

SHIPOWNER DENOUNCES 'IRRESPONSIBLE' INVESTIGATION INTO INTERNATIONAL GROUP

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A leading Dutch shipowner has denounced the European Commission competition directorate's investigation into the International Group of P&I Clubs as potentially 'irresponsible'. Albert Engelsman, managing director of Wagenborg Shipping and chairman of the 'A'-rated 120 million GT North P&I club, was speaking at the club's reception for over 150 representatives of the German shipping community in Hamburg yesterday (23 September 2010), to celebrate the club's 150th anniversary.

He said, 'It is unclear to the shipowner members of P&I clubs, who are also the consumers, why an investigation is being carried out into a tried-and-tested system that delivers cost benefits to consumers and also to third parties. The pooling agreement between the 13 members of the International Group enables shipowners to trade and comply with the increasingly complex and regulated world of international maritime conventions – it would therefore be irresponsible for the European Commission to jeopardise what is an invaluable global system.'

Wagenborg Shipping operates a fleet of around 160 ships including ro-ros, bulk carriers and multi-purpose container ships. Based in Delfzijl, Netherlands, the company's fleet trades globally.

Engelsman said it was all too easy for regulators and industry commentators to focus on the light competitive restraint of the International Group agreement and to ignore the fact that most maritime liability conventions are underpinned by the insurance provided by International Group clubs.

'Too often the clubs are given insufficient credit for the invaluable role they play enabling global trade – quite simply, the majority of the world's shipowners and operators depend and rely upon the unparalleled liability insurance provided by the clubs. In my view we must do everything we can to ensure that this wonderfully unique system continues to serve the best interests of the shipping industry and society,' he said.

The reception was attended by North's German shipowner members, brokers, lawyers and their guests along with local officials. Stephan Reith of Orion Bulkcarriers and Henry Pfeiff of Hamburg Süd are board directors of the club, and German tonnage accounts for around 8% of the club's membership.

North, which is celebrating its 150th anniversary this year, currently provides P&I insurance to 95 million GT of owned tonnage and 25 million GT of chartered tonnage, with 4000 ships entered by 375 members worldwide. It is based in Newcastle-upon-Tyne, UK with regional offices in Hong Kong, Piraeus and Singapore. An office in Tokyo is being opened later this year.

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