SWJMC/2018/6

International Labour Organization

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Final report

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, as amended, Guideline B2.2.4 – Minimum monthly basic pay or wage figure for able seafarers
(Geneva, 19–20 November 2018)

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INTERNATIONAL LABOUR OFFICE, GENEVA

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Introduction

1. The Subcommittee on Wages of Seafarers of the Joint Maritime Commission (JMC) met in Geneva from 19 to 20 November 2018, [1] in accordance with a decision taken by the Governing Body of the International Labour Office at its 329th Session (March 2017).

Composition of the Subcommittee

2. The Subcommittee was attended by six Shipowner representatives and their ten advisers, and six Seafarer representatives and their 23 advisers. There were two observers from an international non-governmental organization.

3. In keeping with the practice followed since 2003, the Subcommittee did not have a Chairperson.

4. The elected Vice-Chairpersons and spokespersons were:

Shipowners: Mr Dirk Max Johns (Shipowner member, Germany)

Seafarers: Mr Mark Dickinson (Seafarer member, United Kingdom)

5. The Director of the Sectoral Policies Department, Ms A. Van Leur, convened the Subcommittee.

Opening and general discussions

6. The Director of the Sectoral Policies Department welcomed the participants and stated that the mandate of the Subcommittee was to discuss the updating of the minimum monthly basic wage figure for able seafarers referred to in the Seafarers' Wages, Hours of Work and the Manning of Ships Recommendation, 1996 (No. 187), and in the Maritime Labour Convention, 2006, as amended (MLC, 2006), and to make the appropriate recommendation which would be submitted to the Governing Body of the ILO. She recalled that the meeting of the JMC Subcommittee, initially scheduled in June 2018, had been rescheduled to avoid possible disturbances with an unexpected event in Geneva on those dates. In addition to the report for discussion SWJMC/2018, the Office had therefore published document SWJMC/2018/1 on the ILO website, which contained an updated calculation based on information that would have been available to the meeting had it been held as originally scheduled.

7. The Shipowner spokesperson thanked the Office for the preparatory work and for convening the meeting and made an opening statement (see Appendix I).

8. The Seafarer spokesperson also conveyed his thanks to the Office and made an opening statement on behalf of the Seafarers (see Appendix II).

9. Representatives of the Office introduced the report (SWJMC/2018), which contained calculations using the methodology adopted by the JMC in 1991. These calculations were provided as a guide and were based on the resolution concerning the ILO minimum monthly

[1] The meeting of the JMC Subcommittee, initially scheduled on 20–21 June 2018, was rescheduled to avoid possible disturbances with an unexpected event in Geneva on those dates.

basic wage figure for the able seafarer, adopted by the JMC Subcommittee on Wages of Seafarers in April 2016. The report drew upon the information available to the Office on 1 December 2017. Subsequently, the Office had prepared an update of the calculation based on information available on 1 June 2018 (SWJMC/2018/1).

10. The Shipowners and Seafarers held both private group meetings and joint negotiations before returning to plenary.

11. Following bipartite negotiations, the JMC Subcommittee reached agreement to increase the ILO minimum monthly basic wage figure for an able seafarer to US$618 as of 1 July 2019, US$625 as of 1 January 2020 and US$641 as of 1 January 2021. The Subcommittee also agreed that the figures of US$641 as well as US$662 as of 1 June 2018 should be used as the bases for recalculation purposes, and that, subject to the Governing Body's decision, the next session should take place in 2021 back-to-back to the Fourth Meeting of the Special Tripartite Committee (STC) established for the MLC, 2006.

Adoption of the resolution

12. A draft resolution was prepared by a small bipartite informal group consisting of Subcommittee participants, based on the joint negotiations.

13. The Subcommittee reviewed the draft resolution. After considering a number of modifications, the Subcommittee adopted the resolution. The final text is found in Appendix III of this report.

Closing statements

14. The Seafarer spokesperson stated that, following difficult negotiations including in smaller groups, the Subcommittee had agreed on a way forward. The overall constructive result provided for a three-stage increase over a three-year period as well as clarity with respect to the recalculation exercise scheduled for 2021. He thanked the Office for its support throughout the discussions.

15. The Shipowner spokesperson expressed satisfaction that, as opposed to last time, the Subcommittee had managed to achieve a distinct outcome. In times where multilateralism had fallen in disfavour, the JMC proved different and had agreed to agree instead of agreeing to disagree. While the formula had served well over time, the Shipowners would consider ways to improve it. He thanked the Office as well as the participants for their large attendance.

16. The Director of the Sectoral Policies Department commended the hard work and the commitment of both groups to this truly exceptional JMC Subcommittee process, which had a direct impact on seafarers and shipowners in the sector. On behalf of the Director-General, she thanked all the participants for their time and effort, and she closed the meeting.

Appendix I

Shipowner spokesperson opening statement

Madam Director,

May I start by thanking you and the Office for the preparations made to convene this session of the JMC Subcommittee for the review of the ILO minimum wage.

We all agreed to meet again this year when we last sat together in April 2016. After the unexpected intervention from the Pope, we are glad that so many representatives from around the world could reschedule their attendance.

It has fallen on me again today to speak on behalf of the Shipowners' group and to explain the current and expected framework facing our industry now and in the next few years. However, we could not do this without the preparations which have been put in place by members of your team and the ILO Statistics Department. We also appreciate the efforts made to provide us with two sets of data for consideration of the matter before us over the next couple of days.

I would like to start by recognizing the considerable achievement the social partners of the shipping industry have reached under the guidance of the ILO. It is the framework of the MLC, 2006, that is changing global shipping for the better, for the better of the seafarers. We pay tribute to all those who helped to shape this environment.

A significant ingredient of the trust that has been built between the social partners, the seafarers' unions from all over the world and shipowners from all continents, is the recommended minimum wage. Let us remember: shipping is the only industry with a recommended global minimum wage. It was first negotiated in its current form in 1996 and exists since 1970.

There is no doubt that jointly, we have substantially improved the working and living conditions including the financial stability of seafarers. No other industry can claim this on a global level.

Before we spend all our forces potentially invalidating each other's arguments over the next two days, let us remember that we stand firmly on common ground. We sit here together as social partners because we believe in two things:

1. Social advancement does not harm the industry if applied globally. The well-being of people – workers, seafarers, employees – is a source of economic well-being.
2. We trust each other. The long journey of building trust over a century has paid off for all sides.

What is the starting point for our discussions?

The world has fundamentally changed since we met the last time here in April 2016.

Barely three months after we met, a referendum in the UK triggered a development which we have learned to call Brexit with an avalanche of unforeseeable consequences.

And half a year after that a new President of the United States started to implement economic policies that appear to oppose multilateralism and free trade.

From the Philippines to Italy and Brazil we saw a wave of populist politicians entering governments.

We are not here to judge the wisdom of voters in other countries. However, we are here to observe that many of these new leaders campaigned on a platform of protectionism. And that is a worrying fact. Protectionism creates new paywalls, it uses duties and levies whilst pretending to protect citizens. What it really creates is less trade and higher prices. Translated to shipping, it puts both sides at this table in a worse position. And if I may quote Mark Dickinson on Brexit alone: "For maritime professionals … the implications are immense."

What can we observe in the market place?

Today, it is difficult to find people who openly admit that they are in favour of globalization and free trade. Nations that have great effects on shipping find themselves entangled in rolling back free trade – at an increasing speed. The US is most open about it and trade partners have no other option but to retaliate.

The result: we are experiencing a global economy that is showing new signs of weakness. The recent ILO “World Employment and Social Outlook – Trends 2018” report states:

- Future growth is likely to stay below 4 per cent, as economic activity normalizes in most major economies without significant stimulus and fixed investment remains at a moderate level.
- Global unemployment remains elevated at over 190 million.

Developments in global unemployment are mixed. According to the ILO’s estimation, the total number of unemployed will remain stable in 2018, at above 192 million and is likely to remain unchanged in 2019.

Worryingly, the number of people in vulnerable employment is set to increase by 17 million per year in 2018 and 2019.

The world continues to experience diverse trends in employment outcomes between regions and countries.

Developed countries should enter their sixth consecutive year of decreasing unemployment rates, falling to 5.5 per cent in 2018, lowest since 2007. Yet many countries continue to report high rates of labour underutilization, with large shares of discouraged workers and growing involuntary part time work.

By contrast, emerging countries have experienced a significant increase in unemployment rates between 2014 and 2017, driven by major economic downturns, in part due to the commodity price slump in many large economies, such as Brazil and the Russian Federation.

Unemployment in developing countries is expected to increase by half a million per year in both 2018 and 2019, with the unemployment rate remaining at around 5.3 per cent.

What does really change in the job sector?

Technological progress, capital accumulation and a combination of other factors are expected to continue to spur reallocation of employment across sectors of production.

An ever-increasing number of workers will be employed in the service sector. This is the real structural shift. Furthermore, manufacturing employment is expected to continue its decline. This confirms the ongoing trend of “premature deindustrialization”.

So, the employment picture outside of our sector is far from positive.

Let me focus our view now on the shipping industry.

Based on information contained in the UNCTAD 2018 Review of Maritime Transport, global seaborne trade appears to be doing well, supported by the 2017 upswing in the world economy. Expanding at 4 per cent, the fastest growth in five years, global maritime trade gathered momentum and raised sentiment in the shipping industry. Total volumes reached 10.7 billion tons.

Prospects for seaborne trade were considered positive; UNCTAD projected volume increases of 4 per cent in 2018, but this was contingent on continued favourable trends in the global economy, which, as we can see from the ILO data, has been much more volatile.

Downside risks such as inward-looking policies and the rise in trade protectionism are raising heavily on our outlook. Indeed, the Maritime Press last week cited the ICS Chairman Esben Poulsson highlighting serious concerns about the challenge presented by the United States “to the proven benefits of multilateralism and the existing global trading order underpinned by a system of international rules and norms since World War II”.

He acknowledged that the US has legitimate concerns about the policies of some of its trading partners, particularly regarding China and South Korea’s possible contribution towards overcapacity in shipping.

But the view that international trade could be seen as some kind of zero-sum game is demonstrably false.

UNCTAD states that an immediate concern is the trade tension between China and the United States, as well as those between Canada, Mexico, the United States and the European Union. Escalating trade frictions may lead to a trade war which could derail recovery, and reshape global maritime trade patterns and dramatically dampen the shipping outlook.

Other factors drive uncertainty. These include the ongoing global energy transition and structural shifts in economies such as China, and shifts in global value chain patterns.

Further disruptive trends include the impact of digitalization, e-commerce, and the Belt and Road initiative, the exact impact of which have yet to be fully understood.

After five years of decelerating growth, 2017 saw a small improvement in world fleet expansion. This performance reflects a slight upturn in new deliveries and a decline in demolition activity.

Whilst these trends were somewhat positive for shipping, recovery remains very fragile in view of the highly volatile rates at extremely low levels. In most markets the "recovery" was not sufficient to cover OPEX and CAPEX. Somewhat playfully, such upswings which cannot cover OPEX and CAPEX are called the "new normal".

The liner shipping industry witnessed further consolidation through mergers and acquisitions. The aim of these mergers was simply business survival. This consolidation is set to continue, triggered by continued pressure from low margins.

Digitalization across the whole supply chain will inevitably have an impact over coming years. The value and future of shipping can no longer be determined by scale alone. The ability of the sector to leverage relevant technological advances is becoming increasingly important.

Likewise, the requirement to move to more environmentally efficient shipping will also affect the bottom line of corporate profitability.

Developments in the regulatory sphere have required the industry to continue to innovate and invest in new technologies, systems and equipment. Such investment is extremely costly if we are to ensure safe and efficient shipping.

These investments don't enhance profits. At best, customers will pay for them.

But one that our industry must handle responsibly now so that we don't pay the price later. We choose to continue to place stability first to secure our sector for the long term.

To end my economic observations: the current political climate encourages national egoisms. Unfortunately, it especially encourages state subsidies for shipbuilding in unseen dimensions. Direct financial support and a surge in spending by Export Credit Agencies is sometimes well-meant to keep workers on shipyards employed. But at the same time these subsidies make a balanced supply and demand impossible.

Let us look at operational costs briefly:

According to the latest annual Future Operating Costs Survey carried out by Moore Stephens, ship operating costs are expected to rise in 2018 and 2019 by 2.7 per cent and 3.1 per cent respectively.

Dry-docking is the cost category likely to increase most significantly, followed by lubricants, spares and stores, insurances, trailed by almost stable management fees.

The annual increase for bulkers will be around 2 per cent, for tankers close to 3 per cent and containerships around 4 per cent. The predicted overall cost increases were once again highest in the offshore sector, clearly above 4 per cent.

Overall, the cost of new regulation is the most influential factor likely to affect operating costs over the next 12 months. Key issues are the Ballast Water Management Convention and Sulphur 2020. Compliance with evolving national and international regulation is likely to remain significant in operating cost analyses and projections for the foreseeable future.

One could argue that the level of predicted operating cost increases for 2018 and 2019 ought to be manageable in a competitive, viable environment.

Nobody doubts shipping's essentially competitive nature, but viability is less clear-cut. Shipping has held up well during a ten-year economic downturn. Sadly, some good companies have disappeared over the past decade but, overall, the industry has become leaner by letting market forces function as they should. Yet market intelligence and common sense suggest that freight rates still need to improve significantly so that shipping can make the sort of money it should.

There are more ifs involved in the shipping industry than within Kipling's poem:

If freight rates go up,

if interest rates remain low,

if world trade increases,

if political tensions and trade wars allow,

if China continues to flourish,

if India fulfils its promise,

if oil prices permit,

if stock markets hold their nerve,

if shipyard's subsidies will stop,

then shipping will be in a position to reap the benefits.

As Kipling's If-poem is like a poetic advice column, forwarded around the world, the kind of timeless wisdom everyone thinks someone else should follow.

Shipping doesn't thrive on ifs. It thrives on facts.

It will require good management, good judgement, good research, good advice and good luck to remain profitable. And, as Benjamin Franklin said, "Beware little expenses; a small leak will sink a great ship."

We have to balance the level of wages with the maximum number of seafarers we can employ on our ships. We need to act wisely now, so we don't pay later.

Let me finally point you to the elephant in the room of any discussion of shipping. And that is interest rates. The current world fleet is being financed and refinanced in a decade of ultra-low interest rates. As many of you will know, interest rates in ship finance are not fixed. Rising interest rates are immediately applied. We expect such rising rates in the next two years with quite significant effects on CAPEX while there is no reason to expect freight rates to rise at any comparable level.

Let us focus on our work plan:

We could now go through numerous studies and analyse them and their impact on shipping. We may do that as a basis of work in our later working sessions. It is important to find out if we share the same interpretation of basic economic facts. I will just name a few issues that should be discussed in greater depth later:

- The idle fleet of container-ships is at a two-year peak. 660,000 TEU, and more than 200 ships are long-term unemployed.
- The Baltic Dry Index is less than half the average of the last 20 years.
- The IMF had to revise its economic outlook down by more than 5 per cent this October, after scaling it down already in July.
- GDP estimates for Latin America, Japan, Europe and many other are going down
- The OECD shares the negative economic outlook of the IMF and adds: "Risks are intensifying, uncertainty is widespread."
- Manufacturing export orders are decreasing.
- Economic growth is decreasing across the board.
- Trade growth is decreasing rapidly, while the merchant fleet is increasing.
- Major countries like Turkey and Argentina are in turbulence.
- OPEC is threatening to push energy prices up, beyond the significant rise due to the fuel switch.
- While the trade war between the US and China in its first round focused on goods which are insignificant for maritime transport, the next round proposes a focus on containerized goods. Twenty per cent of transpacific cargo is affected.
- Maersk is expecting in its analysis from last week a decline in container trade by 2 per cent.

How does this translate to the minimum wage?

In light of all the above we acknowledge that we are here to consider the minimum wage level for an able seafarer and to that end account must be taken of the figures derived in the office report.

Account must also be taken to the fact, that the recently concluded global IBF wage negotiations fixed a solid increase in wages, including ABs.

The current wage of US$614 needs to be assessed against the information which has been provided by the Office for this meeting and also in light of the other data which is available regarding our industry.

Let me end on a reasonable and hopefully agreeable proposal.

We would also like to stress that we have both agreed that the purpose of the ILO Minimum Wage for an Able Seafarer is to have a safety net to ensure seafarers can sufficiently support themselves in a global economy. We cannot stress enough the real difficulties our member shipping companies continue to have in currently being able to remain in business and the difficult challenges ahead. If companies go out of business, the safety net is also gone.

In 2016, the ILO Office calculated with the broadly accepted method that the minimum wage should be US$539, $75 below the then rate of $614. If we would let statistics and algorithms rule the world, we should have settled for that number.

As partners, we agreed to not agree and add the insights of another two years into the equation.

The same methodology now suggests a rise to US$662, US$48 above the current rate.

Adding this up, you might expect us to propose – quite logically – a modest adaptation of the minimum wage of minus US$27.

“There is more to this than consumer prices and exchange rates,” as the Seafarer spokesperson said rightly in 2016.

Thus, in light of/despite a very difficult market situation and an even worse outlook it appears reasonable to stabilize the safety net and agree on a substantial number instead of lingering in uncertainty.

Let’s have a constructive and pragmatic discussion over the next couple of days in order to ensure that the true safety net is maintained.

Thank you.

Appendix II

Seafarer spokesperson opening statement

Madam Director,

May I begin by joining the Shipowners in thanking you and the Office for the preparations made for this session of the JMC Subcommitee on the Wages of Seafarers.

The Subcommittee last met in 2016 – a meeting I did not attend but thankfully my distinguished colleague, the Shipowner spokesperson, was at the helm of his team at that meeting, so it is of some comfort that we can fall back on his deep understanding of the issues, impeccable memory and now his knowledge of poetry, to guide us forward.

In 2016, the Shipowners provided an extensive assessment of the economic backdrop at that time – a "delicate juncture" I believe the Shipowner spokesperson referred to. It is fair to say that the shipping industry today is grappling with many significant opportunities, as well as challenges. However, the picture is decidedly more positive.

Global trade is fundamentally healthier than it has been for a decade and revenues are up. But there is change in the wind. We are on the cusp of a digital revolution that will streamline global freight utilizing technologies such as blockchain to reap further benefits. Human-centred design promises to change how ships look and are experienced by their crews. And futurologists and tech purveyors constantly predict that soon there won't be any seafarers on ships at all.

For the most part we seem to have a consensus that the reality might be far less dramatic – there will be technological advances, but we will need seafarers – perhaps less of them but we will need highly skilled seafarers to crew ships.

But the prospect of technology advancement and the investments needed to sustain the industry requires those of us with most invested in our industry – the shipowners and those who earn their living serving on those ships – to decide what direction global shipping should take.

Our business here is fundamentally important in the consideration of that direction and which we think most likely to succeed: an industry with a highly-trained, motivated workforce who want to achieve their potential; or a workforce, scraping by on minimum wages, who burn with resentment at those on whose behalf they toil?

You don't just have to take my word for the importance of this issue as Professor Maurice Obstfeld observed in his forward to the International Monetary Fund's World Economic Outlook "the slow growth of workers' incomes, perceptions of lower social mobility, and, in some countries, inadequate policy responses to structural economic change" is the biggest secular challenge for many countries' economies.

There is much in today's economic backdrop that makes this a fortuitous moment to address the wages of seafarers.

The World Bank's most recent Global Economic prospects report deploys a maritime metaphor. The global economy, it suggests, has "turned the tide".

"… the global economy seems to be leaving the legacy of the global financial crisis of the past decade behind. About half the world's countries are experiencing an increase in growth. This synchronized recovery may lead to even faster growth in the near term, as stronger growth in, say, China or the United States spills over to other parts of the world. All the consensus forecasts for 2018 and 2019 reflect optimism. And this growth is occurring for the right reasons – investment and trade growth, which had been declining, have risen. Furthermore, in the United States, Europe and Japan, unemployment has declined, while inflation has not picked up much, suggesting that policymakers may have found that "sweet spot" in the trade-off between unemployment and inflation."

Other economic agencies agree.

The IMF is projecting global growth of 2.7 per cent for the next two years.

OECD figures show that the value of imports and exports to and from G20 countries are more than 20 per cent higher in the second quarter of 2018 compared with the same quarter in 2016. The OECD's harmonized unemployment rate index also continues to steadily fall.

Private sector economists are no less optimistic. PWC's Global Economy Watch predicts that global GDP will rise by 3.7 per cent in 2019 and 2.5 per cent in the four years that follow (purchasing power parity figures).

When last this meeting convened in 2016, I know that the Shipowners were worried that there had been a fundamental change to the expected relationship between economic growth and trade. These concerns did not come to fruition.

Introducing the World Trade Statistical Review 2018 Director-General Roberto Azêvedo states:

"In 2017, world merchandise trade recorded its strongest growth in six years. Significantly, the ratio of trade growth to GDP growth returned to its historic average of 1.5, far above the 1.0 ratio recorded in the years following the 2008 financial crisis."

Azêvedo went even further at a press conference earlier in the year when he said:

"World merchandise trade volumes will grow nearly as fast in 2018 as they did in 2017, with growth of 4.4 per cent. And we expect that growth will remain quite strong in 2019 at around 4 per cent. It represents the best run of trade expansion since before the crisis, supporting economic growth, development and job creation around the world. "We expect that growth will remain quite strong in 2019 at around 4 per cent. It represents the best run of trade expansion since before the crisis, supporting economic growth, development and job creation around the world."

Such an economic backdrop has, of course, been good for shipping.

UNCTAD starts its 2018 Review of Maritime Transport thus:

"Global seaborne trade is doing well, supported by the 2017 upswing in the world economy. Expanding at 4 per cent, the fastest growth in five years, global maritime trade gathered momentum and raised sentiment in the shipping industry. Total volumes reached 10.7 billion tons, reflecting an additional 411 million tons, nearly half of which were made of dry bulk commodities.

Global containerized trade increased by 6.4 per cent, following the historical lows of the two previous years. Dry bulk cargo increased by 4 per cent, up from 1.7 per cent in 2016 …"

During 2017, UNCTAD reports that shipping capacity increased, but not as quickly as demand for shipping services. As one might expect, this has impacted beneficially on the value of shipping services. The underlying trajectory of the Baltic Dry Index, for example, has been upwards since 2016. Its rate today is nearly 300 per cent higher than it was two-and-a-half years ago.

UNCTAD also predicts that volumes will continue to grow until 2023 across all cargo categories.

It is clear from the preparatory papers for this meeting just how hard the decision, taken by this meeting two-and-a-half years ago, not to increase the minimum wage, has hit seafarers. Within the 55 major maritime countries, seafarers have seen the spending power of the minimum wage fall in all but seven of them. In some cases, the falls have been dramatic – seafarers in seven countries have experienced their minimum pay fall in value by more than 15 per cent.

Madam Director, we were due to meet in June, and whilst I fully understand the importance of the Pope's visit to this city, the postponement of the meeting means the delayed review of the wages of seafarers has been a testing one for a great many seafarers. What keeps them going through the long hours, the danger and the isolation, is the thought that their families are well provided for.

That is why we are calling on the Shipowners now to agree to a significant upward revision of the minimum wage. I think we can all agree that we want Fair Pay at Sea. Sadly, the last time the seafarers had a real increase in the minimum wage was 2001.

As we look forward to a decidedly more optimistic future, as we reflect that the past two years produced good business, let's reward the seafarers for the sacrifices they have made and the contribution they will make.

By doing so they will be signalling clear the kind of industry they aspire to lead. With a motivated, determined, and properly remunerated workforce, we can work together to build an industry that is fit to meet the challenges of the future, as well as one in which both sides of the industry receive the benefits that their efforts deserve.

One final general point, if I may Madam Director. In my time on the back benches, with my friends and distinguished colleagues to my left and right, I observed over the years that the Shipowners talk about this process as if it had no real significance to seafarers. It's just some mathematical exercise of little real-world importance. Well let me state clearly that is just not so, for many seafarers an uplift in the ILO minimum wage feeds directly into their pay packets and directly into the mouths of their children.

But sadly, minimum wages become maximum wages for many seafarers. For the majority even, those who do not benefit from collective bargaining, or the international negotiations that take place in other contexts.

Too many flag States pay no or little attention to the ILO recommended minimum wage, even the most significant of labour supplying countries. And there are insufficient sanctions for those who transgress.

I think it is time we address that, time to consider the merits of a mandatory application and enforcement of the wages of seafarers. Time for an ILO mechanism that delivers real increases not merely maintaining purchasing power – effectively no increase at all. Only then will we be contributing to decent work of seafarers to real and continuous improvement in their living standards.

Only then will we have Fair Pay at Sea. As the ILO approaches 100 years striving for social justice and decent work that seems to me to be an appropriate goal.

Thank you.

Appendix III

Resolution

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

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

Having met in Geneva from 19 to 20 November 2018,

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 6 to 7 April 2016, did not agree to change the ILO minimum monthly basic wage figure for an able seafarer and therefore the figure of US$614 continued to apply,

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, as amended, 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. 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;
2. Agrees to update the current ILO minimum basic wage for an Able Seafarer to US$618 as of 1 July 2019, US$625 as of 1 January 2020 and US$641 as of 1 January 2021;
3. Agrees that the figures of US$641 as well as US$662 as of 1 June 2018 should be used as the bases for recalculation purposes;
4. Acknowledges that the agreed minimum monthly basic wage figure in no way prejudices collective bargaining or the adoption of higher levels in other international wage–setting mechanisms; and
5. Invites the Governing Body to convene a meeting of the Subcommittee in the first half of 2021 for the purpose of updating the minimum monthly basic wage figure to take effect as of 1 January 2022, and every two years thereafter, to request the Subcommittee to report directly to the Governing Body.