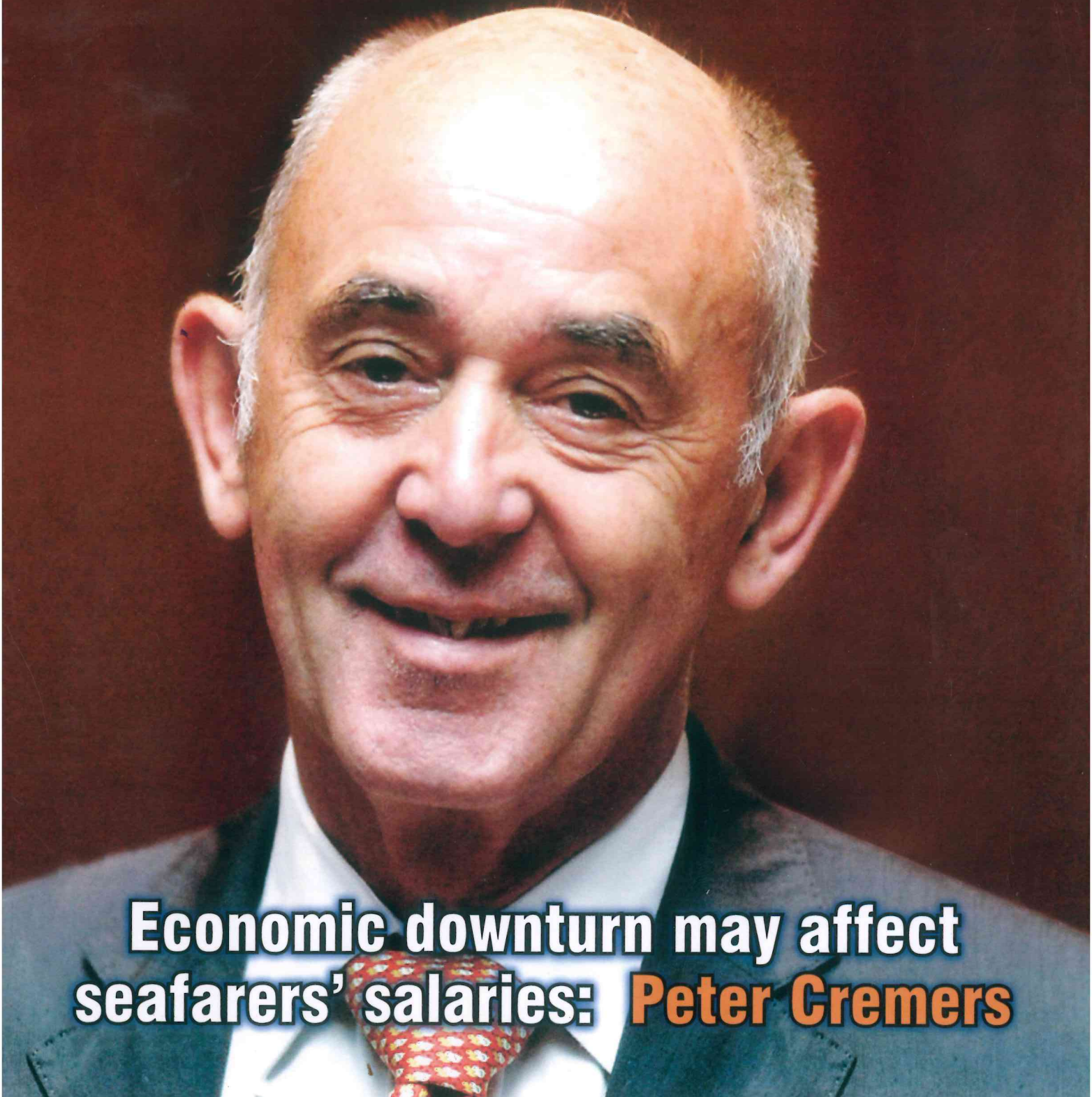


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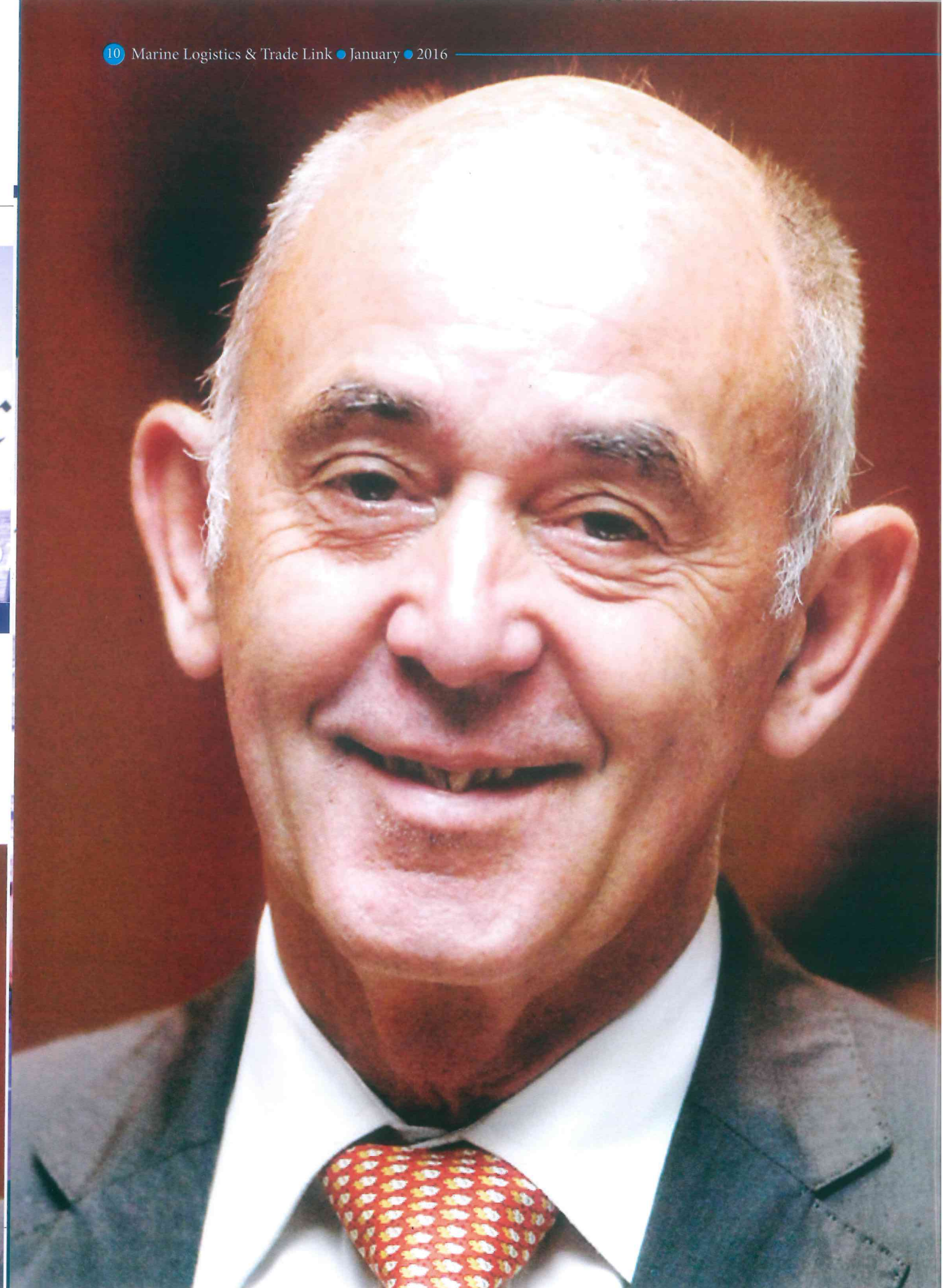
Marine

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Economic downturn may affect seafarers' salaries: Peter Cremers



Economic downturn may affect seafarers' salaries:

Peter Cremers

The economic situation prevalent in the market would, probably effect the salaries of the crew members, said Mr. Peter Cremers, Executive Chairman, Anglo-Eastern Univan Group, in an exclusive interview with ML&TL. He believed that the market could improve if stringent rules and regulations were observed as far as scrapping of old ships was concerned. He was of the view that India was an ideal place for recruitment of the crew as it had an abundance of highly educated people who were willing to venture out to sea. Touching on the subject of merger of Anglo Eastern and Univan Group he stated that this happened because the two entities had several common factors which brought them closer and this resulted in the merger.

Excerpts from the interview:

What was the objective of the seminar?

The seminar emphasized the need for all aboard the ship to perform their duties in an efficient manner. The safety of the ship depended on the alertness and responsible attitude of those onboard the ship. Every individual; had to perform his duties. One can take a leaf from Japan. The objective of the seminar was to exhort the seafarers to do their duties efficiently. This would, in turn, ensure the safety of the ship.

You are growing at a fast pace. How do you manage to achieve this?

Well this is quite simple. We believe in the motto: Do a good job. We are honest and transparent. We have adopted cutting edge technology

making our operations transparent, in turn pleasing the clients. If you do a good job the growth comes automatically. If you are able to please your clients, they start selling your services.

Since the number of ships to be managed in the outsourcing mode is increasing, it is easy to grow.

Can you give us details about the merger of Anglo Eastern and Univan

Both the companies are in Hong Kong and both depend heavily on Indian seafarers. We have a history together. We also share the same views. Basically, as you say, it may be big news but it is something almost natural.

What is your target as far as number of ships is concerned?

There is no target, if we pursue the 10 per cent growth annually, the day isn't far when we will be managing a 1000 ships. This is not a target but if we continue doing what we are doing now, we will continue to grow.

INDIA, AN IDEAL PLACE FOR EXPANSION

Your focus is more on India.

What is the reason behind that?

The reason is obvious. India has an abundance of highly educated people, who are willing to go to sea. They are keen to take up seafaring as a career. Our company has second and third generation Indian seafarers. This merely shows their dedication to this career. Thus India, according to me, is probably the best and the easiest place to expand.

We have adopted cutting edge technology making our operations transparent, in turn pleasing the clients.

Are you planning to continue in ship management or are you planning diversification?

No, there are no plans for diversification. Ship management is our forte and we plan to continue in this business.

We recruit people, train them, assist them in acquiring and gaining knowledge on various aspects of the shipping industry and, finally deploy them.

We could think of supplying people to other industries or organizations with similar background, like airlines and hospitals. I think we may go in for manning offshore business in areas which use the same tools.

SCRAPPING SHIPS, SOLUTION FOR IMPROVEMENT OF INDUSTRY

Do you believe the market is improving?

The economic downturn is still prevalent thus improvement in the market condition of the industry does not arise; at least not in the

near future. At present, there is an overcapacity – which is expected to continue for some time – thus it is going to take at least a few years for the market to improve. There are ships which are several decades old which are still operating. I feel that old and dilapidated ships should be scrapped. This is the only solution for upliftment of the industry. I feel that there should be more stringent rules as far as scrapping of ships is concerned.

It is tough time for the ship owners but how about the ship management companies?

Ship owners and ship management companies are interlinked. Their growth and prosperity are intertwined. It is difficult for a ship management company to work for a client who loses money but still wants to maintain his standards. This creates pressure on both. However, if the ship management company lays stress on economy, he may give more ships to manage, which will provide him with the benefit that companies with mass consumption enjoy. The more ships you operate, the more business you have. Ship owners whose ships are managed by ship management companies with high operational costs, may start looking for cheaper options. This, in turn, brings more business to cheaper management companies. It is thus a challenging task for the ship management companies.

DOWNTURN IN ECONOMY'S AFFECT ON SALARIES

Salary of the seafarers is believed to be the major concern of the company. At this moment

We could think of supplying people to other industries or organizations with similar background, like airlines and hospitals

What would be your advice to the seafarers regarding the salary?

I believe that if the economic downturn in the shipping industry continues for some more time then there will be more pressure and at some stage, the seafarers will be asked to do their bit for the progress and growth of the industry.

We are trying to maintain the high standards of operation as well as the salaries of the seafarers. However, how long we can continue to do this is doubtful.

Would you like to say something about the salary aspect from the Indian point of view?

I think during the coming year there will probably no increase in their salary packages. It is not easy to enforce a salary cut. But the usual increment of 5-10 per cent that they have been getting would, in all probability, be curtailed.

What would be your advice to the Indian seafarers?

They should do the job well and compete with other nationalities, who are cheaper.





While Indian seafarers may be considered better, they should realize that there is now stiff competition from other places. Emerging African markets are going to create tough competition for them.

Presently, salaries in India are relatively high. To qualify for these high salaries the employers expect top layer of professionalism from these seafarers.

If the Indian crew is not able to deliver, it is likely that the ship managers and owners would opt for other nationalities, which are cheaper.

“We are trying to maintain the high standards of operation as well as the salaries of the seafarers.”

Do you take cadets only from your institute or from open market also?

We take cadets only from our own institute. We train our cadets and mostly promote them to higher cadres. Last year we employed a handful of 3rd Officers from outside. We believe that we do a better job of training the personnel. It's true that the number of ships is increasing, but we will continue in this mode as long as we can. [MLTL](#)