



**National Maritime Conference:
HUMAN CAPITAL AND THE WAY FORWARD
FOR MALAYSIA**

14 - 15 July 2008, Kuala Lumpur

PROCEEDINGS



**Maritime Institute of Malaysia (MIMA)
November 2008**

SESSION 4:

WELFARE, SOCIAL AND MANNING ISSUES

Chairman: **Dato' Captain Ahmad b. Othman,**

Director General, Marine Department Peninsular Malaysia

Session four commenced with a presentation by **Mr Mohd. Rafiq Ramoo Abdullah**, Organising Secretary of the National Union of Seafarers of Peninsular Malaysia (MSU).

He presented a brief history of the establishment of the MSU, impressing that the focal aim of MSU is to act as a unified voice for the welfare of Malaysian seafarers.

Mr Rafiq said that, over the past 5 years, the MSU has managed to find employment for about 600 seafarers. However, he feels that there is an apparent lack of employment opportunities for Malaysian seafarers. He added that MSU found that employment prospects for Malaysian seafarers who are above the age of 40 are impeded due to the perception of them being too aged for a committed career with shipping companies

Mr Rafiq commented that most of the recent graduates from the seafaring training institutes lack practical exposure due to the lack of resources to train the seafarers. He said that co-operation from the shipping fraternity is essential to improve the welfare of Malaysian seafarers. MSU hopes to see more shipping companies stepping forward to recruit and invest in training more Malaysian cadets.

Mr Rafiq expressed MSU's grievances on the poor living and working conditions onboard vessels. He also indicated its displeasure over the long working hours on board without a salary scale to commensurate the strenuous working conditions seafarers are burdened with.

MSU called for the establishment of a "Malaysian Maritime Employment Agency" under the purview of the Marine Department to add leverage to MSU's efforts in sourcing for employment opportunities for Malaysian seafarers.

The second presenter, **Captain Mohd. Halim Ahmed**, Principal Assistant Director of the Marine Department Peninsular Malaysia, introduced the delegates to the Central Mercantile Marine Fund (CMMF). Established by virtue of Section 467 of the Merchant Shipping Ordinance 1952, the Fund assumes the role of a fiscal platform to support the development and management of issues pertaining to welfare of seafarers.

Captain Halim highlighted the introduction of the Seafarers' Open Day in 2005 initiated by the Fund. The Seafarers' Open Day is set to be held annually and aims to promote the seafaring career to the masses. It also serves as a meeting point for seafarers and various members of the shipping fraternity.

The Fund has subsidised courses organised by the Marine Department, one of which was the course for Mate of less than 500 Gross Tonnage (Restricted) Domestic Voyages. The Fund's contribution enabled small boat operators to benefit immensely from the course which educated them on safety measures and other associated procedures.

Captain Halim expressed the Fund's continued interest in providing seafarers with financial aid to pursue higher qualifications and education. However, he said that the Fund is unable to proceed with rendering of financial assistance as the number of loan defaulters has increased. Acts of irresponsible individuals have jeopardised the good intention of the Fund to aid other deserving seafarers.

Nevertheless, Captain Halim assured the participants that the management committee of the Fund is now assessing scholarship schemes for the benefit of seafarers who are seeking opportunities to enhance their skills and academic qualifications. The Fund would soon be an arm of the Marine Department to ensure efficient management of seafarers' welfare.

The third presenter, **Mr Mohamed Idris**, Vice President of the Singapore Organisation of Seamen and the Regional Co-ordinator of the International Committee on Seafarers' Welfare (ICSW), continued the dissemination of information on seafarers' welfare with a presentation on international initiatives to promote seafarers' welfare across the globe.

He presented the agenda of ICSW and the International Transport Workers Federation (ITF) Seafarers' Trust (the Trust). The Trust is an initiative of the ITF which champions the interests and welfare of transport workers. Mr Idris said that the Trust supports projects such as establishment of Seafarers' Centres which would benefit seafarers' spiritual, physical and other needs.

He also illustrated ICSW's initiatives decided during the June 2008 Regional Welfare Committee Meeting in Singapore. South East Asia's seafarers can expect an infusion of international aid by way of projects, seminars, establishments of centres and improvised infrastructure for

their benefit. Mr Idris advocated the establishment of a National Seafarers Welfare Board (the Board) to facilitate promotion of seafarers' welfare in Malaysia. He said that the Board would be an umbrella management committee that unites various national agencies, port authorities and members of the shipping fraternity who are involved with seafarers' welfare.

Mr David Frederick T A Nathan, representing the Malaysia Shipowners' Association (MASA), was initially scheduled to provide the perspectives of the Malaysian shipowners on manning issues affecting the industry. Unfortunately, he was summoned away on very urgent company matters at short notice and his paper was delivered by **Captain Khalid Mohamad**, MISC's Owner's Representative based in Manila.

Mr Nathan said that the maritime industry is currently plagued with pressing issues such as shortage of manpower on board as seafaring is often perceived to be an arduous and stressful profession. He added that the younger generation prefers working ashore than at sea for prolonged time. Mr Nathan feels that the commonly held assumption that seafarers' welfare and treatment on board are not satisfactory may also be a contributory factor for the decrease in the number of entrants as seafarers.

Mr Nathan said that the industry has to convey messages on the myriad of opportunities available within the burgeoning maritime industry to the younger generation, especially those residing in remote areas. He added that the maritime training landscape has to be refurbished and echoed the concerns presented during the third session on the lack of cadet training berths for the sea service training.

Shipowners have also expressed concerns with regards to seafarers with disciplinary problems such as drug abuse, alcoholism, lack of respect for

the superiors and lack of commitment to work to the best of their abilities. Mr Nathan said that in recent years, there have been cases of breaches of the Cadet Sponsorship Programme. This has led to a lacuna in the shipowners' faith in hiring more Malaysian seafarers to meet their manning needs on vessels.

DISCUSSION

A participant commented on the alleged presence of almost half the cadets in ALAM coming from India at a time when there is a distinct lack of Malaysian seafarers. He asked if the privatisation of ALAM to MISC had led to the institution not providing opportunities for Malaysians to pursue training programmes there and urged ALAM to be nationally-focussed by accepting more Malaysians.

In response, the Chief Executive Officer of ALAM quoted findings of a study conducted by MIMA in 2004. After an intensive screening process only about 400 out of the close to 10000 applicants met the minimum criteria for admission as prescribed by the MQA. He refuted the claim on cadets from India, but, admitted that there are sponsored trainees from Yemen, Sri Lanka, Bangladesh and other African countries. He highlighted the fact that, even after conducting a thorough induction course to determine adaptability, many Malaysian cadets still drop out from the pre-sea training course mid-way through due to their being offered alternative academic opportunities by other higher institutes of learning.

The participant proposed that independent research be conducted to determine the actual situation.

Another participant queried Mr Mohd Idris of the Singapore Organisation of Seamen if Mr Idris would be able to brief Malaysian seafarers on the functions of the ICSW and its concern relating to issues on seafarers' welfare. Mr Idris said that such briefings could be done through meetings with seafarers at the proposed "drop-in-centres" to be established and located within port perimeters. He remarked that consent of the appropriate authority within the Malaysian government is essential for such establishment, since the centres have to conform to guidelines provided by the national legal framework.

The same participant commented that he had heard complaints to the effect that the Seaman's Centre in Port Klang, established by the Marine Department, was not being used for its actual purpose, i.e. for rest and recreation by seafarers; but, more as an Office by the Department. Captain Mohd. Halim bin Ahmed of the Marine Department responded that the Marine Department is in the process of moving the existing Seafarers' Centre to a more centralised location for the convenience of all seafarers and it would also be equipped with more facilities and services for their benefit.



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**RECOMMENDATIONS ON
THE WAY FORWARD**



**Maritime Institute of Malaysia (MIMA)
November 2008**

**RECOMMENDATIONS
OF THE
NATIONAL MARITIME CONFERENCE:
HUMAN CAPITAL AND THE WAY FORWARD FOR MALAYSIA**

14 – 15 JULY 2008, KUALA LUMPUR

The two-days National Maritime Conference was jointly organised by the Maritime Institute of Malaysia (MIMA) and the Marine Department Peninsular Malaysia (Marine Department). It was supported by the Malaysia Shipowners' Association (MASA), Bintulu Port Authority (BPA); MISC Bhd.; Pelabuhan Tanjung Pelepas (PTP) Sdn. Bhd. and Bintulu Port Sdn. Bhd. (BPSB).

During the deliberations, recommendations were made by speakers, panellists and participants of the Conference on the way forward in addressing issues relating to maritime human capital in Malaysia.

1. It was acknowledged that amongst the features that makes Malaysia a significant player in global shipping are:
 - (a) In 2006 the United Nations Conference on Trade and Development (UNCTAD) ranked Malaysia 21st. on its list of most important maritime countries in terms of percentage of world's gross tonnage;
 - (b) Up to June 2008, 4343 ships of 10.5 million gross tonnage were registered under the Malaysian flag;
 - (c) MISC Berhad is the world's largest owner-operator of liquefied natural gas (LNG) carriers, with 27 vessels in service and 2 more on order;
 - (d) In 2006, American Association of Port Authorities placed Port Klang as 16th. and Port of Tanjung Pelepas as 19th. in terms of container throughput.

2. In terms of “hardware” (i.e. ships) Malaysia has performed reasonably well, but, for the “software” (human capital) aspect, Malaysia still relied heavily on services provided by foreign seafarers as indicated by the following data for 2007 derived from records maintained by the Marine Department:

- (a) Number of active Malaysian seafarers registered was 11482 whilst foreign seafarers employed on board Malaysian ships was 10200;
- (b) 3406 certificates of competency (CoC) were issued to qualified Malaysian officers; whilst, during same period, 4742 certificates of recognition (CoR) were provided to foreign officers permitting them to legally serve on Malaysian ships.

3. The consensus is that immediate measures should be taken to address the situation which has led to Malaysia suffering a critical shortage in having her own nationals serving as seafarers on board Malaysian ships. The Conference strongly urged the drawing up a strategic master plan relating to a holistic and comprehensive approach towards seafarers’ affairs in Malaysia.

4. The proposed solutions presented during the Conference are encapsulated in this paper as follows:

A. Establishment of a National Body/Agency on Seafarers’ Affairs

- (i) It was recognised that a dedicated body/agency should be established solely focussed on seafarers’ affairs, including facilitating and guiding seafarers’ development encompassing recruitment, placement and career development. Industry players should support towards its functions and operations.

- (ii) The same body could also be the focal point for the management of Malaysian seafarers by way of maintaining records of available seafarers for sourcing by shipping companies. Malaysian seafarers could register themselves with the body and Malaysian shipping companies may inquire availability of qualified seafarers from it.
- (iii) Part of the role of this body could be to provide initiatives on the continuous promotion of the seafaring career to students still in schools/colleges. It would direct awareness programmes of this “non-traditional” vocation to be aimed at target groups deemed eligible for it located in schools within the rural areas of Peninsular Malaysia as well as in riverine catchments of Sabah and Sarawak.
- (iv) This entity could also be entrusted with facilitating the drawing up of standard employment terms and conditions for Malaysian seafarers that is compatible to universally accepted norms.

B. Maritime Training

- (i) Maritime training in Malaysia is currently undertaken by private entities. Due to alleged high cost of such training, it was recommended that the government takes over the responsibility for provision of maritime training, akin to that of public tertiary educational institutions. Besides lowering of training costs, another accrued advantage of such take over would be the possibility of provision of loans to maritime trainees similar to those provided for students in higher educational institutions.

- (ii) Possibility of converting some of the 26 existing industrial training institutes under the Ministry of Human Resources (MOHR) into dedicated maritime-biased training centres. The Marine Department could assist MOHR towards realising this objective.
- (iii) Increase the number of seafarers trained annually taking into account the requirements of the shipping industry and expected attrition rate.
- (iv) Availability and quality of maritime lecturers and instructors should also be an important factor when considering an increase in trainee intake/number of training institutions. The issue of “poaching” experienced maritime instructors by the industry needs to be addressed.

C. Training berths

- (i) In cognisance of the fact that maritime training imposes mandatory “sea-time” fulfilment by cadet officer trainees, shipping companies should be encouraged to provide training berths to cater for them. Fiscal incentives could be offered to those companies willing to do so.
- (ii) Placement of Malaysian cadet officer trainees on board foreign-flagged ships offering such berths could be considered.

- (iii) Malaysian shipping companies may consider pooling their resources together and introduce the concept of “training-cum-trading” ships. These vessels can facilitate training of seafarers whilst engaged in normal trading activities.
- (iv) As a last resort, legislation enabling mandatory provision of training berths by Malaysian shipping companies may have to be introduced.

D. Introduction of appropriate Bridging Courses facilitating entry by Engineering Graduates and ex-Royal Malaysian Navy officers

- (i) It was acknowledged that some students of engineering courses from Malaysian universities/polytechnics may be motivated to pursue a seafaring career after graduating. Bridging Courses could be designed to permit these graduates to enter the seafaring career and acquire the requisite sea time prior to appearing for their first CoC examinations.
- (ii) Some senior officers from the Royal Malaysian Navy (RMN) opt to leave the service at a relatively productive age. They possess the navigating and seamanship skills to serve on board merchant navy vessels and have the required sea-time to appear for CoC examinations. Introduction of appropriate Bridging Courses to cater for this group of potential entrants into the officers’ ranks of the merchant navy could be considered.

E. Ensuring universal standards of welfare/health benefits and appropriate emoluments for Malaysian seafarers

- (i) Malaysian shipping companies should ensure that the welfare and health benefits offered to their seafarers are on par with universal norms. These should cover the seafarer and his/her family and also be provided during periods that he/she is on leave ashore as well as when employed on board.
- (ii) Malaysian shipping companies that may still be offering their seafarers remuneration packages not compatible with global standards should be encouraged to rectify the situation, taking into consideration their commercial ability. The wage quantum offered may be less than global norms, but, the total package could include other measures particularly attractive to Malaysian seafarers. Neither discrepancy vis-à-vis currency nor quantum should exist between packages offered to a foreign seafarer and a Malaysian. Shipping companies should facilitate their seafarers in obtaining housing/car loans from financial institutions in view of the fact that their salary slips only indicate wages earned whilst they are serving on board, not when they are on leave ashore.
- (iii) Seafarers' union should inculcate in Malaysian seafarers an attitudinal change for the better. The common inference that they are ingrained with negative traits should be dispelled and be done away with. This requires a mindset shift from Malaysian shipowners too.

- (iv) Drop-in Centres providing recreational and communication facilities for seafarers should be established within the perimeters of Malaysian ports to cater for their needs due to very short port-stay and inability to access services provided by Seamen's Clubs normally located quite a distance away from ports.
- (v) The role and functions of existing International Transport Workers Federation (ITF)-affiliated National Union of Seafarers of Peninsular Malaysia should be enhanced to include the needs of seafarers in Sabah and Sarawak. Its existence should also be widely publicised and membership numbers greatly increased, especially from the Officers' category. This would be in consonance with the International Labour Organisation's (ILO) Maritime Labour Convention 2006 (MLC 2006) requirements.
- (vi) Malaysia should work together with other like-minded countries and relevant international organisations to address the issue of criminalisation of seafarers to ensure that due process is observed and practised in cases of maritime incidents occurring anywhere in the world.

F. Special needs of the Offshore Support Vessels (OSV) and Near Coastal Voyage (NCV) vessels

- (i) Dedicated training facilities solely catering for Malaysian seafarers intending to serve on board OSVs should be established.

- (ii) Consideration should be given towards granting income tax exemption to seafarers working on board OSV.
- (iii) Similar tax exemption could be granted to those operating vessels plying within the NCV.
- (vi) Eligible ratings serving on board NCV vessels should be encouraged and provided with incentives to upgrade themselves to be officers by attending appropriate courses and taking the requisite examinations.

G. Shore employment opportunities

- (i) Serving seafarers should be encouraged to pursue other appropriate qualifications. In line with a “life-long learning” culture, they should endeavour to undertake relevant professional courses. This would assist them in their appointment ashore after leaving sea service.
- (ii) Many existing tertiary educational institutions are able to provide the appropriate courses/programmes. Seafarers should take the initiative to identify those that suits their particular needs.
- (iii) Substantial job opportunities exist in the ports as well as shipbuilding and shiprepair industries. Seafarers opting to leave sea service could explore the possibility of seeking employment in appropriate sectors within these industries that may require their previous seagoing skills and experience.

H. Implications of the ILO's Maritime Labour Convention, 2006

- (i) Malaysia should take due cognisance of the requirements of MLC 2006 on seafarers' well being and undertake the necessary preparations to be ready for its international implementation irrespective of any decision on ratification since enforcement procedures by signatory states would affect all ships entering their ports, including those flying the flag of non-signatory countries.

5. A summary of these recommendations is attached as Appendix A to this paper.

6. Conclusion:

Besides papers presented by speakers and deliberations of panel members, the Conference also triggered quite an active engagement by participants from the floor. A recurrent remark heard throughout the two-days' session was the passionate exhortation that the Conference Organisers should do their utmost to follow through with appropriate stakeholders on the recommendations proffered so that the commendable objectives would be achieved and issues affecting Malaysian seafarers be effectively addressed. It is with such an intention in mind that these recommendations are compiled and forwarded for perusal and action by relevant parties.

Centre for Ocean Law and Policy
MIMA
August 2008

Summary of Recommendations

The Conference strongly proposed the drawing up a strategic master plan relating to a holistic approach towards seafarers' affairs in Malaysia.

It should encompass:

- A. Establishment of a National Body/Agency responsible for:
- * Facilitation and providing guidance on Seafarers' affairs covering recruitment, placement, career development and welfare;
 - * Direction on continuous promotion and awareness programmes carried out to selected potential "catchment areas" (eg. rural localities in Peninsular Malaysia and riverine areas of Sabah and Sarawak).
- B. Maritime training
- * Should come under the ambit of the government to facilitate lower costs and provide opportunities for grant of study loans;
 - * Increase in number of seafarers trained annually;
 - * "Poaching" of maritime trainers and instructors to be addressed.
- C. Training Berths
- * Offer fiscal incentives to Malaysian shipping companies providing training berths;
 - * Consider placement of Malaysian trainees on board foreign ships;
 - * Contemplate pooling resources by shipping companies towards introducing "training-cum-trading" ships;
 - * Ponder legislating mandatory provision of training berths by Malaysian shipping companies.
- D. Introduction of Bridging Courses for Engineering Graduates and ex-Royal Malaysian Navy (RMN) officers
- * Source seafarers for merchant navy service from pool of available engineering graduates and retired naval officers by introducing appropriate Bridging Courses.
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- E. Ensuring universal standards of welfare/health benefits and appropriate emoluments
- * Welfare/health benefits offered to Malaysian seafarers and their families should be compatible with universal norms and practice;
 - * Emolument packages granted to Malaysian seafarers should, as far as is commercially viable to shipowners, be commensurate with global standards. Discriminatory practices should not be tolerated
 - * Attitudinal shift towards positive values amongst Malaysians seafarers is to be inculcated. Malaysian shipowners should undergo similar paradigm change;
 - * Recreational and communications facilities to be established within port areas;
 - * Seafarers' Union to be further strengthened and expanded to accommodate those in Sabah and Sarawak;
 - * Position to be taken on the issue of “criminalisation of seafarers” in cases of maritime incidents.
- F. Special needs of seafarers serving on board Offshore Support Vessels (OSV) and Near Coastal Voyage (NCV) vessels
- * Plan for establishment of dedicated maritime training centres for seafarers serving on board OSV;
 - * Consider income tax exemption for seafarers onboard OSV and NCV vessels;
- G. Shore employment opportunities
- * Practise concept of “life-long learning” by taking up relevant professional courses offered by tertiary educational institutions;
 - * Take advantage of job opportunities present in the ports, shipbuilding and shiprepair industries.
- H. Implications of ILO’s Maritime Labour Convention 2006 (MLC 2006)
- * Measures to be taken in preparation of the coming into force globally of the International Labour Organisation’s (ILO) Maritime Labour Convention 2006.
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