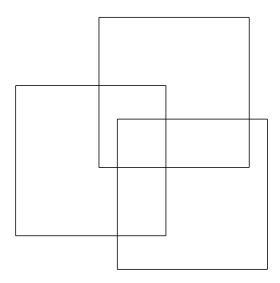


Subcommittee on Wages of Seafarers of the Joint Maritime Commission

Final report: Updating of the minimum monthly basic pay or wage figure for able seafarers: Seafarers' Wages, Hours of Work and the Manning of Ships Recommendation, 1996 (No. 187); Maritime Labour Convention, 2006, Guideline B2.2.4 – Minimum monthly basic pay or wage figure for able seafarers (Geneva, 26–27 February 2014)



SWJMC/2014/7

INTERNATIONAL LABOUR ORGANIZATION

Sectoral Activities Department

Subcommittee on Wages of Seafarers of the Joint Maritime Commission

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Geneva, 2014

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Introduction

1. The Joint Maritime Commission's Subcommittee on Wages of Seafarers met in Geneva from 26 to 27 February 2014 in accordance with a decision taken by the Governing Body of the International Labour Organization taken at its 317th Session (March 2013).

Composition of the Subcommittee

2. The Subcommittee was attended by six Shipowner representatives and their 11 advisers, and six Seafarer representatives and their 16 advisers. A list of participants is appended.

3. The Vice-Chairpersons and spokespersons were:

Shipowners: Mr Arthur Bowring (Shipowner member, Hong Kong, China)

Seafarers: Mr Henrik Berlau (Seafarer member, Denmark)

4. The Secretary-General was Ms A. Van Leur, Director, Sectoral Activities Department, International Labour Office.

5. The Subcommittee did not elect a Chairperson.

Opening and general discussions

- **6.** The Secretary-General welcomed the participants and recalled that the mandate of the Subcommittee was to discuss the updating of the basic wage figure referred to in the Seafarers' Wages, Hours of Work and the Manning of Ships Recommendation, 1996 (No. 187), in the Maritime Labour Convention, 2006 (MLC, 2006), and to make the appropriate recommendation which would be submitted to the Governing Body of the ILO. The ILO recommended minimum monthly basic wage figure for able seafarers remained relevant to the industry as a benchmark. It was noted that the MLC, 2006, came into force on 20 August 2013.
- 7. Representatives of the Office introduced the report SWJMC/2014(Rev.) and supplement SWJMC/2014/1 which contained calculations on the fluctuation of purchasing power of the minimum monthly basic wage figure for seafarers based on movements in the value of the US dollar and changes in the cost of living up to 1 January 2014. The Office reviewed the methodology, which had not changed since 1991, that was used to make the calculations. These calculations were provided as a guide and were based on paragraph 10 of the resolution concerning the ILO minimum monthly basic wage figure for the able seafarer, adopted by the Subcommittee on Wages of Seafarers of the Joint Maritime Commission from April 2011.
- **8.** The Shipowner spokesperson thanked the Office for convening the meeting. The Shipowners' group reaffirmed their commitment to negotiate the minimum monthly basic wage figure for able seafarers as was enshrined in the MLC, 2006. He summarized current economic, labour and shipping industry trends that were discussed in several reports, including the ILO report *Global Employment Trends 2014*. He stressed that the minimum monthly basic wage figure for able seafarers should be negotiated in the context of global minimum wage levels and should be seen as a safety net for the most vulnerable and disadvantaged.

- **9.** The Seafarer spokesperson emphasized that the maritime community was watching for the outcome of the meeting. Setting the minimum wage was important for the industry especially now that the MLC, 2006, had entered into force in 2013. The Seafarers recognized that the shipping industry was hit by the financial crisis and there were still challenges, but it was also important to remember that the seafarers and their families were also affected. Economic trends were improving and the seafarers deserved an increase in the minimum wage.
- **10.** The Seafarer spokesperson requested the Office to provide, in addition to calculations already provided by the Office, additional calculations based on the figure (US\$710) found in paragraph 11 of the resolution adopted by the Subcommittee in 2011. The Office provided these additional calculations to the participants of the meeting.
- **11.** The Shipowners and Seafarers held both private group meetings and joint negotiations before returning to plenary.
- **12.** Following joint negotiations, the group came to an agreement for the ILO minimum monthly basic wage figures as follows: from US\$585 to US\$592 as of 1 January 2015; and US\$614 as of 1 January 2016.
- **13.** A draft resolution was prepared by a small informal group consisting of participants from both groups, based on the joint negotiations.
- **14.** The Subcommittee reviewed the draft resolution, which incorporated the agreement reached, and adopted it. The final text is to be found in the appendix to this report.
- **15.** The Shipowner spokesperson reaffirmed his group's commitment to the process and the need for the ILO minimum monthly basic wage as a safety net for seafarers. He concluded by thanking the participants and the Office.
- 16. The Seafarer spokesperson agreed with the Shipowners that this process was important for the maritime industry and should be continued. He observed that the groups learned that, although they had different views on the industry, they were able to reconcile their differences and find solutions. He hoped that the agreed wage levels would support the industry and the seafarers who were struggling with their household budgets. The agreement to meet in 2016 to update the minimum wage, to take effect from 1 January 2017, takes this process further and ensures that seafarers' social rights are protected. He concluded by thanking the participants and the Office.

Appendix

Resolution concerning the ILO minimum monthly basic pay or wage figure for able seafarers

The Subcommittee on Wages of Seafarers of the Joint Maritime Commission,

Having met in Geneva from 26 to 27 February 2014,

Having considered the report prepared by the International Labour Office on the updating of the minimum monthly basic wage figure for able seafarers,

Having noted that the Subcommittee on Wages of Seafarers at its meeting from 26 to 27 April 2011, agreed the minimum monthly basic wage figure of: US\$555 as of 1 January 2012; US\$568 as of 1 January 2013; and US\$585 as of 31 December 2013,

Recalling the Seafarers' Wages, Hours of Work and the Manning of Ships Recommendation, 1996 (No. 187), in particular paragraph 10, and the Maritime Labour Convention, 2006, Guideline B2.2 and, in particular, Guideline B2.2.4,

Noting that the Recommendation and Convention state that the number of normal hours per week covered by the minimum monthly basic wage figure should not exceed 48 hours per week,

Noting that the agreed sum achieved at previous meetings has not always matched the figure indicated by the formula since the process took into account other factors,

Reaffirming that the main aim of the minimum monthly basic wage figure for the able seafarer, as agreed by the Joint Maritime Commission Subcommittee, is to provide an international safety net for the protection of seafarers and to contribute to their decent work,

Reaffirming support for the role of the Joint Maritime Commission and believing that its role and importance as the agenda-setting mechanism for the maritime industry remains relevant,

Recalling the resolution concerning the ILO minimum wage for able seamen, adopted at the 26th Session of the Joint Maritime Commission (October 1991) (JMC 26),

- 1. Agrees that the economic situation of the maritime industry in major flag States and labour supply States provides an indication of the necessity for updating the minimum monthly basic wage figure;
- 2. Affirms that the current mechanism, including the formula, as provided for in the resolution concerning the ILO minimum wage for able seamen, adopted at JMC 26, needs to be maintained until such time as an alternative is agreed;
- 3. Decides to update the current ILO minimum monthly basic wage for an able seafarer from: US\$585; to US\$592 as of 1 January 2015; and US\$614 as of 1 January 2016;
- 4. Agrees that US\$614 as of 1 January 2014 should be used as the basis for recalculation purposes;
- 5. Acknowledges that the agreed minimum monthly wage figure in no way prejudices collective bargaining or the adoption of higher levels in other international wage-setting mechanisms; and
- 6. Invites the Governing Body to convene a meeting of the Subcommittee in the first half of 2016 for the purpose of updating the minimum monthly basic wage figure to take effect as of 1 January 2017, and every two years thereafter, and to request the Subcommittee to report directly to the Governing Body.

List of participants Liste des participants Lista de participantes

Shipowners representatives Représentants des armateurs Representantes de los armadores

Mr Arthur Bowring, Managing Director, Hong Kong Shipowners' Association (HKSOA), Wanchai, Hong Kong

Mr Erwin Meijnders, Head Office, Spliethoff's Bevrachtingskantoor BV (KVNR), Amsterdam, Netherlands

Mr Yasuhiro Nishioka, Managing Director, the Japanese Shipowners' Association (JSA)

Ms Natalie Shaw, Director Employment Affairs, International Chamber of Shipping (ISF), London, United Kingdom

Mr Rajesh TANDON, Deputy Chairman – IMEC, International Chamber of Shipping (ISF), London, United Kingdom

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Shipowners' advisers Conseillers techniques des armateurs Consejeros técnicos de los armadores

Mr Gerardo A. Borromeo, International Chamber of Shipping (ISF), London, United Kingdom

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Mr Tim Clark, UK Manager JSA, the Japanese Shipowners' Association, London, United Kingdom

Mr Peter Hinchliffe, Secretary-General, International Shipping Federation (ISF), London, United Kingdom

Mr Guido Hollaar, Deputy Manager, Royal Association of Netherlands' Shipowners (KVNR), Rotterdam, Netherlands

Mr Stewart Inglis, Manning and Training Adviser, International Chamber of Shipping (ICS), London, United Kingdom

Mr Max Johns, Managing Director, German Shipowners' Association (VDR), Hamburg, Germany

Mr George A. Koltidopoulos, Legal Adviser, Union of Greek Shipowners (UGS), Piraeus, Greece

Mr Adam Lewis, International Chamber of Shipping, London, United Kingdom

Mr Tim Springett, Head of Employment and Legal, UK Chamber of Shipping, London, United Kingdom

Seafarers representatives Représentants des gens de mer Representantes de la gente de mar

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Seafarers' advisers Conseillers techniques des gens de mer Consejeros técnicos de la gente de mar

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Mr Hylke Hylkema, Senior Policy Adviser, Nautilus International (NL), Rotterdam, Netherlands

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Mr Kam Yuen Ting, Adviser, Merchant Navy Officers' Guild – Hong Kong (MNOG-HK), Sheung Wan, Hong Kong

Mr Jon Whitlow, Secretary of the Seafarers' group to the Joint Maritime Commission, International Transport Workers' Federation (ITF), London, United Kingdom