



THIRD ITEM ON THE AGENDA

**Effect to be given to the recommendations
of sectoral and technical meetings**

(d) Joint Maritime Commission

**(ii) Report of the Subcommittee of
the Joint Maritime Commission
on Wages of Seafarers
(Geneva, 24 February 2006)**

1. The Joint Maritime Commission's Subcommittee on Wages of Seafarers met in Geneva on 24 February 2006, in accordance with a decision taken by the Governing Body of the International Labour Office taken at its 294th Session (November 2005).¹
2. Its report is appended to this paper.
3. The Subcommittee adopted a resolution concerning the ILO minimum basic wage for the able seafarer which updates the ILO minimum basic wage for able seafarers from its present value of US\$500 to US\$515 on 1 January 2007, US\$530 on 1 January 2008 and US\$545 on 31 December 2008. The resolution also provided that the next meeting of the Subcommittee should be held within two years.
4. The Subcommittee believed that a review of the formula, on which the calculations of the purchasing power of the wages of seafarers were based, should be conducted expeditiously, so as to be concluded before the next scheduled biennial meeting of the Subcommittee on Wages of Seafarers in order to confirm the most appropriate formula. The present formula would, however, be maintained until an alternative formula is agreed.
5. *The Committee on Sectoral and Technical Meetings and Related Issues may wish to recommend to the Governing Body that it authorize the Director-General to:*

¹ GB.294/18.

- (i) *communicate the text of the resolution concerning the ILO minimum basic wage for able seafarers to governments of member States drawing their attention to the paragraph relating to the increase in the wage figure which should be applied in substitution for those contained in the Seafarers' Wages, Hours of Work and the Manning of Ships Recommendation, 1996 (No. 187) and Guideline B2.2.4 of the Maritime Labour Convention, 2006, on the minimum monthly basic pay or wage figure for able seafarers;*
- (ii) *communicate the text of the resolution to the international employers' and workers' organizations having consultative status;*
- (iii) *request governments to transmit the text of the resolution to the employers' and workers' organizations concerned; and*
- (iv) *in due course, consult the international employers' and workers' organizations concerned on the convening of a meeting of the JMC's Subcommittee on Wages of Seafarers as requested by the resolution.*

Geneva, 8 March 2006.

Point for decision: Paragraph 5.

Final report

Introduction

1. The Joint Maritime Commission's Subcommittee on Wages of Seafarers met in Geneva from 24 to 25 February 2006, in accordance with a decision taken by the Governing Body of the International Labour Office taken at its 294th Session (November 2005).¹

Composition of the Subcommittee

2. The Subcommittee was attended by six Shipowners (six representatives and one adviser), six Seafarers (six representatives and five advisers). A list of those who attended is given at Appendix 2.
3. The Vice-Chairpersons and spokespersons were:

Shipowners:

Mr. Lachlan Payne (Shipowner member, Australia)

Seafarers:

Mr. Henrik Berlau (Seafarer member, Denmark)

4. The Secretary-General was Ms. C. Doumbia-Henry, Director, International Labour Standards Department, International Labour Office.
5. The Subcommittee decided not to elect a Chairperson.

Opening and 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

¹ See GB.294/18.

(No. 187) and make the appropriate recommendation which would be submitted to the Governing Body of the ILO. A representative of the Office introduced the reports SJMC/2006/1 and SJMC/2006/1(Rev.), which contained calculations on the purchasing power of the wages of seafarers based on the formula previously agreed to by the Joint Maritime Commission. Other calculations requested by the Shipowners and Seafarers groups were also provided to the Subcommittee.

7. The Shipowner spokesperson indicated that his group wanted an expeditious outcome, taking advantage of the optimistic atmosphere that had prevailed during the 94th (Maritime) Session of the International Labour Conference. The wage figure was a safety net, maintaining the purchasing power of seafarers in their country. He felt that the negotiations had frequently departed from the application of the formula. He suggested that the resolution that would come out of these proceedings should not be strictly modelled on the one which had been adopted by previous sessions of the Subcommittee. He also requested a number of explanations on the sources of the statistics on which were based the calculations contained in the Office report. He then addressed a number of considerations regarding the formula used for the calculations made by the Office. However, he recognized that his Group had nothing new to propose for the moment, and that any reform of the formula should be well discussed in advance, thereby indicating that the present meeting would work with the present formula. He was of the opinion that since ten years had elapsed since the adoption of this formula and many things had changed, it was time to review the method of calculation. He also felt that the formula's impact had gone beyond what had been expected at the time of its adoption, even if the negotiations had never stuck to its strict application. The Shipowners' group submitted a document reflecting the evolution of indicators such as freight rates, oil prices and shipbuilding costs, as a basis for the discussion.
8. The Seafarer spokesperson concurred that his group also had high expectations at the outset of this meeting, similarly basing themselves on the good results of the Conference. He inquired on the aspects of the resolution that the Shipowners would like to amend. He then remarked that, in his opinion, the delay observed in the convening of this meeting had been unnecessary and negative and that this should not be repeated in the future. He observed that the formula had been formally agreed with the Shipowners in the past in the framework of the Joint Maritime Commission. As such, it was a compromise, which should be honoured by both parties. He also observed that, if the seafarers, through this formula, might have gained something from the 2001 calculations, they had largely repaid it back in 2003. He agreed that some aspects of the question, such as productivity, could not be taken into account by the formula itself, even though they had to be an integral part of the discussion. The Seafarer spokesperson added that his group had differing statistics regarding some aspects of the document circulated by the Shipowners' group on the evolution of freight rates, oil prices and shipbuilding costs.
9. Another representative of the Office gave details of the statistical sources used in the collection of information which served as a basis for the calculations. Among the sources were the IMF, Lloyds Statistical Tables and the BIMCO/ISF Manpower Survey. However, in the few cases where the required up to date data was not available, estimates were used.

Resolution concerning the ILO minimum basic wage for the able seafarer

10. After an extended discussion between representatives of the two groups, a joint draft resolution was proposed to the Subcommittee for consideration.

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- 11.** The spokespersons of both groups presented this resolution as an agreement on a safety net with revisions of the wage figure applying at specific dates until the end of 2008. The ILO minimum basic wage for able seafarers would increase as follows: US\$515 on 1 January 2007, US\$530 on 1 January 2008 and US\$545 on 31 December 2008. The resolution also provided that the next meeting of the Subcommittee should be held within two years. By that time, a review of the formula should be performed so as to make the appropriate recommendations to the Joint Maritime Commission. The present formula would, however, be maintained until an alternative formula was agreed.

Final considerations

- 12.** Both vice-spokespersons expressed the satisfaction of their respective group at the successful conclusion of the meeting. Both parties expressed their confidence in the future of the Maritime Labour Convention, 2006, which contained provisions governing the mechanism for determining the wage figure. The decision of the Subcommittee on the update of the wage figure was, in effect, the first concrete act of follow-up to the new Convention.
- 13.** The final text of the resolution, as adopted, is contained in Appendix 1. Following consultations with the secretaries of the Shipowners' and Seafarers' groups of the Commission, the report, with its annexed resolution, was adopted.

Appendix 1

Resolution concerning the ILO minimum basic wage for the able seafarer

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

Having met in Geneva from 24 to 25 February 2006,

Having considered the report prepared by the International Labour Office on the updating of the minimum basic wage for an able seafarer,

Having noted that the Subcommittee on Wages of Seafarers at its meeting on 5 to 8 July 2003 agreed the minimum basic wage figure of US\$500 as of 1 January 2005, and a subsequent meeting in July 2003 in London considered the Joint ISF/ITF interpretation of the ILO Minimum Wage,

Recalling the Seafarers' Wages, Hours of Work and the Manning of Ships Recommendation 1996 (No. 187) referred to below as the Recommendation, and Guideline B2.2 of the Maritime Labour Convention, 2006:

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 basic wage.
2. Recalls that the main aim of the minimum basic wage for the able seafarer is to provide an international safety net for the protection of, and to contribute to, decent work for seafarers.
3. Notes that the Recommendation states that the number of normal hours per week covered by the minimum basic wage should not exceed 48 hours per week.
4. Notes 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.
5. Believes that a review of the formula should be conducted expeditiously, which should aim to be concluded before the next scheduled biennial meeting of the Subcommittee on Wages of Seafarers in order to confirm the most appropriate formula.
6. Notes that the current mechanism, including the formula, needs to be maintained until such time as an alternative is agreed.
7. Decides, regarding paragraph 10 of the Recommendation, to update the current ILO minimum basic wage for a seafarer of US\$500 to US\$515 as of 1 January 2007, US\$530 as of 1 January 2008 and US\$545 as of 31 December 2008.
8. Agrees that the amount of US\$545 should be used as the basis for recalculation purposes.
9. Recalls the relevant provisions of Guidelines B2.2.3 and B2.2.4 of the Maritime Labour Convention, 2006.
10. Suggests that the next Office report continues to provide preliminary data on all factors measured in the calculation, but the Office shall not propose a revised amount until all updated data is made available to, and discussed by, the Subcommittee on Wages of Seafarers.
11. Invites the Governing Body to convene a meeting of the Subcommittee within two years' time and, where appropriate, to report back directly to the Governing Body.

Appendix 2

Subcommittee of the Joint Maritime Commission

List of participants

Experts nominated by the Employers

Mr. Guido HOLLAAR (Netherlands)
Mr. George KOLTSIDOPOULOS (Greece)
Mr. Lachlan PAYNE (Australia)
Mr. Carlos SALINAS (Philippines)
Mr. Jorgen VATNE (Norway)
Mr. Shunsuke YAMIWAKE (Japan)

Adviser

Ms. Natalie WISEMAN, Secretary, ISF, London

Others

Mr. Dierk LINDEMANN (Germany)
Mr. Roberto AGLIETA (Italy)
Mr. Frank PREECE (United Kingdom)
Mr. William McKNIGHT (United Kingdom)
Mr. Tsutomu IZUKA (Japan)
Ms. Edith MIDELFART (Norway)
Mr. Tim SPRINGETT (United Kingdom)
Mr. Kan MATSUURA (Japan)
Mr. Sae-Hyun KIM (Republic of Korea)

Experts nominated by the Workers

Mr. Severino ALMEIDA (Brazil)
Mr. Henrik BERLAU (Denmark)
Mr. Remo DI FIORE (Italy)
Mr. Sakae IDEMOTO (Japan)
Capt. Gregorio S. OCA (Philippines)
Mr. Agapios TSELENTIS (Greece) (replaced Mr. John Hallas)

Advisers

Mr. Erik BRATVOLD (Norway)
Mr. Stephen COTTON (United Kingdom)
Mr. Brian ORRELL (United Kingdom)

Mr. Igor KOVALCHUK (Russian Federation) (replaced Mr. Igor Pavlov)

Mr. Jon WHITLOW (United Kingdom)

Others

Mr. Mark DICKINSON (United Kingdom)

Mr. Hideo IKEDA (Japan)

Mr. Pavel VIAZNIKOV (Russian Federation)

Mr. Yuuji IJIMA (Japan)

Mr. Jesus P. SALE (Philippines)

Mr. Taki KATSUJI (Japan)

Mr. Maximo ABAD (Philippines)