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'Ban flags of convenience'

Geneva, Jan 17.

Developing countries called today for a ban on flags of convenience for ships, but Liberia, Panama and Cyprus immediately opposed the move.

Liberia, estimated to have nearly 74 per cent of the 213 million deadweight tonnes of ships flying flags of convenience, told a meeting organised by the United Nations Conference on Trade and Development that an end to open registries would lead to "violent and cut-throat competition" between countries to gain the merchant shipping trade.

An Unctad report to the eight-day meeting put the gross earnings of flag of convenience ships at US\$15 billion a year.

The Group of 77, linking about 120 developing nations, called in a statement for "action to phase out over a reasonable period of time the unacceptable current practice of open registry shipping."

The group spokesman, Mr Nicolas Monge of El Salvador, said flags of convenience had prevented developing countries from gaining a fair share of world shipping.

The Liberian representative, Mr Rocheforte Weeks, objected that the statement prejudged the issue and said Unctad reports had gone beyond the mandate to prepare in-depth studies on the advisability of phasing out open registries.

He said a Liberian survey showed that between 1977 and last year, 1,041 ships registered in Liberia had switched to another flag.

"The overwhelming majority were re-registered under the flags of developed countries," he said.

Yet a major argument for phasing out open registries was to give developing countries a bigger share of world shipping.

The Geneva negotiators were being handed "an absolute framework for doing violence to the sovereignty of Liberia, of Panama and of sundry other developing countries," he said.

Panama and Cyprus, also major open-registry states, backed the Liberian statement on the third day of the Unctad talks.

Industrial nations have already opposed the phasing out of flags of convenience. The conference marked time for two days while developing countries made vain efforts to reach a common position.

—Reuter.