

Flag of convenience in maritime sector



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Introduction on flag of convenience

A flag of convenience is the name given to a ship when it is to be flying and if the ship is registered in an alien country meant with the intention of reducing working costs and to circumvent the administrative regulations. This term is being used from the times of 1950s and is referred to the flag which a ship flies in the process to indicate its registration from its respective country. This country of registration will decide the regulation under which this ship is obligatory to function and that to the only applied in that pertinent admiralty case. Today, the flags of convenience registers more than semi percentage of the world's merchant vessel transport which is measured by unit tonnage, which were officially known as the open registries. The cause for preferring an open register are assorted which consist of the tax protection, the prevention of some national regulations, and labor pay scales which political boycotts as well. For instance, the prevention of half the duty in the United States' government arraigns on maintenance performed on the American-flagged vessels in overseas ports. And again, in the South African parts, neighboring ship-owners exploits the open registers in order to stay away from the shipping boycotts. And Well, this Globalization do have a considerably influence over the mechanics of the world-wide trade and is affecting the working structures of the merchant vessels and the possession. The old days are gone where the majority shipping companionships had a single operating base, nationalized shareholding and operated below a sole flag. The vessels are more normally possessed by cosmopolitan conglomerates although the extensive confidential family-controlled distributions schemes are still characteristically powerful. And For every type of distributions around it there is a general for <https://assignbuster.com/flag-of-convenience-in-maritime-sector/>

diverse aspects of this vessel operation like example given, the crew management or the technical, the marketing and chartering, are to be found in unlike countryside's. Though the rivals disputes over the fact that these flags of convenience does not imposes least communal standards for the seafarers and required safety standards. The ITF (International Transport Workers' Federation) do upholds a listing of all registries in it which numerically is 32, which are measured as to be a FOC type of registry. And In this list, while developing, the ITF believes " The aptitude and the enthusiasm of a flag state is to implement to an internationally lowest societal values on its boats and the amount of enforcement and authorization of the ILO Recommendations and Conventions" and " its protection and its environmental evidence.". (Flag_of_convenience)

Maritime security

Maritime security is apprehension with which the anticipation of deliberate injures through subversion, sabotage, and or terrorism. The United States Coast Guard (USCG) has basically three fundamental roles of which The Maritime security plays one important role, and has steadily resided in reaction to a sequence of disastrous proceedings, which actually began in the year 1917. The three chief maritime security actions performed by Coast Guards are Facility Security, Port Security, and Vessel Security. (Maritime security)

With its Legal Background, the principle laws would be quite clear that it supports this mission for the USCG that is:

- The ISPS (International Ship and Port Facility Security) Code, 2002, this was adopted by the IMO (International Maritime Organization) as a new necessities to the Convention Internationally to improve the maritime security.
- Espionage Act of year 1917, this step will empower the Coastal securities to craft a system to stop the damages to the harbors and boats during the security emergencies at national level.
- Ports and Waterways Safety Act of year 1972, this resulted in several oil spills and major groundings, though this step gave the port protection authorities further than the Magnuson Act that to defend the utilization of the port hauling facilities, to improve labors against the deprivation of the maritime surroundings.
- Magnuson Act of year 1950, ratified as a consequence of the so called Red Scare and this step gave an everlasting port sanctuary regulations, & wide powers to look for boats in the United States waters and to manage the progress of foreign boats in United States ports.
- MTSA (Maritime Transportation Security Act) of year 2002, ratified as a consequence of the well known 11th September, 2001 terrorist hit on the United States. With This Act offered sweeping the fresh authorities from stopping acts of intimidation within the United States maritime province. (imo)

Port Security

The Port Security necessities institutionalized in the MTSA needs safety procedures for the United States ports for reducing the danger and to alleviate the consequences of a step that bullies the safety of facilities,

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vessels, personnel, and the public. And the policies draw jointly assets inside the port limitations to supply a scaffold to converse and identify dangers and organize resources to alleviate the threats and penalties. The COTP have to make sure that the entire port safety stance is precisely reviewed, and that to the safety possessions are suitable to get together these agendas. The COTP have to recognize the grave assets inside a port that to expand a prioritized catalog of the majority vulnerable acts of sabotage, and the plans for sufficient safekeeping measurement to assemble specific requirements. (Maritime security)

Vessel Security

Both the ISPS and the MTSA Code control vessel safekeeping. And The conventions inside these two credentials requires the proprietors or operators of boats to assign safety officers for ships, expand safety plans found on security evaluations, the implementation of the safety events precise to the vessel's process, and obey with present levels of the Marine Security. (Maritime security)

Facility Security

It is defined as some arrangement or ability of any type situated on, in, under, or neighboring to some waters subject with the authority of the United States and is operated, used, or maintained by private or public body, counting any adjoining or contiguous possessions under ordinary possession or process. For examples the facilities are the Oil storage facilities, the Barge fleeting facilities, the Passenger vessel terminals, the Container terminals. OCS (Outer Continental Shelf) Facilities are usually offshore and fixed at platforms in the water depths which range up to 1, 000 feet deep for which

the primary reason is the examination, expansion, or manufactured goods of offshore gasoline assets. And this description also embraces the novel floating blueprints such as converted MODUs (Floating Production Facilities), Tension Leg Platforms (TLP), Floating Production Storage Offloading units (FPSO). (imo)

As Both the ISPS and the MTSA Code controls the facility safekeeping, And The conventions inside these two credentials requires the proprietors or operators of boats to assign safety officers for facilities, expand safety plans foundation on the safety estimation, realize safety measures precise to the facility's procedures, and then conform with present levels of Marine Security. And those amenities designated as the OCS (Outer Continental Shelf) facilities have to meet the similar safety necessities as those selected as waterfront services. In dangerous waters When the United States Navy merchant vessels are entered, the defense detachments are stationed on the vessel. And the Security forces have assisted the discouraged piracy as well as the revolutionary attacks, such as that of the USS Cole and the Maersk Alabama. The United States fleet merchant crafts usually educate the deck section in firearms exercise, but the additional Navy safekeeping details supplies for additional security. As well, the Navy accompanies may from time to time accompany the crafts, such as to travel all the way through the Gibraltar. (Maritime security)

GLOBAL TRADE

The global trade is carried out by ways of air, water, and land. But the most used trade among all these is by water. About 90 % of the world trade is in

hands of the shipping industry as the export and the import of the goods on a large scale is possible only with the shipping industry.

This trade is a continuously expanding and highly competitive, which yields benefits to the customers around the globe. The increasing efficiency of the shipping and the economic liberty has also aggravated its importance.

Around 150 countries are involved in this trade and countless seafarers from around the globe squeezing their living (Shipping and world trade).

U. A. E MARINE TRADE

The country has a vast and diversified shipping sector as the region is full of oil exploits which makes this region as one of world's most active and profitable marine centers. The headquarters currently established in Dubai has a great infrastructure to meet the growing demands of the outer world from UAE in need of the oil vessels as well as non-oil trade vessels such as containers, general cargo, car carriers, tugs, reefer, (sea trade).

VOLUME OF STRAIT OF HORMUS

At present, 25% of the supply of crude oil in the world is carried out through the Strait of Hormuz which also includes oil exports from countries like Saudi Arabia, Kuwait, the United Arab Emirates, Qatar and Iran. These nations comprise of the 90 percent of the spare productive capacity of (Alternatives to strait of hormus)

RISKS INVOLVED

The risks which are related with the marine industry ranges from Smuggling drugs and various other commodities, weapons, arms and another risk such as piracy. These risks are related from the time when the mankind started

entering the sea and started crossing oceans by ships, and are inevitable at this point of time. But methods are still being manipulated as to how to curb and minimize these risks.

PIRACY GLOBALLY

One of the greatest evils of the marine industry has always been the dangers of piracy and gun-point robberies for the ships. This activity has fluctuated in terms the frequency and the activeness of it, but this always has been a matter of great concern. Many incidents reported to be attacked violently by groups of people having knives and guns. The primary sufferers are the fishermen, the passengers and the seafarers. They are the ones who get held by the pirates and their ships get seized and they have no option but to surrender in front of those armed pirates.

PIRACY IN INDIAN OCEAN

Piracy in the Indian Ocean has been a regular feature and is an evil yet to be eradicated. The coasts of East Africa and also the northern half of the Indian Ocean are the worst hit among the different coasts residing around the ocean. Recent activities include the Somalia based pirates attacking the coasts of the northern half of the ocean and east African coasts seizing 9 small ships and holding (piracy around the world)

SMUGGLING, WEAPONS AND DRUGS IN THIS TRADE

Central Asia's sea route is prone to the smuggling of narcotics which are produced somewhere in the Afghani region for sales in the West European markets. And another region which is a narcotics concentrated region is South Caucasus which lies between Asia and Europe. And drug dealing is

also a regular feature in this industry which includes illegal carrying of narcotics and (south caucasus)

ACCIDENTS IN U. A. E MARINE

Although U. A. E coasts are not that prone to any activities which can termed as accidents, but there have been some pirate activities which come under as accidents occurred in the U. A. E marine.

Recently a Dubai-based Oil tanker was hijacked. A vessel having a crew of 24 people and containing a mixed cargo of mechanical equipments was leading to Jebel Ali in UAE was hijacked by the Somali based pirates. The crew had people from Yemen, India, Ghana, Sudan, Pakistan and the Philippines.

REASONS FOR CONTAMINATED WATER AND ENVIRONMENTAL DEGRADATION

The marine industry is also a culprit of pollution and the release of major quantity of dangerous waste into the oceans.

Several reasons for this degradation:-

- The carrying of oil vessels has several times produced oil spills which has spilled oil in humungous quantity into the sea waters and contaminates the ocean.
- Another type of marine vessel which had an impact on the environment has been the huge ocean vessels which consist of cargo and cruise ships as well.
- Too much fishing has also put some species in the water on the verge of extinction and also denied the others for their food. The fishing industry involuntarily kills or harms other aquatic animals as well

- Changing Weather with global warming taking the toll on the earth's temperature has not helped much, bringing glaciers to melt and sea level to rise.
- Natural calamities such as Tsunami affected the environment in a great deal with the surface becoming prone to earthquakes and thus leading to these huge waves in the sea.
- With the usage of substandard ships of more than 20 years being used will help (marine industry and environment).

ADVANTAGES OF FLAG OF CONVENIENCE

There are several advantages of the Flag of convenience such as:-

1. There are no liabilities as there is a sort of mark on every ship which makes it authentic.
2. There is no enforcement of any policies and rules which makes them independent of such implications.
3. Thus making these a low cost affair and free of unnecessary tariffs and taxes.
4. This provides labor regulation and thus providing a low cost workforce with efficient duration of work.

Recommendation

The current situation of the maritime sector suggests that the scope of improve is very less as the globe trading system is on the rise and the United States Coast Guard has clear and effective principle laws on the basis of which the lawful trading and transportation is unhindered. The safekeeping still lacks some hard barrier to overcome the piracy schemes, the acts of drug laundering and Weapon smuggling all across the world. Maritime

security is apprehension with which the anticipation of deliberate injures through subversion, sabotage, and or terrorism which is held and maintain by the united states coast guard, which has the strength and flexibility to catch upon any or such piracy schemes across the world, the only point of concern here is the loophole that are catch time to time within the united states coast guards and how does they come through the loophole within a short interval of time of that peace and harmony are maintained through out the marine coasts.

CONCLUSION

The conclusion behold the whole research here which starts from the facts of Flag of convenience to the Maritime security issues and principle laws compressing uphold of such laws. The research suggests an apprehensive status on the global trade all across the world. On how much percentage of marine trade has been done through UAE trade like Trade vessels and oil vessels. The paper suggested the risks and the comebacks in the field of maritime. It was explained about the environmental and contaminated water explanations. And the Advantages of FOC like No liabilities, Low cost of labors, No tax and tariffs, substandard ships, No policy, rules and regulation enforcement. With all this statement of reasons and the recommendations this research paper suggests that the Flag of convenience is implemented in a very positive method with very convenient background.

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