

Shortage of Seafarers in Europe

- Causes and Solutions

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Problem Re-defined

- It might be an educational problem
- It might be a social problem
- It might be a policy problem
- It might be an economic problem
- It might be a problem of all factors combined
- But there might be a root cause
- I will take a look at the economics

Shortage of Seafarers: A Global Concern?

“Serious Shortage of Ship Officers in the near future”, is a concern shared by many:

- **Industry**: BIMCO, ISF, Intertanko, Lloyd’s List - Manning Conferences
- **Government and inter-government**: Japan, the UK, IMO, OECD, EU
- **Research agencies and press**: Drewry, IAMU, Lloyd’s List, Fairplay, Trade-winds,

An Economic Explanation

- As international seafaring market is a competitive market, the “law of demand and supply” should apply, which means that ...
- Any change of equilibrium of demand and supply shall lead to price changes
- **And a shortage of supply should lead to an increase in price**

A Paradox

- There has not been a corresponding increase in the prices of seafaring supply
- In some specific shipping sectors, the manning costs had even dropped between 1996 and 2005
- Compared to other operating costs, of eg. an Aframax tanker, the manning costs increased the least between 2002 and 2005
- Manning costs in some sectors went up in 2007, 2008, but in the long-run, they have been stable

Explanations

- Open, global seafarer market reality vs. local and closed market concept
- Market fluctuation and technology development
- Deficiencies with study methods
- As long as sea career is economically unattractive to young Europeans, situation won't change much

Suggestions: An Integrated Approach

- Seafaring should be seen as “**education**” rather than as “profession”
- A **policy is needed to really “validate” sea experience** for a range of shore-based positions
- MET should systematically provide “**enabling programs**” needed for the shore-based positions
- An **integrated approach**: Policy-Employer-MET