Wide support by states at signing ceremony in Rotterdam

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Today has been an historic step for the new UNCITRAL Convention on the Carriage of Goods (Wholly or Partly) by Sea. Indeed, no fewer than 15 States, including 5 EU Member States, have explicitly expressed support by signing this Convention at the occasion of a signing ceremony in Rotterdam. A number of other countries have indicated their intention to sign or accede to the Convention at a later date. The UNCITRAL Convention will, from now on, be known as the “Rotterdam Rules”.

The signing of the Rotterdam Rules comes after the approval of these rules by the United Nations Commission on International Trade Law in July 2008 – following seven years of intensive international negotiations and their adoption by the United Nations General Assembly in December 2008. The International Chamber of Shipping (ICS), the European Community Shippers’ Associations (ECSA), BIMCO and the World Shipping Council (WSC) are very pleased with the significant level of support given by so many States, including EU Member States, the United States and many other States representing between them shipper and carrier interests. The reasons to sign and thereafter ratify the Rotterdam Rules are clear. The Rotterdam Rules will:

- Provide legal certainty and uniformity with regard to the carriage of goods by sea and connected transport. With about 90% of world trade being transported by sea on some 30,000 merchant ships that trade internationally and transport all types of cargo, shipping is a truly global industry that needs to be governed by widely accepted international rules;
- Modernise the liability regimes that currently apply to the carriage of goods by sea;
- Cover multimodal carriage of goods that involve a sea leg while respecting existing unimodal conventions which also regulate multimodal transports in some aspects;
- Address gaps that presently exist, including the important introduction of provisions to facilitate e-commerce;
- Strike a balance between the interests of shipowners and shippers in terms of liabilities and the allocation of risks between both parties, a feature that is recognised by shipowners and shippers, including major European shippers.

By signing the Rotterdam Rules today, the States are leading the way towards achieving international uniformity and will give strong encouragement to other States also to sign the new Convention. It is hoped that by the same token, it will discourage those decision-makers contemplating national or regional rules on cargo liability which would seriously militate against the very purpose of the Rotterdam Rules, namely, to achieve real global uniformity.

But it is equally vital that all States, after signing the Rotterdam Rules, also ratify the convention soonest so as to ensure their early entry into force. This is imperative to obtain uniform, harmonised and modernised rules on cargo liability at international level. And it is the only way to avoid divisive and contradictory national and regional legislation.

A rapid ratification of the new regime by major trading nations, such as the US, will determine the shape of international transport law for most important markets in maritime commerce and will pave the way to achieve the worldwide uniformity definitely needed in the 21st century.

The opportunity presented by the Rotterdam Rules to establish international uniformity for maritime and multimodal transport of cargo, to the benefit of international and European trade and transport, must not be missed.

ICS, ECSA, BIMCO, WSC therefore call upon States which have not yet signed the Rotterdam Rules, including some EU Member States, to sign the Convention and urge all States to ratify and apply these rules as soon as possible. There is no global uniform alternative for those seeking a real international solution.