Then, now and the future.

Two years ago, few in the shipping industry could have foreseen today's trading difficulties and fewer would have believed any soothsayer rash enough to make such a prediction. Astronomical freight rates dictated that bulk carriers and crude oil carriers, many well past their "sell by" date, were spared an inglorious end on the beaches of India or Bangladesh, huge ships sped through "fog, mist, falling snow and heavy rain storms" -consuming 500 tons of fuel oil each day - containers crammed with the outpourings of every factory and workplace in the Far East. To meet the constant demand for new tonnage China and South Korea assembled shipbuilding yards almost, it seemed, overnight - and the demand for iron ore, coal, crude oil and minerals seemed to be insatiable. The only problem was seafaring manpower and many operators experienced great difficulty recruiting and retaining competent crews - but most managed.

Currently, for reasons that have been widely promulgated, the industry globally is in recession and ships are being laid-up in rivers and harbours, huge container ships are "slow steaming" and on the beaches of Alang, Indian shipbreakers are doing a brisk trade and their competitors in Bangladesh are currently at capacity. The lack of available finance and liquidity problems have given rise to a dramatic reduction in contracted newbuildings and many of the smaller shipyards in the Far East and closer to home are unlikely to survive.

Commercial shipping - in the main - exists primarily, for the purpose of carrying the produce of the world, be it natural or manufactured, to market places globally and so it is essential that it suffers little disruption - and continues to earn sufficient return on investment to ensure survival.

Not long ago, oil cost some $140 a barrel but, the ever increasing demand for goods and produce - and the massive freight rates payable -ensured that ships on passage maintained full speed and, in port, "turned around" with maximum dispatch to hurtle back for a refill. Trading between Europe and the Far East most ships used the Suez Canal, quite undeterred by a transit fee for the larger container ships that could reach half a million - and more - dollars. Today, it is all very different as ship operators -well aware that "He that lives upon hope will die fasting" - strive to introduce radical changes designed to ensure their survival.

Despite the dramatic fall in the price of fuel oil (now averaging $48 a barrel) many operators are steaming at the slowest speed their sophisticated machinery will allow (without damage) and have elected to route their ships around the Cape of Good Hope

rather than pay the high transit fees demanded by the Suez Canal. This diversion adds about 7 days and some 3500 miles to the voyage from the Far East to Europe - at an estimated fuel cost of a quarter of a million dollars -still well below the level of the Canal fees. By using the Cape route ship operators also avoid paying the high insurance surcharges imposed on vessels transiting the once-tranquil Gulf of Aden - now the lair of marine vermin euphemistically referred to as "pirates" who prey on the crews of slow speed, low freeboard merchant ships.

Understandably, in the struggle to survive, shipowners and operators seek every possible economy and we can but hope that the recession will not delay the hoped-for implementation, in 2011, of the ILO's long awaited Maritime Labour Convention.
This convention - referred to as "The Seafarers Bill of Rights" brings together many pieces of legislation and guidance relating to terms of employment and covers working hours, safety standards, manning, training and recruitment - to mention but a few. It is widely regarded as an essential weapon in the battle to deal with the rapidly developing crisis in recruitment and retention of competent seafarers educated to the standards demanded by today's hi-tech ships. Obviously, implementation will cost money but failure to do so will. in the long term, cost a very great deal more. The shipping recession will end but if, at that time, an acute shortage of competent seafarers prevents ships from sailing a disaster of even greater proportions will hit the shipping industry. An analysis by Drewry Shipping Consultants ("Manning 2009") estimates a shortfall of 33,000 Officers by mid 2009 and this despite the fact that new buildings may be cancelled and older vessels scrapped. In a desperate attempt to reduce operating costs some companies are cutting back on training and, says the report, those who do so will find that the problem of manning is "likely to return to bite them".
Safety is also a concern as inexperienced Officers of both disciplines are promoted too early to fill the gaps left by those reaching retirement age.
Drewry predicts that the major Officer supply countries will be China, The Philippines, Ukraine, Turkey and India with Western Europe staging a recovery after a period of decline.

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