



FACILITATING THE ENTRY INTO FORCE OF THE HNS CONVENTION: CONSIDERATION OF A DRAFT TEXT OF A PROTOCOL TO THE HNS CONVENTION

CONTRIBUTIONS TO THE LNG ACCOUNT

Submitted by Algeria

Summary:	The Algerian Government sets out its position concerning contributions to the LNG Account.
Action to be taken:	Information to be noted.

1 **Background**

- 1.1 Algeria wishes to reiterate the position which it expressed to the 1992 Fund Assembly concerning the need to amend the HNS Convention, in particular the provisions relating to contributions to the LNG Account, the definition of 'receiver' and the non-submission of contributing cargo reports at the time of ratification of the Convention.
- 1.2 In effect, the provisions of Article 19.1 (b) specifically constitute:
 - Negative impacts on the majority of developing countries, producers and exporters of LNG products, as a result of the significant financial impact which will be felt by those States;
 - Inconsistencies in relation to the other accounts of the HNS Convention (LPG, crude oil, HNS products) and, in relation to other IOPC Fund and IMO Conventions, which designate the receiver of the cargo as the contributor and not the last titleholder of the cargo;
 - Inconsistencies with respect to the rules of equity established by the universal principles governing the IMO Conventions;
 - A source of deregulation of the international LNG market; and
 - Some major obstacles to the Convention's ratification and its entry into force.
- 1.3 This is considered unacceptable by Algeria and certainly by many other developing countries which export LNG.
- 1.4 We therefore propose the following amendments to the provisions of the Convention:

Article 19.1 (b)

'in the case of the LNG account, by any person who in the preceding calendar year, or such other year as the Assembly may decide, was the receiver of an LNG cargo discharged in a port or terminal of that State.'

2 **Action to be taken by the HNS Focus Group**

The Focus Group is invited to take note of the information contained in this document.
