



Key Issues

Review of ILO Minimum Wage

In June 2018, in Geneva, the ILO Joint Maritime Commission (JMC) will review the current level of the ILO Minimum Wage for the rating grade of Able Seafarer, formally known as Able Seaman (AB). The vast majority of ratings are recruited from developing nations.

The shipping industry is unique in that it has a recommended global minimum wage, which is reviewed periodically by the ILO JMC. The bipartite JMC comprises employers' representatives co-ordinated by ICS and seafarers' union representatives co-ordinated by ITF.

The present minimum wage negotiation period technically expired on 1 January 2018. The current figure is US \$614 basic wage per month (i.e. excluding substantial overtime payments) and has applied since January 2016 when it was increased as a result of an agreement in 2014. However, during a JMC Sub-Committee meeting in 2016 no further increase was agreed.

ICS will argue that the economic challenges still being faced by maritime employers are significant, although in February 2018, the separate International Bargaining Forum (IBF) negotiations, concerning ITF-approved pay contracts for open register vessels, agreed an increase of 2.5% from 1 January 2019 with a review scheduled after two years.

In order to determine if it is appropriate to consider an increase to the ILO Minimum Wage, ICS will be taking careful account of a report by the ILO Office looking at the value of the US dollar in relation to the cost of living in a number of seafarer supply countries.

ICS is strongly committed to the principle of the ILO Minimum Wage which is now referenced in the ILO Maritime Labour Convention. While it is still only recommendatory, and is not directly relevant to seafarer grades other than Able Seafarers, it has a strong moral authority. It is particularly important for employers in some developing countries and may also be relevant to future collective bargaining negotiations, including those which take place in the IBF, as well as those conducted by several ICS national associations on behalf of their member companies.

The ILO Minimum Wage is substantially higher than that paid for comparative work ashore in developing countries. Moreover, the total wage enjoyed by most seafarers is significantly higher once overtime hours and other mandatory payments, such as leave entitlements, are taken into account. By definition the ILO wage is a minimum. But most ratings from developing countries that serve on internationally trading ships, especially where ITF contracts apply, receive significantly higher wages than those recommended by ILO.

