



BIMCO



MANPOWER 2010 UPDATE

THE WORLDWIDE DEMAND FOR AND SUPPLY OF SEAFARERS

HIGHLIGHTS



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HIGHLIGHTS FROM THE MANPOWER 2010 UPDATE

INTRODUCTION

The BIMCO/ISF Manpower Update provides the most comprehensive assessment of the global supply and demand for merchant seafarers that is currently available. The first pioneering study was conducted in 1990 and has since been updated every 5 years. This 2010 Update has two main purposes: to describe the current worldwide supply and demand situation for seafarers; and to make predictions about the likely position in 5-10 years time, in order to help the industry anticipate developments and take appropriate action.

THE 2010 UPDATE

The 2010 Update is based on data collected from questionnaires sent to governments, shipping companies and crewing experts. It also incorporates the views and perceptions of senior executives in shipping companies and maritime administrations, and detailed statistical analysis provided by the Warwick Institute for Employment Research. Importantly, for the first time, the study has been assisted by Dalian Maritime University which has helped obtain input from Asian countries where it had previously been difficult to obtain definitive data.

The 2010 Update is the most comprehensive BIMCO/ISF study conducted so far. It includes a more detailed assessment of the size of the commercial trading fleet and its likely growth, while the supply estimates utilise more robust information from many countries, including virtually all of the principal labour supply nations. However, the improved methodology means that the results cannot always be directly compared with those obtained from the previous studies.

THE SITUATION IN 2010

Despite the global economic downturn, and the dramatic reduction in demand for shipping services in 2009, the data suggests that while the supply and demand for ratings are more or less balanced there are still some shortages for officers, particularly for certain grades and for ship types such as tankers and offshore support vessels. However, notwithstanding the challenging trading conditions, levels of training of new entrants seem to have been maintained or increased in many countries compared with 2005.

SUPPLY

The worldwide supply of seafarers in 2010 is now estimated to be **624,000 officers** and **747,000 ratings**. This is based on the numbers holding STCW certificates and is therefore somewhat broader and not directly comparable to estimates in previous studies. It reflects significant increases in seafarer supply in some countries, notably in China, India and the Philippines, as well as in several European nations.

Table S.1 Global Seafarer Supply by Broad Geographical Area

Area	Current supply			
	Officers (1000's)	%	Ratings (1000's)	%
OECD Countries	184	29.4	143	19.2
Eastern Europe	127	20.3	109	14.6
Africa / Latin America	50	8.0	112	15.0
Far East	184	29.5	275	36.7
Indian Sub-Continent	80	12.8	108	14.5
All National Groups	624	100.0	747	100.0

Source: BIMCO/ISF estimates

DEMAND

Global demand estimates are based on a detailed review of the number, size and type of ships in the world fleet, and revised estimates of manning levels and back-up ratios currently applicable to different national fleets.

The initial demand estimate combines fleet size and information on manning scales. This is then calibrated to be consistent with supply estimates. The calibration is based on estimates of the overall supply/demand balance derived from comprehensive data supplied by over 100 major companies, and information from national administrations and a crewing experts' survey. Based on this evidence, the current estimate of worldwide demand for seafarers in 2010 is **637,000 officers** and **747,000 ratings**.

SUPPLY/DEMAND BALANCE

These results suggest that the situation in 2010 is one of approximate balance between demand and supply for ratings with a modest overall shortage of officers (about 2%); the implication being there is currently not a serious shortage problem for officers in aggregate. This does not, of course, mean that individual shipping companies are not experiencing serious recruitment problems, but simply that overall supply and demand are currently more or less in balance. This is perhaps not surprising given the sharp contraction in the demand for sea transport in 2009 combined with significant growth in total seafarer numbers.

Results from the company survey indicate problems with the supply of particular grades of seafarer, such as senior officers and engineers in some labour markets. There is also some evidence of continuing recruitment and retention problems, especially in certain segments of the industry such as tankers and offshore support vessels.

There is particular concern over the current and future availability of senior management level officers, especially engineers, in the Far East and the Indian Sub-Continent. Generally, however, there are few supply difficulties reported for ratings.

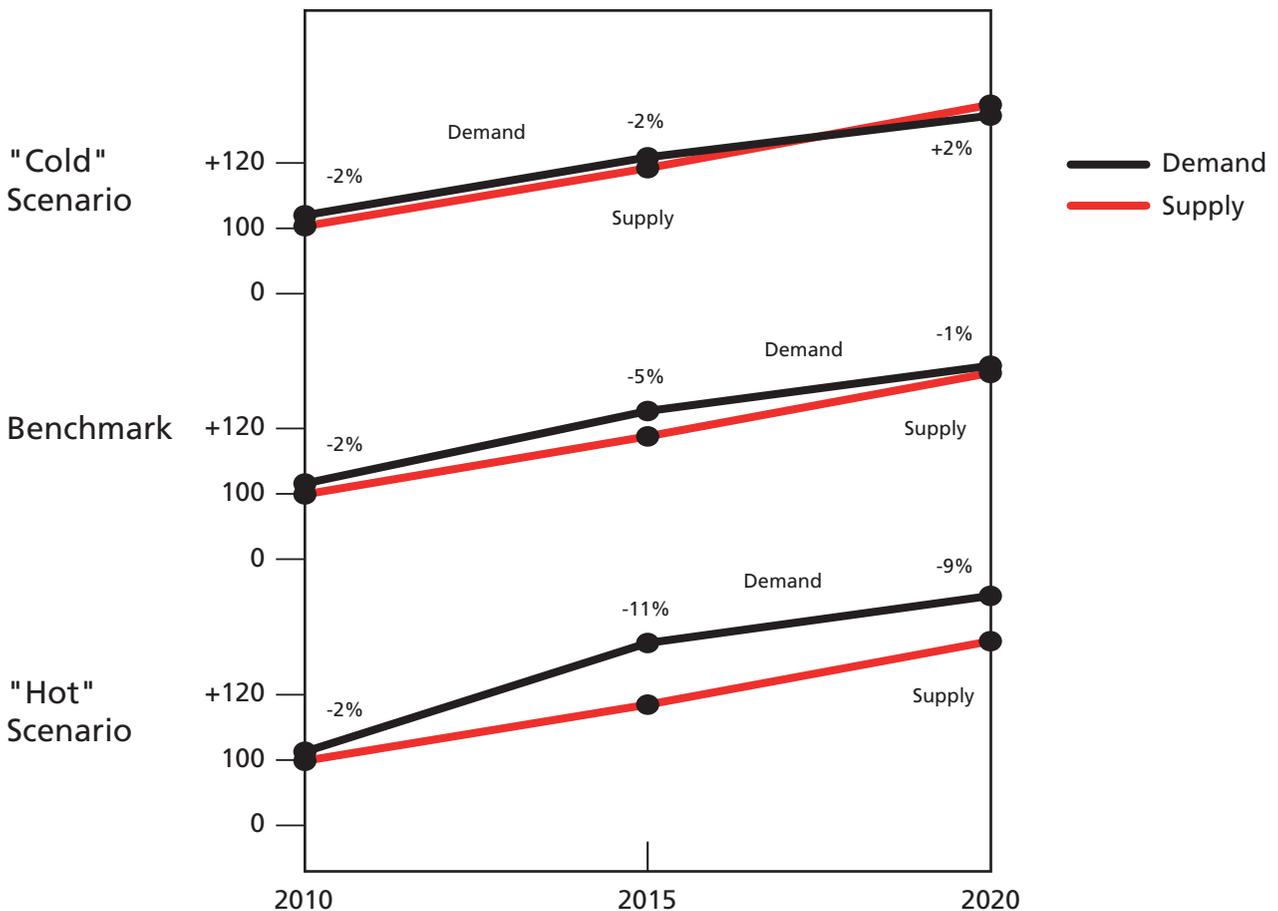
FUTURE SUPPLY / DEMAND BALANCES – BENCHMARK SCENARIO

The 2010 Update presents various global supply/demand balance scenarios for the next decade. The central or “benchmark” scenario represents BIMCO and ISF’s view of the most likely trends, based on recent developments and the opinions of key players taken from the various surveys conducted for the study.

Figure S.1 Supply Demand Gap for Officers

Sensitivity to Fleet Growth

Demand and Supply are shown as Indices: Supply in 2010 = 100 with % gap (supply-demand)



Source: BIMCO/ISF estimates

This “benchmark” assumes a modest increase in the number of ships in the world fleet of 2.3% per annum (very similar to the average growth rate of the past decade). Manning levels are assumed to decline slightly on average, and back up ratios are cautiously assumed stable. On the supply side, it is assumed that recruitment rates will continue at roughly the same rate as during the previous decade, but wastage rates (i.e. net loss rates from the industry) will be higher by around 1% per annum. Despite these quite conservative assumptions, the current moderate officer shortage is expected to persist, unless maritime training is further increased, and/or measures are taken to reduce wastage rates. If general economic conditions continue to improve (as indicated in the “hot” scenario), there could be quite severe problems. This forecast is also sensitive to various other factors which are explored more fully in the main report.

KEY POINTS

- Overall the situation in 2010 is one of approximate balance between supply and demand, although there is evidence of a slight (2%) shortage of officers. Shortages are more acute in specialised sectors such as tankers and OSVs. With regard to certain nationalities there is an underlying concern about the current and future availability of senior officers;
- Continued positive trends in both demand and supply despite the recession; demand has grown apace;
- Some evidence of continuing recruitment and retention problems but not as severe as envisaged by the 2005 Update, probably an effect of the downturn;
- There is evidence of a notable improvement in supply side numbers over the past 5 years, particularly in the Far East (notably China, India and the Philippines) but also in several OECD countries;
- The 2010 Update is the most comprehensive BIMCO/ISF study conducted so far and a more reliable picture has been achieved. However, the results cannot be directly compared with previous studies; and
- Supply appears likely to increase in some countries but improved training and recruitment levels need to be maintained to ensure a future pool of suitably qualified and high calibre seafarers.

CONCLUSION

This new Update highlights that the industry is likely to face a challenging future for crewing. There are many uncertainties, but the results indicate that the industry will most probably face a continuing tight labour market, with recurrent shortages for some officers, particularly if shipping markets recover. Unless measures are taken to ensure a continued rapid growth in qualified seafarer numbers, especially for officers, and/or to reduce wastage from the industry, existing shortages are likely to intensify over the next decade. Supply appears likely to increase in many countries, but the positive trend that has been established for training and recruitment over the past few years must continue to ensure a suitable future pool of qualified seafarers.

It is important to stress that the industry requires well qualified and high calibre seafarers capable of adapting to change and handling the wide range of tasks now required of them. Any training programme provided must ensure quality is not compromised in the quest for increasing quantity.

It is hoped that this new study will again help to ensure relevant measures are taken to avoid serious difficulties.

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