



**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 6: THE WAY FORWARD – POSSIBLE INITIATIVES

Chairman: **Dato' Cheah Kong Wai**

Director General, Maritime Institute of Malaysia (MIMA)

Dato' Cheah reiterated that issues pertaining to seafarers have existed for quite some time and advised that they should be examined in detail and in a holistic manner with the aim of identifying the actual causes prior to addressing them. He reminded that the issue of shortage of seafarers is a global problem and not a national malaise. He also queried whether there exists a ready pool of potential seafarers that are willing to enter the profession, taking cognisance that the general attitude of present day youths is to shun such a career. Any recommendations on the "Way Forward" should take into account this fact and a reasonable meeting point addressing concerns of shipowners as well as seafarers should be reached.

Dato' Cheah recounted the themes of all the previous sessions and then invited the Panel Chairman of each to discuss pertinent issues.

**Capt. Johari Mohd. Noh**, representing MASA, acknowledged that shortage of seafarers is a global issue and supported the view of the Chairman of MASA that, in trying to address it; a single controlling body, perhaps initiated by the government with support from the industry, be formed. He seconded the suggestion made by the latter for a strategic master plan to be drawn up and acted upon. This was similar to the proposal for a strong resolution to be made by the Conference in

resolving the matter as mentioned by Dato' Capt. Jaffar Lamri. Capt. Johari also supported the idea of conducting awareness campaigns on seafaring career in schools throughout Malaysia where the advantages/disadvantages of the career could be properly explained.

Capt. Johari also highlighted that the Ministry of Transport (MoT) is arranging meetings with the industry players to discuss the impact of MLC 2006 on the industry. He encouraged all affected to quickly meet to deliberate whether Malaysia ought to ratify the Convention and examine the probable repercussions should it be decided either way.

**Mr. M. Adthisaya Ganesen**, CEO of ALAM, provided a power point presentation on the role of ALAM in providing education and training for Malaysian seafarers; comparing costs with other similar institutions in the process. He indicated that it is not for ALAM to propagate seafaring as a career choice to students in schools. He also discounted the claim that ALAM was not taking in sufficient Malaysian cadets to cater for the needs of the industry. He welcomed the establishment of new training institutions to train seafarers; but, warned that quality should never be compromised in seeking quantity. Mr. Ganesen also exhorted shipping companies to invest in training and to provide the necessary berths for cadets. He believes that the issue could be satisfactorily addressed through effective networking and existing linkages within the industry. He also suggested that the government consider subsidising the cost of maritime training.

**Capt. Tasripin Masotee**, President of IKMAL, proposed the idea of introducing "training-cum-trading" ships as a means to address the lack of ship berths for cadets. He also supported the idea of the Government providing assistance to maritime training establishments and impressed

that the Government should drive the initiative to propagate maritime training in Malaysia. Capt. Tasripin highlighted the need for dedicated training centres catering for OSVs. He commented that the riverine areas of Sabah and Sarawak could be appropriate locations for shipping companies to source for potential seafarers since these youths would have the requisite rudimentary knowledge and experience with boats and rivers.

**Dato' Capt. Ahmad bin Othman**, the Director General of the Marine Department Peninsular Malaysia, commented that the CMMF did provide part-subsidies to seafarers wishing to pursue domestic trade courses. Besides there not being many takers, the problem of loan defaulters was also a concern. He also proposed that a Pension Fund for seafarers be established. He explained that due to very short port stay by ships, not many seafarers are utilising the facilities provided at Mariners' Centres operated by the Marine Department. He also indicated that the Department is organising annual gatherings for seafarers in conjunction with the World Maritime Day celebrations.

## **Discussion**

Mr. Muhd. Razif from Marine Department commented that, as a maritime nation, the shortage of seafarers is critical to Malaysia. He proposed that ALAM redefine its functions; highlighting the fact that most cadets in that institution were beholden to MISC Bhd. In his mind, ALAM should be catering for the larger national interest and questioned whether the privatisation of ALAM was beneficial to the nation. He reiterated that sufficient maritime training establishments should be set up to provide for the needs of the industry and also supported that a strong and clear

resolution on ways to solve the seafarers shortage issue be made by the Conference. He also encouraged Malaysian shipowners to do more to ameliorate the issue of insufficient ship berths for cadets and providing due attention towards their welfare.

Rear Admiral Dato' Mohd. Jamil Osman from the Royal Malaysian Navy (RMN) commented that the RMN recruited quite a sizeable number of personnel who regrettably retired fairly young. He indicated that some of these ex-RMN officers could be absorbed into the merchant navy and proposed that suitable bridging courses be designed to enable the entry of these officers at appropriate ranks within the merchant navy system. He also supported the proposal to create a "Ministry of Maritime Affairs" and the idea of nationalising all maritime training institutions.

Capt. Aziz from MIMA emphasised that absorption of ex-RMN officers into the merchant navy would have to be governed by the STCW provisions. He also welcomed Capt. Tasripin's proposal of re-introducing the practice of having "training-cum-trading" vessels and mentioned that MISC Bhd. currently have two (2) vessels playing such a role. He proposed that the smaller shipping companies consider pooling together their resources to emulate a similar concept.

Dato' Capt. Ahmad Othman from the Marine Department concurred that STCW provisions govern the procedures for ex-RMN officers to be absorbed into the merchant navy. However, he indicated that measures, such as the introduction of appropriate "bridging course" to facilitate such entry had previously been discussed with the RMN. He encouraged such discussions to be re-activated.

He also remarked that there appears to be adequate supply of potential seafarers from Sabah and Sarawak. This should be tapped on effectively. In fact, the Sarawak government had supported the establishment of a maritime training institution located in the state since the cost of sending the potential recruits to ALAM was rather prohibitive.

Dato' Capt. Ahmad Othman mentioned that attempts at creating dedicated ministries to cater for maritime affairs by other countries have not been successful. Dato' Cheah from MIMA advised that the proposal for a dedicated Ministry of Maritime Affairs should be considered from all aspects; taking into account that "maritime" encompasses the realm of security, economics, legal and environment. Should such a ministry be established, it could overlap with the functions of other existing ministries.

Prof. Dr. Capt Mohd. Ibrahim from MIMA proposed an 8-point plan to address issues faced by seafarers. He suggested that instead of a "ministry", perhaps an apolitical "commission/authority" headed by a Chairman could be considered. He exhorted that all shipping companies should provide berths for cadet trainees; and if it remains insufficient, the companies should encourage their cadets to venture into foreign shipping entities to seek such berths. These will result in the quality of Malaysian officers being recognised and duly acknowledged. Special dedicated training for OSV officers should also be designed and provided. He also supported the idea of the government providing subsidies in the nature of reduction in fees to encourage more Malaysian youths to venture into seafaring career. Prof. Mohd. Ibrahim also impressed that education of seafarers should not cease at maritime training institute level; but, be continuous and further upgraded to tertiary level. Welfare of seafarers should also be improved. He also queried whether the duration

(approximately 10 years) for an officer to qualify as a Master/Chief Engineer is too long and should be re-considered. Prof. Mohd. Ibrahim also suggested that appropriate bridging courses be crafted to enable engineering graduates to venture into a seafaring career.

Mr. Ganesen from ALAM indicated that the academy is in the midst of introducing bridging course to facilitate engineering degree holders to pursue a seafaring career. ALAM had also introduced a degree programme previously; but, it was terminated due to those qualifying preferring to work ashore rather than seek employment on board ships; thus, defeating the objectives of sponsors wishing to have them serve at sea. However, ALAM is planning to reintroduce the programme at an appropriate time; once the issue of shortage at sea is addressed.

A participant proposed that it be made mandatory for all Malaysian shipowners to help address the issue of shortage of Malaysian seafarers as well as improving their welfare. He exhorted the Marine Department to raise the matter at the highest level possible. Another participant suggested that Malaysian shipowners should formulate a credible long term plan for human capital development and not resort to ad-hoc measures. Following this, another individual proposed that shipping companies provide duration flexibility to their seafarers for service at sea to facilitate ample time to be spent with their families ashore. This would assist in retaining them to continue serving rather than opt to leave for a shore assignment.

Dato' Jaffar Lamri summarised that there appeared to be two (2) schools of thought at the Conference. One indicated that Malaysians, in general, are ready for a seagoing career; and another stated the contrary. He exhorted all to form an opinion that Malaysians are capable of being a

good seafarer. Even though most Malaysian youths are readily absorbed into public and private universities, thus, leaving a small number available for consideration for a seafaring career; he believed that, should they possess the requisite reasonable qualifications with strong physical and mental endurance, they ought to be given an opportunity to serve on board. He indicated that seafaring is not a life of luxury and those opting for it are a hardy lot. In aspiring to be a maritime nation, Malaysia should identify and target these aspiring youths.

Capt. Aziz quoted his experience in Brunei Darussalam which had eight (8) LNG vessels registered under its flag; but, prior to year 2000, did not have a single Bruneian serving on board. The initial excuses provided by the ship managers were quite similar to what were mentioned at the Conference. However, with the necessary political will, strong resolve of the maritime regulator and full commitment of the ship managers, the process of “Bruneisation” of the fleet had taken place quite well. He believes that with similar resolve and sincerity of purpose, the same results could be achieved by Malaysia.

Capt. Lim Ghee Teck from ALAM raised the issue of availability of qualified maritime lecturers and trainers in Malaysia. He lamented that once a lecturer has availed the necessary expertise as a trainer, he is, most often, “poached” by the industry to take up operational/management positions. This caused problems for the training institutions since it took quite some time for an ex-seafarer to gain the qualities of a good trainer. He believes that the government should consider providing loans to youths pursuing maritime courses, similar to those offered to students of other tertiary institutions.



Capt. Mohd. Nasir from MISC Bhd. raised the perennial issue of those opting for a seafaring career having to choose between progressing within the profession and being close to their families. He reminded that with the advent of modern communications technology, being in constant touch is no more an issue. He also stated that there should be no discrimination between seafarers of different nationalities on board ships.

In conclusion, Dato' Cheah summarised the issues raised by the Panel Chairmen and other Conference participants. There currently exists a shortage of Malaysian seafarers serving on board Malaysian ships. Amongst the reasons for this are, lack of interest from qualified youths to venture into the career; lack of study loans for those pursuing the courses on their own without any sponsorship; insufficient numbers of maritime training institution (especially those supported by the government); insufficient ship berths on board Malaysian ships for trainee cadet officers to perform their sea service training; inadequate welfare and health benefits offered by some Malaysian shipping companies leading to migration of qualified Malaysian officers to foreign companies; and overall absence of a master plan to address these issues.

He acknowledged that the organisers will draw up "Recommendations on the Way Forward" to address issues raised during the Conference to be circulated to relevant stakeholders and participants. Necessary follow up actions will be undertaken to determine progress in relation to the Recommendations.

On behalf of the organisers of the "National Maritime Conference: Human Capital and the Way Forward for Malaysia", Dato' Cheah Kong Wai

expressed his appreciation to all who contributed towards the success of the event.

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Rapporteurs:

Ms. Farida Rizal

Mr. Hairil Anuar Husin

Editors:

Capt. Abdul Aziz Abdullah

Ms. Thulasi Kamalanathan



**National Maritime Conference:  
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**14 - 15 July 2008, Kuala Lumpur**

**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 21<sup>st</sup>. 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 16<sup>th</sup>. and Port of Tanjung Pelepas as 19<sup>th</sup>. 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.
-