MINISTRY OF COMMUNICATIONS AND WORKS DEPARTMENT OF MERCHANT SHIPPING LEMESOS

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16 May 2006

To all Owners, Managers and Representatives of Ships under the Cyprus Flag

Recognized Classification Societies

Subject: Great Success of Cyprus Shipping

I wish to inform you that the 39th session of the Executive Committee of the Paris Memorandum of Understanding on Port State Control (Paris MoU) took place between 9-12 May 2006 in Nantes, France. Belgium, Canada, Croatia, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Latvia, Holland, Norway, Poland, Portugal, Russia, Slovenia, Spain, Sweden and the United Kingdom, participated as regular members. Cyprus participated also in the session, as a co-operating member and was represented by Capt. Andreas A. Constantinou, Senior Marine Surveyor of the Department of Merchant Shipping.

During this session of the Executive Committee, the performance of different flag states with respect to their vessels' detentions at the ports of the member-states of the Memorandum was examined. As regards Cyprus, the Committee recognised the significant improvement that our country has achieved in relation to the safety standards of the Cyprus fleet and to the drastic reduction of Cyprus vessels' detentions and decided, in accordance with the predetermined criteria, that Cyprus should be moved from the Grey List to the White List of the Memorandum. It must be noted that just a year ago, Cyprus accomplished its exit from the Black List. This development is the outcome of the measures implemented by the Cyprus Government but also of the positive response of the industry and of the overall effort to strengthen the confidence of the International shipping community towards the Cyprus flag. It is expected that it will contribute decisively to the further growth of the Cyprus Register, which is now formally recognised as a Quality Shipping Register.

From a practical point of view, this change of status means fewer inspections for Cyprus vessels at foreign ports, better financial results for the shipowners and greater confidence towards the monitoring systems of the Department of Merchant Shipping.

The course that our country has taken may be described as impressive, since, within three years, the Cyprus flag was upgraded from the Black List to the White List. According to the statistical tables published by the Paris MoU, during the last three

years, the number of inspections of Cyprus vessels in foreign ports was 3166 with only 175 detentions.

It must be noted that the detention rate of Cyprus vessels at the ports of the member states of the Paris MoU was 9,7% in the year 2000, in 2003 it decreased to 7,4%, in 2004 to 5,71% and in 2005 to 2,84%.

This success, which is the outcome of a systematic and intense effort of the Department of Merchant Shipping combined with a positive response from the industry, constitutes a landmark which will be maintained and will be improved even further.

Another success of Cyprus, is the second decision of the Paris MoU Executive Committee whereby Cyprus was admitted to the Paris MoU as a regular Member. This has been based on its improved performance on maritime safety, the sound internal organisation of the Department of Merchant Shipping in that sector and the high level of expertise of its personnel, which have been confirmed by successive 'fact finding' missions of the Paris MoU during 2004 and 2005. This development constitutes an independent testimony and supports further the image of Cyprus as a respectable and reliable shipping nation.

The participation of Cyprus in the Paris MoU as a regular member, will commence on 1st of July 2006.

Serghios S. Serghiou Director Department of Merchant Shipping

Cc: -Permanent Secretary, Ministry of Communications and Works

- Maritime Offices of the Department of Merchant Shipping abroad
- Permanent Secretary, Ministry of Foreign Affairs
- Permanent Secretary, Planning Bureau
- Attorney General of the Republic
- Law Commissioner of the Republic
- Office of the Coordinator for Harmonisation
- Diplomatic Missions and Honorary Consular Officers of the Republic
- Cyprus Shipping Council
- Cyprus Union of Shipowners
- Cyprus Bar Association

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