



**Implementation of the HNS Convention – Workshop
25 and 26 May 2006 – IMO, London**



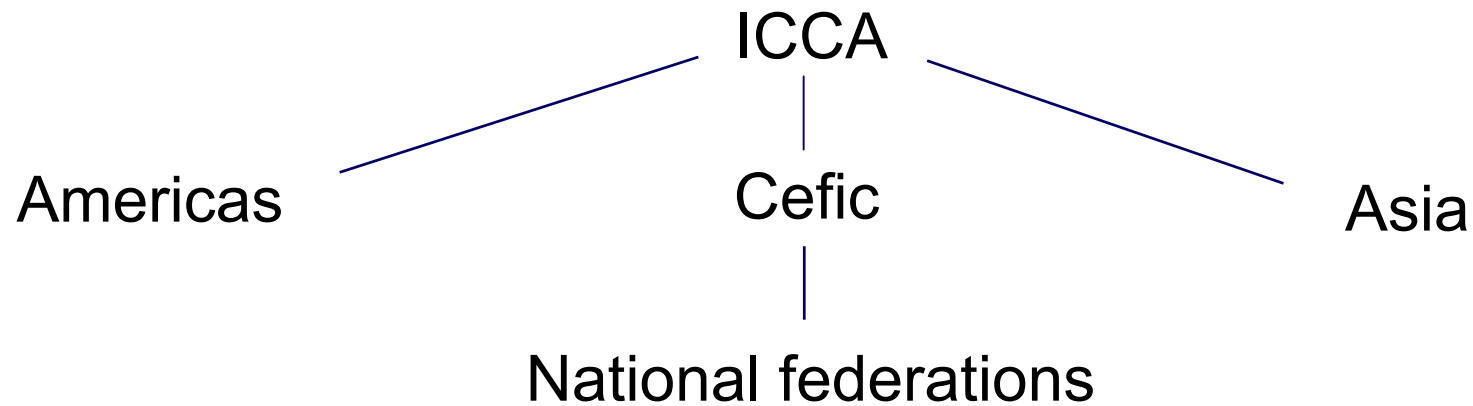


The ratification of the HNS Convention - the perspective of the chemical industry



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ICCA – International Council of Chemical Associations



Cefic is currently secretary of ICCA and represents ICCA

Cefic – the European Chemical Industry Council



- ✚ **Forum and voice of the chemical industry in Europe**
- ✚ **Membership: - 27 national federations**
 - 500 companies direct members**
- ✚ **Turnover 520€ billions**
- ✚ **Direct Employment 2 000 000**
- ✚ **About 27 000 companies (96 % less than 250 employees)**
- ✚ **Producing 30 000 substances covered by HNS Convention**
- ✚ **Actively involved in risk prevention through CDI (Chemical Distribution Institute) ship inspection scheme, Responsible Care and SQAS**



Impacts of the Convention

- ✚ **Will impact on imports and exports by sea**
- ✚ **Heavy Reporting obligations = administrative burden for industry and Governments**
- ✚ **Likely increase in shipping, insurance and storage costs**

Assessment



- ✚ **Cefic supports the HNS Convention's increased ship owner liability limits**
- ✚ **Cefic supports the compulsory insurance / financial security provisions**
- ✚ **Questions remain as to how these provisions can and will be implemented and enforced by State Parties in practice**
- ✚ **Problem: Limited impact assessment for chemical and downstream using industry**



Concerns (1)

Based on oil conventions

- Are particularities of chemical supply chain taken into account?
- HNS Convention covers sea bulk and packaged goods transferred down the supply chain but is structured to deal with large bulk shipments with readily identifiable sources

What incentive?

- For ship owners to improve standards and prevent pollution <-> voluntary initiatives such as Responsible Care and CDI should be promoted
- Concerns over the removal of polluter's pay principle -> will allow for free riders and could result in a increase in incidents' occurrence

Need for fair balance

- Between Ship Owners' liability and the Fund
- Compulsory ship owner insurance must be verified and guaranteed: State parties responsibility



Concerns (2)

The role of the Fund

- If not strictly applied, may be regarded as a source of regular compensation?

Contributing cargo

- Thresholds well chosen? Proportionality principle in question

Problem of early ratification

- = higher burden for receivers => commercial disadvantage
- States must be obliged to indicate what they receive

Uniform definition of the Receiver across all ratifying countries must be achieved

- Manufacturers of chemicals are not the only companies receiving/using chemicals
- Chemicals are not the only products under the general account



Conclusion

- ✚ **Need for an uniform approach – industry/government partnership is essential**
- ✚ **Educate the industry on how to comply including the provision of guidelines identifying the role of each player down the chemical and other supply chains**
- ✚ **Improve the HNS Convention visibility**
- ✚ **Each of the verification mechanisms should be developed and in place when the HNS Convention enters into force for a given state**
- ✚ **Recognise voluntary initiatives: CDI**