.

Caribbean vessels or cargo become subjects of litigation or other proceedings involving marine insurance issues overseas, necessitating Caribbean personnels to make representations, then it will not be necessary for example, for outside lawyers to be used to "put words into the mouths of local personnels."

Further, and as already stated, in order to strengthen and develop the capacity of the market, the enactment of legislation providing, for example, for the placement of a fixed proportion of local marine insurance business to be effected locally may be necessary.

8.3 Problems & Challenges for the Future:
A primary problem is that involving the question of payment currency which would have to be considered given the lack of a "hard" and stable currency within the region.

The current British originated Laws may be said to form a basis for the apparent unification of Caribbean Marine Insurance Laws and for their general international acceptability. In the absence of an International Convention governing Marine Insurance as is being proposed by UNCTAD and being careful to avoid any suggestion which would have the effect of allegorically "throwing out the baby with the bath water", such laws may well have to be accepted. Nonetheless their review
may be considered necessary.

In respect of the structure and conditions for the market and whilst recognising that the British market conditions, laws and practices have historically served the interest of the Caribbean marine insurance business and though accepting that tradition commands respect, it is being submitted that tradition should not be so slavishly followed as to become a restrictive influence on development. The past must not be permitted to hold too firm a hand over the present.

The Caribbean region is moving towards establishing itself as an autonomous maritime centre. Bold steps have already been taken towards this end despite and inspite of the uncertainties of the shipping industry. In the meanwhile, as hereinbefore suggested, the traditional overseas marine insurance market seem at this time, geared to fully protect the interest of their own assureds.

The establishment and development of a marine insurance industry in the region is necessary and inevitable as a means of safeguarding the interest involved in and as a complement to the development of a maritime centre as proposed. Establishment of such an industry will no doubt require, to use the words of the general manager of The Port Authority of Jamaica in speaking on port development, and which are considered applicable here, given similar uncertainties:
"...an act of faith and perception at the beginning..." the continuing development of which should be able to capitalise on the initial advantage so as to meet expected demand "justifying such boldness and foresight."

(4) Port News December, 1986 (Port Authority of Jamaica) Vol. 3 No.6 p.11.

Chrzanowski, I. An Introduction to Shipping Economics Fairplay Publications (1985)


Monsef, A.A. Lecture Notes, World Maritime University, 1987

Lloyds Confidential List 1986

List of Shipowners 1986-87, Lloyds Register of Shipping

List of Ships 1986-1987, Lloyds Register of Shipping

Lloyds Register of Shipowners and Agents 1987
Periodicals

Asian Shipping, September, 1986 no. 93 p. 47 "A national insurance market for Hong Kong Tonnage", Edward Lee, General Manager, Jardine's Insurance Brokers Ltd.

Asian Shipping, November, 1985, 43 "The case for a Regional P&I Club", David Parton


Lloyd's List Feb., 27, 1987 "Norwegian Insurer urged to retain risks"


Marine & Aviation Insurance Report, Sept, 1986 18
"Localization of Insurance of Imports in the Developing Countries: The Nigerian Experience" J.I. Falegan (excerpt from commentary to 22nd International Insurance Seminar in Orlando, Florida)


Port News December 1986 - Port Authority of Jamaica Vol. 3 "Five Year Port Development"
Seatrade Feb., 1986 Insurance, "Renewal of Faith",
Anthony Renouf,

Seatrade Oct. 1985 "Liberians Improving Safety Record"
Anthony Renouf

Seatrade Sept. 1985 "Rising Legal Costs" (P&I), A. Renouf
" Sept. 1984 "Hull Committee proposes tough policy
on premiums, Tony Nunn
" Aug., 1983 "Awaiting sinking interest rates"
Anthony Renouf
" March 1983 " Plain English for new hull clauses"
Anthony Renouf

Shipping News International 1.87 "Worldwide fleet takes
dive in tonnage."

REPORTS

Office of The Superintendent of Insurance- Jamaica.
"Annual Report" 1984 Office of the Superintendent of
Insurance-Jamaica
"Jamaica’s Insurance Industry" (1981)

Maritime Task Force (Jamaica) Working Paper d/d 10.5.83
"Development Of Jamaica as a Maritime Centre-Machinery
for Registration of Ships."

The Law Commission of Trinidad and Tobago- Fourth Report
"The amendment and Re-enactment of the Law relating to
Marine Insurance (Official Gazette 1978)

United Nations Conference on Trade and Development (UNCTAD)
"Legal and Documentary Aspects of The Marine Insurance

LAWS

The Marine Insurance Act (UK) 1906
The Marine Insurance Act (Ja.) 1973
The Insurance Act and Regulations (Ja.) 1972
The Marine Insurance Act (Barbados) 1979
The Marine Insurance Act (Trinidad and Tobago) 1980
The Norwegian Marine Insurance Plan (Hull) 1965
The Norwegian Marine Insurance Plan (Cargo) 1967
ANNEXES
Dear Sir/Madam,

The attached questionnaire is in respect of a survey being undertaken in pursuance of post graduate studies and for the purpose of preparing a thesis concerning the establishment of a marine insurance industry in the Caribbean Region.

The writer is a Jamaican and served as legal officer to the Port Authority of Jamaica immediately prior to attendance at The World Maritime University in Malmo, Sweden.

Your kind assistance in completing the questionnaire is being solicited and would be greatly appreciated. You may return the completed questionnaire or direct any questions or comments on same by or before September, 1986:

c/o Miss Luci Kitchin
The Port Authority of Jamaica
15-17 Duke Street, Kingston,
Jamaica, West Indies.

Thank you.

Yours Sincerely,

Carrol Pickersgill.
QUESTIONNAIRE

(Owners/Operators of vessels)

1. Are vessels? (PLEASE TICK WHERE APPROPRIATE)
   OWNED/LEASED/MANAGED

2. Where do vessels operate? COASTAL/INTERNATIONAL

3. Type of vessels? CARGO/PASSENGERS/TANKER/TUG/OTHER

4. Quantity & Size of vessels?
   Quantity... Grt/bollard pull...

5. Where are vessels insured? LOCAL/OVERSEAS

6. If overseas, Which market? LONDON/AMERICAN/NATIONAL/OTHER

7. Total value of vessels? US$ .................

8. Estimated annual premium? US$ .................

9. Claims made on insurers over last 5 years?
   Amount.......NATURE...........

                   ...........................................

                   ...........................................

                   ...........................................

                   ...........................................

                   ...........................................

COMPANY...........

SIGNATURE...........
QUESTIONNAIRE
(Traders)

1. Type of business operated?

2. Trading Region?
   (PLEASE TICK WHERE APPROPRIATE)
   CARICOM/U.K/NORTH AMERICA/OTHER

3. How are goods Transported?
   SEA/LAND/AIR/OTHER

4. Carrier regularly used?

5. Average value of goods?
   US$...........................

6. How are goods bought/sold
   CIF/C&F/FOB/OTHER

7. Average Insurance Premium?
   US$...........................

8. Claims on insurers
   over last 5 years?
   AMOUNT....... NATURE...........
   COMPANY.................
   SIGNATURE..............
The Caribbean Islands

This section focuses on the Caribbean Islands and includes all major shipping, shipbuilding and repairing companies it also lists major ports, government bodies and organizations. The list of shippers includes only those companies not operating open registry tonnage and vessels of a 1,000grt and above as of September 30, 1985.

List of Caribbean Islands

ANTIGUA

Part of the Leeward Islands, Antigua has an area of 108 square miles and a population of some 60,000. It is linked by a police group with the smaller islands of Barbuda and the Leeward Islands, St. John’s, become independent in 1981. The island is one of the few in the Caribbean to have its own sea transport company.

ANGUILLA

This small British dependency is situated some 70 miles northwest of St Kitts at the northern end of the Eastern Caribbean island chain. Formerly linked politically to St Kitts-Nevis, Anguilla broke away with final secession granted in 1980. The island has a population of about 7,000 and its limited economy is based on the export of salt to Trinidad for use in the oil industry and lobster to Puerto Rico and the US. Tourism is also becoming developed.

ANTIGUA SHIPPING ASSOCIATION

Chairman: Ernest Girod
Cable: Antship ca
President: Wiliam Demas

ANTIGUA SLIPWAY LTD

English Harbor
Facilities: 150 ton slipway

CRABS SLIPWAY & MARINA

Parham Harbor
Facilities: Lifting equipment up to 250 tons

ANTIGUA & BARBUDA PORT AUTHORITY

Deep Water Harbor, PO Box 1052, St John’s, Antigua
Facilities: Deep water harbor consists of a 1,000 grt dock with 35 degree angle. The dock is a warehouse and ro/ro vessels can be handled. A bunkering terminal is adjacent to the facility. The company owns 1,960 acres.

BASIN 1 is 700 x 657 feet with a depth of 28 ft. It is mainly used by cruise ships and ro/ro vessels. The port also handles finished goods and liquid cargo.

BAHAMA ISLANDS

Consisting of some 700 islands of which only about 30 are inhabited, the Bahamas stretch from the coast of Florida in the north almost to the coast of Haiti in the south. The population is 240,000 and collectively the islands make up an area of 5,382 square miles.

BOAT BUILDERS

The Bahamas is the capital and one of the two main ports, the other being Freeport. As Grand Bahama Island is not in this list due to its separate location.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.

Bermuda Oil Ltd.

Bermuda Oil Ltd., PO Box 230, Freeport.
Barbados continued
to the port. Decline is reflected in the facilities lor vessels and shipping craft and in the number of passengers fell from 126,930 in 1983 and 13,360 in 1982. The port used to be the hub of a cruise terminal. In 1984 66,731 passengers passed through Hamilton. A long term solution to the island's ports and management of the consists the construction of a 25-acre container facility.

CAYMAN ISLANDS

Cayman Islands consist of three islands: Grand Cayman, Little Cayman, and Cayman Brac—totalling about 100 miles. Georgetown, on Grand Cayman, is both the capital and main port. The population of the islands is in excess of 10,000 and tourism, offshore banking and insurance are the backbone of the economy. In 1984 some 700 companies had domicile in the Caymans. The Caymanians also operate a shipping registry based on the British flag but with certain financial and tax advantages. The following table shows the size of this registry over recent years.

<table>
<thead>
<tr>
<th>Year</th>
<th>No</th>
<th>Gt</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>307</td>
<td>170</td>
</tr>
<tr>
<td>1980</td>
<td>403</td>
<td>229</td>
</tr>
<tr>
<td>1981</td>
<td>518</td>
<td>260</td>
</tr>
<tr>
<td>1982</td>
<td>518</td>
<td>252</td>
</tr>
<tr>
<td>1983</td>
<td>627</td>
<td>255</td>
</tr>
<tr>
<td>1984</td>
<td>627</td>
<td>317</td>
</tr>
<tr>
<td>1985</td>
<td>596</td>
<td>253</td>
</tr>
</tbody>
</table>

GOV'T, ORGANISATIONS & ASSOCIATIONS

REGISTRAR OF BRITISH SHIPS
Government Administration Bldg.,
George Town
Tel: 5464, 57800, Telex: 4260 cigp cdp

PORTS

CAMAYAN HARBOR CORP LTD
PO Box 1358, Georgetown
Branch office: PO Box 50, Cayman Brac
Director: Basil Hennings
Director of port operations: Brent Bush
The corporation serves as the authority for the port of Georgetown. The latter is operated by Cayman Energy (which see). The Corporation was formed in 1976 as a port management agency.

CAYMAN ENERGY LTD
PO Box 33, Cayman Brac
Cayman Energy Ltd (which see). The corporation was formed in 1976 as a port management agency.

Situates some 600 miles off the US East Coast. Barbados is the main island in a group of 11 islands which are inhabited. The population numbers about 60,000 and the economy is largely based on tourism and offshore financial business operations.

Bermuda political status is as a Colony of the UK with self internal government. In 1982 the total number of tourists was 544,466 representing a rise of 12% on 1981. Of those 178 were cruise passengers.

There are three port terminals in Bermuda, Hamilton (the capital), St George's and Freeport. All three are controlled by the Department of Marine & Port Services, a division of the Bermuda Shipping Association (which see). Facilities include the provision of berthing and cargo handling facilities. Two options are put forward one costing $11-15mn and the other $22-25mn. Both would increase the current cargo working area from six acres to the suggested 15 acres which are considered for the future 25,000 tons a year passing through Hamilton. A long term solution to the congestion is the construction of a 25-acre container facility.

Bermuda registry

<table>
<thead>
<tr>
<th>Year</th>
<th>No</th>
<th>Gt</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>88</td>
<td>1,590</td>
</tr>
<tr>
<td>1979</td>
<td>124</td>
<td>1,840</td>
</tr>
<tr>
<td>1980</td>
<td>125</td>
<td>1,431</td>
</tr>
<tr>
<td>1981</td>
<td>124</td>
<td>1,839</td>
</tr>
<tr>
<td>1982</td>
<td>76</td>
<td>942</td>
</tr>
<tr>
<td>1983</td>
<td>71</td>
<td>460</td>
</tr>
<tr>
<td>1984</td>
<td>63</td>
<td>554</td>
</tr>
<tr>
<td>1985</td>
<td>70</td>
<td>626</td>
</tr>
<tr>
<td>1986</td>
<td>68</td>
<td>731</td>
</tr>
<tr>
<td>1987</td>
<td>66</td>
<td>803</td>
</tr>
</tbody>
</table>

Bermuda Container Line Ltd
C/o Container Shipping Management Ltd, PO Box 838, 99 Front St.
Tel: 295-1624
President: Gilbert Darrell
General manager: M.H. Ibble, W.I. Brown
Bermuda Container Line (BCL), formed in 1980, employs one owned and one chartered vessel to offer its services to the US. The owned vessel Oceanus, has a 330 capacity and the chartered (from Sea Containers) Bermudiana can carry 124TEUs. The Oceanus made a loss last year of $843,944 compared with a profit of $271,727 the previous year. The general cargo trade is the backbone of the company. In 1984 some 700 companies had domicile in the Caymans.

Barbados Port Traffic

Year | Tonnage handled |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>486,979</td>
</tr>
<tr>
<td>1983</td>
<td>473,424</td>
</tr>
<tr>
<td>1984</td>
<td>436,723</td>
</tr>
</tbody>
</table>

Part of the decline is due to the opening of a cement plant in Barbados which reduced imports. Other bulk commodity tonnages also declined except for sugar and molasses which recorded a 24% increase over 1983. Container traffic fell to 138,000 TEU in 1983 compared with 148,869 in 1983 and 13,360 in 1982. The port authorities on Barbados have been diversifying to include the provision of facilities for vessels and fishing craft and making efforts to attract more cruise ships to the port. The decline is reflected in the following traffic figures.

Bermuda shipping association

REGISTRY OF SHIPPING
PO Box 1626, Hamilton 5
Tel: 57251, 57306
Telex: 3055grt bpa

Bermuda shipping association

BERMUDA CONTAINER LINE LTD
C/o Container Shipping Management Ltd, PO Box 838, 99 Front St.
Tel: 295-1624
President: Gilbert Darrell
General manager: M.H. Ibble, W.I. Brown
Bermuda Container Line (BCL), formed in 1980, employs one owned and one chartered vessel to offer its services to the US. The owned vessel Oceanus, has a 330 capacity and the chartered (from Sea Containers) Bermudiana can carry 124TEUs. The Oceanus made a loss last year of $843,944 compared with a profit of $271,727 the previous year. The general cargo trade is the backbone of the company. In 1984 some 700 companies had domicile in the Caymans.

Barbados Port Authority

University Rd, St Michael
Tel: 226-6100-0/1137

President: George A. Amargura. Jose Maria Perez
Managing director: Hyde Shipping Corp.
Branch office: PO Box 50, Cayman Brac
Director: Basil Hennings
Director of port operations: Brent Bush
The corporation serves as the authority for the port of Georgetown. The latter is operated by Cayman Energy (which see). The Corporation was formed in 1976 as a port management agency.

CUBA

The largest and most populous island in the Caribbean Sea lies to the south of Florida and north of Jamaica. It has a total area of 114,850 sq miles and some 8.5 million people. Economically the country has been trying to move away from a dependence on sugar and the latter still accounts for between 75 and 80% of exports and foreign exchange earnings. Next in line come tobacco, minerals, and some 6% Machinery and transport equipment, which is the largest import item followed by oil at over 20% and food at 17%. The Comecon countries are Cuba's largest trading partner, accounting for some 85% of its exports and a similar level of imports. Over recent years Cuba has shown a growth rate of 4% to 5%. The country has a relatively low level of debt compared to many Latin American countries although some rescheduling has taken place over the last two years. Increasingly Cuba is trying to expand its tourist industry and strengthen its ties with the West in a bid to attract foreign investment. Its future performance on the centers of the size of the sugar crop and its export value in world markets.

The merchant marin continues to expand, albeit at a slow rate. Cuba is taking delivery through 1985 and thereafter of some 100,000dwt vessels purpose cargo vessels being built in Spain by Astilleros Españoles (AESPA). The vessels are being built to a contract for a AESPA subsidiary and then bareboated chartered to Mambisa with an option to purchase. Four 15,000dwt cargo vessels are also being constructed in the UK by Swan Hunter. Seven 'of 15,000dwt vessels of convenience fleet. These will be completed in 1986. Port development over recent years has included the building of bulk sugar handling facilities, stevedore facilities, and the construction of container and ro/ro terminals.

GOV'T, ORGANISATIONS & ASSOCIATIONS

REGISTRAR OF BRITISH SHIPS
Government Administration Bldg.,
George Town
Tel: 5464, 57900, Telex: 4260 cigp cdp

PORTS

CAIMAN HARBOR CORP LTD
PO Box 1358, Harbor Drive,
George Town
Branch office: PO Box 50, Cayman Brac
Director: Basil Hennings
Director of port operations: Brent Bush
The corporation serves as the authority for the port of Georgetown. The latter is operated by Cayman Energy (which see). The Corporation was formed in 1976 as a port management agency.

CAYMAN ENERGY LTD
PO Box 33, Cayman Brac
Cayman Energy Ltd (which see). The corporation was formed in 1976 as a port management agency.
Cuban fleet—steady growth over recent years

Tel: 80-2232, 62-3606
Director: Guillermo Gómez Botín
Ships and builder of small vessels. Facilities: Drydock (470 x 85ft) for vessels up to 10,000dwt, floating dock of 4,500 tons lifting capacity and two marine railways.

PUERTO PESQUERO DE LA HABANA
Havana
Tel: 95-4085
Director: Rolando Maciarena Medina
Shiprepairer of fishing vessels.

Facilities: Two floating docks of 4,500 and 2,500 tons lifting capacity.

CUBAN FLEET—by flag of registry and total tonnage (at January 1985)

<table>
<thead>
<tr>
<th>Year</th>
<th>No.</th>
<th>Grt</th>
<th>% state owned</th>
<th>% national</th>
<th>No. of owners</th>
<th>Ave age</th>
<th>Orderbook grt</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>86</td>
<td>463 990</td>
<td>40.8</td>
<td>100</td>
<td>4</td>
<td>10.8</td>
<td>185,554</td>
</tr>
<tr>
<td>1980</td>
<td>86</td>
<td>525 304</td>
<td>40.8</td>
<td>100</td>
<td>4</td>
<td>10.8</td>
<td>189,607</td>
</tr>
<tr>
<td>1979</td>
<td>110</td>
<td>635 801</td>
<td>40.8</td>
<td>100</td>
<td>4</td>
<td>10.8</td>
<td>189,607</td>
</tr>
<tr>
<td>1980</td>
<td>110</td>
<td>604 066</td>
<td>40.8</td>
<td>100</td>
<td>4</td>
<td>10.8</td>
<td>189,607</td>
</tr>
<tr>
<td>1979</td>
<td>84</td>
<td>642 173</td>
<td>40.8</td>
<td>100</td>
<td>4</td>
<td>10.8</td>
<td>189,607</td>
</tr>
<tr>
<td>1980</td>
<td>84</td>
<td>680 805</td>
<td>40.8</td>
<td>100</td>
<td>4</td>
<td>10.8</td>
<td>189,607</td>
</tr>
<tr>
<td>1979</td>
<td>83</td>
<td>731 618</td>
<td>40.8</td>
<td>100</td>
<td>4</td>
<td>10.8</td>
<td>189,607</td>
</tr>
<tr>
<td>1980</td>
<td>83</td>
<td>729 603</td>
<td>40.8</td>
<td>100</td>
<td>4</td>
<td>10.8</td>
<td>189,607</td>
</tr>
<tr>
<td>1979</td>
<td>100</td>
<td>742 139</td>
<td>40.8</td>
<td>100</td>
<td>4</td>
<td>10.8</td>
<td>189,607</td>
</tr>
<tr>
<td>1980</td>
<td>100</td>
<td>742 127</td>
<td>40.8</td>
<td>100</td>
<td>4</td>
<td>10.8</td>
<td>189,607</td>
</tr>
</tbody>
</table>

Total: 1,124 870 1,178 421 100.0

Source: EIMMi, Buenos Aires

Caribbean
CARIBBEAN

DOMINICA Continued

The group, which functions as part of the
Dominican Employers Federation, has as its
members, agents and links serving the
port.

DOMINICA PORT AUTHORITY
PO Box 243
Tel: 443/2 Telex: 8617
Chairman: Alward Martinez
President: Carlos Martinez
Operator of general cargo services to the
U.S.

Port Tel: 682-0497, 688-1031
Direction: Maritime
José Gabriel García 8, Santo Domingo
Tel: (809) 889 5166
Telex: RACA 324 4274 lines, IIT 346
3917 rf

Cables: Lineas
President: Camilo Lluberes
Manager: Juan T. Tavarez K.
Associates: Navaera Hana SA, Navaera
Macros SA, Navaera Puerto Plata SA, Navaera
Santo Domingo SA
Operator of bulk carriers and general
cargo vessels.

Fleet

Name

Year

Models

Tons

1985

1.1.7B-BS

1000

1983

San Francisco

8

11 931

1982

Santo Domingo

7

10 259

1981

Baran'ona

11

9 782

1980

Cabo Rojo

11

8 951

1979

Puerto Plata

10

7 816

Source: IEMI, Buenos Aires

Fleet development 1.1.7B-BS (vessels over 1000gt)

Year

1985

1983

1980

1979

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.

No.
Caribbean
JAMAICA

Lying to the south of the eastern end of Cuba and north of Venezuela, Jamaica has a population of 2.5 million and a land area of 4,243 miles². Kingston is the capital and major port with Montego Bay, the main tourist center and second port. Jamaica’s largest economic activity is agriculture and tourism, and agriculture, the major crops being sugar, coffee, bananas, pimento and ginger. Under the influence of British finance the country’s government has been endeavouring to attract more foreign investment. The major foreign investors are from the US.

The contraction of the bauxite/alumina industry, the mainstay of the Jamaican economy for two thirds of the nation’s exports, poses a serious threat to the country’s economic future. Over the past two years, companies such as Reynolds and Alcoa, have left Jamaica because, in the face of a world bauxite/alumina glut, they found their operations in other parts of the world more profitable. These withdrawals have left the Jamaican economy some $600m (US) worse off.

As to the other parts of the economy the sugar industry, which accounts for some 300,000 tons on 1984 at 205,900 tonnes but it was below the target of 210,000 tonnes. Tourism, which is the second largest earner of foreign currency, is not more than an average year although recent years have seen a growth in this sector. Overall last year saw a 8.6% increase in exports compared to 1983 to a total of just over US$7,468m, 8.6% below the target of US$8,000m, but US$214m less than the previous year.

The Jamaican economy is beset with a number of problems, not least the huge foreign debt, the loss of foreign investment, the low levels of private investment, the loss of some of its leading industrialists, lack of infrastructure and lack of raw materials.

The major factors affecting the Jamaican economy are the following:

1. The economic contraction of the bauxite/alumina industry and the associated decrease in government revenue.
2. The reduction in foreign investment.
3. The high level of government debt.
4. The high level of imports.

The government is trying to cope with these problems by increasing taxes, cutting public expenditure and trying to attract more foreign investment. However, the economic situation in Jamaica is not improving and the country is facing a serious economic crisis.

The government has implemented a number of measures to try to improve the economy, including:

1. Increasing tax rates.
2. Reducing government spending.
3. Attracting foreign investment.
4. Implementing structural reforms.

However, the success of these measures is likely to be limited due to the global economic downturn and the country's reliance on a few key exports.

The future of the Jamaican economy is uncertain and will depend on the ability of the government to implement effective policies and the international economic environment.
Caribbean

MINISTRY OF TRANSPORTATION

Caribbean engine manufacturers as well as other Fort Amsterdam 17, Curacao

656 29?dwl. Register some 50 ships over 499grt are based owners. According to Lloyd's serves as an open registry Hag with transhipment facilities. The Antilles also investment in areas outside our.

Basin Initiative so encouraging new companies represented some 20% of Antilles are strongly linked to Venezuela changes in the oil industry. The southern some decline in recent years but its performance fluctuates having shown bigyesi revenue earner and Its IMS Ihe larsesi employer and the second

JOSEPH ODUBER SHIP REPAIR

particular advantages lor Netherland

SEATRADE a NORTH AMERICAN YEARBOOK 1985

ministries of transportation and communication

Fort Amsterdam 17, Curacao

Tel: 63988 telex: 1079

COFRS REPAIRERS

CARACAO DRYDOCK CO INC (CDM)

Dokka: Oostvaardersdijk 40, Willemstad, Curacao

Tel: 0-99 78533

Telex 1307 3307 3442 cdm na

Managing director: Ir. M.R. Evertsz

Production manager: G. Bob Schnell

Facilities: Two dry docks (918 x 157ft and 633 x 711) for vessels up to 155,000 and 29,000dwt respectively and 8 000ft of repair wharves. Agents for most diesel engine manufacturers as well as other marine machinery and equipment items.

JOSEPH ODUBER SHIP REPAIR CONTRACTOR

PO Box 317, San Nicolas

Tel: 556 6066

Shipyardper for most jobs except drydockings.

SMALL CRAFT YARD ANTILLES INC

Willemstad

Tel: 2332

Curaçao Drydock—the Caribbean’s largest repair yard

PORTS

BONAIRE

Kraendijk

Harbour master: P. Bevenos

Tel: 839945

The port has three piers— northern 230ft with 54ft alongside for vessels up to 6500dwt, the southern is 240ft long with 45ft for the largest cruise ships, and the north pier for vessels up to 300ft long and 20ft draught.

Salina

Pier for vessels up to 40,000dwt with 45ft alongside. The port is owned by the Antilles International Salt Co and used for salt export shipments.

Brass

Bonaire Petroleum Corporation NV BOPEC Bldg, PO Box 117, Bonaire

Tel: 8175 Telex: 1283 bopec na

Managing director: Th. G.M. Tassen

Terminal manager: W.H.J. De Rooer

Oil transhipment port operated by Bonaire Petroleum Corp. Two piers provide berths for tankers alongside. Ten wharves and terminals provide over 8 000ft of berthage for general cargo vessels with depths alongside of between 18 and 36ft. Shell Curaçao, in addition, operates 12 piers and wharves for tankers and general cargo vessels with depths up to 45ft. For vessels can also berth at dolphins. A container terminal providing three 1 000ft berths with 3411 alongside and two ro/ro berths are being developed. In 1983 27 562 TEUs were handled.

Curacao Port Services Inc,

PO Box 170, Curacao

Tel: 615177

Telex: 1053

General manager: C. Koper

Operators of general cargo and container facilities at Willemstad.

ARUBA

Aruba Ports Authority NV

Port Administration Bldg, L.G. Smith Blvd, Oranjestad

Tel: 615200

General manager: A. Lens

Harbor master: Captain J. Smit

Facilities:

- San Nicolas: 1 160ft dock within harbor basin with 36ft alongside. Drayutches 5 160ft of berthage available of which 4 070 is suitable for deepsea vessels. Depths alongside vary from six to 36ft. Two ro/ro ramps available. Container terminal with 820ft berth with 36ft alongside for deepsea vessels and two 600ft berths for feederships. Terminal served by 50 ton gantry crane in 1983. 22 672 TEUs handled with 110 744 tons of cargo.

San Nicolas

Operated by Lago Oil & Transport Co and the facilities are linked to the closed Exxon refinery. There are four piers, a sulphur berth and two reel berths. The terminal is served by tankers up to 120,000dwt and 50,000dwt respectively. The sulphur berth is for vessels up to 600ft with 3111 alongside. The piers offer seven berths for ships up to 900ft.

ST MAARTEN

Philipsburg, the port for St Maarten island Small per available.

PUERTO RICO

Known as a commonwealth territory of the US, Puerto Rico is positioned between Hispaniola to the west and the Virgin islands to the northwest and with San Juan the capital, also being the major port. The Puerto Rico Flags has been established by the preference treatment goods manufactured in Puerto Rico are sold in the US market. This sector contributes some 40% of the island’s gross and has been the underpinning of the significant growth experienced. Puerto Rico has the highest per capita income of any Caribbean island. Recession has hit the island; however, in recent years.

The main industries are oil refining, pharmaceuticals, chemicals and electronics. All oil is imported but only 80% is consumed locally, the remainder is being shipped to the US. The petrochemicals sector has been hit by recession bringing about some sales and rationalisation of facilities. Tourism and agriculture also continue to support the economy and the latter is being investigated so that a long term development can be realized.

The island is well served with ports and shipping lines, a strong line Navyerat de Puerto Rico which carries much of the traffic to and from the US.

P UERTO RICO SHIPPING ASSOCIATION

San Juan

Association of shipping agents and lines serving Puerto Rico affiliated to the Caribbean Shipping Association.

SHIPPING OWNERS

NAVIERAS DE PUERTO RICO (Puerto Rico Shipping Authority) GPO Box 71105, San Juan PR-00936

Tel (890) 754-6656

Telex: 3859777

Cabrera Naviera

Executive director: Esteban Davila Diaz

Naveras de Puerto Rico was reorganised in March when the company’s name line turned over the daily operations of the company to Puerto Rican Management (PRMMI), a subsidiary of TNT Containermships, the parent organisation of Transfreight Lines. Naveras provides regular connections at San Juan with links to mainland ports plus southbound links to the Dominican Republic, Haiti, Trinidad & Tobago, US Virgin Islands and Leeward & Windward islands. The north bound trade includes carriage of finished products whilst the southbound trade to the Caribbean carries a range of commodities including raw materials foodstuffs, automobiles, heavy long term equipment. In August of this year Naveras added the Atlantic Spirit, which is on a six month bareboat charter from Acadian Shipping Corp (see Apex Marine, US Shipping section), to the Elizabeth—San Juan route, increasing Naveras northwest ro/ro capacity by 60%.

Filet

Naveras

c 44/68 17 977 16 215

Beyoncé

no 71 15 131 14 407

Bourgueme

ge 45/66

Baggins

no 75 17 913 16 327

Fortissimo

no 72 15 125 13 743

Projector

no 77 15 123 13 704

Puerto Rico

no 75 14 770 14 316

San Juan

no 66 15134 14 260

Total: 8 vessels, 131 304grt, 123 657dwt

Owned by 666 Leasing Co

Owned by Sun Leasing Co

Owned by 670 Leasing Co

SEATRADE • NORTH AMERICAN YEARBOOK 1985

43
CARIBBEAN

Puerto Rico continued

SHIP REPAIRERS

PUERTO CALDERA
Puerto Caldera
A new shiprepair yard being developed and due to start operation in June 1966. It is completed and will include a 1 600 ton lifting capacity floating dock able to accommodate ships up to 2 300dwt.

PUERTO RICO DRYDOCK & MARINE TERMINALS INC
PO Box 1129, San Juan, PR 00903
Tel: (809) 723-6010, 721-0789
Telex: 345-063-1 (ITT)
Captain Aurelio Chamon
Facilities/services: Shiprepairer, also undertaking major conversion work with graving dock 691 X 100ft capacity 30 000GRT; floating dock 200ft, 1 000 tons lift 28th alongside. Deep sea 2 000t. Daily floating dock of 1 000 tons lifting capacity. 18 000t berthing piers total.

SAN JUAN SHIPYARD
San Juan
Tel: 725-2252-7352-2282

VAELI SHIPYARD
1 Barbara Street, Catano

PORTS & TERMINALS

COMMONWEALTH OF PUERTO RICO PORTS AUTHORITY (CPPRA)
PO Box 2829, San Juan, PR 00936-
Tel: (809) 723-2260
Taco; 9400
Executive director: Guillermo F. Valle
Shipping provides the livelihood of Puerto Rico and the development of this island of three million people generates a tonnage of commercial ships of some 1 700 million. Of the island's three principal ports, San Juan, Mayaguez and Ponce, San Juan is by far the largest and most diversified, accounting for about two-thirds of Puerto Rico's total tonnage of 400 million tons averaging 6.4m tons a year. Expansion of San Juan's Container facilities from 200 acres to 365 acres is high priority among the Authority's present undertakings. Accommodation for cruise ships is also being improved.
The CPPRA is authority for most port facilities on the island which is served by some 41 terminals.

ST KITTS-NEVIS
The twin state of St Kitts-Nevis is part of the Leeward chain located at the western end of the Eastern Caribbean. St Kitts has an area of 65 miles² and a population of about 35 000 while Nevis is 36 miles² in area and has a population in excess of 9 000. Basseterre is the capital and main port. Nevis lies two miles south of St Kitts and the ferry route from Basseterre to Charlestown on Nevis is 11 miles long. The economy is dominated by agriculture, in particular sugar, although sea island cotton is being developed for export and Japan and tourism and light industry are being encouraged.

MINISTRY OF COMMUNICATIONS, WORKS & PUBLIC UTILITIES
Government Headquarters, PO Box 180, Basseterre, St Kitts
Tel: 2551
Telex: 820 extram sbct

SHOPPING ASSOCIATION OF ST KITTS
Basseterre
This Shopping Association represents the various maritime interests on the island. It is affiliated to the Caribbean Shipping Association.

ST KITTS & NEVIS PORT AUTHORITY - Harbor Office, Basseterre
Tel: 4109
General manager: Carl Brawner
This body is the authority for the deep water port at Basseterre and the port of Charlestown on the island of Nevis.

Facilities: Basseterre consists of the 400ft long deep water pier which handles conventional cargo and ro/ro vessels. By use of a dolphin berth it can accommodate ships up to 500ft. Depth along side is 30ft. There are also piers for handling barge type ro/ro vessels and two owned by the St Kitts Sugar Factory used for loading bulk sugar and molasses into barges. At Charlestown the port has a 386ft pier.

ST LUCIA
Lying between Martinique to the north and St Vincent to the south, St Lucia is the second largest Island in the Windward chain with an area of 230 miles². Castries is the capital and main port in the island for some 50 000 of the island's total population of about 120 000. While the importance of the port is increasing to the economy it remains dominated by agriculture with bananas, cacao and coconuts as the main crops.

MINISTRY OF COMMUNICATIONS & WORKS
Public Works Bldg, Michael St, Castries
Tel: 2911

ST LUCIA SHIPPING GROUP
Castries
Body representing the various shipping interests on the island and affiliated to the Caribbean Shipping Associations.

ST LUCIA AIR & SEA PORTS AUTHORITY
PO Box 651, Castries
Tel: 22641, 22866, 23364 & 22894
Telex: 6355 public

GENERAL MANAGER: James Newsome
THE MINISTRY OF COMMUNICATIONS & WORKS
Facilities: At Castries six berths between 36m and 150m are available with depths ranging from 18 to 35ft alongside. Berth 5 has a 100m deepwater width. Development work includes the provision of two berths for cruise vessels and covered and open storage in berths 1, 2 and 4. Tanker facilities are located at Coconut Bay on the south side of the

SWAN HUNTER'S TRINIDAD yard
harbored by Texaco. A 359ft long offers two berths at Vieux Fort with 26th. onwards.

CULE DE SAC- Heia Oil St Lucia Ltd
Tel: 3105 & 3904
Heia Oil operates a terminal at Cule de Sac with two berths, for tankers up to 400 000dwt and 50 000dwt respectively.

ST VINCENT
This 133 mile² island and the Grenadines form part of the Windward chain lying between Grenada to the south and St Lucia to the north. Some 115 000 of the 123 000 total population live in St Vincent whose capital is Kingstown, also the main port. Agriculture, tourism and industry comprise the economy with the need for being bauxite, arrowroot, cocomos, sugar and cacao.

MINISTRY OF COMMUNICATIONS, WORKS & LABOR
Kingstown, St Vincent
Tel: 1369/1362

KINGSTOWN PORT AUTHORITY
Hazlids Ltd, PO Box 108, Kingstown, St Vincent
Tel: 61311/9
Telex: 7512 hazliss vq

Port manager: M. Bennett
Facilities: 9000t pier provides two berths, depth alongside 27ft. Geest industries vessel being repaired.

TRINIDAD & TOBAGO
Trinidad is the southernmost of the Eastern Caribbean Islands and it lies just seven miles off Venezuela. Tobago is situated 19 miles to the north of Trinidad and has a land area of 116 miles². Trinidad has an area of 1 864 miles² and the population of the island combined is 1 060 000. Port of Spain is the capital and main port on Trinidad and Scarborough similarly on Tobago.

Petroleum, asphalt, agriculture and tourism comprise the economy which is in transition due to the decline over recent years of oil revenues. In 1975 oil accounted for 41% of GDP but by 1983 this had fallen to 23.3%. In real terms which had provided 70% of the government's domestic revenues in 1960 had slipped to 46% last year. Revenue output from the past seven years has more than halved.

As a result of this major change the government has been trying to encourage both agriculture and industry. Sugar exports made a recovery in 1983 from a 1976 level of 51 000 tons and the 1985 crop of 81 250 tons was 25% up on 1984. Coffee and cocoa exports are both in decline while other cash crops are showing signs of improving. Manufacturing too has been declining in Trinidad for the past year or so.

In maritime terms Trinidad has been extending its infrastructure in this sector especially at the industrial port of LeVenue. It also has its own national line, the Caribbean Shipping & Trading Corporation of Trinidad & Tobago (Scott), which operates two ro/ro tankers and the West Indies Shipping Corporation, one of the two Caribbean multinational shipping lines, is headed up by Captain Colin Edgehill.

DON'T MISS THESE CELEBRATIONS:

SOUTH AMERICAN YEARBOOK 1985

MAY 22-28
TRINIDAD & TOBAGO-SCOTT
Anita House, Queen & Henry St, Port of Spain
Tel: 225-3926/72-3922/6
Telex: 122070 wisco
General manager: A. Lawton
State shipping line operating chemical tankers and offers cargo services through slot charter arrangements.

SERVICES: US East Coast-Caribbean: New York, Charleston, Miami and Port of Spain (fortnightly) N. Europe/UK-Caribbean (twice weekly).

Fleet:

Table: 60 50 708

East

Paradise Ty 60 126 708
Scarlet Is Ty 60 126 708
Tobago Ty 70 126 708

Total: 3 vessels, 628GRT, 2 126dwt

WEST INDIES SHIPPING CORP-

WISCO
48-50 Sackville St, Port of Spain
Tel: 62-33535, 53632, 528091, 34177
Telex: 22422 wisco

Chairman: A. Nicola
General manager: Samuel Thomas

Wisco is a multinational shipping company owned by Trinidad & Tobago (40%), Jamaica (20%), Barbados (10%), Guyana (10%), Grenada (1.6%), St Vincent (Antigua (1.3%) and St Kitts (1.22%). Wisco is a Caribbean Community (Carcocm) institution.

Fleet:

Table: 70 150

Curaçao Express pc 70 150 1500
Ventura pc 70 150 1500

Total: 2 vessels, 3 196GRT, 7 132dwt

CARI-COM 
NORTH AMERICAN YEARBOOK 1985

BEATRIDE
INDEX OF CARIBBEAN CARGO CAPACITY (CONTAINERISED)
(Source - Containerization Yearbook 1987)

Bahamas

Barbados

Barbados Port Authority
University Row
Bridgetown
Tel: 436-6883 Telex: 2367
Contact: Peter B. Parker, General Manager
Berths and craneage: Total berthage 702m, including a 215m container berth, depth 9.8m, equipped with a Manitowoc 4100W crane for container handling. In addition there is 805m of protective breakwater and 150m of shallow draught berthing.

Services: Arvida, Bernuth, Calypso, Carol, CBL, Columbus, Concorde/Nopal, Geest, Ivaran, Japan Line/MOL, K-Line, MBC, Nedlloyd, Suguenay, TEC, TMT, Tropical Shipping, Wisco.

Terminal facilities: Total area 6ha (stacking 2.5ha); storage area 7.314m²; storage on terminal, reefer points on terminal; forklifts 8 TCM (3).

Computer systems: Hardware Burroughs B1965; software in-house: functions container delivery/receipt, including container stuffing/stripping.

Hours of working: Mon-Fri 0700-1600, 1600-1900, 1900-2300; Sat 0700-1600, but to 2300 to free a ship.

Future plans: Addition of a container gantry crane.

GuateLoupe

POINTE-A-PITRE
Port Autonome de la Guadeloupe
Gare Maritime, BF 485
97150 Pointe-a-Pitre
Tel: 916313 Telex: 91971
Contact: Christian Georgelin, Operation Manager

Berths and craneage: Berth 14: length 240m, depth 11m, served by two 40t ACB-Pacpo Portainers.

Ro-ro berths also available.

Services: CEM, CCG, Euroline, CR, Marseille Frent, Mitex, MOL, Nedlloyd, Surinam, TEC Line, Wisco.

Terminal facilities: Total area 25ha: storage 3,000TEU; reefer points 48 electric, 2 ContAir; yard tractors 12 various (46-40t); yard tractors 8-Mafi.

Consolidation: CFS on terminal. Total area 20ha; covered area 3,000m²; storage on terminal; reefer points on terminal; forklifts as terminal.


Hours of working: Container Terminal: 24 hours a day.

Future plans: Extension of Portainer rail tracks. Foreign Trade Zone of 9.5ha to be operational in late-1988 and integrated into 36ha commercial and industrial area.

Haiti

PORT-AU-PRINCE
Autorite Portuaire Nationale
PO Box 616
Port-au-Prince

Tel: (1) 20224 Telex: 25300
Contact: Jean F. Policard, General Director
KINGSTON (total) 1985

<table>
<thead>
<tr>
<th></th>
<th>1984</th>
<th>1985 (estimates)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Import</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loaded TEU</td>
<td>554</td>
<td>79.13</td>
</tr>
<tr>
<td>Empty TEU</td>
<td>177</td>
<td>33.32</td>
</tr>
<tr>
<td>Tonnage</td>
<td>670</td>
<td>1717</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1021</td>
<td>1378</td>
</tr>
<tr>
<td><strong>Export</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loaded TEU</td>
<td>39</td>
<td>65.40</td>
</tr>
<tr>
<td>Empty TEU</td>
<td>31</td>
<td>45.38</td>
</tr>
<tr>
<td>Tonnage</td>
<td>475</td>
<td>900.04</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>142</td>
<td>1177</td>
</tr>
</tbody>
</table>

**Weights tonnes exclude tare weight**

Leeward Islands

Antigua

ST JOHN'S

Deep Water Harbour
PO Box 1052
ST John's
Tel: 200501/3  Telex: 2179
Contact: E. Sweeney, Port Director

**Berths and craneage**
One berth of 366m, depth 11m, served by four mobile cranes (35t, 100t, 200t, 300t).

**Terminals and craneage**

<table>
<thead>
<tr>
<th></th>
<th>1984</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Import</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loaded TEU</td>
<td>380</td>
<td>390</td>
</tr>
<tr>
<td>Empty TEU</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tonnage</td>
<td>57</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>85</td>
<td>128</td>
</tr>
<tr>
<td><strong>Export</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loaded TEU</td>
<td>511</td>
<td>412</td>
</tr>
<tr>
<td>Empty TEU</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Tonnage</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>58</td>
<td>48</td>
</tr>
</tbody>
</table>

**Container operating company**

KINGSTON Terminal Operators Ltd
PO Box 132
Newport West
Kingston 15
Tel: 293-820/8  Telex: 2378
Contact: Capt Michael J. Belcher, Managing Director

** horas of working**
Mon-Fri 0700-1200, 1300-1600;
Sat 0800-1200; Sun 0800-1200.

Netherlands Antilles

ARUBA

Poorts van Aruba
Aruba Ports Authority NV
PO Box 383
Aruba
Tel: 21373, 26333  Telex: 5120
Contact: Milton H. Henriquez, Managing Director

**Berths and craneage**
Quay length 450m, depth alongside 12m. A Nelco 50t container gantry crane serves the berths. In total there is 1,490m of dock length available to accommodate ocean-going vessels. Two ro-ro berths are available. A 30t. P&H mobile crane is also available to unload container vessels.

**Berth directory**

<table>
<thead>
<tr>
<th></th>
<th>1984</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Import</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loaded TEU</td>
<td>8</td>
<td>92</td>
</tr>
<tr>
<td>Empty TEU</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>Tonnage</td>
<td>60</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>58</td>
<td>162</td>
</tr>
<tr>
<td><strong>Export</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loaded TEU</td>
<td>511</td>
<td>412</td>
</tr>
<tr>
<td>Empty TEU</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Tonnage</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>58</td>
<td>48</td>
</tr>
</tbody>
</table>

**Container terminal**

ST JOHN'S (total) 1985

<table>
<thead>
<tr>
<th></th>
<th>1984</th>
<th>1985 (estimates)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Import</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loaded TEU</td>
<td>380</td>
<td>390</td>
</tr>
<tr>
<td>Empty TEU</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tonnage</td>
<td>57</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>85</td>
<td>128</td>
</tr>
<tr>
<td><strong>Export</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loaded TEU</td>
<td>511</td>
<td>412</td>
</tr>
<tr>
<td>Empty TEU</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Tonnage</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>58</td>
<td>48</td>
</tr>
</tbody>
</table>

**Container terminal**

KINGSTON

Terminal operating company:

Kingston Terminal Operators Ltd
PO Box 132, Newport West
Kingston 15
Tel 293-820/8  Telex: 2378
Contact: Capt Michael J. Belcher, Managing Director

**Times of working**
Mon-Fri 0700-1200, 1300-1600;
Sat 0800-1200; Sun 0800-1200.

Netherlands Antilles

ARUBA

Port Authority of Aruba
Port Administration Bldg
LG Smith Blvd 23
Oranjestad
Tel: (8) 21373, 26333  Telex: 5120
Contact: Milton H. Henriquez, Managing Director

**Berth directory**

<table>
<thead>
<tr>
<th></th>
<th>1984</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Import</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loaded TEU</td>
<td>8</td>
<td>92</td>
</tr>
<tr>
<td>Empty TEU</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>Tonnage</td>
<td>60</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>58</td>
<td>162</td>
</tr>
<tr>
<td><strong>Export</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loaded TEU</td>
<td>511</td>
<td>412</td>
</tr>
<tr>
<td>Empty TEU</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Tonnage</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>58</td>
<td>48</td>
</tr>
</tbody>
</table>

**Container terminal**

Terminal operating company:

Aruba Stevedoring Co (ASTEC) NV
Haventerrein
Oranjestad
Tel: (6) 22558  Telex: 5069
Contact: M. J. Schoon, Managing Director

**Berth directory**

<table>
<thead>
<tr>
<th></th>
<th>1984</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Import</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loaded TEU</td>
<td>8</td>
<td>92</td>
</tr>
<tr>
<td>Empty TEU</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>Tonnage</td>
<td>60</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>58</td>
<td>162</td>
</tr>
<tr>
<td><strong>Export</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loaded TEU</td>
<td>511</td>
<td>412</td>
</tr>
<tr>
<td>Empty TEU</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Tonnage</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>58</td>
<td>48</td>
</tr>
</tbody>
</table>

**Computer systems**

Lotus 1-2-3

**Times of working**
0800-2400. Overtime available.

WILLEMSTAD

Curacao Port Services Inc
PO Box 170
Willemstad
Tel: (9) 615177  Fax: (9) 616536
Telex: 1053
Contact: K. J. O. Aster, General Manager
Caribbean: Netherlands Antilles/Puerto Rico/Trinidad/Virgin Islands/Windward Islands

Berths and craneage: Three berths, each 305m length, maximum depth 10-2m. Container berth 500m length, maximum depth 12-2m, with one Neocon 30t container gantry. Two ro-ro berths, maximum depth 10-2m. Two ro-ro berths, maximum depth 12-2m.

Services: Bank, Carol, CCT, Columbus, Evergreen, King Ocean, Nedloyd, Sea-Land, SMS.

Terminal facilities: Total area 16ha; storage 1,700TEU; reefer points 86 electric; front-handlers 1 Hyster (106), 1 RayGo Wagner (40t), 3 Silent Hoist (25t, 34t, 50t); yard tractors 3 Flexi, 8 Ottawa, 1 White; yard chassis 8 Buiscar (40t).

Consolidation: CFS on terminal. Covered area 2,787m²; storage on terminal; reefer points on terminal; forklifts 8 Komatsu (2.5t-3.5t), 10 Toyota (2-5t).

Computer system: None.

Hours of working: 0700-1500, 1500-2300, 2300-0700.

---

Puerto Rico

PONCE

Puerto Rico Ports Authority
PO Box 2829
San Juan, PR 00936
Tel: 842-2145
Contact: William S. Williams, Port Captain

Berths and craneage: Municipal quay of 157m length, and wharves of 57m and 138m length, depth 9-5m, served by one heavy-lift crane. Ro-ro ramp available.

Services: Carol, PRMSA, TMT.

---

SAN JUAN

Puerto Rico Ports Authority
PO Box 2829
San Juan, PR 00936
Tel: 723-2260
Telex: 9464
Contact: Jose R. Garcia, Chief, Maritime Bureau

Berths and craneage: Ilsa Grande: PRMSA terminal has berths of 212m and 202m, minimum depth 9-1m, served by two 45t container gantry cranes. Ilsa Grande also provides ro-ro facilities for TMT. Puerto Nuevo: berths C, D, E, F, G, H, J, K, M, each 183m length and Berth L 274m length. Minimum water depth 9-1m. Berths E and F are used by Sea-Land, equipped with two Paceco cranes, G and H by PRMSA. The latter are served by five Paceco 27-5t container cranes.

Services: Sea-Land, PRMSA, Caribe Lines, CGM, Carol, TMT.

Terminal facilities: Ilsa Grande: trailer parking 16-7ha (PRMSA), 12 ha (TMT)

Puerto Nuevo: trailer parking available.

Consolidation: Ilsa Grande: covered area 3,000m² (PRMSA)

Puerto Nuevo: covered area 9,500m² (Berths A & B), 9,300m² (Berth D).

---

Trinidad

PORT OF SPAIN

Port Authority of Trinidad & Tobago
1 Ajas St, PO Box 549
San Juan, PR 00936

Tel: 623-5719/5879, 625-4074
Telex: 22477
Contact: Keith Anatol, General Manager

Berths and craneage: Berths 6 & 6A: two container berths, total length 542m, depth 10m, served by two Paceco 40t Portainers.

Services: Sea-Land, Saguenay, Tropical, EuroCaribe, Harrison, Booth Shipping, Wisco, Columbus, Carol.

Terminal facilities: Berths 6 & 6A: total area 6-9ha (plus 155 chassis slots); reefer points 96 electric; yard gantries 2 rubber-tyred Diamond 458A (40t), 2 rubber-tyred Ferranti 458B (40t); mobile crane 1 Mannesmann Demag MC600 (100t), 1 Link-Belt HC125A (200t), 2 Link-Belt HC138A (75t), 3 Link-Belt UC1088 (50t), 4 Link-Belt UC78 (30t); straddle carriers 3 Clark (40t); front-handlers 3 Hyster 6208 (28t), 2 Hyster 5200 (23t), 7 Hyster 250H (11-11), 1 Clark C500Y130 (6t), 9 Clark C500Y355 (2t), 30 Hyster 250H (16t, 20ft x 12), 40 Fruehauf (20t), 43 Mas (40t x 10, 20ft x 33), 7 Merriworth (40t), 12 Pigg (40t).

Consolidation: Berths 6 & 6A: CFS adjacent to terminal (Gheds 9 and 10). Covered area 1-5ha; forklifts 16 Toyota 3F825 (2-5t).

Computer systems: Hardware IBM system 34; software Infotech; functions container/trailer tracking and billing.

Hours of working: 0700-1600, overtime 1600-1900.

Future plans: Berth 7, length 198m, to be upgraded to container berth with container handling cranes. Two rubber-tyred Kone FELS-Ferranti (35t) yard gantries on order.

---

Virgin Islands

ST CROIX

LIMETREE BAY

Virgin Islands Port Authority
Marine Office, PO Box 1134
Christiansted, St Croix, VI 00820
Tel: 778-3131
Contact: Floyd Knight, Marine Manager

Berths and craneage: 305m pier served by one 30t Paceco Portainer. Ro-ro facility with two ramps. Depth 9-7m.

Services: PRMSA, TMT, Tropical Shipping.

Terminal facilities: Total area 25ha; storage 864TEU.

Consolidation: Covered area 2,787m².

Hours of working: 24 hours a day (if required).

Future plans: Provision of consolidation facilities; expansion of the port in an area of 16ha to the west of the port.

---

Windward Islands

Dominica

ROSEAU

Dominica Port Authority
PO Box 243
Roseau
Tel: 4431/3
Telex: 8617
Contact: Owlem N. Norris, General Manager

Berths and craneage: Main Dock: 152m general purpose berth, minimum depth 10-9m. No container cranes.

Services: Berruz, CGM, Geest, Nedloyd, RMC, Saguenay, TMT, Wisco.

Terminal facilities: Total area 1-8ha (stacking 1,858m²); front-handlers 1 Clark (24t); yard tractors 1; yard chasses 4 (various 20t).

Hours of working: 0800-1300, 1400-1600; overtime 1600-2400.

Future plans: Preparation of a 7,400m² container park with road connection.

---

Martinique

FORT-DE-FRANCE

Basse St Dominique
PO Box 615
Fort-de-France
Tel: 712023
Contact: Mr Gehl, Harbour Master

Berths and craneage: Public berths totalling 800m, maximum depth 10-5m, served by a 25t crane. CGM has a private berth of 400m length, depth 8m. A-ro-ro berth is also operational.

Services: CGM, Mixte.

Hours of working: 0700-1100, 1300-1600.

Future plans: A new terminal is planned, with the containerising berthage to be extended by 250m. A deepwater berth is to be constructed to receive containerships of 240m length, draught 12m. Two 40t gantry cranes are planned.
St Lucia
PORT CASTRIES

St Lucia Air & Sea Ports Authority
PO Box 651
Castries

Tel: 22641, 22893/4 Telex: 6355
Contact: George C. Girard, General Manager

Berths and craneage: Three berths, for vessels 158m-244m, depth 12m, served by one 140t P&H truck-crane, and one Manitowoc 4100W mobile crane.

Services: AFS, Alpha, Bernuth, CGM, Geest, Nedlloyd, Saguenay, Samba, TEC, TMT, Tropical Shipping, Wisco.

Terminal facilities: Storage 600TEU (two-high); reefer points 13 electric; front-handlers 2 Lansing Henley Hercules (30t), 1 Lansing Henley Hercules (8t), 1 Lancer Boss (35t); yard cranes 3 Sisu; yard chassis 11 PlanMarine (20ft flatbed), 24 RTS (40ft flatbed x 4, 20ft flatbed x 20).

Consolidation: CFS on terminal. Total area 2.8ha.

Hours of working: 0700-1600 Monday to Friday. Overtime available.

<table>
<thead>
<tr>
<th></th>
<th>1984</th>
<th>1985</th>
<th>(estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loaded TEU</td>
<td>3 123</td>
<td>3 282</td>
<td>3 350</td>
</tr>
<tr>
<td>Empty TEU</td>
<td>371</td>
<td>342</td>
<td>600</td>
</tr>
<tr>
<td>Tonnage</td>
<td>47 906</td>
<td>54 000</td>
<td>59 000</td>
</tr>
<tr>
<td>Export</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loaded TEU</td>
<td>720</td>
<td>447</td>
<td>750</td>
</tr>
<tr>
<td>Empty TEU</td>
<td>2 632</td>
<td>3 078</td>
<td>3 180</td>
</tr>
<tr>
<td>Tonnage</td>
<td>11 713</td>
<td>8 000</td>
<td>13 000</td>
</tr>
<tr>
<td>Total TEU</td>
<td>8 846</td>
<td>7 150</td>
<td>7 880</td>
</tr>
<tr>
<td>Total tonnage</td>
<td>59 819</td>
<td>62 000</td>
<td>72 000</td>
</tr>
</tbody>
</table>

Freight tonnes exclude tare weight.