FLAG STATE TABLE 2018/2019
(Main takeaways)

General overview

The level of performance of the largest flag states – including the Hong Kong, Singapore and Liberia, as well as Cyprus, Greece, Bahamas and the Marshall Islands – continues to be very positive.

The Table clearly indicates that distinctions between traditional flags and open registers are no longer meaningful, with many open registers amongst the very top performers alongside several European registers, or flags such as Japan, which are expected to perform well.

Performance among largest ships registers

Amongst the 35 largest ships registers, covering more than 70% of the world fleet, very few have more than three indicators of potentially negative performance.

Performance of some smaller flags

Nevertheless, a number of smaller flag states still have a lot of work to do and therefore shipowners should consider very carefully the prospect of using these flags, which may be perceived to be sub-standard, according to the data on the Table.

Continuous progress on ratification of the ILO MLC

One area where we continue to see some progress is with respect to ratification of the ILO Maritime Labour Convention (MLC) – in support of improvements to social and welfare conditions on operating globally – with the latest nation to ratify the Convention being Grenada in November last year (2018).

Following its entry into effect, it is now being enforced worldwide by flag states and through port State Control (PSC), with the vast the majority of international shipping companies are operating in compliance. However, with a number of ILO Member States with maritime interests still to ratify, ICS wishes to see further progress towards near universal ratification of the MLC, akin to major regulatory instruments adopted by IMO, such as the SOLAS Convention.

Latest criteria included (IMO Member State Audit Scheme)

The number of flag states included in the Table, which have already been through an IMO Audit is high, with very few countries receiving indicators of potentially negative

performance under this latest criteria (in the 2017/2018 Table). However, further improvement in this year's Table (2018/2019) is expected as more and more states are audited.

In the same way that the shipping industry is committed to the concept of continuous improvement and transparency with respect to its performance, through mechanisms such as external auditing under the International Safety Management (ISM) Code, ICS believes that the same principles should apply to the performance of flag administrations.

ICS therefore continues to fully support the decision by IMO to make its Member State Audit Scheme mandatory.

Latest flag State included

This year's Table (2018/2019) does not include any new flag State, in contrast to the 2017/2018 Table, which saw Palau included for the first time.

Performance indicators

Given the nature of the indicators used by ICS, whether or not a flag State is missing one or two green squares on the Table should not be seen as a serious concern.

They are only potential indicators and a flag with a solid row of 'green squares' should not necessarily be viewed as superior to another that is missing one or two 'green squares', for which there may be good reason. For example, a flag State may not have ratified a particular IMO or ILO instrument due to a conflict with its national law while nevertheless implementing the Convention's main requirements.

Another example of a good reason for why a flag may be lacking one or two positive indicators could apply to PSC, especially if it has had too few port calls to gain a place the 'white lists' of certain PSC regimes.

The above notwithstanding, if a State is lacking a large number of positive indicators then shipowners may want to ask serious questions.