

Threat of declassification of the Swiss maritime flag

In 2016 the Swiss merchant navy fleet still numbered around fifty vessels for six owners. In less than four years there are only about twenty for three shipowners. What happened?

The Swiss-flagged fleet has recorded millionaire losses in recent years due to the global maritime slump. In addition, a Swiss German shipowner encountered significant economic difficulties. As its ships were guaranteed by the Confederation, the latter had to seize its dozen boats and put them up for sale at a low price. The global loss amounted to over 200 million. The shipowner in question was sentenced to 5 years in prison, for the court of the canton of Bern found him guilty of fraud and unfair management. Yet the Swiss Confederation had to bear the loss, however unwillingly.

It should be noted that the purchase of a seagoing vessel is an expensive and complex operation, financially representing many millions. In Switzerland a state guarantee allows shipowners to borrow at an interest rate 1 to 2% lower than that on the financial market. This guarantee is a compensation for possible requisition of ships in times of crisis or war.

But there is also the control of ships. Globally, jurisdiction over maritime safety rests with the International Maritime Organization (IMO). However, one cannot always ensure that these international rules are respected. This is why several states reacted by implementing a coordinated control system for foreign ships calling at their ports. For example, a ship flying the Swiss flag can be checked at any European port. These regional agreements are known as MoU (Memorandum of Understanding on Port State Control).

During its 52nd session the Paris MoU Committee presented a classification of ships in the form of lists, in white, gray or black color, featuring ships with 73 different flags. 53,307 inspections were carried out between 2016 and 2018 by the administrations of the signatory states, i.e. 25 European countries, as well as Canada and the United States.

The "white" list includes 41 states (compared to 40 previously). The "gray" list features 18 states (compared to 20 in 2017), including Switzerland and the United States, which are now on the same footing as Libya and Iran, for example. The "black" list concerns 14 flags (13 in 2017), classified gradually from medium to very high risk. Comoros, Togo and Congo are at the bottom of the list.

The negative listing of Swiss ships is due to the insufficient number of inspections carried out on Swiss flag vessels during the years indicated. The Swiss-flagged ships were thus placed on the IMO's gray list and threatened with blacklisting, the list of ships presenting a high risk. In order to limit the damage, Bern has taken an unprecedented measure: to allow shipowners to temporarily change their flag for less exposed colors. This federal ordinance entered into effect on 01-11-2020 and it can be consulted on the web.

This is why the last two ships of the company Suisse-Atlantique, though they bear very Swiss names (General Guisan and Nyon), are registered in Majuro, in the Marshall Islands.

For their part the Swiss Shipowners Association, based in Geneva, published in May 2020 a white paper on the safeguarding of the Swiss fleet on the high seas. We cannot forget that, according to the press release of that association, maritime transport industry on the high seas represents more than 2000 direct jobs.

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Credits:

- Various Swiss press articles in recent years, in particular those by Hervé Deiss and Olivier Grivat
- Swiss Ordinance 62833 on financial loan guarantees for Swiss ocean-going vessels.
- Association of Swiss Shipowners <www.shipowners.ch>