



Key Issues

Minimum Wage Review

In November 2018, in Geneva, the ILO Joint Maritime Commission (JMC) reviewed 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 Shipowner Spokesperson at the meeting was Dr Max Johns (Germany).

The shipping industry is probably unique in that it has a recommended global minimum wage, which is reviewed periodically by the JMC, a bipartite ILO body comprising employers' representatives co-ordinated by ICS and seafarers' union representatives co-ordinated by the International Transport Workers' Federation (ITF).

As a result of the new agreement, the ILO Minimum Wage will be increased to US\$641 over the next 3 years, an overall increase of 4.5% on the previous basic wage (excluding substantial overtime payments) with increases of US\$4 on 1 July 2019, US\$7 on 1 January 2020 and US\$16 on 1 January 2021.

The agreed increase takes 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. The previous figure of US\$614 basic wage per month has applied since January 2016 when it was increased as a result of an agreement in 2014.

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 (although officers serving at the operational level and above will of course receive significantly more) it has a strong moral authority and is often referred to by national courts. 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 International Bargaining Forum (IBF), as well as those conducted by several ICS national associations on behalf of their member companies.



ILO Joint Maritime Commission, November 2018

The ILO Minimum Wage is substantially higher than that paid for comparative work ashore in developing countries. Moreover, the total wage enjoyed by most Able 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. 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.