

INDIAN SEAFARING OFFICERS

Compensation and Benefits Survey - 2010



Conducted by

ISF HR Services





Foreign Owners Representatives and Ship Managers Association (FOSMA) is the pioneer association of Foreign Ship-owners Representatives, Foreign Ship Managers, Ship Manning Agents in India. It was established in the year 1989. From small beginnings, FOSMA has today risen to its present eminent position comprising of over 30 member companies representing majority of Indian Seafarers working on foreign flag vessels.

FOSMA is actively involved in representing the views of the industry, and working along with the maritime administration of India in matters relating to Recruitment and Placement of Seafarers, Merchant Shipping, Maritime Education and Training, Assessment, Examination and Certification Matters, Maritime Labour Conventions, STCW matters, etc.

FOSMA has also been running its own maritime training institutes for the general benefit of all seafarers at Kolkata, Delhi, Haldia and Mumbai, with a spread of courses from pre-sea to Master / Chief Engineer.



ISF HR Services, established in 2003, is a company actively involved in Training and Consultancy in Human Resource and Management areas and is a part of the ISF Group (www.isfgroup.in). Other activities of the Group include maritime training, distance learning programmes, maritime audits and surveys, software development and E-learning (www.ispelearning.com). The group fulfills its social responsibilities through various activities under the banner of Inner Search Foundation, a public charitable trust established in 2000.

The following members of the ISF HR Services have been involved in the survey, statistical analysis and authoring the **“ISF Seafaring Officers Wages Benchmarking Report – 2010”**.

Pawan Kapoor is the Chief Executive of ISF HR Services. He is a marine engineer, with career spanning 29 years, during which he has sailed for 10 years and has worked ashore in the maritime education sector for 19 years. With over 11 years experience in developing and managing training organizations, he has used his experience in writing several project/feasibility reports for institutes in India.

Poonam Kapoor has a Masters degree in Economics. She is involved in research activities and has a working paper titled “India’s Trade in Services” published by University of Mumbai in July 2009. She has been instrumental in inception and growth of various entities within the ISF Group. .

Participating Companies

The following FOSMA member and non member companies have participated in this benchmarking exercise:

1. Andromeda Shipping (India) Pvt. Ltd.
2. Bernard Schulte Ship Management India Pvt. Ltd.
3. Chellaram Shipping Pvt. Ltd.
4. Confidence Shipping Co. Pvt. Ltd.
5. Dockendale Shipping Company Ltd.
6. Dynacom Tankers Management Ltd.
7. ELITE Mariners Pvt. Ltd.
8. EMS Selandia Marine Services Pvt. Ltd.
9. Genoa Maritime (Cyprus) Ltd.
10. Herald Maritime Services Pvt. Ltd.
11. IMS Ship Management Pvt Ltd.
12. K Line Ship Management Co. Ltd. (KLSM)
13. K Steamship Agencies Pvt. Ltd
14. Mitsui O.S.K. Lines Maritime (India) Pvt. Ltd.
15. MMS Maritime (India) Pvt. Ltd.
16. Nortrans Maritime Services
17. NYK Shipmanagement PTE Ltd.
18. OMCI Shipmanagement.
19. Orient Ship Management & Manning Pvt. Ltd.
20. Pacific Shipping Pvt. Ltd.
21. Sea Team Management (India) Pvt. Ltd.
22. Torm Shipping India PVT. Ltd
23. V. Ships India Pvt. Ltd
24. Wallem Shipmanagement (India) Pvt. Ltd.
25. Wilhelmsen Ship Management (India) Pvt. Ltd.
26. World Tankers Management Pte. Ltd.

Abbreviations Used

- ASF – ASEAN Shipowners' Association
- BIMCO – The Baltic and International Maritime Council
- CAGR – Compound Annual Growth Rate
- FSO - Floating Storage and Offloading unit
- INSA – Indian National Shipowners' Association
- LNG – Liquefied Natural Gas
- LPG – Liquefied Petroleum Gas
- MASSA - Maritime Association of Shipowners
Shipmanagers and Agents
- Max – Highest value in a set of data
- Min – lowest value in a set of data
- P10 – 10th percentile in the set of data
- P25 – 25th percentile in the set of data
- P75 - 75th percentile in the set of data
- P90 – 90th percentile in the set of data
- PCC – Pure Car Carrier
- RORO – Roll-on/roll-off ship
- SD – Standard Deviation
- USD – United States Dollars

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1. Wages Benchmarking – 2010

This section presents the analysis of 2010 wages for the seafarers derived from the data shared by the participating companies. The outcomes have been presented in form of tables for various ship types as well as each rank under different ship types. The tables display statistical analysis like Mean, Median, Percentiles and Standard Deviations, etc. for each rank for efficient decision making. A brief explanation of the various statistical tools used has been included in the appendices.

1.1. Oil Tankers

Total respondents: 21 companies (80.77%). However the actual number of sea faring officers could not be determined from the data made available.

Master									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	9000	10230	10428	11000	11051	11600	12100	12536	861
Final Year Wages	10500	11857	12000	12600	12510	13000	13400	13750	781
Chief Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	9000	10028	10276	10824	10866	11385	11975	12486	856
Final Year Wages	10500	11516	11925	12520	12353	12913	13213	13350	731
Chief Officer / Second Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	6500	7806	8300	8520	8451	8762	9120	9400	607
Final Year Wages	7700	8946	9130	9400	9332	9525	9960	10200	510
Second Officer / Third Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	3600	4014	4232	4356	4377	4596	4785	5000	339
Final Year Wages	4200	4379	4515	4700	4729	4888	5129	5500	331
Electrical Officer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	3600	3816	4334	4500	4450	4721	4846	5000	376
Final Year Wages	4455	4560	4780	5150	5056	5338	5490	5596	352
Third Officer / Fourth Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	3100	3222	3504	3650	3639	3800	3911	4421	292
Final Year Wages	3500	3622	3713	3855	3929	4099	4219	4620	302
Deck Cadet									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	250	350	400	450	479	550	660	750	126
Final Year Wages	321	428	468	550	545	613	678	800	123
Trainee / Jr. Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	550	561	687	750	771	800	950	1200	169
Final Year Wages	561	588	700	776	794	808	1031	1200	170

1.2. Chemical Tankers

Total respondents: 10 companies (38.46%). In case of Deck Cadets and trainee Jr. Engineers, the total respondents are 8 companies (30.78%). However the actual number of sea faring officers could not be determined from the data made available.

Master									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	9000	10057	11049	11385	11225	11844	12130	12400	1000
Final Year Wages	10500	11721	12545	12773	12644	13088	13612	13723	924
Chief Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	9000	10026	10638	11150	11047	11624	12000	12350	954
Final Year Wages	10500	11493	12210	12600	12452	12920	13495	13550	880
Chief Officer / Second Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	6500	8442	8477	8640	8690	9125	9400	9796	849
Final Year Wages	7700	9129	9343	9660	9583	9930	10000	11125	821
Second Officer / Third Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	3600	4267	4300	4392	4385	4554	4650	4800	311
Final Year Wages	4200	4500	4503	4582	4711	4877	5112	5400	336
Electrical Officer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	3600	3696	4320	4446	4433	4763	4919	5100	482
Final Year Wages	4616	4692	4844	5096	5193	5354	5606	6560	562
Third Officer / Fourth Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	3200	3490	3559	3650	3650	3800	3820	3823	194
Final Year Wages	3500	3631	3725	4022	3906	4097	4100	4200	233
Deck Cadets									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	250	340	413	500	511	633	705	750	161
Final Year Wages	340	428	500	650	594	660	760	800	147
Trainee / Jr. Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	561	605	678	700	781	778	800	1650	283
Final Year Wages	561	700	700	747	816	785	800	1750	317

1.3. LPG

Total respondents: 8 companies (30.77%). However the actual number of sea faring officers could not be determined from the data made available.

Master									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	10174	10333	10840	11250	11178	11573	11937	12000	678
Final Year Wages	11857	11965	12344	12900	12853	13417	13658	13695	723
Chief Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	10026	10211	10655	11040	11012	11449	11772	11810	662
Final Year Wages	11493	11714	12151	12800	12645	13189	13439	13547	761
Chief Officer / Second Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	8300	8329	8396	8597	8687	8850	9206	9424	412
Final Year Wages	9127	9128	9165	9440	9506	9735	9956	10174	397
Second Officer / Third Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	4140	4195	4266	4320	4420	4474	4732	4997	286
Final Year Wages	4500	4503	4525	4579	4728	4836	5078	5297	295
Electrical Officer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	4329	4342	4371	4500	4528	4539	4754	5050	246
Final Year Wages	4575	4600	4743	4930	5047	5325	5605	5687	432
Third Officer / Fourth Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	3153	3355	3504	3610	3580	3735	3820	3821	229
Final Year Wages	3631	3672	3725	3795	3818	3916	3961	4022	138
Deck Cadets									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	400	425	455	484	505	538	605	660	91
Final Year Wages	468	478	492	575	570	653	657	660	100
Trainee / Jr. Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	600	625	663	700	700	753	776	782	69
Final Year Wages	700	700	700	735	738	773	778	782	44

1.4. LNG

Total respondents: 4 companies (15.38%). However the actual number of sea faring officers could not be determined from the data made available.

Master									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	9560	10172	11089	12618	11859	13009	13244	13400	2029
Final Year Wages	10570	10980	11594	12618	13863	15509	17244	18400	4061
Chief Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	9560	10055	10797	12033	11564	12567	12887	13100	1816
Final Year Wages	10170	10543	11102	12033	13434	15067	16887	18100	4147
Chief Officer / Second Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	8918	8986	9089	9260	9509	9805	10132	10350	748
Final Year Wages	8918	9094	9359	9800	10689	11575	12640	13350	2346
Second Officer / Third Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	4500	4509	4523	4545	5475	5963	6813	7380	1650
Final Year Wages	4545	4716	4973	5400	5935	6630	7368	7860	1721
Electrical Officer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	4000	4180	4450	4900	4637	4956	4989	5011	554
Final Year Wages	4250	4402	4631	5011	5054	5456	5722	5900	826
Third Officer / Fourth Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	2660	2788	2980	3300	3249	3543	3689	3786	565
Final Year Wages	2915	3072	3308	3700	3467	3743	3769	3786	480
Deck Cadets									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	410	439	483	555	555	628	671	700	205
Final Year Wages	530	547	573	615	615	658	683	700	120
Trainee / Jr. Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	660	688	730	800	787	850	880	900	121
Final Year Wages	800	810	825	850	850	875	890	900	71

1.5. Bulk Carriers / Self Unloaders

Total respondents: 19 companies (73.78%). In case of Deck Cadets and trainee Jr. Engineers, the total respondents are 15 companies (53.85%). However the actual number of sea faring officers could not be determined from the data made available.

Master									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	7025	7143	7450	7700	7671	8000	8100	8200	375
Final Year Wages	7654	8280	8415	8500	8688	9100	9200	10040	523
Chief Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	6809	7028	7363	7476	7510	7838	7986	8000	369
Final Year Wages	7600	8128	8229	8420	8503	8615	9101	9840	495
Chief Officer / Second Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	5694	5830	6000	6200	6261	6531	6765	7000	376
Final Year Wages	6254	6284	6467	6750	6774	6988	7330	7760	430
Second Officer / Third Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	3560	3675	3700	3800	3866	4000	4160	4300	213
Final Year Wages	3785	3890	4000	4175	4158	4250	4440	4630	225
Electrical Officer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	2647	3373	3670	3900	3905	4175	4316	5000	508
Final Year Wages	3642	4030	4200	4400	4463	4500	5040	5580	477
Third Officer / Fourth Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	2700	3007	3140	3200	3251	3339	3540	4000	282
Final Year Wages	3200	3264	3374	3450	3449	3525	3608	3800	155
Deck Cadets									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	350	370	443	468	479	513	580	650	83
Final Year Wages	435	450	468	550	538	600	640	650	76
Trainee / Jr. Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	500	524	625	750	720	776	902	1000	145
Final Year Wages	500	589	700	750	783	810	930	1325	201

1.6. Ro Ro / PCCs

Total respondents: 8 companies (30.78%). However the actual number of sea faring officers could not be determined from the data made available.

Master

Figures in \$ per month

Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	7100	7100	7155	7409	7394	7520	7680	8000	300
Final Year Wages	8057	8171	8435	8500	8561	8620	9040	9200	356

Chief Engineer

Figures in \$ per month

Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	7000	7000	7068	7310	7296	7400	7590	7950	308
Final Year Wages	7866	8093	8226	8400	8438	8440	8950	9150	384

Chief Officer / Second Engineer

Figures in \$ per month

Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	5714	5901	6000	6010	6132	6200	6504	6750	304
Final Year Wages	6104	6278	6535	6700	6751	7100	7120	7200	381

Second Officer / Third Engineer

Figures in \$ per month

Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	3650	3690	3766	3840	3874	4000	4028	4100	158
Final Year Wages	3841	3995	4065	4150	4232	4300	4700	4700	293

Electrical Officer

Figures in \$ per month

Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	2647	3379	3837	4000	3820	4010	4144	4322	485
Final Year Wages	3854	4064	4360	4450	4451	4700	4715	4775	310

Third Officer / Fourth Engineer

Figures in \$ per month

Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	3067	3093	3140	3200	3340	3500	3640	3800	264
Final Year Wages	3300	3345	3399	3500	3673	3900	4200	4200	361

Deck Cadets

Figures in \$ per month

Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	281	336	400	450	428	450	494	600	88
Final Year Wages	321	411	464	500	486	513	565	600	82

Trainee / Jr. Engineer

Figures in \$ per month

Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	550	550	561	600	636	700	772	782	94
Final Year Wages	561	561	590	650	659	718	774	782	90

1.7. Container Vessels

Total respondents: 10 companies (38.46%) in case of the top four ranks. However the actual number of sea faring officers could not be determined from the data made available.

Master									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	7166	7433	7500	7600	7720	8000	8090	8452	379
Final Year Wages	8435	8487	8540	8663	8928	9200	9634	9800	503
Chief Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	7068	7262	7400	7500	7596	7820	7992	8158	338
Final Year Wages	8226	8373	8440	8900	8824	9150	9363	9620	472
Chief Officer / Second Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	5640	5886	6010	6120	6247	6400	6818	7090	441
Final Year Wages	6154	6288	6535	7000	6890	7200	7518	7600	503
Second Officer / Third Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	3700	3730	3760	3820	3887	4033	4112	4140	171
Final Year Wages	3939	4006	4057	4125	4191	4225	4432	4740	247
Electrical Officer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	2647	3089	3834	3900	3817	4100	4344	4521	570
Final Year Wages	3700	4034	4132	4400	4459	4775	5040	5200	468
Third Officer / Fourth Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	2700	3020	3129	3150	3267	3585	3640	3800	335
Final Year Wages	3200	3280	3399	3424	3534	3800	3888	3900	261
Deck Cadets									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	281	329	388	450	434	470	513	600	95
Final Year Wages	321	398	459	475	481	525	570	600	88
Trainee / Jr. Engineer									
Figures in \$ per month									
Components	Market								SD
	Min	P10	P25	Median	Mean	P75	P90	Max	
First Year Wages	561	561	581	650	661	735	775	782	93
Final Year Wages	561	631	700	735	819	779	1091	1400	295

1.8. FSO / FPSO

There were only two sets of data available for this category. Hence the figures cannot be given out in view of maintaining confidentiality of participants. The tables of statistical figures could not be created as it is not possible to generate valid conclusions with minimal data.

The average wages in this category are as below:

- Master USD 10970.
- Chief Engineer USD 10970.
- Chief Officer and Second Engineer USD 8356.
- Second Officer and Third Engineer USD 7200.
- Electrical Officer USD 4620.

1.9. Off Shore Vessels

There was only one set of data available for this category. Hence the figures cannot be given out in view of maintaining confidentiality. The tables of statistical figures could not be created as it is not possible to generate valid conclusions with minimal data.

The average wages in this category for various ranks lies as under:

- Master USD 14000 – 14500.
- Chief Engineer USD 11700 - 12300.
- Chief Officer and Second Engineer USD 10000 - 11000.
- Second Officer and Third Engineer USD 5400 - 5700.
- Electrical Officer USD 6700 – 7100.

2. Additional Benefits for Seafarers - The Industry Trends

This section presents the benchmarking for additional benefits offered to seafarers for 2010. The data analysis has been presented in tables for each rank. The tables display the percentage of companies offering the particular benefit. It also shows the amount of benefits offered. Additional remarks have been made for better understanding and utility.

2.1. Master/Chief Engineer

<u>S.N.</u>	<u>Benefit Head</u>	<u>Percentage Respondents</u>	<u>Quantum/Range in USD</u>	<u>Remarks</u>
1	Superior Certificate Allowance	NA	NA	Only one respondent pays USD 50 per month as ISPS allowance
2	Standby Wages	61	0-3500	Most companies offer 15 days of standby wages at 50% of basic. In some cases the standby amount is paid irrespective of person being on standby or not.
3	Hardship Allowance	20	200-250	Paid per month for ships more than 13/15 years of age respectively
4	Family Carriage, Air Travel, Travel Insurance on company account	81	On actual	The limit on the travel expenditure varies from company to company. Some have a cap on the maximum expenditure towards travel while some have no limit but may restrict the travel to once in a year.
5	Victualing	100	6-9	Per day for spouse and children. Most companies are in the range of USD 7.5 per day.
6	Wages during Training Days	54	Basic Wages/fixed allowances (ranging between 20-45 USD) during training days.	Some companies also offer standby wages during training days. One ship owner also offers full wages during training days as the staff in on round the year wages. Additionally Travel and Boarding and lodging is paid by all companies.
7	Family Medical Coverage	54		Medicare or similar coverage is offered in general. Most companies go for floater coverage.
8	Gratuity	8	900-1000	Per month of service accumulated and paid after completion of certain period which could be around 5 years.
9	Pension Scheme	8	Variable	In one case 3% of annual income is accumulated to be paid after 5 years.
10	Loyalty	31	20- 650 per month.	Paid basis number of years of service with company or a lumpsum amount per year.

2.2. Chief Officer/Second Engineer

<u>S.N.</u>	<u>Benefit Head</u>	<u>Percentage Respondents</u>	<u>Quantum/Range in USD</u>	<u>Remarks</u>
<u>1</u>	Superior Certificate Allowance	88	100-300	Offered per month to those with Class I (Masters or Chief Engineers) license.
<u>2</u>	Standby Wages	62	0-2500	Most companies offer 15 days of standby wages at 50% of basic.
<u>3</u>	Hardship Allowance	23	200-250	Paid for ships more than 13/15 years of age respectively
<u>4</u>	Family Carriage, Air Travel, Travel Insurance on company account	70	On actual	The limit on the travel expenditure varies from company to company. Some have no limit but may restrict the travel to once in a year.
<u>5</u>	Victualing	100	6-9	Per day for spouse and children. Most companies are in the range of USD 7.5 per day.
<u>6</u>	Wages during Training Days	54	Basic Wages/fixed allowances (ranging between 20-45 USD) during training days.	Some companies also offer standby wages during training days. One ship owner also offers full wages during training days as the staff in on round the year wages. Additionally Travel and Boarding and lodging is paid by all companies.
<u>7</u>	Family Medical Coverage	54		Medicare or similar coverage is offered in general. Most companies go for floater coverage.
<u>8</u>	Gratuity	8	730 - 750	Per month of service accumulated and paid after completion of certain period which could be around 5 years.
<u>9</u>	Pension Scheme	8	Variable	In one case 3% of annual income is accumulated to be paid after 5 years.
<u>10</u>	Loyalty	27	20- 650 per month.	Paid basis number of years of service with company or a lumpsum amount per year.

2.3. Second Officer/Third Engineer

S.N.	Benefit Head	Percentage Respondents	Quantum/Range in USD	Remarks
<u>1</u>	Superior Certificate Allowance	81	50-250	
<u>2</u>	Standby Wages	58	0-1800	Most companies offer 15 days of standby wages at 50% of basic.
<u>3</u>	Family Carriage, Air Travel, Travel Insurance on company account	62	On actual	
<u>4</u>	Victualing	80	6 - 7.5	Per day for spouse and children. Most companies are in the range of USD 7.5 per day.
<u>5</u>	Wages during Training Days	54	Basic Wages/fixed allowances (ranging between 20-45 USD) during training days.	Additionally Travel and Boarding and lodging is paid by all companies.
<u>6</u>	Paid Study Leave	8	Two months basic to 6 months total wages	
<u>7</u>	Welfare Allowance	16	25-70	Anniversary, Gift Coupons, Calling Cards.
<u>8</u>	Family Medical Coverage	46		Medicare or similar coverage is offered in general. Most companies go for floater coverage.
<u>9</u>	Scholarship	4		
<u>10</u>	Loans	8		Up to USD 5000 in one case and on case to case basis for another company
<u>11</u>	Examination Subsidy	4	One month basic after 3 months of service.	
<u>12</u>	Gratuity	8	475-500	Per month of service accumulated and paid after completion of certain period which could be around 5 years.
<u>13</u>	Pension Scheme	8	Variable	In one case 3% of annual income is accumulated to be paid after 5 years.
<u>14</u>	Loyalty	23	20-300	Paid basis number of years of service with company or a lumpsum amount per year.

2.4. Electrical Officer

<u>S.N.</u>	<u>Benefit Head</u>	<u>Percentage Respondents</u>	<u>Quantum/Range in USD</u>	<u>Remarks</u>
<u>1</u>	Superior Certificate Allowance	4	600 per month	If holding an ETO certificate
<u>2</u>	Standby Wages	58	0-1800	Most companies offer 15 days of standby wages at 50% of basic.
<u>3</u>				
<u>4</u>	Family Carriage, Air Travel, Travel Insurance on company account	65	On actuals	The limit on the travel expenditure varies from company to company. Some have a cap on the maximum expenditure towards travel while some have no limit but may restrict the travel to once in a year.
<u>5</u>	Victualing	80	6 - 7.5	Per day for spouse and children. Most companies are in the range of USD 7.5 per day.
<u>6</u>	Wages during Training Days	50	20-80	Additionally Travel and Boarding and lodging is paid by all companies.
<u>7</u>	Welfare Allowance	20	25-70	Anniversary, Gift Coupons, Calling Cards.
<u>8</u>	Family Medical Coverage	46		Medicare or similar coverage is offered in general. Most companies go for floater coverage.
<u>9</u>	Loans	8		Up to USD 5000 in one case and on case to case basis for another company
<u>10</u>	Gratuity	8	440-510	Per month of service accumulated and paid after completion of certain period which could be around 5 years.
<u>11</u>	Pension Scheme	8	Variable	In one case 3% of annual income is accumulated to be paid after 5 years.
<u>12</u>	Loyalty	23	20-300	Paid basis number of years of service with company or a lumpsum amount per year.

2.5. Third Officer/Fourth Engineer

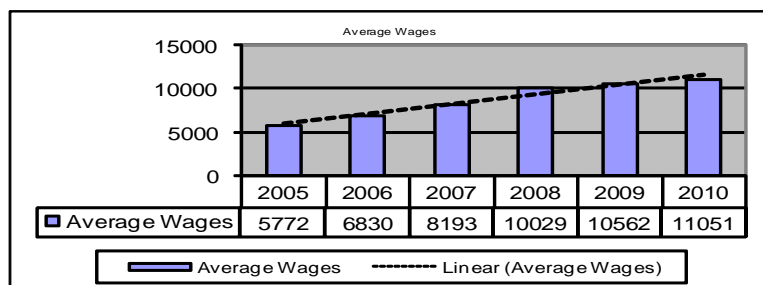
<u>S.N.</u>	<u>Benefit Head</u>	<u>Percentage Respondents</u>	<u>Quantum/Range in USD</u>	<u>Remarks</u>
<u>1</u>	Superior Certificate Allowance	23	100-175	For Holding Class II COC.
<u>2</u>	Standby Wages	54	0-1400	Most companies offer 15 days of standby wages at 50% of basic.
<u>3</u>	Family Carriage, Air Travel, Travel Insurance on company account	58	On actual	The limit on the travel expenditure varies from company to company. Some have a cap on the maximum expenditure towards travel while some have no limit but may restrict the travel to once in a year.
<u>4</u>	Victualing	80	6 - 7.5	Per day for spouse and children. Most companies are in the range of USD 7.5 per day.
<u>5</u>	Wages during Training Days	50	20-80	Additionally Travel and Boarding and lodging is paid by all companies.
<u>6</u>	Welfare Allowance	20	25-70	Anniversary, Gift Coupons, Calling Cards.
<u>7</u>	Family Medical Coverage	46		Medicare or similar coverage is offered in general. Most companies go for floater coverage.
<u>8</u>	Loans	8		Up to USD 5000 in one case and on case to case basis for another company
<u>9</u>	Gratuity	8	360-425	Per month of service accumulated and paid after completion of certain period which could be around 5 years.
<u>10</u>	Pension Scheme	8	Variable	In one case 3% of annual income is accumulated to be paid after 5 years.
<u>11</u>	Loyalty	23	20-300	Paid basis number of years of service with company or a lumpsum amount per year.

3. Wage Trends over the Years (2005-2010)

This section represents the trends of the rate of increase in average wages for the seafaring officers from 2005 – 2010. The data has been presented in the form of graphs for various ship types as well as each rank under different ship types. Trend lines have been displayed for better understanding. In addition, tables of Year - On - Year increase in wages have been included to display the increase in average wages as compared to the previous years. The CAGR (Compounded Annual Growth Rate) as a percentage has also been mentioned.

3.1. Oil Tankers

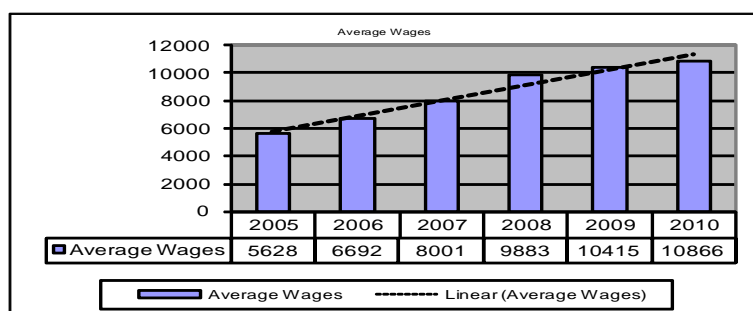
Master



CAGR: 14.45%

Year On Year Increase in Wages for the industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
18.33	19.96	22.41	5.31	4.63

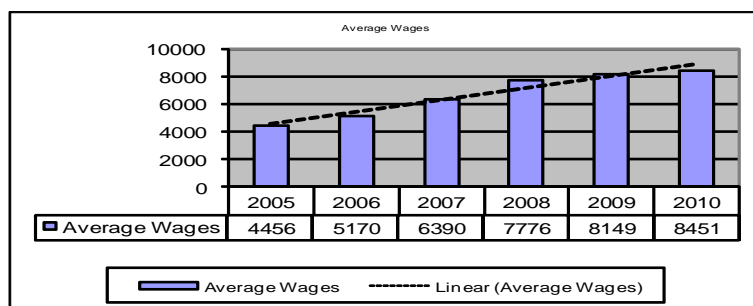
Chief Engineer



CAGR: 14.79%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009-10
18.91	19.56	23.51	5.38	4.33

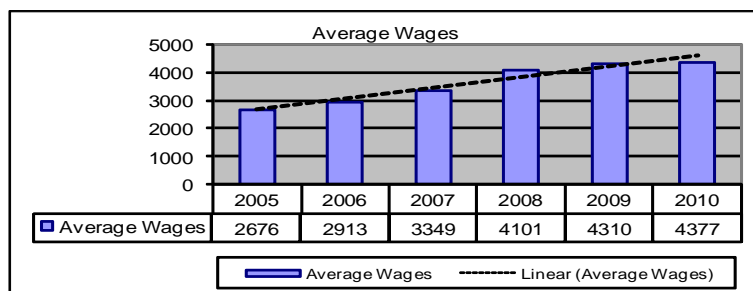
Chief Officer / Second Engineer



CAGR: 14.57%

Year On Year Increase in Wages for the industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009-10
16.03	23.59	21.70	4.80	3.70

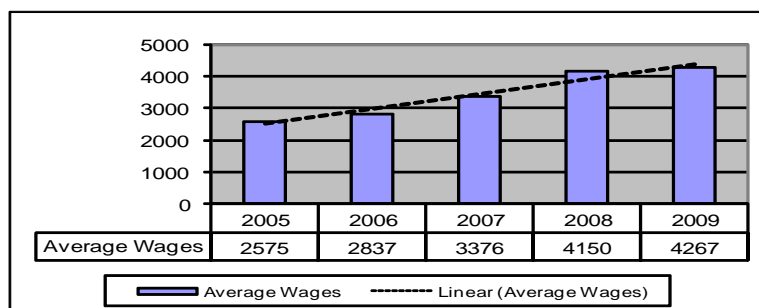
Second Officer / Third engineer



CAGR: 11.68%

Year On Year Increase in Wages for the industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009-10
8.88	14.94	22.48	5.08	1.55

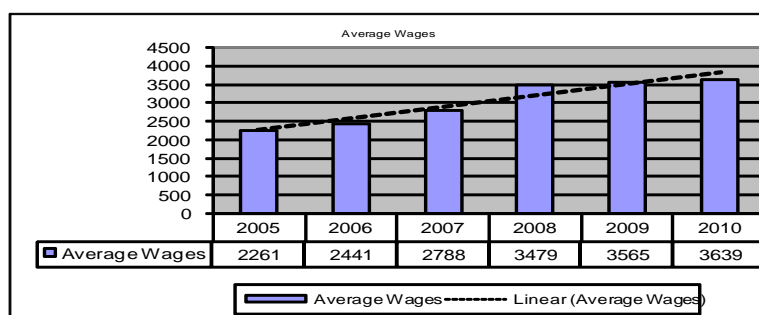
Electrical Officer



CAGR: 12.64%

Year On Year Increase in Wages for the industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009-10
10.19	18.99	22.93	2.82	4.30

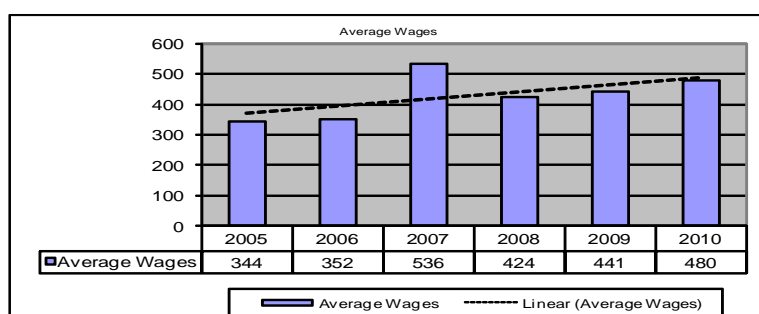
Third Officer / Fourth Engineer



CAGR: 11.32%

Year On Year Increase in Wages for the industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009-10
7.98	14.22	24.78	2.45	2.08

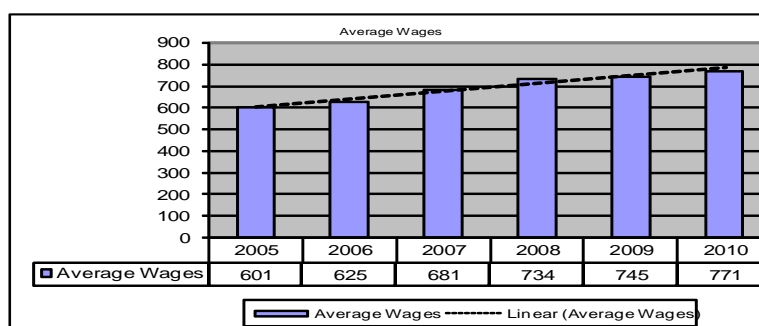
Deck Cadet



CAGR: 6.18%

Year On Year Increase in Wages for the industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009-10
2.29	52.17	-20.92	4.12	8.69

Trainee / Jr. Engineer

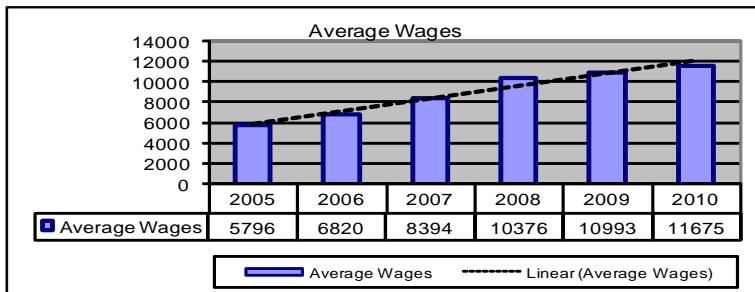


CAGR: 5.42%

Year On Year Increase in Wages for the industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009-10
3.99	8.98	7.85	1.39	3.51

3.2. Chemical Tankers

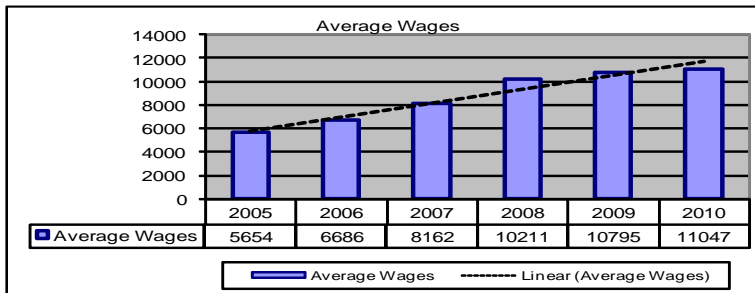
Master



CAGR: 15.84%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009-10
17.66	23.07	23.62	5.94	6.21

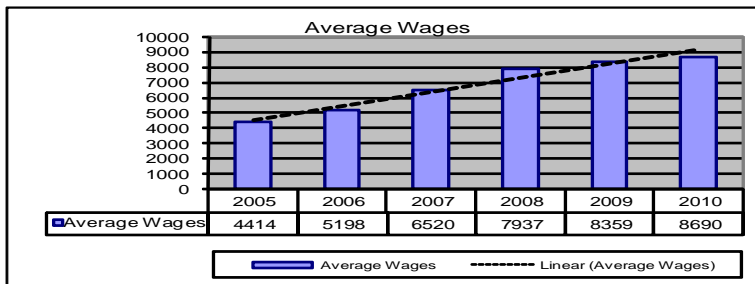
Chief Engineer



CAGR: 15.12%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
18.26	22.06	25.11	5.72	2.34

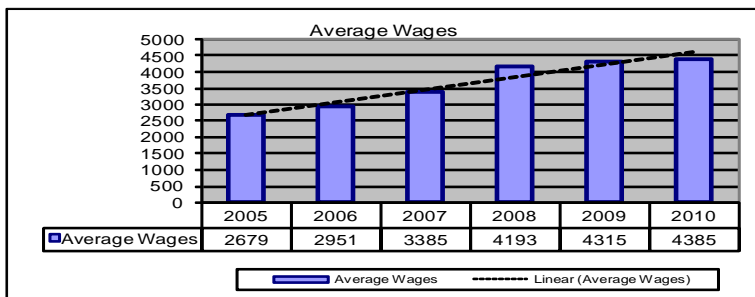
Chief Officer / Second Engineer



CAGR: 15.38%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009-10
17.76	25.42	21.74	5.32	3.96

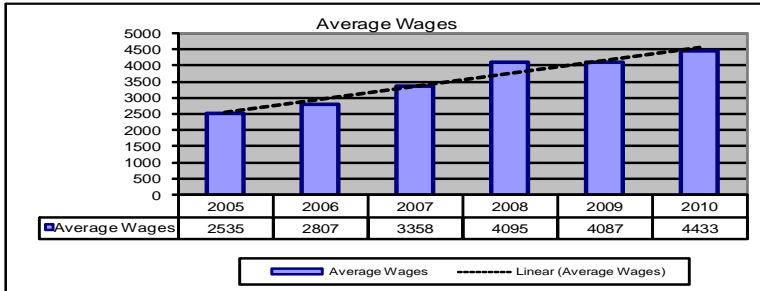
Second Officer / Third Engineer



CAGR: 11.70%

Year On Year Increase in Wages for the industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
10.14	14.71	23.86	2.91	1.62

Electrical Officer



CAGR: 11.13%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
10.74	19.62	21.96	-0.20	8.46

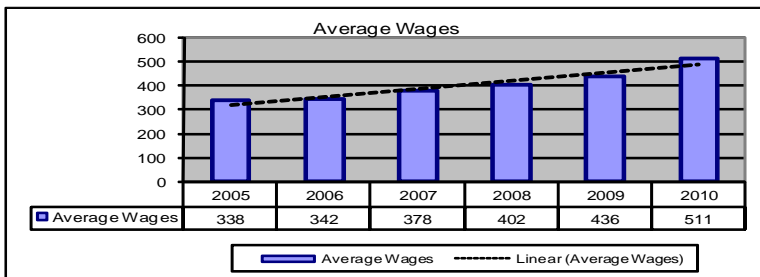
Third Officer / Fourth Engineer



CAGR: 11.10%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
6.89	11.43	16.92	6.63	7.89

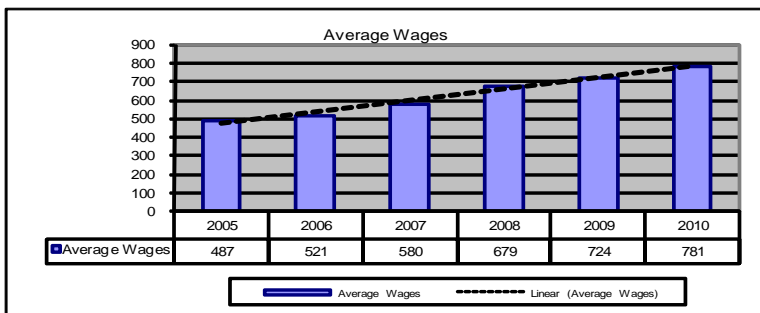
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CAGR: 8.69%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
1.10	10.41	6.33	8.62	17.12

Trainee / Jr. Engineer

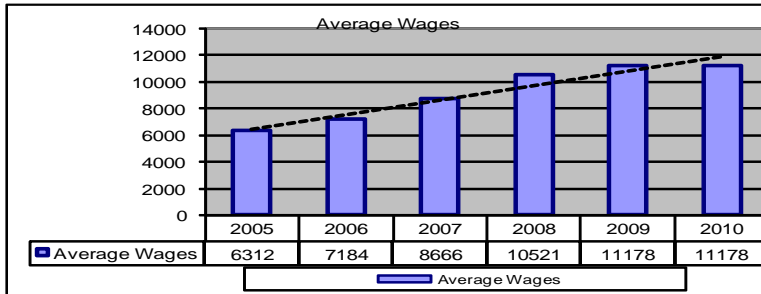


CAGR: 10.43%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
6.89	11.43	16.92	6.63	7.89

3.3. LPG

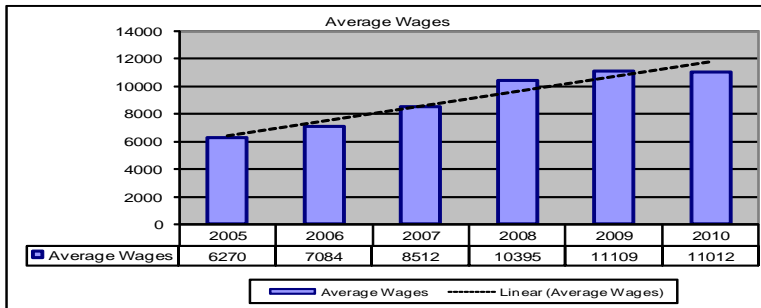
Master



CAGR: 13.09%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009-10
13.81	20.63	21.41	6.24	0.01

Chief Engineer



CAGR: 13.10%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
12.98	20.16	22.12	6.87	-0.88

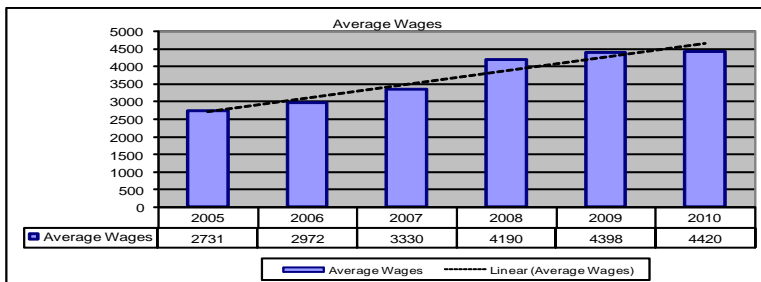
Chief Officer / Second Engineer



CAGR: 14.78%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
19.35	23.16	23.88	6.50	-1.70

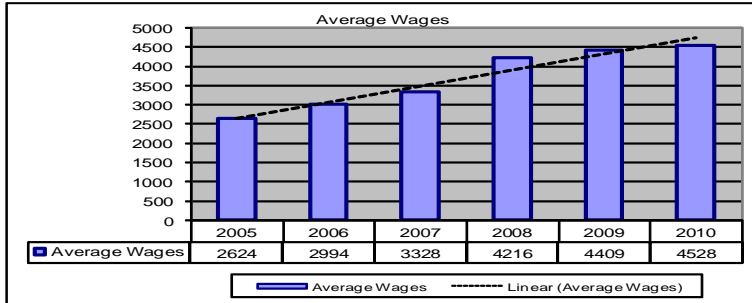
Second Officer / Third Engineer



CAGR: 11.16%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
8.80	12.06	25.83	4.97	0.48

Electrical Officer



CAGR: 12.20%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
14.11	11.13	26.70	4.57	2.71

Third Officer / Fourth Engineer



CAGR: 12.09%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
13.51	14.83	24.86	4.53	-0.86

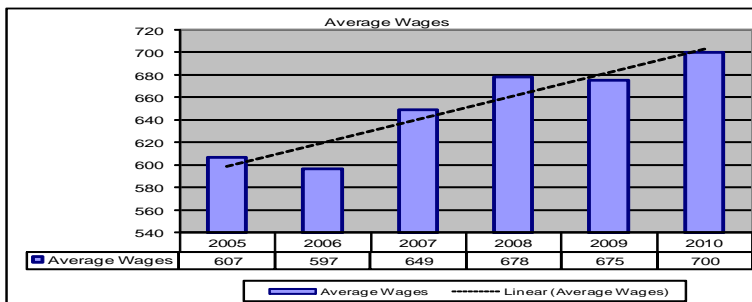
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CAGR: 3.76%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
1.95	5.88	4.05	-0.73	6.86

Trainee / Jr. Engineer



CAGR: 3.49%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
-1.71	8.82	4.45	-0.40	3.70

3.4. LNG

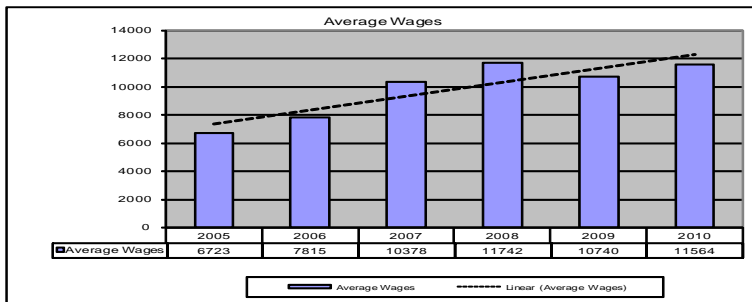
Master



CAGR: 11.51%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
16.60	32.97	12.87	-8.14	7.40

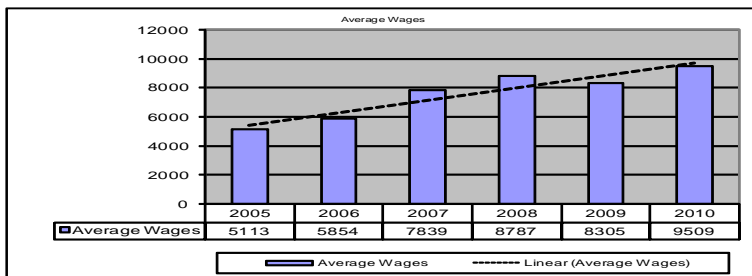
Chief Engineer



CAGR: 11.93%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
16.24	32.79	13.14	-8.53	7.68

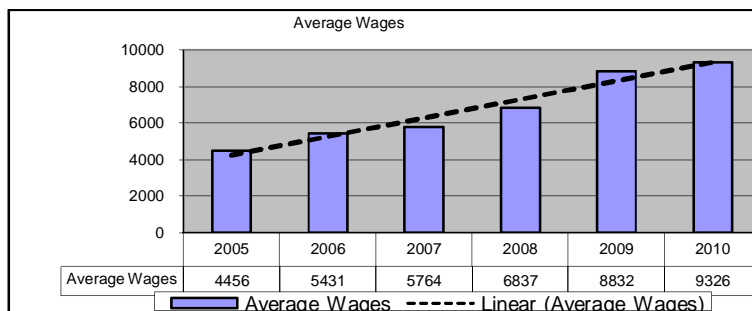
Chief Officer / Second Engineer



CAGR: 12.39%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
14.49	33.91	12.10	-5.49	14.51

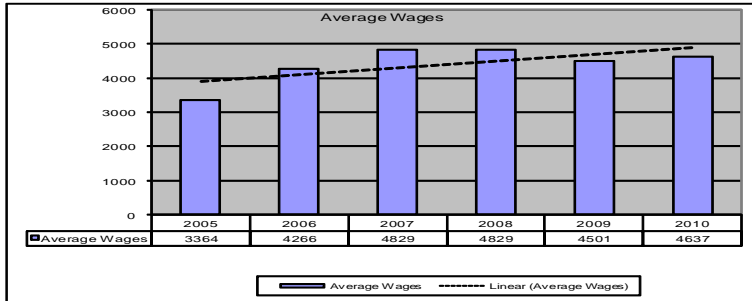
Second Officer / Third Engineer



CAGR: 6.03%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
-2.12	27.95	1.77	-2.41	29.60

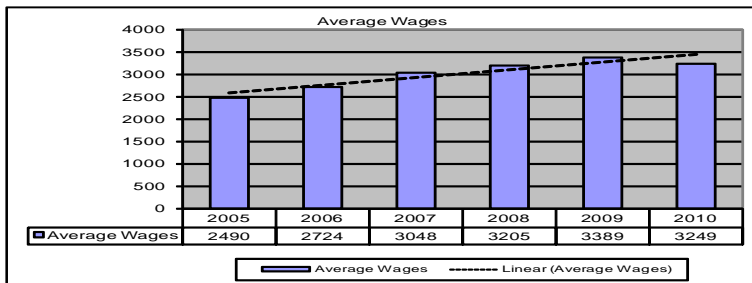
Electrical Officer



CAGR: 7.00%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
26.80	13.19	0.00	-6.79	3.03

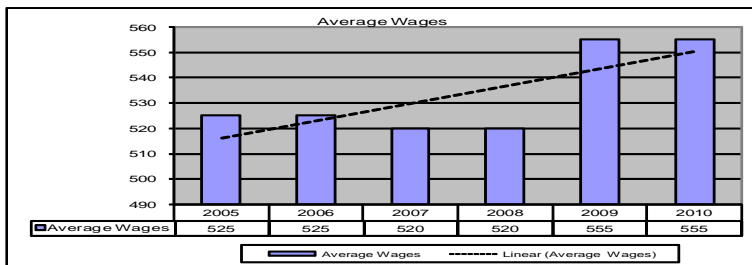
Third Officer / Fourth Engineer



CAGR: 5.99%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
9.43	11.89	5.16	5.71	-4.13

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CAGR: 1.28%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
0.00	-0.95	0.00	6.73	0.00

Trainee / Jr. Engineer

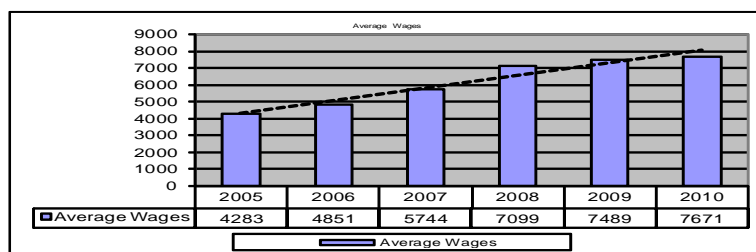


CAGR: 4.67%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
0.00	4.20	3.08	6.90	1.51

3.5. Bulk Carriers / Self Unloaders

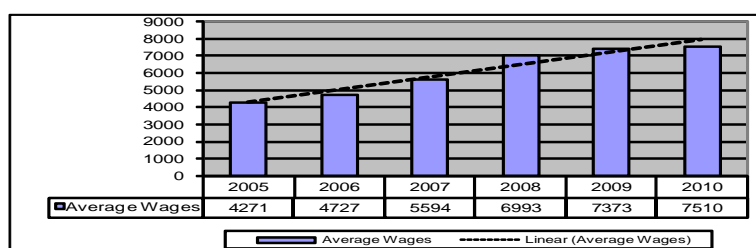
Master



CAGR: 13.49%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
13.24	18.41	23.61	5.49	2.44

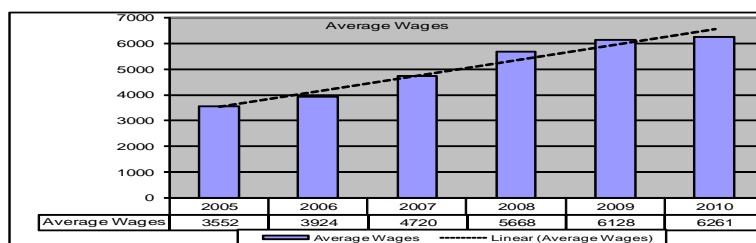
Chief Engineer



CAGR: 13.38%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
10.66	18.33	25.01	5.44	1.86

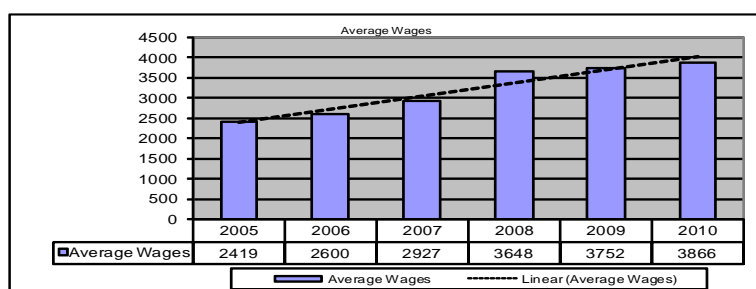
Chief Officer / Second Engineer



CAGR: 13.61%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
10.48	20.28	20.08	8.12	2.18

Second Officer / Third Engineer



CAGR: 11.04%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
7.50	12.56	24.64	2.86	3.02

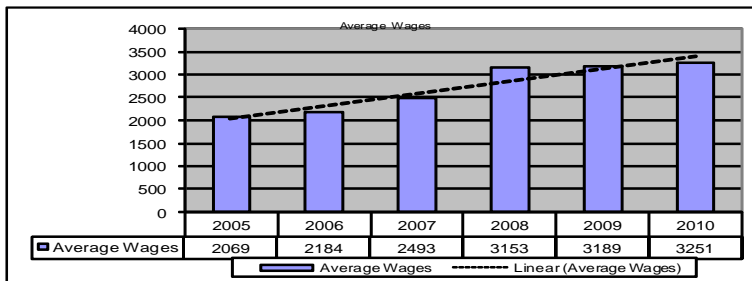
Electrical Officer



CAGR: 12.87%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
6.72	6.68	37.87	-2.25	4.80

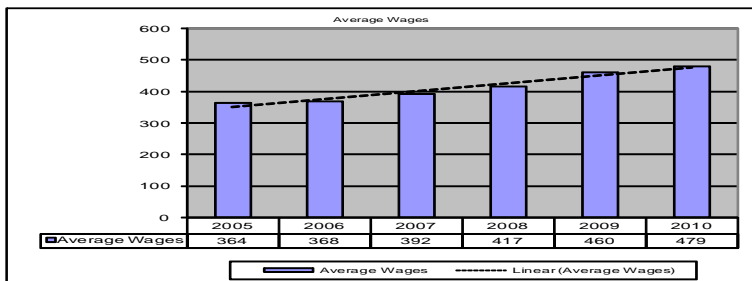
Third Officer / Fourth Engineer



CAGR: 10.93%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
5.56	14.14	26.45	1.15	1.96

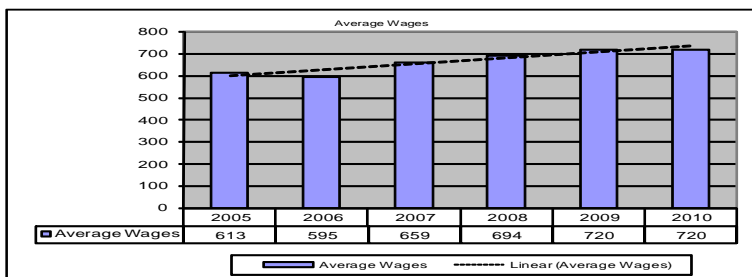
Deck Cadet



CAGR: 6.28%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
1.30	6.43	6.27	10.30	4.14

Trainee / Jr. Engineer



CAGR: 4.23%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
-2.97	10.74	5.24	3.84	-0.03

3.6. Ro Ro / PCCs

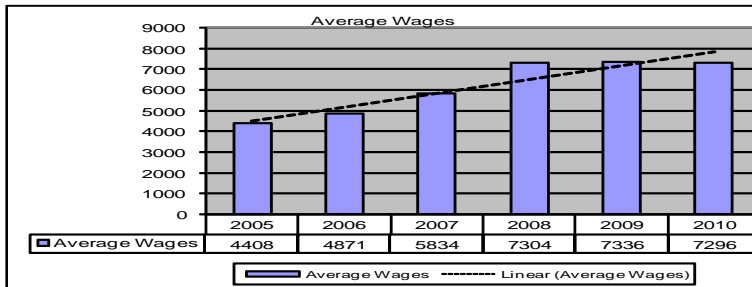
Master



CAGR: 11.84%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
11.30	18.47	23.60	0.34	-0.13

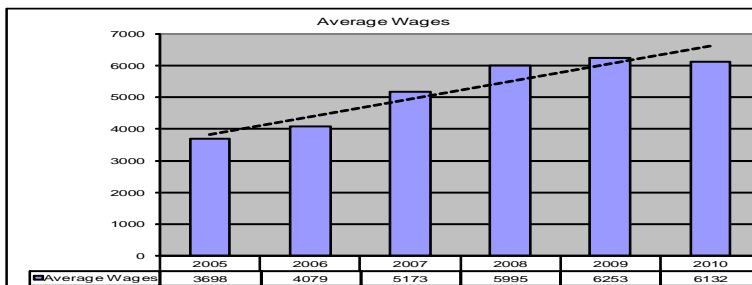
Chief Engineer



CAGR: 12.34%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
10.51	19.77	25.19	0.45	-0.54

Chief Officer / Second Engineer



CAGR: 12.26%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
10.30	26.82	15.88	4.30	-1.94

Second Officer / Third Engineer



CAGR: 10.87%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
10.45	14.07	25.08	0.21	0.77

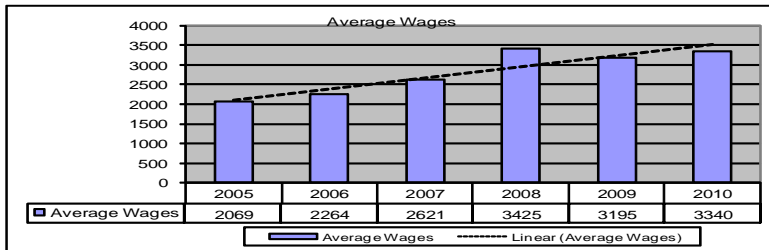
Electrical Officer



CAGR: 11.33%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
9.68	3.47	50.53	-10.93	6.74

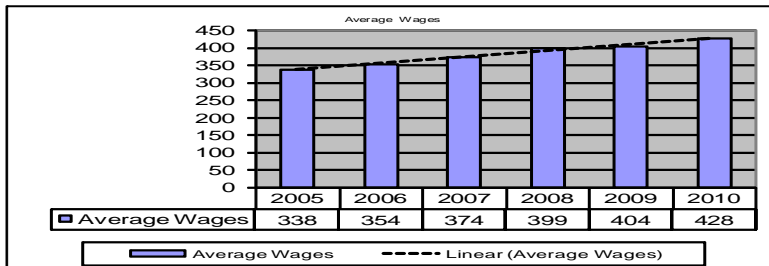
Third Officer / Fourth Engineer



CAGR: 11.18%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
9.45	15.76	30.66	-6.71	4.53

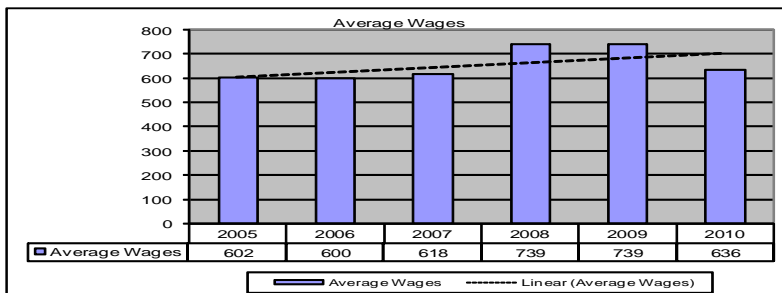
Deck Cadet



CAGR: 4.82%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
4.67	5.83	6.62	1.25	5.81

Trainee / Jr. Engineer

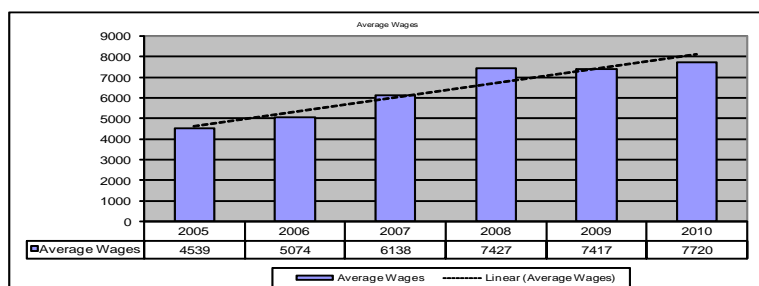


CAGR: 6.26%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
-0.44	3.16	19.43	0.00	-13.89

3.7. Container Vessels

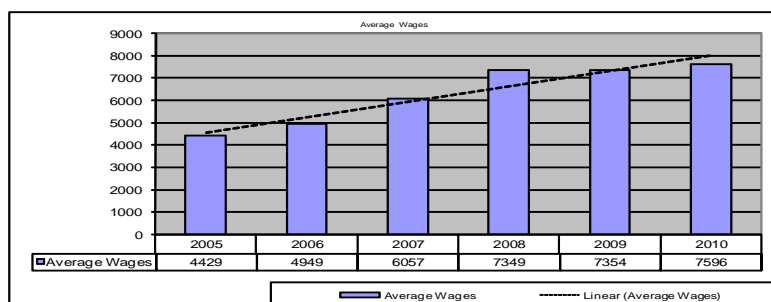
Master



CAGR: 12.06%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
11.78	20.96	21.00	-0.13	4.08

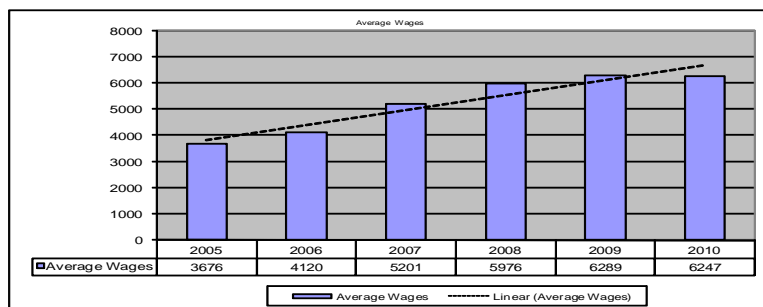
Chief Engineer



CAGR: 12.39%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
11.74	22.38	21.34	0.08	3.29

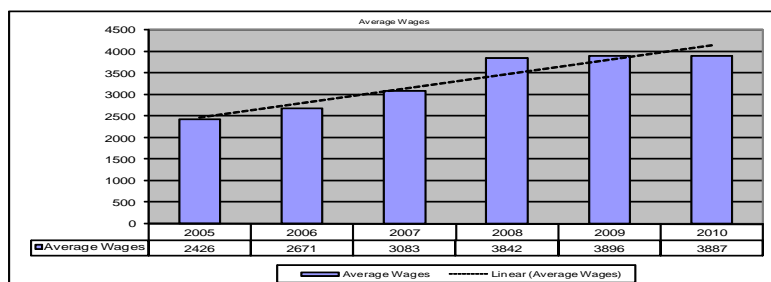
Chief Officer / Second Engineer



CAGR: 12.30%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
12.08	26.25	14.89	5.24	-0.67

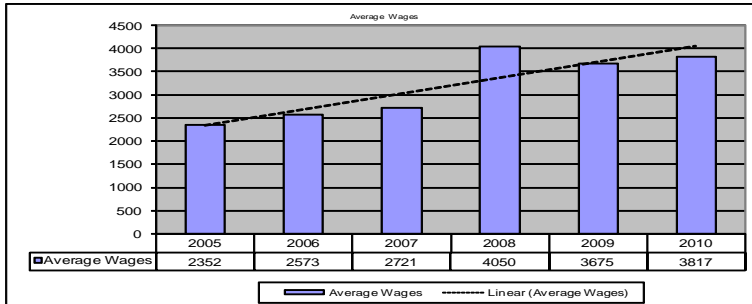
Second Officer / Third Engineer



CAGR: 11.18%

Year On Year Increase in Wages for the industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
10.09	15.42	24.62	1.40	-0.21

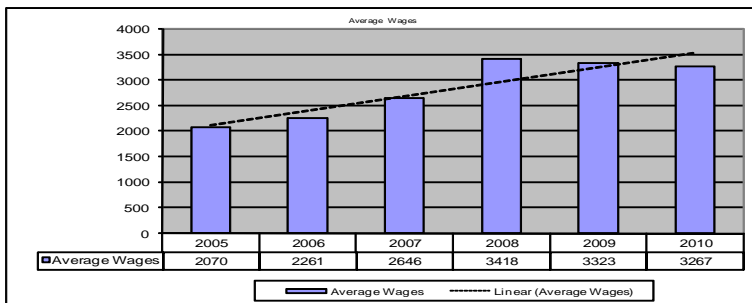
Electrical Officer



CAGR: 11.65%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
9.42	5.76	48.84	-9.25	3.85

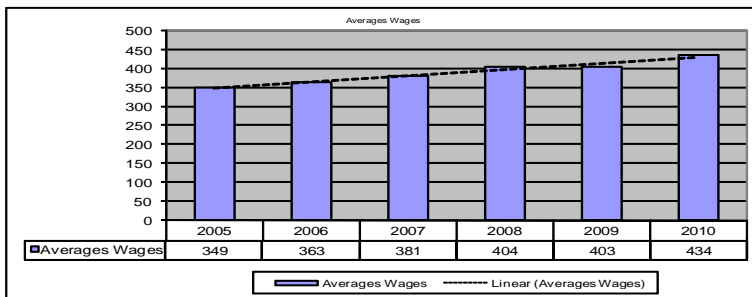
Third Officer / Fourth Engineer



CAGR: 11.13%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
9.21	17.04	29.17	-2.78	-1.67

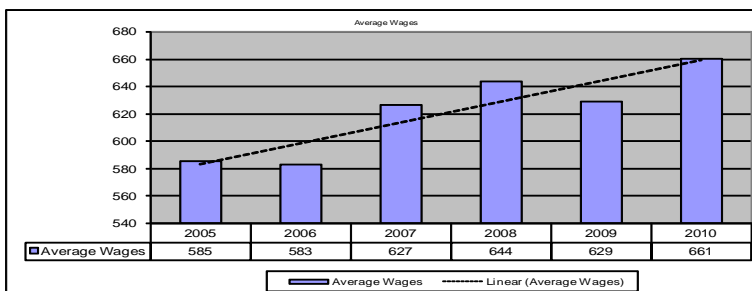
Deck Cadet



CAGR: 4.26%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
4.07	4.92	5.91	-0.10	7.65

Trainee / Jr. Engineer

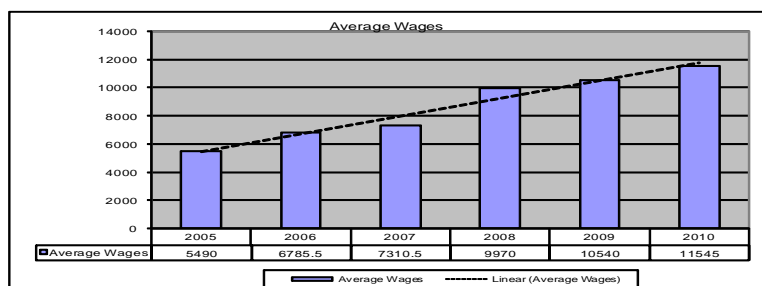


CAGR: 2.49%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
-0.40	7.50	2.71	-2.22	4.96

3.8. FSOs / FPSOs

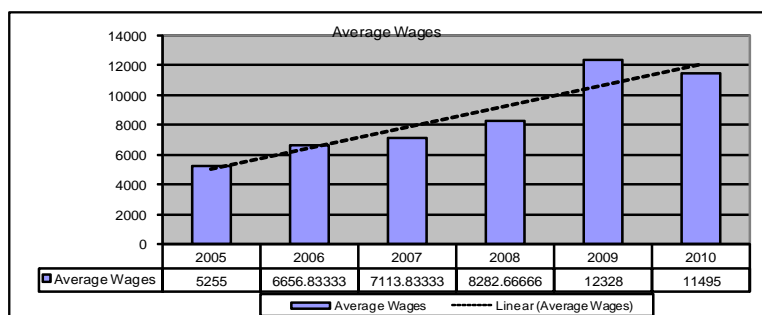
Master



CAGR: 16.51%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
23.60	7.74	36.38	5.72	9.54

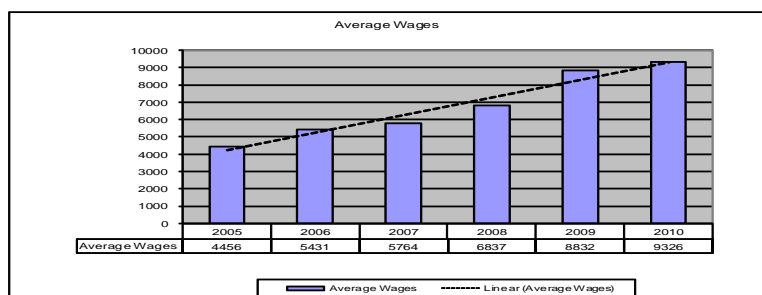
Chief Engineer



CAGR: 18.41%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
26.68	6.87	16.43	48.84	-6.76

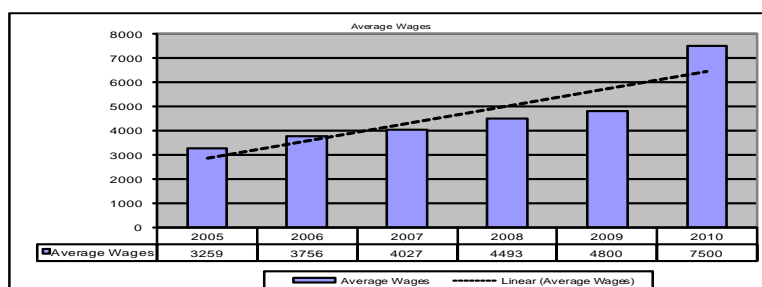
Chief Officer / Second Engineer



CAGR: 16.42%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
21.88	6.13	18.61	29.19	5.59

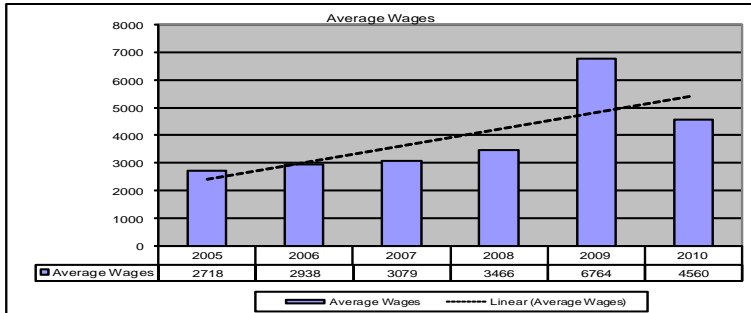
Second Officer / Third Engineer



CAGR: 15.40%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
15.24	7.22	11.57	6.83	56.25

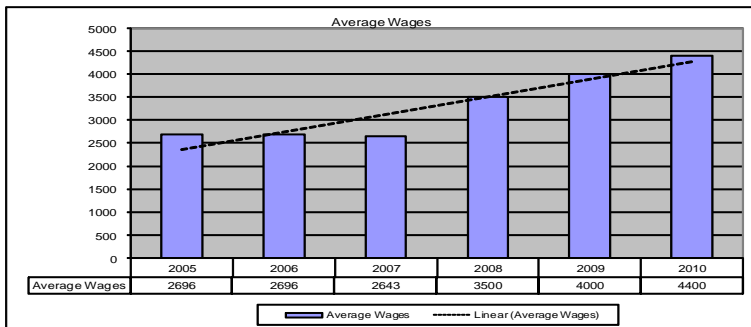
Electrical Officer



CAGR: 16.04%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
8.11	4.79	12.55	95.18	-32.58

Third Officer / Fourth Engineer



CAGR: 11.83%

Year On Year Increase in Wages for the Industry				
2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
0.00	-1.97	32.43	14.29	10.00

4. Survey Outcomes, Conclusions and Recommendations

4.1. Introduction:

Wages benchmarking is the prime objective of this survey with details in the preceding sections of the report. However a study of wages alone does not give a holistic view of the human resources situation prevailing in the industry which is required for inclusive decision making.

To develop this report as an effective guide, this section of the report includes a further study of various industry data and takes an integrated approach for drawing conclusions and making recommendations.

4.2. Target Population

This study was carried out on Indian deck and engineering officers on board ships of FOSMA represented companies, and two other major ship management companies. The total number of Indian officer onboard positions covered in this survey is 7230 from 26 companies for the period 2010. This includes 6004 certified officers (including electrical officers) and 1226 Trainees (Deck Cadets, Trainee Engineers and Junior Engineers).

The breakup of the 26 participating companies in various categories is given in Table 1 below. Category 1 companies are those which have less than 200 officer positions onboard, Category 2 are between 200-500 officer positions on board and Category 3 are those with more than 500 officer positions onboard.

Table 1: Breakup of Participating Companies

COMPANY TYPE	CATEGORY 1	CATEGORY 2	CATEGORY 3	TOTAL
Ship Owning	4	2	2	8
Ship Management	6	2	3	11
Recruiting Agencies	4	0	2	6
Total*				25*

4.3. Manning Scales

The following table shows the current average manning scales in the industry. Variations were observed in some cases in terms of higher number of trainees,

* While the total number of companies participating in this survey is 26, one of the ship owning respondent company is provided manning by two recruiting agencies who are also participants in this benchmarking survey. For this reason the total number of respondents above is worked out as 25.

presence of a Radio Officer or Administrative Clerk/Officer onboard in some companies.

Table 2: Manning Scales in the Industry

CATEGORIES	RANKS	NO.
Management Level Officers	Master, Chief Officer, Chief Engineer and Second Engineer.	4
Operational Level Officers	Second Officer, Third Officer, Third engineer, Fourth engineer, Electrical Officer	5
Officer Trainee	Deck Cadet, Trainee / Junior Engineer	2
Petty Officers	Fitter, Pump man, Bosun	3
Saloon Staff	Chief Cook, Second Cook, Mess Man	3
Ratings	Able Seaman, Ordinary Seaman, Motorman, Wiper, Trainee	8
Total		25

4.4. Seafarers Wage Trends

Wages of seafarers are affected by several factors. The major influencing factor is supply and demand of seafarers. In an economic slowdown coupled with officer shortage scenario, wages have to be sustained or increased by companies to attract the right people to run the ships. However this increase is not as sharp as observed when there is shortage of seafarers during economic boom scenario.

The years 2004 to 2009 witnessed a sharp rise in overall wages of the seafarers with a CAGR 16.54 % for senior category (management level officers) and 13.97% CAGR for junior category (operational level officers excluding the cadets and trainee/junior engineers).

The 2009 and 2010 recession period did stall the upward trend which is evident from the figures obtained during this year's survey - 13.83% (CAGR) for the senior category while 11.22 % CAGR for the junior officers.

The average increase in wages in the year 2010 across different types of ships in the 26 companies covered in the survey is 3.59 %, while in 2009 with 24 companies participating in the survey was 2.70 %.

4.5. Current Indian Seafaring Officers' Onboard Positions

Besides FOSMA, the other major shipping associations like INSA and MASSA are also involved in Indian seafaring officers' supply. Based on various industry inputs, our assumption is that the 6004 officer positions covered through this survey represent approximately 1/3rd of the total Indian officers' onboard positions worldwide.

This indicates that there are around **18000** total onboard positions currently occupied by Indian officers. Assuming 1.5 to 2 times of this being the total active officers (including those on leave), gives us a figure of around **27000 to 36000** active Indian officers with foreign going licenses.

The number of officers enrolled in the national database of Indian seafarers - INDOS is given the Table 3 below:

Table 3: Details of Seafarers in Database as On 16/11/2010

RANK	TOTAL
CERTIFIED NAUTICAL OFFICERS	
EXTRA MASTER	4
MASTER (FOREIGN GOING SHIP)	7483
MASTER (HOME TRADE SHIP / MASTER (NCV))	222
MATE (FOREIGN GOING SHIP)	2409
MATE (HOME TRADE SHIP / CHIEF MATE (NCV))	250
NWKO (NCV)	612
NWKO(F.G)	4
SECOND MATE (FOREIGN GOING SHIP)	7333
TOTAL	18317
CERTIFIED ENGINEERING OFFICERS	
EXTRA FIRST CLASS ENGINEER	2
MARINE ENGINEER OFFICER CLASS I	5874
MARINE ENGINEER OFFICER CLASS II	3870
MARINE ENGINEER OFFICER CLASS III (CHIEF ENGINEER OFFICER NCV)	76
MARINE ENGINEER OFFICER CLASS III (SECOND ENGINEER OFFICER NCV)	265
MARINE ENGINEER OFFICER CLASS IV	7053
MARINE ENGINEER OFFICER CLASS IV (NCV)	632

SEA GOING ENGINE DRIVER	105
TOTAL	17877
TRAINEES AND RATING CATEGORY	
CADETS DECK (PRE SEA)	10348
CADETS ENGINEERING (PRE SEA)	10120
GENERAL PURPOSE CREW (PRE SEA)	22844
RATING CATERINGS (PRE SEA)	11700
POLYVALENT CADETS (PRE SEA)	84
RATINGS DECK	17710
RATING ENG	6581
TOTAL	79387
ANY OTHER CATEGORY	
ELECTRICAL OFFICERS	4157
MEDICAL OFFICERS	12
XL (FITTER/ PURSER/ERPO/POM)	9289
RADIO OFFICERS (COC HOLDER (AS SND))	899
ANY NATIONAL CDC & EXPERIENCE SEA-SERVICE	3744
UNDERGONE 4 BASIC MODULAR COURES & NO SEA-SERVICE	66793
TOTAL	84894
TOTAL (MANUAL)	200475
DETAILS OF SEAFARERS (ON-LINE) AS ON 16/11/2010	
NAUTICAL OFFICERS	5968
ENGINE OFFICERS	5558
POLEVALENT OFFICERS	74
MEDICAL OFFICERS	7
RADIO OFFICERS	489
DECK RATING	762
ENGINE RATING	124
SALOON RATING	1947
SEA SERVICE	2380
FRESH CADETS	46188
ELECTRICAL OFFICERS	291
G.P RATING	8698
TOTAL	72486
TOTAL MANUAL	200475
TOTAL ONLINE	72486
GRAND TOTAL	272961

The total number of registrations in the INDOS database including even those seafarers who may have got registered but have never sailed onboard ship is 272961.

The total registered officers with foreign going licenses (Given in Table 4. Online numbers are not broken down into to various sub categories because of the database software limitations) are around 49996. However this number does not give the actual figure of active seafaring officers.

Table 4: Total number of foreign going officers for 2010

FOREIGN GOING OFFICERS	TOTAL
MASTER OF A FOREIGN GOING SHIP	7483
MATE OF A FOREIGN GOING SHIP	2409
SECOND MATE OF A FOREIGN GOING SHIP	7333
MARINE ENGINEER OFFICER CLASS I	5874
MARINE ENGINEER OFFICER CLASS II	3870
MARINE ENGINEER OFFICER CLASS IV	7053
ELECTRICAL OFFICERS	4157
NAUTICAL OFFICERS	5968
ENGINE OFFICERS	5558
ELECTRICAL OFFICERS	291
Total 49996	

4.6. Requirements/Aspirations for the Future

ASF (2003) acknowledged severe shortage of seafarers in the region (Asia), particularly in the engineer officer category.

BIMCO manpower update (2005) states that for the year 2005 demand for officers was 4,76,000 while the supply lagged behind by 10,000 people i.e. 4,66,000. However the scenario for ratings was different. Supply for ratings which stood at 7,21,000 far exceeded the demand at 5,86,000.

Drewry annual report Manning (2009) concluded that the current shortfall for officers is 33,000 and is projected to rise to 43,000 by 2013 even allowing for a 10%

cancellation of planned new builds and a 10% increase in planned scrapping. The total Indian officers as per this report were 31200 and the percentage of India's share amongst the seafarer supplying countries for officers supply was 9.8%.

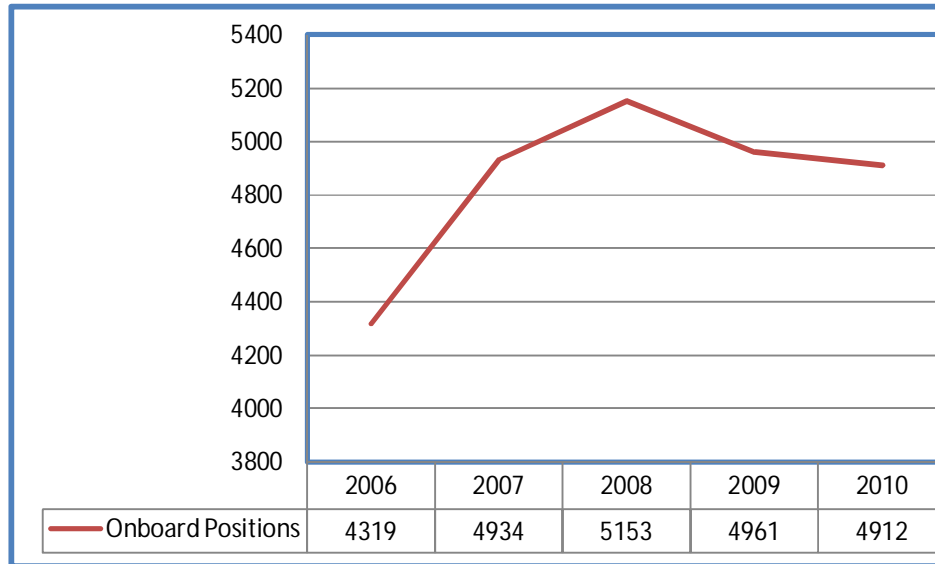
BIMCO manpower update (2010) which has just been published states that the worldwide supply of seafarers in 2010 is estimated to be 624,000 officers and 747,000 ratings, while the current worldwide demand for seafarers is 637,000 officers and 747,000 ratings. Their results suggest a situation of approximate balance between demand and supply for ratings, with a modest overall shortage of officers of about 2%. It states that this does not 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.

The conclusions of BIMCO 2010 report do clearly indicate one fact – the competition is getting tougher.

The above studies do not provide supply situation or the shortages experienced by individual countries. An attempt has been made in the present study to predict the expected growth of Indian positions onboard. For this the participant companies were required to provide data for future growth of Indian positions for the period of 2011 to 2013.

We also studied the available data for 15 of the participating companies whose data was consistently available for the period 2006-2010 to find how the positions onboard (including trainees) were changing. Our finding is that after an increase from 2006-2008, there has been a decline of available slots. Whether this is because of loss to other nationalities or an effect of overall number of ships reducing, could not be determined.

**Figure 1: Onboard Officer and Trainee Officer Position Change
(15 companies)**



Thirteen companies, out of the twenty six participating companies contributed to the requirement of predicting the growth in the coming three years. These 13 companies comprise of 60.89 percent of the population sample taken. On analyzing the results, the CAGR was found to be 15.46 percent. Figure 2 displays the Year on Year predictions.

Figure 2: Prediction of number of seafarers (13 companies)

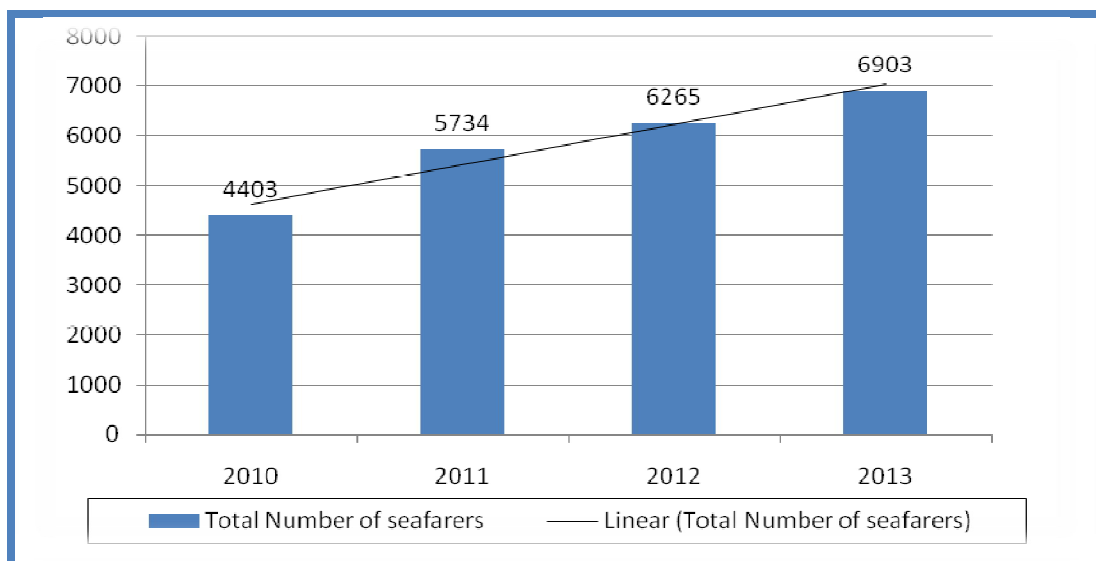
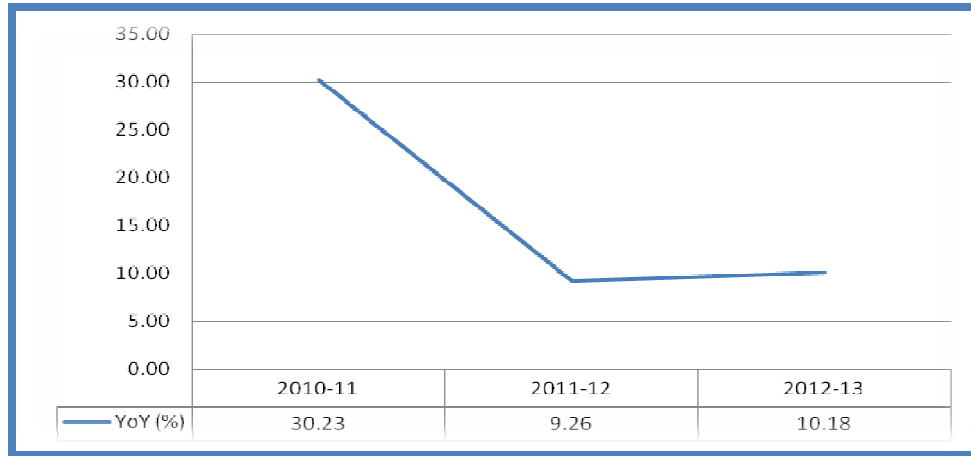


Figure 3: Prediction of year on year growth for 2010-2013



There is a sharp increase in expected growth rate for 2010- 2011 period because of impact of recession declining and new builds being delivered, the companies expect to grow while maintaining a balanced growth in 2012-2013 (Ref Figure 3).

4.7. Trends on Trainee Inductions:

The increase in number of trainees in companies throughout the period 2005 to 2008 was affected as the recession set in. This is shown in the data obtained from the 14 companies out of the total of 26 companies, who could provide the data during the current survey. The effect of recession on decisions pertaining to trainee intake is evident from the data.

Figure 4: Deck Cadet, Trainee & Jr. Engineers for 14 companies (2005-10)



4.8. Institute Capacities

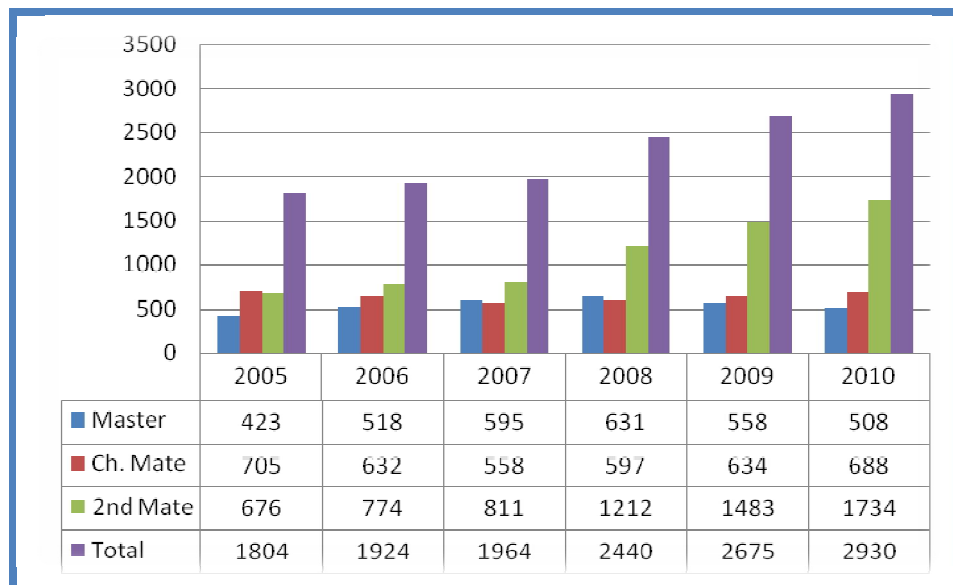
According to DG shipping (2009) the capacities were 3076 and 2999 for deck and engineering capacities respectively, taking the total number of trainees to 6075. However with one of the leading ship management company setting its own institute near Mumbai and several others getting approval, there has been increase in to the total numbers and capacities during the years 2009 and 2010 too, and this could be estimated to be at around 8-10% increase overall.

4.9. COC examination Trends

The number of candidates passing on yearly basis at the COC examinations has been on the rise. This is evident from the data on deck COC displayed in Figure 5. However the increased numbers have largely come from the 2nd Mate's examination while there has been a status quo at the Mates and Masters passing numbers. Overall, the increase in number of candidates passing various COC examinations from 2005-2010 has seen a CAGR of 10.93%.

The number of candidates passing examination on yearly basis depends on several factors including the capacities at MMDs, number of candidates appearing for the examinations, and perhaps their competence standard. It is a well known fact that many candidates go to other countries for obtaining their COC. The number of such candidates is not available from any common database.

Figure 5: COC Issuance (2005-2010)



Note: Extrapolated figures for 2010 as the available data was only up to October 2010.

4.10. Conclusions

The focus of the present report is the analysis of existing wages of seafaring officers. The collection, compilation, sorting and analyzing of data is done on the basis of the frame work established in the previous report submitted in 2009. Many findings and trends are quite similar to those of the previous report.

The years 2004-2008 saw a steep rise in the wages, while in the years 2009 and 2010 the wages have remained by and large the same or seen only a marginal increase. The global recession of late 2008 hit the shipping industry and the industry is still not completely out of its grip.

In thriving economy situation higher costs of managing a ship and higher cost of human resource seems justified, at least with a short term perspective. But the same costs cannot be justified in times of recession. However, in the economic slowdown situation, the shortage of officers especially at the management level has not left the players with many choices. Higher wages in diminishing business situation has put a lot of pressure on the entire industry. It even has adverse effect on the commitment and motivation of the seafarers. Higher demand and a lower supply situation, has put seafarers in a seemingly better negotiating position, but when probed deeper it is clear that the higher wages are making Indian seafarers less competitive in the global market.

If this trend continuously grows the member companies as well as Indian seafarer will suffer in the long run. The short term measure for solving the shortage of seafarers by offering higher wages is actually damaging the industry and all the parties involved in it.

No industry can function in isolation. It is important for companies to align their short term goal of keeping the ships running to the long term goal of remaining profitable and having a fair rationale for wages, their own health and the right motivation and attitude of seafarers. Higher wages with lesser onboard experience and mediocre competence will render Indians seafarers less preferred.

Analysis of the current situation must help companies and individuals to make better choices and take informed decisions. However the impact of the problems imposed by economic pressures cannot to be ignored as they may compel companies to take certain appropriate decisions. Let us look into various decision areas.

- Is it feasible to reduce the wages of seafarers to bring the costs down?

- Is it possible to further reduce the number of people onboard to keep the costs low? How does MLC 2006 impact this decision?
- Is the motivation to train larger numbers already getting diluted? Is this a correct approach?
- Are there any other innovative means which could be adopted to continue competence building of seafarers so that the industry may see the next economic boom with better numbers, better competence and better attitudes?
- What are the short term and long term goals which may affect our decisions?

4.11. Recommendations

An issue of wages of seafarers is multidimensional. The involvement of various players, competitors and commercial motives make it further complicated. However an effort to address this concern by FOSMA by initiating a survey of this kind is a concrete step towards an environment of better understanding, which should help all the involved parties optimize their resources with better economic gains and safer and cleaner environment.

Decision on appreciation of human resources involvement, by way of wages and other benefits entails a lot of general and market related awareness. Well informed decisions come from comprehensive information. Following steps can help achieve the desired objectives:

1. Improvement in data base maintained with various institutional bodies and their regular updates are essential. Even companies need to streamline their own data upkeep. While this recommendation was made last year too, a lot still needs to be done in this area.
2. Regular studies of the Indian manpower market involving all the interested parties and coverage of a larger representative population would be most desirable.
3. Training of young seafarers should continue and companies should have more berths created for accommodating the trainees.
4. Training Institutes need to be monitored more closely for their product. Substandard institutes should be watched closely and their improvement support.
5. Improvement in COC studies and examination administrative processes to ensure timely production of better quality officers. Innovative and modern methods may be adopted for examination system, COC issuance.

5. Appendices

5.1. The Process of Benchmarking Survey

➤ How was the study conducted

The entire survey exercise was split into the following distinct activities:

- Interview/Survey Form was designed by ISF in close conjunction with the FOSMA appointed technical committee for collecting the primary data through manual interviews with each company.
- Interview/Data Collection Process, this entire exercise of personal interviews with the representatives of the various companies and collection of data was carried out solely by Mr. Pawan Kapoor – Chief Executive of ISF HR Services to maintain complete confidentiality at all times.
- Verification of the data entered/provided by them was also carried out by checking a few employment contracts at random. No names of the companies appeared in any formal document. Each company on completion of the data collection was assigned a code which was passed on to the team involved in data entry.
- Data sorting out, construction of tables in spread sheets, developing graphs, applying statistical tools for arriving at key results.
- Report writing and presentation.

➤ Assumptions kept in mind for the study

- It is assumed that the top four officers sail for 7.5 months a year while the junior officers sail for 8 months a year.
- The study assumes the continuation of the demand and supply situation of personnel in the maritime labour market.

➤ Data and its Limitations

For any study of manpower to truly reflect a complete picture, the need of well collated data and records maintained over certain periods is essential. In the Indian maritime context, there are several sources in the industry where data is available but this stage it is rather fragmented.

Having said that, even though the limitation of available data, especially with regards to the actual number of seafarers in the system has restricted a truly comprehensive

empirical study from being conducted for this part of the report, all endeavors have been made to arrive at reasonably meaningful conclusions from the available data. The following have been the sources from where data has been obtained for the study of this section:

- Raw data besides the seafarers' wages, i.e. the number of inductions at trainee levels, distribution of seafarers, etc was sourced from the participating companies.
- DG Shipping website and their office were generous in providing data on number of institutes, their capacities and actual intakes, number of certificate of competencies issued on yearly basis, etc.
- INDOS database contributed the total number of seafarers who hold an INDOS number.
- Predictions on number of seafarers, shortage and surplus, was obtained from websites of various industry bodies.

5.2. Statistical Data Analysis Tools

➤ Arithmetic Mean

The arithmetic mean is the **Average** of a set of values. It is the sum of all the values in a set divided by the number of data in the set. The mean is not necessarily the middle value in a set of data. It is also not the most appearing value which is called **Mode**. The middle value in a set of data is called as **Median**. Half of the population lies above it while the other half of the population lies below it.

➤ Percentile

Percentile is the value of a variable below which a certain [percent](#) of observations fall. So the 10th percentile is the value (or score) below which 10 percent of the observations may be found.

The 25th percentile is also known as the **First Quartile** (Q1); the 50th percentile as the **Median** or **Second Quartile** (Q2); the 75th percentile as the **Third Quartile** (Q3).

➤ Standard Deviation

The standard deviation of a set of data is a computational representation of the variability of the population with regard to the variable. It shows the nature of the deviation of the data from the mean of all the data in the set. In [probability theory](#) and [statistics](#), standard deviation is a measure of the variability, a data set, or a [probability distribution](#). A low standard deviation indicates that the data points tend to be very close to the **Mean**, whereas high standard deviation indicates that the data are spread out over a large range of values.

➤ Trend line

In statistics, linear regression refers to any approach to modeling the relationship between variables denoted y and variables denoted X, such that the model depends linearly on the unknown parameters to be estimated from the data.

➤ YOY Growth

The calculation is based on the straight-line growth rates method. The formula used for Straight line growth rate calculation is:

$$X = (1/N) * (E - B)/B$$

Where,

B = wages in previous year.

E = wages in following year.

N = number of years between beginning and ending year, which in the present study is 1.

➤ **CAGR**

The compound annual growth rate (CAGR) is calculated by taking the nth root of the total percentage growth rate, where n is the number of years in the period being considered. The year-over-year growth rate of various sectors over a time series is calculated. The formula used is as follows:

$$\text{CAGR} = \{ \text{Ending Value} / \text{Beginning Value} \}^{1 / \# \text{ of years}} - 1$$

The compound annual growth rate (CAGR) is calculated by Semi log method.

The CAGR calculator is a useful tool when determining an annual growth rate of data whose value has fluctuated widely from one period to the next. CAGR is often used to describe the growth over a period of time.