



ASIAN SHIPOWNERS FORUM SEAFARERS COMMITTEE

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The 20th Asian Shipowners Forum Bali, Indonesia 24th May 2011

ASF SEAFARERS COMMITTEE

Chairman's Report to the 20th ASF

Events held during the year.

The 16th Interim meeting of the Committee was held in Qingdao, China on Friday, 22nd October 2010. Attending the meeting were the Secretary-General of the ASF and delegates representing the shipowner associations of China, Chinese Taipei, Hong Kong, Japan, Korea and the Federation of ASEAN Shipowner Associations (FASA), as represented by delegates from the shipowner associations of the Philippines and Singapore. A full delegate list is attached as *Annex 1* and the Joint Statement from the meeting is attached as *Annex 2*.

An update of the major issues handled by the Committee at its interim meeting.

List of Issues:

1. Piracy attacks in the Gulf of Aden
2. Seafarer Recruitment and Training
3. Fair Treatment of Seafarers
4. Review of STCW'95 Convention
5. Safe Manning
6. ILO Maritime Labor Convention 2006
7. ILO Minimum Wage

1. Piracy attacks in the Gulf of Aden

This Committee deals with seafarer issues due to piracy and attacks on ships, including the psychological effects on seafarers when they transit piracy affected areas, on their families during hostage situation and on seafarer mental health after being held hostage.

The Committee noted with grave concern the continuing trend of piracy attacks on merchant ships and the apparent inability of the world's navies to protect ships passing through the Gulf of Aden and the Western Indian Ocean, which represents a severe threat to the safety of ships trading through these areas. The Committee urges companies not to underestimate these effects on seafarers and their families, and encouraged the development of suitable guidelines within

the industry to assist companies and seafarers to better handle such situations. While the Committee is grateful for the protection of the naval forces deployed in and around the Gulf, the Committee urges the United Nations and the IMO to exercise greater efforts to protect ships and their crews when transiting pirate infested and treacherous waters.

The UN Contact Group on Piracy off the Coast of Somalia (CGPCS) met in Plenary session in New York on 21st March 2011. Working Group 3 of the Contact Group noted that Industry Groups and the Seamen's Church Institute will continue to develop and refine guidance for Company Security Officers (CSOs) to prepare for the contingency of an attack, and for post-incident care of affected seafarers, respectively

2. Seafarers Recruitment and Training

The Committee was encouraged by the active cooperation between the governments, the training institutions and shipowners in the region in the training and employment of seafarers. The Committee was also pleased to note that incentive schemes of governments to attract more young people to join the sea-going career had been in place in many member countries and regions and considered that these interactions would assist in the continued promotion of the supply and employment of Asian seafarers. In particular:

China: The demand for qualified seafarers in China is increasing due to the fact that many private shipping companies are ordering new ships or second hand ships to expand their fleets. This also resulted in the increase of wage scale for seafarers particularly officers. The number of Chinese seafarers is also increasing. Maritime training and education institutions are paying more attention to improve seafarer quality and to meet the requirements of MLC 2006 and the STCW convention.

Hong Kong: There are a total of 147 Hong Kong seafarers working on ocean-going ships. 128 officers and 19 ratings. The average age of officers is around 43 and of ratings around 50. In 2002, the HKSOA commenced a program to seek cadet berths from amongst its members and to interview and place potential cadets. This program has been a great success, with 136 cadets employed to date, and an almost 100% retention in the maritime industry. To support the efforts of the HKSOA, in 2004 the HKSAR government developed a Sea-going Training Incentive Scheme, which is awarded to successful applicant cadets. Under the scheme, a cadet will receive HK\$5,000 per month from the government during the individual stipulated training period which will qualify him/her to sit for the Class 3 Deck/Engineer Officer Examination. To assist local students who wish to study for the Certificate of Competency Examinations, the HKSOA runs 'pre-qualification' tutorial courses and the HKSAR government has subsidized the development of a Study Centre with the cooperation of the Hong Kong Seamen's Union. The Centre holds thousands of studying materials and training videos for the use of these candidates free of charge.

Japan: The number of Japanese seafarers working on ocean-going vessels reached its peak of 57,000 in 1974 and then constantly decreased until 2005. Thereafter, the rate of decrease slightly mitigated and consequently the number of employed seafarers has generally been around 1,650

from 2005 to 2008 and it increased to 2,384 in 2009. The number of seafarers working on domestic vessels has also continued to decrease from its peak of 71,000 in 1974 to 29,228 in 2009.

In July 2008, JSA set up a task force committee to secure human resources for both domestic and ocean going seafarers. Initiatives include cooperation with maritime training institutions to attract new entrants and discussing with government for admitting foreign seafarers into the Japanese license system. Bilateral agreements have been concluded with 16 countries already.

Ministry for Land, Infrastructure and Transport (MLIT) developed a international cooperative training project for Asian seafarers in 2008 which is aimed to provide training opportunities to young Asian students so that they are able to obtain the required sea service record.

Korea: There are totally 16,482 active seafarers in Korea by the end of 2010. Korea Maritime University, Mokpo National Maritime University, Incheon National Maritime High School, Busan Maritime High School and Korea Institute of Maritime and Fisheries Technology are the major training institutions for seafarers. The number of seafarer graduates in 2009 was 1,452 while the number in 2008 was 1,261.

Philippines: The Philippine Overseas Employment Administration (POEA) reported the number of deployed seafarers increased by 6.5% with a total of 330,424 seafarers deployed in 2009 as compared to 261,614 seafarers deployed in 2008. The increase has allowed the Philippines to maintain its status as the primary source of manpower for ocean-going ships.

The Commission on Higher Education (CHED) reported an 8.02% decrease in the number of graduates for Marine Transportation as 4,701 BSMT students graduated in 2009 as compared to 5,078 BSMT students in 2008. For BSMarE, an increase of 12.73% was recorded in the number of graduates for 2009 as there were 1,359 BSMarE graduates as compared to 1,186 graduates in 2008. Overall, a decrease of 3.37% in the total of 2009 graduates was recorded as there were 6,060 graduates in 2009 as compared to 6,264 in 2008.

The Professional Regulations Commission (PRC) continues to conduct and supervise the Walk-in Examination Systems (WES) where examinees can apply for examination slots on line. It likewise continues to improve the system to ensure the integrity and the efficiency of the examinations.

Singapore: As at 30th September 2010, the Singapore shipping registry consists about 4,000 ships at about 47.6 million GT. There are total 43,000 seafarers of over 100 nationalities working on board Singapore flagged ships, among which less than 400 are Singaporean seafarers.

The maritime industry employs over 150,000 workers which contributes over 7% of Singapore's GDP. Singapore Maritime Academy and Wavelink Maritime are the major training institutions for seafarers, which provide training in marine engineering, nautical studies, shipping management, degree courses in maritime operations etc. Singapore Maritime Foundation,

Maritime & Port Authority of Singapore, Association of Singapore Marine Industries and Singapore Shipping Associations are the main stakeholders of MaritimeOne with the objectives to raise the collective awareness of shipping and attract quality manpower in Singapore. Singapore Maritime Institute is providing holistic approach to maritime education, to drive R&D in key areas, to attract renowned academics and researchers, to groom the next generation of maritime talent.

Chinese Taipei: It is estimated that there are about 4,186 seafarers serving on board ships and in Taiwan region and 860 seafarers staying ashore. Compared with 2009, the number of seafarers working on board increased by about 154. Taking into account of the new ships to be delivered in the coming years, it is estimated that the number of seafarers available cannot meet the requirement of the fleet expansion. Recruitment of Asian seafarers to recover the shortage is apparent and it is believed that majority of seafarers will be from China and Philippine market.

Ministry of Education has approved the budget for building new training ships, which will provide training berths for students of maritime universities.

NACS is discussing with the government on a series of initiatives to promote the employment and training of local seafarers including a proposal for setting up Special Training Clauses for Officers and Engineers. Study in maritime vocational schools is now tuition free.

Vietnam: The Vietnamese government has developed several incentive measures to improve training and re-training for seafarers nationwide with the purpose of ensuring human resource development for its own national merchant fleet expansion and of supplying crew to foreign owned ships. There are 40 crew companies in Vietnam. Major ones include Vosco Crew Manning Centre, Southern Crew Manning Centre, International Shipping and Labor Cooperation Joint Stock Company etc. Japan and Korea are the two major markets for Vietnamese seafarers. It is expected the national fleet in Vietnam will reach 12 to 13 million DWT by 2020, Vietnam will thus need up to 76,000 seafarers in long term. Vietnam has 6 training schools, Vietnam Maritime University, Maritime College No. 1 in Hai Phong, Ho Chi Minh City Transport University, HCMC Maritime College in Ho Chi Minh City, Haiphong Polytechnic High School and Fishery University in Nha Trang. The annual graduates are around 1,500 but only 50% are deployed on board ships. Two more training academies are under construction in the southern and central parts of Vietnam.

The shortage of seafarers is an increasing concern to the shipping industry, particularly in consequence of the massive order book of newbuilding ships that is scheduled to be delivered in the near future. The Committee is pleased to note that urgent action has already been taken by many ASF members in recruiting, training and retention of seafarers. However, recognising that it takes time to train seafarers, the Committee is concerned about the consequences of too rapid promotion of seafarers through the ranks and urges shipowners and managers to consider implementing a stringent process of post-qualification sea-time and proper appraisal before promotion.

3. Fair Treatment of Seafarers

There is a growing tendency of States in the aftermath of ship-source pollution incidents to arrest, hold, detain and sometimes imprison seafarers, in violation of international maritime law and standards and human rights law that would govern such incidents. It is important to safeguard the international regimes, the vital players in the provision of this service, to ensure that seafarers are not exposed to the risk of imprisonment for accidental/negligently caused pollution. Seafarers should be treated fairly and within the law and with respect and with the certainty that they will be judged by the same rule and standards that are contained in the internationally agreed UNCLOS and MARPOL Conventions.

The Committee considers it important that the increasing practice of detaining and/or imprisoning seafarers for lengthy periods for accidental/negligently caused pollution must stop. It is affecting the general morale of seafarers all over the world, who justifiably fear for their future livelihoods and liberty when they witness their colleagues detained and/or imprisoned after accidents on ships, which they had no intent to cause. It is also having a negative impact on the global campaign to attract new recruits to the maritime profession particularly at a time when there is a severe shortage of qualified seafarers.

The Committee urges governments to bring all national and regional laws concerning criminal sanctions into line with the internationally agreed principles and standards in MARPOL and UNCLOS and reminds governments of the importance of maintaining and complying with the IMO/ILO Guidelines on Fair Treatment of Seafarers in the event of a Maritime Accident.

4. Manila amendments to the STCW'95 Convention

The emphasis of the Committee on the Manila amendments to the STCW Convention is on Hours of Work and Rest and Refresher Training. The Manila amendments are due to enter into force on 1st January 2012. However, there are several areas that are either challenging to implement or may involve further discussion. These areas included the new requirement for basic safety refresher training and the relationship between the revised STCW minimum rest hour requirements and those in the ILO Maritime Labour Convention, 2006. The ISF has recently published a third edition of its popular "Guidelines on the STCW Convention", which include information about the Manila amendments as well as advice on company obligations and compliance. Information is also provided on the major changes to the regulations concerning minimum rest hours.

The Committee considers it very important that ASF members to share and circulate information to determine how each member State will introduce refresher training and on any other challenging issues related to the implementation of the revised STCW Convention and Code.

5. Safe Manning

The industry is regulated through SOLAS Chapter V, Regulation 14, under which governments undertake to ensure that all ships under their flag are sufficiently and efficiently manned. The

regulation refers to IMO Resolution A.890 (21) 'Principles of Safe Manning' as amended by Resolution A.955(23), as guidance on how to comply with the regulation. A review of A.890 (21) was commenced by STW38 in January 2007 and the 88th session of IMO Maritime Safety Committee (MSC 88) approved the amendments to SOLAS regulation V/14 relating to mandatory requirements for determining safe manning and a new draft Assembly resolution, which will be submitted to the 27th meeting of the IMO Assembly, to be held in November 2011, for final adoption.

The Committee is pleased to note the successful conclusion to this long period of review and expressed its greatest appreciation to those member Associations that have been involved in the review.

6. ILO Maritime Labour Convention 2006

Switzerland is the 12th country to have filed its instrument of ratification of the MLC 2006 with ILO. With 12 ratifications of the Convention (Bahamas, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Liberia, Marshall Island, Norway, Panama, Saint Vincent and the Grenadines, Spain), 18 more countries are now required to submit their ratifications in order for the Convention to be operative and to enter into force one calendar year after the 30th ratification is received. It is expected the Convention will now come into force in the first half 2012. The Committee encourages all ASF members to work with their individual countries or regions to achieve early ratification of the Convention.

7. ILO Minimum Wage

The Committee considered that in the current global economic climate, which is causing heavy losses to many shipowners including Asian shipowners, this is not the appropriate time to consider any rise in the ILO minimum wage or any other labor conditions in order to protect employment as much as possible. The Committee reiterated its position that the employment conditions of seafarers should be consistent with the current market, economic and living situation of each country/region where the seafarers are domiciled.

The ILO Minimum basic Wage for an AB is currently US\$545, and was last amended on 31st December 2008. A meeting of the JMC working group in February 2009 did not result in an agreement, and the existing minimum wage level was therefore carried forward. At the request of the social partners, a meeting of the JMC working group was held in Geneva on 26th April 2011 with the main purposes of maintaining the unique bipartite structure of the Joint Maritime Commission and to maintain the dialogue between shipowners and its social partners on the ILO Minimum Wage.

Without an agreement being reached at the April 2011 meeting, the entire structure of the JMC was at risk, as was also the future maintenance of the ILO minimum wage. Many national negotiations rely on the ILO minimum wage, and it was felt by those on the employer bench at the meeting that an agreement had to be reached, but any increase should be as low as possible. After two days of negotiation, it was agreed that:

From 1st January 2012, the minimum wage would be set at US\$555,
From 1st January 2013, the minimum wage would be set at US\$568,
From 31st December 2013, and for 2014, the minimum wage would be set at US\$585.

The next meeting of the JMC working group would be held during the first half of 2014 to agree the wage level to come into effect on 1st January 2015.

8. Next meeting

The Committee accepted the offer from FSA to host the 17th interim meeting of the Committee in Cebu, The Philippines, in the autumn of 2011.

Attached:

Annex 1 – 16th Interim meeting Delegate List

Annex 2 – 16th Interim meeting Joint Statement

Li Shanmin
Chairman, Seafarers Committee
May 2011