Effective shipping management in Sudan

Elhadi Elnaem Tagali

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WORLD MARITIME UNIVERSITY
Malmo, Sweden

EFFECTIVE SHIPPING MANAGEMENT IN SUDAN

by

Elhadi Elnaeem Tagali
Sudan

A dissertation submitted to the World Maritime University in partial fulfillment of the requirements for the award of the degree of

Master of Science
in
GENERAL MARITIME ADMINISTRATION

1993
I certify that all the material in this dissertation that is not my own work has been identified, and that no material is included for which a degree has previously been conferred on me.

The contents of this dissertation reflect my own personal views, and are not necessarily endorsed by the University.

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IN THE NAME OF ALLAH,
THE COMPASSIONATE, THE MERCIFUL.
ACKNOWLEDGEMENT

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ABSTRACT

This dissertation is a study of effective shipping management in Sudan, with particular reference to General Petroleum Corporation. The project examines the problems in (GPC) and the steps that have to be taken to have an effective shipping management.

The main sections discussed the problems of maritime legislations, maritime policy, shortage of personnel and the ship operation management. Particular attention is given to the current situation of the Shipping Department In GPC and the enlargement of the structure.

The dissertation put emphasis on the personnel management such as staff appraisal, induction, training and training recruitment. It includes the important problem of motivation of people at work and suggestions in order to create positive attitude of the employees in the company. The final chapter is a number of recommendations concerning the needs of GPC.
INTRODUCTION

PRESENT SITUATION

General Petroleum Corporation < GPC > is a governmental company. The objectives of the company are to secure the importation of oil to Sudan, and to conclude agreements with international organizations for the exploration of oil in the country. The company has the authority to enter into contracts and give concessions to the international companies for drilling.

The Shipping Department is responsible for arranging the transport of oil from the loading ports to the port of Sudan. GPC has its head office in the capital city and other branches in the country side, the most important one being the PORT SUDAN office which is responsible for discharging, oil distribution and refinery operations.

The arrangement of oil transport has usually been done with the help of a Norwegian broker. During the last years we have had an agreement with the Norwegians for managing our tankers.

GPC has about 200 employees some of whom are stationed in the branch offices of the company that are responsible for the supply and distribution of oil in the country. The company has a multi product pipeline to transport the oil from Port Sudan to KHARTOUM. Khartoum, a distance of 815 kilometers.

It is expected that our Shipping Department will be expanded as a separate shipping company. According to the latest drilling and exploration result which are very promising, we expect to be exporting oil in the coming years. Therefore, our company is looking forward to managing our vessels in the future with our national expertise.
GPC has a shortage of knowledgeable and experienced personnel in the shipping sector. Currently there is no plan for training the personnel within the company, training is sometimes based on initiatives taken by individual officers.

There has been a need to provide guidelines, proposals, and information on the appropriate steps to be considered in order to lead to the establishment of effective shipping management. However, in the author view the main problems areas and weakness in the shipping sector in Sudan are the following:

1- Shortage of maritime personnel

2- Outdated maritime legislation

3- Inadequate knowledge of ship operations management

4- Inadequate maritime policy

5- Problems with communication and social security

6- Lack of training facilities within the country for officers and seamen.

OBJECTIVE OF THE PROJECT

The project is a study of the steps that have to be taken by the General Petroleum Corporation < GPC > to have an effective shipping management. The study intends to promote the national awareness and it aims to achieve the following objectives
1-To avoid dependance on other countries in respect to the management of our vessels. This is for strategic reasons e.g. not to leave our trade in the control of foreign power.

2-To spend less and earn more foreign currency.

3-To create, protect and preserve national maritime skills, specially in regard to the training of personnel.

4-To conserve national property

5-To promote the awareness of the operation of the vessel, and its sequence in respect to the maximum efficiency and its economic advantage
CHAPTER ONE

MARITIME POLICY FORMULATION/NATIONAL LEGISLATION
AND PROPOSAL STRUCTURE

MARITIME POLICY FORMULATION

It is essential for the work frame of the General Petroleum corporation (GPC) and the country overall interests to have a national maritime policy. Maritime policy is an element of overall economic policy, it express the attitude of the state to shipping by means of protection of some aspects of national interest. The policy of the state towards its marine would effect the national fleet, and indirectly the maritime activities of the other countries.

The initiation of guidelines and administrative regulations to be observed by the company and port is what is known as maritime policy. Maritime policy should broadly address the following areas:

A- The operation aspect
B- The commercial aspect

The former involves safety of life at sea and the protection of the marine environment, while the latter covers the commercial aspect of shipping. It is difficult for the country to formulate its maritime disregarding the international implications since the international maritime conventions form the basis of many aspects of maritime policies. The IMO influences all aspects of safety at sea and protection of marine environmental. UNCTAD influence trade
and the broad area of promoting of shipping, and protecting shippers interest and port efficiency.

ILO is concerned with the social and economic conditions of seafarers. Other United Nation bodies which may influence maritime policies are the World Bank because of its loan priorities and conditions and the UN commission of Trade and Law. In addition to that, various other international bodies may also exert influence such as P & I clubs, insurance institutions etc. One can say that this should be considered when formulating national maritime policy. However, in formulating a national maritime policy a country needs to:-

1-Define its maritime objectives

2-Consider all available national means to achieve the objectives

3-Consider key areas for development and coordinate all national resources and effort—private and public—to achieve such goals.

4-Seek international cooperation which could best lead to attaining the objectives.

Maritime policy should not be formulated in isolation from other economic and development policies of the country as a whole. An all over view may be considered taking into account the national economic needs, social development, employment, environmental protection, and marine resources. All those factors should be carefully analysed to determine how they best fit into the national development policy of the country.
UPDATING THE SUDANESE MARITIME ACT

Shipping being an international business, it requires international maritime legislation as a means of control. It can be said that the maritime legislation of any country is derived from two sources:

1- International conventions

2- National law

LEGISLATION OF INTERNATIONAL ORIGIN

Such legislation generally is derived from international conventions, protocols, resolutions etc. IMO, UNCTAD and ILO have adopted a series of conventions whose provisions are incorporated into national maritime legislation and require a national maritime/safety administration for their implementation and enforcement. Once a state becomes a party to any convention, it takes certain steps to introduce the same into its legal system.

IMPLEMENTATION PROCESS FOR INTERNATIONAL CONVENTIONS

PHASE 1

a- RATIFICATION

b- Preparation of national legislation <primary and subsidiary>
c-Documentation

d-Preparation of the executive orders and instructions to the officials concerned.

PHASE 2

Implementation of national legislation through the exercising of appropriate functions by the maritime administration officials.

PHASE 3

a-Certification of ships/seafarers and the issuing of clearances to ship to proceed to sea.

THE STATUS OF NATIONAL MARITIME LEGISLATION

Before talking about the ratification of the international conventions I would like to talk about the present status of the national maritime legislation\(^1\). Before the independence of Sudan, the shipping law and rules were the British merchant ship Act of 1916 and the amendment ordinance 1937 as consolidate and they were administered by the British officers of the first marine department which was a division of Sudan railways and later in 1974 through the Sea Ports Corporation.

\(^1\) taken from Sudan Shipping Line publications 1987-92
In 1961 the first maritime Act was found as a primary legislation to provide for the establishment of the Sudan Merchant Fleet, for the registration of the Sudanese vessels and for the general regulation and control of merchant shipping.

This maritime Act consist of eleven chapter dealing with various maritime issues:

- Chapter 1 preliminary (title, commencement and interpretation)
- Chapter 2 administration (appointment of surveyors)
- Chapter 3 registration under the Sudanese flag
- Chapter 4 ownership (mode of transfer and regulation)
- Chapter 5 nationality and flag of ship—national flag
- Chapter 6 certification of master, mates and engineers
- Chapter 7 Seamen employment of seamen on Sudanese ships
- Chapter 8 official log book
- Chapter 9 safety and seaworthiness of ships.

Chapter 10 collision, enquiries, wreck and salvage.

Chapter 11 Miscellaneous.

The maritime act remain out-date and is very limited to cover the growing maritime and shipping activities of the present. On the other hand the port regulations which were form by the British during the colonization period remain the same with only slight changes done in 1974 and amended later by 1979 Port regulations
It is clear that the legislation cannot cope with the big jump caused in the maritime field today. Consequently up to date maritime legislation coping with the various technical requirement of the international conventions and present national requirement is needed urgently. The government of Sudan did not ratified any of the international maritime conventions in spite of the fact that it Sudan is state member of IMO since the 5th of July 1974.

NEED FOR RATIFICATION OF INTERNATIONAL CONVENTIONS BY THE GOVERNMENT OF SUDAN

Outdated legislation needs to be updated and extended to cover the requirements of the conventions ratified. As Sudan is a developing maritime nation, it will be desirable that the government ratify as many international conventions as possible. However before taking any decisions as to ratification, it is important that the implications of ratification are given adequate consideration. It is of great importance to consider whether the country has the technical manpower and adequate facilities to implement the requirement of a particular conventions, as they would become national and international obligations of the country.

In this connection I would suggest that the procedure for ratification of any international maritime convention in Sudan be as follows:

A committee consisting of officials with adequate maritime knowledge should be nominated by GPC or the Ministry of Energy and Mining in cooperation with Sudan Shipping Line (SSL) to collect reports on the convention. Then the committee will make its own report and send it to the minister who will in turn send his
proposal to the legislature, stating why he recommends that the government should ratify the particular convention. Generally his recommendation should include the advantages and disadvantages of ratifying that convention.

The proposal should be approved by the head of state, and then a legal committee headed by the Ministry of Justice should draft the instrument of ratification which will later be signed by the head of state before it is deposited with the International Maritime Organization (IMO) in London for circulation to all member states.

Ships belonging to non-convention states are not exempted from compliance with the national rules and regulations of convention states. In fact, they are subject to inspection in the foreign ports with the possibility of detention if deficiencies are discovered in the vessel.

Non-convention states cannot carry out port state control on foreign vessels under conventions which they themselves have not ratified. Therefore it is better for the Sudan to ratify the necessary IMO conventions and implement them through well-trained and qualified officials.

In this connection the author suggests that the following conventions deserve urgent careful study and ratification by the government of Sudan:

- International Conventions on Civil Liabilities for Oil Pollution Damage (CLC) 1969

- International Convention for Establishment of International Fund for Compensation for Oil Pollution Damage (IFC) 1971

- International Convention for the Safety of Life at Sea (SOLAS) 1974 as amended
- International Convention on Standard of Training, Certification and Watch Keeping for Seafarers (STCW) 1978

- Convention on the International Regulations for Preventing Collisions at Sea (COLREG) 1972

- Convention on Limitation of Liability for Maritime Claim (LLMC) 1976

LEGISLATION OF NATIONAL ORIGIN

Such legislation differs between states to suit their individual needs, goals and their overall national polices. Before drafting the Sudanese maritime legislation the following objectives need to be considered:

1- Facilitation and regulation of maritime transport

2- Promote the country basic aims to meet its need as a flag state, coastal state and ports state

3- Make a contribution to national security

The updating of the present maritime legislation is a need and condition precedent for the maritime management and development in the country. The necessity to update it comes from the fact that it should meet the national development needs as well as conform to the relevant international laws and conventions.
SUBSIDIARY LEGISLATION

The primary maritime legislation is not always sufficient on its own. It gives guidelines and presents the overall maritime legal system only. Therefore the necessity arises for rules and regulations to supplement the primary legislation and enable further details and power.

Having approved the primary maritime legislation, the subsidiary legislation may be issued by the minister following the former steps.

The list below shows the most important required rules and regulations:

1- Rules for registration of ships

2- Safety convention certificate rules

3- Rules for the use of distress signals

4- Navigation warning regulations

5- Life-safing appliance regulations

6- Fire appliance rules

7- Master regulations

8- Pilot ladder and hoist regulations

---

Taken from GPC and Sudan Shipping Line publication 1986-92
9-Navigational equipment regulations
10-Regulations for preventing collision at sea
11-Regulations for carriage of nautical publications
12-Regulations for closing of openings in hulls and watertight bulkheads
13-Official log book regulations
14-Radio installation regulations
15-Tonnage regulations
16-Crew accommodation rules
17-Medical scales regulations
18-Loading line
19-Rules for the carriage of deck cargo
20-Rules for the carriage of dangerous goods
21-Regulations for the carriage of grain
22-Cargo ship construction and survey regulations
23-Local cargo ship safety certificate rules
24-Passenger ship construction regulations
25-Anchor and chain cable rules
26-Rules for apprenticeship to sea service

27-Regulations for certification of skippers and send hand of fishing vessels

28-Regulations for certification of deck officers

29-Regulations for certification of marine engineers

30-Regulations for marine pollution prevention

One final important thing is that the necessary forms and documentation are to be prepared and be ready at the same time as the primary and subsidiary legislation enter into force.

THE PROPOSED COMPANY STRUCTURE

The objective of the General Petroleum Corporation (GPC) is to secure the importation of oil to Sudan and to conclude with the international organization for the exploration of oil in Sudan. The company has the authority to enter into contracts and give concessions to the foreign companies for drilling.

Currently shipping activities in GPC are carried out through the Shipping Department which is mainly responsible for securing the importation of oil with the help of a Norwegian broker. The recent drilling and exploration result are very promising. Accordingly
Sudan expects to be exporting oil in the coming years.

The existing Shipping Department is very limited in its existing responsibilities and experienced personnel. It cannot carry out the expected increased activities after the exploration of oil. GPC is looking forward for an instrument to enable the company to have an active involvement in shipping. In order to achieve that GPC aims to extend our Shipping Department to be as a separate shipping company.

The company will be expected to be responsible for the exportation of oil, chartering, and the management of the GPC fleet.

The author proposes that the company structure consist of a chairman, managing directors and a board of directors. There would be four directors on the board plus the chairman and the managing director. One of the directors - personnel director - should have multiple role and act as a company secretary. Each director would be responsible for one department (see diagram 1).

The company departments would be as follows:

1- FINANCIAL DEPARTMENT

Under this department 4 officials would be needed

1-Financial director

2-Chief accountant

3-Fleet accountant (2)

Each of the fleet accountant can perform multiple roles by adding claims and disbursement.
2-CHARTERING DEPARTMENT

Under this department three officials would be needed

1-Chartering manager

2-Chartering assistant (2)

3- PERSONNEL DEPARTMENT

Under this department 3 officials would be needed

1-Personnel director

2-Personnel manager

3-Personnel officer

4- OPERATIONS DEPARTMENT

Under this department 3 officials would be needed (see diagram)

1-Operations director

2-Chief marine super

3-marine super

5- TECHNICAL DEPARTMENT

Under this department 3 officials would be needed
1-Technical director

2-Chief engineer super

3-Engineer super ( 2 )

I would like to mention that the proposal may fit for the time being and for the future, also could accept further enlargement whenever the necessity arise.

In the light of the above it is proposed that at the beginning of the company structure the jobs are of specialized nature, thus we may not have the qualified national officials. Therefore, GPC management can have contracts with manning agency to fill the vacant posts. However, at a later stage when national qualified officials are recruited / trained they may take over.
Chairman

Managing Director

Finance Director

Chief Accountant

Chartering Manager

Personnel Director

Personnel Manager

Operations Director

Chief Marine Super

Chief Engineer

Marine Super

Chartering Assistant

Chartering Assistant

Personnel Officer

See diagram 2

Diagram 1

Recommended Structure for GPC
Chief Accountant

Fleet Accountant

Fleet Accountant

Chief Engineer Super

Engineer Super

DIAGRAM 2
CHAPTER TWO

SHIP MANAGEMENT AND OPERATION

The purpose of this chapter is to provide the manager with the tasks of operating ship and enlight the manager with the chartering considerations, factors effecting ship demand, and overview of the shipping market which are the main areas the manager should be aware.

In General Petroleum Corporation we have our own vessels. These vessels are managed by the Norwegian agent. Our company do not have the experienced personnel to manager the vessel effectively. Currently we are importing oil from the Mediterranean and the Middle East. GPC is expecting to export oil according to the very promising result of the exploration. Our company plan to offer multi-role marine transport it will meet for oil transport needs and do chartering in shipping market.

GPC is looking forward to having national expertise to manage the vessels and prepare the company to have active involvement in shipping activities. Being aware of the tasks of operating vessels will improve the national maritime skill, conserve the national property and enable our trade to be in the control of national power.

Generally there are different ways in which a ship can be operated: As a liner, as a tramp, or operating as own account. GPC operating for its own account, therefore the task of operation in relation to the ship can be considered under the following headings:.
1-The voyage schedule
2-Appointment of agents
3-loading and discharge arrangement
4-Bunker arrangement
5-voyage instructions
6-cost and control
7-Insurance

THE VOYAGE SCHEDULE

The voyage schedule is dependent upon the contract of carriage for the cargo. It is the responsibility of the operator to decide the port or ports of loading and discharging of the cargo, also the route that the ship will take.

In the tramp trades the loading ports will be the ports specified by a charter party or contract of affreightment on the contrary in liner shipping loading port is determined according to the availability of cargo. In case of any problem arise concerning the voyage the operator should consult the
ship manager.

Concerning GPC, currently the shipment of crude oil and oil products scheduled monthly according to the capacity of the refinery and storage capacity at the port. The refinery was commissioned in Port Sudan on the Red Sea coast. The capacity of the refinery is 1.2 million tons/year. The refinery was originally owned by Shell/BP. Later the ownership was shared between Sudanese government and Shell. Currently the company is wholly owned by Sudan.

Often some problems arise when the exporter refuses to discharge or delay in loading requesting prompt payment for the shipment as a result of a delay with letter of credit. Due to the small capacity of the refinery the delay will result in shortage of supplies. Such a shortage of supplies will have a negative impact considering that Sudan's economy largely depends on the agricultural sector. To avoid such problems voyage schedules must be maintained in proper way. To do so, GPC should appoint an agent to ease and handle the issues of payment and loading as we will see later in this chapter. The expansion of the refinery and the storage capacity are vital. Since the country's financial resources are limited foreign companies can be approached and guarantees should be given for joint ventures or investments in order to encourage the participation of international companies.

**APPOINTMENT OF AGENTS**

The arrangement of oil shipment to GPC has usually been done with the help of a Norwegian broker that is the only agent that the company deals with, the broker mainly take care of
the company interest in the Mediterranean Sea.

The company can look forward to an expansion of its activities, taking into consideration the expectation of the production of oil in Sudan. Having considered that, the company needs to appoint agents to care for its interests and to act for the company at loading and discharging ports. With the help of these agents the company will be able to appoint the stevedores. The responsibilities of the agent and stevedores will usually been determined by the terms of the contract between the agent and the company. < See Annex 1 – the standard liner agency agreement including the duties of the agent, port agency, and the remuneration of the agent >. The most fundamental duty is to carry out the service with reasonable care and skill.

The agents specialize in various specific areas of shipping, for example bulk commodities. Since GPC is an oil company, and as the oil market has peculiar features of its own, small group of highly qualified agents has come into existence for example the tanker agent, whose time is spent entirely in the oil market.

The ship master and crew will need to work in harmony with the agent in order to perform the obligation effectively. Despite the fact that the much of responsibility for the documentation, acceptance, release of the cargo has been taken over by the master, the agent is still responsible for conducting the carriage of the goods and should report directly to the company or ship manager about conditions of the cargo and the related matters.
ARRANGEMENTS FOR LOADING AND DISCHARGING

The agent of the company will make all the necessary loading and discharging arrangements. But if the company has an office at the port that office can directly conduct all the necessary loading and discharging operations. In some cases the company is responsible for ensuring that the vessel will reach the loading and discharging ports at the exact time mentioned in the contract. A delay or failure in readiness will result in claims against the company.

Since GPC Sudan is concerned mostly with tanker operations it is important to consider the possibilities of oil discharge into Sudanese waters, and the various potential sources of discharge that the authorities should deal with.

The sources of oil discharges that could pollute the territorial waters of Sudan are as follow:

- Normal ship operations in ports e.g. discharging of oily bilge water into the port

- Oil spills during bunkering operations in ports.

- Oil tankers operations - discharging ballast tanks, tank washing and slop tank into territorial waters

- Small persistent oil wastes from refineries

- Oil dumped from shore based industries
- Blowout from oil storage installations.

- Oil from accidental groundings, collision and explosions

Oil discharge into the Sudanese water does come under section 8 of the - harbour and shipping ordinance, "The Port Sudan Harbour Regulation" of 1937 Regulation <22>. This regulation is limited to the harbour waters and does not go beyond that. The Environmental Health Act of 1975 stipulates that "no solid, liquid or gas which may be actually or potentially harmful to man or animal shall be put into the sea". In 1975 the fisheries legislation was modified and strengthened to give a measure of protection to the reef, and recently new legislation was formulated to permit the establishment of marine park and reserves and regulate to construction in and near the sea.

Some years ago Sea Port Corporation received some equipment from the UNDP to assist in combating oil of discharges within the harbour. However, there was no provision for any one to clean up spills or prepare a contingency plan in anticipation of a major oil spillage within or beyond the harbour limits. It has always been assumed that all the companies and industries any others involved in the of oil discharging and pollution of Sudanese waters would be responsible for clean up operations.

Sudan has not acceded to any of the international conventions related to the prevention of pollution of the sea by oil. Nor have national laws and regulations been introduced to impose the obligation to discharge ballast and tank washing from tankers to shore terminals or to make sure there are no
discharges at sea of water containing oil into the Sudanese territorial water. Even the discharges from machinery spaces of ships was not regulated. Consequently there was no means of surveillance of the territorial water for traces of oil pollution and thus many national and foreign ships have taken to the liberty of discharging and polluting Sudanese waters without detection.

Sudanese ships have already started complying with the relevant parts of the MARPOL 73/78 convention, even though this important IMO Convention has not been ratified by SUDAN. The compliance with the relevant parts of MARPOL 73/78 is effected through the accredited classification societies who serve and issue letters of compliance to all vessels classed by them. This action was taken to make sure that the Sudanese ship are not unduly detained in foreign ports.

The major obstacle to the ratification of MARPOL 73/78 are the lack of funds for the provision of reception facilities, inadequate material resources, and the lack of adequate manpower with the expertise and knowledge to deal with oil discharge and oil pollution. Nevertheless, the need for reception facilities is urgent.

It is suggested that the government should come in with some decrees to compel the oil companies, the refinery and Sea Port Corporation < dockyard > and industries based on shore to provide reception facilities at their places of business. In issuing such decrees, the government should give additional statutory powers to the maritime administration to ensure that it has legal backing when enforcing compliance with the requirements of the "oil reception decree". See Annex 2.
BUNKERING AND FUEL ARRANGEMENT

In shipping company the operator of the vessel is liable to arrange the supply of bunkers and fuel for every forthcoming voyage. An agent of the company usually makes all the arrangement for bunkering and fuel. In planning for the supply the agent of the company or the office of the company at the port shall consider the following:

- The ship fuel capacity
- Fuel specifications
- The bunker ports en route and availability and prices of fuel oil
- Economic speed and fuel consumption of the vessel
- The vessel deadweight and loadline zone
- Sufficient reserves of fuel on board

Basically, the master is responsible to keep the company aware of the situation of the vessel. If supplies are running low or shortage fuel for the forthcoming voyage. Then the master must advise the agent "the agent can be advise of the situation by the manager in the company". The master should not sail unless all the requirements are satisfied.

On the other hand it is the company responsibility to make
sure that the ship is seaworthy and that the voyage is properly conducted.

VOYAGE INSTRUCTION

There are instructions during a voyage from the company to the master of the vessel. The instructions are usually written or send by other means of communication. The instructions for the voyage usually cover the following points:

- The company should tell the master when to commence loading and where to discharge and the destinations.

- The master will be made aware of the agents responsibilities and how to communicate with them.

- The company should advise the master to authorise the agent to sign the bill of lading on his behalf. The company sometimes issues instructions details such as the route to be followed and various customs and requirement

- The master of the vessel will be advised of dangers such as piracy and illegal practise.

- The master will be advised of the speed for the vessel and where to take on fuel and bunkers.
The aim of these instructions is to assist the master in order to ensure efficient service. Sometimes the master may not agree with the instructions of the company, e.g. he may feel that he must not maintain speed in all circumstances since it is his job to deliver the vessel safely and without delay.

INSURANCE ARRANGEMENTS

The shipping business is subject to many risks like any other business. The company needs to protect itself against these risks in order to remain viable in the business. This is where insurance comes in to turnover this burden from the shipowner against a reward called the premium.

Marine insurance has become a major element in ship operators. It must therefore be considered in the financial and economical evaluation of ship performance. Insurance cost depends upon three main factors:

1- Value of vessel and cargo

2- The danger insured against

3- Reputation and qualification of the crew

There are some insurance clubs for example P & I clubs that were established as a result of increasing perils. The risks of loss and damage to the ship are covered by hull and machinery insurance. While personnel injury and cargo
liability are covered by P & I insurance. Personal and indemnity insurance usually covers the following claims:

1-Personal claims such as death, injury, illness, loss or damage to personnel property.

2-Property claims such as collision with another ship, explosion, pollution and fire resulting in damage to vessel or port.

3-Cargo claims such as loss or damage which may be caused by the vessel fault.

In Sudan at present there are fifteen direct insurance companies, twelve of them are privately owned, two publically owned, and one publically and privately owned. Out of these fifteen companies ten are transacting general business under marine, fire, car, etc. One is a life insurance company and four are engage in both life insurance and general business. Two of the twelve privately owned companies are Islamic insurance companies practicing the profit sharing system. In addition, there is a 52% government owned reinsurance company called The National Reinsurance Company.

The insurance companies are regulated under the Insurance Control Act of 1960 and the Insurance Amendment Act of 1964. The insurance regulations prescribe that insurers transacting general insurance business should hold 60% of their general insurance fund receipts in the form of post office savings bank deposits, 30% in either bank deposits or in government securities and 10% in cash. Secondly, every insurer transacting long term insurance business is required to put
90% of the long term insurance premiums into government securities or into post office savings bank deposits.

The insurance fund is composed of the net premium installments plus the share of the premium reinsured overseas or locally that the insurer is permitted to retain. This share is normally 90% of life insurance funds, 40% of general and 30% of marine insurance premiums. The controller of insurance has to approve the release of amounts deposited in blocked accounts at the post office or at the banks.

GPC imports oil on both a CIF < cost insurance freight > and FOB < free on board > basis. With regard to FOB imports GPC arranges the insurance with the local insurer. But the official responsible for arranging insurance needs to be well trained in order to handle the issue efficiently. Moreover, to avoid risks and protect the property of the company, the company need to consult and use the service of a professional person known an insurance broker. The broker acts as the agent of the company insurance and this usually facilitates the business due to the mutual trust between him and the underwriter.

In searching, the insurance manager or the official responsible and the broker negotiating for finding the most suitable conditions for insurance should satisfy themselves that :

- They have searched and covered all the insurance market
- The cover is spread cover different markets and the
company is adequately protected.

- The insurers are reliable
- The prices covered are competitive
- The methods of the payment are convenient

In brief, it is the responsibility of the insurance manager and the broker to obtain the best insurance conditions for that specific coverage.

OPERATING COST

The term operating cost is used here to refer to the cost of the functions that are associated with the operator and therefore with its earning. These functions include the responsibility of obtaining cargo, scheduling, ordering bunkers and making arrangement for loading and discharging of cargo and associated port activities. The term also includes the chartering of the vessel. However, the operating cost will be as follows:

- Port charges: the agent associated with the master for arranging a pilot according to the regulations of the ports, also for getting a tug if such assistance is required.

- Agency fees: having running the ship and transportation of goods creates considerable difficulty and confusion, the agent
will secure such difficulty. Therefore the company usually appoints an agent at the port to handle the issues. The agent is remunerated according to an agreement or sometimes this can be negotiable < see Annex 1 >

- Cargo handling cost: in case of dry cargo the company with the help of the agent can choose the stevedore and negotiate the cost of loading or discharging the cargo. The cost may be fixed according to the port regulations or may be negotiable. The company office at the port or the agent should monitor the handling of the cargo, so that damage or loss of cargo does not result.

- Bunkers and fuel: it is the responsibility of the company to arrange supplies on the route that the vessel will be travelling. The master should monitor carefully the ships consumption at sea and in the port.

- Claims: often the loss or damage to cargo leads to a claim against the shipowner. The ships master should immediately advise the company if any incident affect the safety of the cargo so that such claims can be avoided or minimised.

The level of ship operating cost depends upon the company policies, the mode of operations, the condition of the vessel, and the prevailing economic conditions. If some factors threaten the profit ability of the vessel, then the management needs to have the ability to adopt a new policy or create a new pattern for successful operations.
CHARTERING

Before showing the importance of negotiations in chartering as we will see, it will be advisable to provide precise idea about the different types of charter parties, as GPC is a new entrant in shipping business. Moreover, it is essential for the manager to be fully aware of the different modes of chartering so that he can assess and evaluate which mode will be more workable and profitable to the company.

Chartering is the business of conducting employment for vessels and arranging suitable sea transport for different types of commodities. Basically in chartering there are two main parties involved: the charterer and the shipowner. Both parties need each other, each for his own interests. The shipowner will always try to maximise his profit by fixing the freight rate as high as possible. On the other hand the charterer or the owner of the cargo will try to pay the cheapest freight rate possible.

In the shipping market there are different types of charter parties to meet the different agreements. They can be divided into four types:

1-Demise or bareboat charter

2-Time charter

3-Voyage charter

4-Contract of affreightment.
BAREBOAT CHARTER

A bareboat charter is a contract between the owner and the charterer in which the charterer rents the vessel without a crew for a given period of time. The charterer is responsible for all operation of the ship and for all operating costs. The rate of chartering is negotiable.

Chartering in this mode may cover a period of years, and at the end of the charter period the ship may become the charterer property. Basically the shipowners only costs are, depreciation, the survey to establish the condition of the vessel before charter and the fees of the broker.

The charterer is responsible for all the daily running costs, ports and canal fees and bunker cost. He usually pay the cost of the survey before handling the vessel back at the end of the period.

The advantage of this contract is that the charterer will not have to pay for high or costly operation of financing, especially when the market is passing through a deep crisis. Normally this contract will ask for a bank guarantee for the amount that both parties have agreed on. This sum may be equivalent to six to twelve months of charter payment. It remains at the bank during the duration of the contract as guarantee.
TIME CHARTER

Under a time charter, the charterer obtains the use of the vessel for a short or long time. Shipowners tend to commit themselves to short periods in order to avoid the negative consequences over the years.

The time charter is the type of charter which owners normally use when they have a need for a certain type of trade or when they are testing a certain trade that they may want to enter, or when a new building does not arrive on time and they need to cover them, a short term requirement for tonnage.

The hire charges paid by the charterer to the shipowner can be illustrated as cost per day or cost per month as follows:

<table>
<thead>
<tr>
<th>Shipowners account</th>
<th>Charterer account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and interests</td>
<td>hire payment</td>
</tr>
<tr>
<td>Insurance</td>
<td>Bunkers</td>
</tr>
<tr>
<td>maritime Survey &lt;if required &gt;</td>
<td>Ports charges</td>
</tr>
<tr>
<td>Overhead</td>
<td>Canal dues</td>
</tr>
<tr>
<td>Crew wages and victually</td>
<td>Stevedoring</td>
</tr>
<tr>
<td>Some cargo claims</td>
<td>Ballast</td>
</tr>
<tr>
<td>Claims brokerage</td>
<td>care to cargo</td>
</tr>
<tr>
<td></td>
<td>Water</td>
</tr>
</tbody>
</table>
THE VOYAGE CHARTER

This is the most common charter type in the shipping market. Under a voyage charter, the shipowner leases the vessel for the transport of cargo from a specified port to one or more discharge ports. The freight rate in this mode of chartering is set according to different factors: the length of the route that the vessel should take, the volume and the type of the cargo, the availability of supplies and vessel, the security of the route, and the expected fees and charges at the ports.

The charterer pays for the freight, which is usually assessed per ton of cargo. He usually has to pay for any delay in loading or discharging of the ship which is known as demurrage. But in case he turns the ship round faster than agreed the shipowner should pay him an amount of money which is known as dispatch (for dry cargo). The rate of dispatch is usually half that of demurrage.

The operating expenses under a voyage charter are borne by the shipowner who is fully responsible for the operation of the vessel. The vessel may be chartered for immediate employment - spot charter - or for use at a specified date in future.

CONTRACT OF AFFREIGHTMENT < C.O.A. >

A contract of affreightment can be defined as a contract for the carriage of a specified type and quality of cargo.
covering one or more shipments and running over a long period.

It can also be considered as all any different type of contract which does not have the same structure as a bare boat charter, time charter or voyage charter. Although it may have similar characteristics.

CHARTERING NEGOTIATION

Sometimes GPC places a tender requesting a charter or the importation of a specific quantity of product. There is a committee responsible for the tender of which the author is a member. The committee communicates with international companies that meets the specifications of the order.

The committee mostly evaluates the offer from the economic point of view. That has sometimes had negative result that some companies do not deliver at the delivery time specified on the order. Because of the limited capacity of the refinery and storage, that would result in shortage supplies of oil.

To avoid this problem it would be better for the company to deal with an agent in this matter. An agent will be well informed about the market and the most convenient companies, also he will be in a position to search the market and use his experience to get the most reasonable offer. Therefore, it would be useful to provide an example of how the manager or the committee could negotiate to get an oil charter.

First the oil company places an order requesting a charter
through his agent, providing the agent with the quantities loading and discharging ports and the deliver date, in addition to any further specifications that the vessel or the agent may need. The agent in this turn places an order in the market according to the specification that he has been provided.

In respect to tankers, it is important to mention that there are several types of tanker vessels. The types of tanker tonnage are as follows:

- Crude oil carriers < dirty >

- Refined products carriers < clean >

- Derived product carriers < small quantities of petroleum derivers >

In accordance with the above division we have the world scale which will give us the world rate for each market. The request will go through a chain of communication in the shipping market in order to place it with the tanker owners and get an answer back. The company's broker will send information about several vessels to the charterers broker, who will send it to the company.

The company will evaluate the offers and choose the most convenient offer. The company mainly evaluates the offer from the economic point of view, but the choice can also be based on the convenience of delivery or other factors that may be important to the company.
The company can include the worldscale in the request in order to give an idea of the price, for example world scale 110 / 130 challenging the owner price. In this case the company will make a calculation and try to set the price at the highest point on worldscale.

Before the deadline for receiving offers, the agent of the company should gather the offers and search the market in order to find the best suitable offer for the company. At the same time the company or its broker will be trying to get information from the market about the tankers or the companies that have responded to the request.

When the company gives the sign to its agent to start negotiations, the agent will propose the vessel at worldscale, say for instance 130, after considering carefully how far the offer satisfies the needs of the company. During negotiations the agent should keep the company informed of all his communications. He should also maintain a full record of the business until they agree on a price of, for example, 130 or 120 worldscale and then at this point the negotiation are done.

Almost the same basic pattern is followed in dry bulk chartering.

CHARTERING TERMS AND ABBREVIATIONS

In GFC Sudan telex is the means of communication most widely used in business. For the purpose of saving time and money abbreviations are frequently needed. Very often one
abbreviation can mean many things, so it is necessary to know the context in order to determine the meaning. Below some of the abbreviations concerning chartering terms are explained.

Abbreviations concerning despatch:

DDO : Despatch discharge only
DLO : Despatch loading only
DBEAT : Despatch payable at both ends on all time saved
DBELTS : Despatch payable at both ends on lay time saved
Fd : Free of Despatch

Concerning laytime:
Notice of readiness : This is declaration given by the master to say that the ship has arrived and is ready to load the cargo. the start of lay time is usually related to this time.

SHINC : Sundays and holidays inclusive, i.e. they are included in the laytime
SHEX : Sundays and holidays exclude
WWD : Weather working days

Working Days : Weather permitting - is similar to the above but deductions are only allowable if work would have taken place had the weather been fine.

FAC : Fast as can ... ship to be loaded as fast as possible.

Concerning who pays for what:

CPD : Charterer pay dues
FIO : Free in and out, i.e. charterer pays cargo handling cost.
FIOS : Free in and out and stowed.
FIOT : Free in and out and trimmed.

Concerning the ship and cargo :-

ETA : Estimated time of arrival
ETD : Estimated time of departure
ETS : Estimated time of sailing
DWCC : Deadweight cargo carrying...i.e. the weight of cargo the ship can carry
MOLOO : More or less at owners option
AA : Always afloat
NAABSA : Not always afloat but safely aground
FOW : First open water. This usually refers to ports closed by ice in the winter
SWAD : Salt water arrival draft
IWL : Institute < of insurance > Warranty limits.

HHDWS : Heavy handy deadweight scrap.
YAR : York Antwerp Rules
OSP : ONE safe port
Spot : A term used for a vessel which is so positioned that it can start loading immediately. Spot freight is the freight paid for such a fixture and is usually higher than the going rate.
L/A LLOYDS AGENT :

These are usually ship agencies who also act on behalf of LLOYDS of London. They form a major part of the worldwide information service that keeps Lloyds informed. They assist ships that are damaged and insured with Lloyds to receive good repairs at a fair cost to the Underwriter.
FACTORS AFFECTING SHIP DEMAND

The manager of the shipping company should have the ability to follow the volatility of the shipping market. I will precisely mention the most important factors affecting the ship demand in tanker market and dry market as well.

The most important single factor is the world economy as there are many different things that may bring a change in demand for the same transport. One possible cause of a change in demand is the occurrence of business cycle: the fluctuation of economic growth and periods of high and low growth. Secondly industrial development may bring changes in the demand for bulk commodities such as oil and iron ore which make up large part of sea borne trade. Thirdly a sudden rise in the price of oil or other commodities brought about by a particular event such as war can have a great impact on demand.

The price of other goods can also affect ship demand: switching from oil to coal as an energy source in the consuming countries would reduce the demand for oil, which is the largest individual commodity transported by sea.

An increase in the income of the country could change the market condition and have relatively elastic response of increasing demand of goods, this would turn to an additional demand of tonnage. Reducing income also effect the domestic demand consumer upon the demand of goods, these shift in volumes effect the demand of tonnage.
Credit has a great influence on the ship demand especially in developing countries, where it can influence the shipowners' decision to purchase a new or second-hand vessel.

The existing stock of tonnage increases over time by new buildings and decreases through scrapping. When freight rates rise the ship in lay-up are put into operation and when the freights decline again some ship lay-up. However, lay-up the ship in and bringing them back into service also affects the demand.

The supply of shipping service as being slow in its response to change in demand. Ship takes several years to build and this introduces a time-lag in the response to demand.

AN OVERVIEW OF THE SHIPPING MARKET

It is crucial for the manager to know the trend in the market, the reasons for fluctuation, and the elements that affect the market. Hence, the successful manager should familiarize himself with the way business conditions change over time, and with the economic mechanism that generates the cycle and effects freight market operations. As GPC Sudan is a petroleum company, therefore it is mainly concerned with the tanker market. However, in view of the future plan of the company to expand its activities, it will be useful to review some important aspect of the shipping market.
The tanker market is characterized by a comparatively small number of charterers such as large oil companies, private firms and government entities. Moreover tankers usually do not get any return cargoes and therefore proceed in ballast to the loading port. These characteristic of the tanker market urge many shipowners to avoid chartering in the spot market and place their ship on bareboat or time charters for long periods.

The types of vessels used for the transport of crude oil are: the VLCC < very large crude carrier > up to about 250 000 dwt and the ULCC < ultra large crude carrier > of the 350 000 dwt or more. Product tanker sizes are between 20 000 and 60 000 dwt. In addition to these there are the chemical tanker, liquefied gas tankers, and combined carriers which offer the shipowner the opportunity to switch between the tanker and the dry bulk markets and gain the advantage of cargo space utilization.

Within the tanker market, chemical tankers vary enormously from parcel tankers to solvents carriers which can often carry a great number of chemical products of different kinds. At the same time the size range of these vessels about equal that of the product tanker. The gas tanker form a special class and the vessel called LPG < liquid petroleum gas > and LNG < liquified natural gas > tanker in accordance with the product the ships are constructed to carry.

The problems encountered in the tanker market are greater that those found in the dry market and other forms of chartering. The art in tanker chartering is to place your vessel in the right time at high a high freight level rate.
otherwise the vessel will run at a loss. Due to comparatively limited number of parties involved in the tanker market, daily fluctuations, and the periodic changes usually cause strong impacts and changing the situation rapidly within few hours. One single company may affect the total state of the market considering that the day to day communication between parties is done by telex and with the aid of a computer.

CONCLUSION

The overview given in this chapter has highlighted the main areas that a manager of the shipping company is concerned with. The importance of the points already mentioned arises from the fact that the functions of operations and management are considered key element in many shipping companies because that is where many decisions involving high large amount of capital are taken.

A good information network is one of the most important factors the shipping manager should consider. This would enable him to be aware of the changes < e.g. in the prices of services > that are occurring every day and to cope with the other requirements of the company. The author has observed the Prof system used for office electronic mail and Sprint system for sending message to vessels at sea. All the two systems combined with satellite communication have proven to be effective.
The planning process for the operation of the ship should be carefully done. The manager has to determine how and when to involve the group members in his planning and how to insure their cooperation by making the best use of the ideas, experience and skill of his members. The manager also has to be well aware of the vessels routing, crew replacement, bunker arrangement and repairs. Good planning will save a lot of time and money. An example of the manager functions is provided in Annex 3.

In examining chartering it is important to note that GPC Sudan secures the importation of oil through the use of voyage charter in addition to their own vessels. The expectation for the future is that GPC will charter its vessels in the market when there are no longer needed to meet Sudanese needs for oil transport. In the light of that it is advised to use voyage charter in a rising market and to fix time charters just before the freight rates go down. But if GPC becomes a charterer it should try to do the opposite. An example of how to charter is provided in Annex 4.
CHAPTER THREE

PERSONNEL MANAGEMENT

The purpose of this chapter is to point out the activities of modern personnel management that GPC should adopt. The target is to improve the role of the personnel department by discussing the challenges that face GPC in particular and suggesting the solutions for the challenges.

The chapter will provide <part> of the personnel management activities. Training and motivation which are also considered to be with important functions of personnel management, will be dealt separately in Chapter Four and Six.

ACTIVITIES OF PERSONNEL MANAGEMENT

Dr Werther Davis in his book "Personnel Management and Human Resources" points out that :

There are no absolute principles governing personnel policies and practise. There are only basic headings and guidelines which provide a framework within which the organization does what it needs to do.

Personnel management is the responsibility of all those who manage people, as well as being a profession for those who are
employed as specialists. Management is the process of getting things done through people, and personnel management is therefore not a separate function from management. Its overall aim should be to make an effective contribution to the achievement of the objectives of the company. To achieve this aims, the personnel manager carried out his various activities as follows:

1- GPC resourcing

The personnel manager handles main GPC resourcing activities as:

- Developing in company training and encouraging integration and the cooperation.

- Designing job description < duties and responsibilities >

- Carrying out the GPC activites in terms of development

- Predicting manpower requirements and making plans to improve the productivity.

- Developing the potential by reviewing and assessing the performance of the employee and help them to do better.

- Implementing legislation and recruiting the type of the employee that the company needs.

- Designing and administering the health programmes

- Administering the payment system and advising on personnel problems.
2- Employee development

Employee development is concerned with the development of personnel skills and ability. Personnel management should set up a programme < as explained in Chapter Four > to develop the knowledge of employees and update methods in management in order to make the managers act effectively to meet the present and future needs of GPC.

3- GPC relationship

This can be done in the following ways :

- Cooperating and negotiating with the union and staff association.

- Involving employees and taking their advice in making decisions on matters of mutual interest

- Creating and maintaining communication to transmit information of interest to the employees.

FACTORS INFLUENCING PERSONNEL ACTIVITIES

There are some factors which particularly influence personnel activities, polices and objectives of a shipping company. Some of these factors exist in Sudan and that will be discussed in this chapter under challenges that faced the personnel management in GPC. Some others are not existing but they are likely to appear in the future when GPC becomes more involved in shipping activities. The most important of these factors are as follows :.
1-Purpose

GPC exists to achieve a purpose, which is to import oil to Sudan. It is responsible for the drilling for oil, doing chartering and generating an acceptable rate of return. The personnel manager has decide on the steps taken to achieve the purpose without conflicting with the needs of the employees.

2-The external and internal environment

GPC will be affected by the external environment such as recessions in the market, changes in government polices, economic forces, conflicts with trade unions, etc. These can create conditions which significantly change personnel policies, e.g GPC has been affected by changes of government - sometimes dismissals and appointments been made under political pressure.

The internal environment consists of the characteristics of the company, its size and its structure. Size brings the problem of communication. This factor appears to have a considerable influence on GPC in regard to the structure of the company and the communication between the head office and offices in the field which are responsible for the distribution of oil, taking into account that Sudan is the biggest country in Africa in terms of its area < one million square miles >.

3- GPC work environment

The work environment of the company consists of such matters as the attitude of the employees to their jobs and company, and the behavior of the union and the way that they dalt with the management. All these contribute to the company's work environment. The context within which the personnel manager operate is not only the GPC < its internal and external environment > but also the relationship that exists between the managers and the employees.
4- Management style

Leadership is the human aspect of management and so it can be said that the style of leadership is also the style of management. This style can differ from one manager to another, depending on his / her personality traits, earlier training, abilities and experience. In addition to that, a particular style may be forced upon the manager because of the circumstance prevailing in the situation or in the group. To what extent a manager knows himself and recognizes his own weaknesses and strengths will do much to characterize his management style and will reinforce his self confidence in his powers of leadership and the form it should take.

Style of leadership can be divided into three main groups:

A- Authoritarian management

This is the traditional view of the manager where power is in the hand of one authority whose word is law. Orders are issued and are expected to be obeyed without question.

B- Paternal management

Even these days paternal management endeavours to create a family atmosphere where the manager likes to be regarded by the workers as a parent figure. In some organizations this style works very well and in most cases the motivation of the staff is excellent. But in large company this form of management is almost impossible to apply, and with a large number of personnel such contact with the manager is very difficult.
C- Democratic management

This is the modern style of management in companies where managers share their decision-making activities with their subordinates as much as possible while not abandoning their ultimate responsibility or authority. Much decision making is therefore done by discussion. In this style of management, effective delegation is of enormous help as it frees the manager from much more routine details so that he can devote more time to develop the personal relationships so necessary in this form of management.

Challenges of personnel management in GPC

Personnel management in GPC helps the employees and the company reach their objectives. But along the way the personnel manager will encounter many problems. These challenges may arise from the demands of the employees, the situation of the company, and the maritime environment. First the author will present the problems and after that the solutions. The factors that caused the personnel challenges are as follows:

1-Declining productivity of the company

Probably the most serious problem facing personnel management in Sudan is the decline in company production. There are many reasons for that such as government regulations and law adding to the cost of doing business without enhancing productivity. Such laws lead to an increasing number of new employees in the company without considering the status of the company or how that could
positively affect the company. Another reason is losing skilled and experienced employees. This has happened in GPC as many employees have found attractive offers abroad especially in the oil producing Arab countries.

There was a debate that most of the vacant posts were filled by the female employees. And the increasing of working mothers may make imbalance in the workforce in the future, they were saying that management of GPC should consider the negative impact of losing the skillful employee and replacing by mothers. However, whatever it is, losing of the skillful employees present a challenge to the personnel management.

2- Changing expectation and values of employees

There is increasing concern among the employees about improving the interest and quality of life within the company as regards the freedom of speech. The employee need to be allowed to speak up and criticize the company management without losing their jobs or being affected negatively.

There are changes among the employees that are leading to new ethic. Work is regarded as having a spiritual meaning and behavior such as punctuality, honesty, diligence. These values were highly adapted and used by international organizations as the author have seen on the field trips and in my under job training. These values been adopted in order to have productivity, efficiency and effectiveness.

In GPC there is a growing evidence that the work value is declining, some employees seek opportunities to be absent, others tend to do their own work during the working hours, having careless talk in the office etc. All of that present a challenge to personnel management.
3- Facing the demands of the union

In GPC most workers believe that organized effort does help to improve the working conditions, raise wages, demand fringe benefits etc. The deterioration of the economic situation forced the workers to demand high wages in order to match the inflation in the market. Workers always have the opportunities to look around and see others who are working in a similar situation and getting 25 percent more pay. The union promised the workers that they will eliminate such inequities and provide them with more benefit.

The unions get into discussion with the management with the aim of achieving its demand. The management cannot easily change the rates of the wages or the job structure or improve the working conditions. Also it cannot avoid the employees problems which might causes strike or slow down the work. Therefore, the management get into negotiation in order to settle the problem. The management always used the bargaining techniques to try to narrow the difference by promising , compromising and by establishing as much agreement as possible. Mostly the process of give and take between the management and unions result in a workable solution.

In Sudan the presence of trade unions are sometime subject to political situation. The military government mostly does not like having unions. That means the demand and problems of the employees cannot be brought to the management by attention representative of the employees this creates challenges for the management.

4- Changing demands of the government

The changing demands of the government are considered to be challenges for the personnel management in GPC. The shipping sector
in Sudan is controlled by the government. The government from time to time issues new legislation / decrees that have a direct impact on the functions of personnel management. For instance due to the financial problems the government issued a decision to cancel all the training abroad sponsored by the government. The decision interrupted the training programme of the personnel department and upset the employees. Such new legislation or decree can also affect the purpose of retirement, compensation benefits and social security.

What has to be done to solve or eliminate the problems already mentioned which present a challenge to the personnel management in GPC ?? The creation of appraisal and induction systems...etc will be part of the effective solution as we will see in the following paragraphs.

APPRaisal SYSTEM

The appraisal system is a system that could make a positive contribution to the well being of GPC. the effective implementation of this system will enable the company to develop its capability to the full. By following the appropriate steps we can realize the benefits of the appraisal system to the challenges in GPC.

Here it is relevant to quote two points mentioned by P. Houssin copy of which is attach:

The appraisal system aims to fulfil two principals :

1- The review and evaluation of the past performance.
2- The assessment of the future potential

In regard to the review and evaluation of the past performance it is vital the backward looking process should assess the individual achievement during the past period with the objective of:

- Rewarding individual good performance
- Identifying the individual shortcomings of the employees and proposing corrective action.
- Identifying more general training needs
- Verifying job discription
- Assisting appointment planning

Regarding the assessment of the future potential, it is vital that the forward-looking process consider the individuals future in the light of evaluation and observation of his current performance in order to achieve the objectives of:

- Identifying the potential of the employee
- Identifying training needed to develop potential
- Assisting selection for promotion
- Assisting selection for needed office or key position appointment

The appraisal system process should be designed to assist the company in administering the staff. The staff of GPC included the head office staff, branch office staff as well as sea going staff.
The assistance of computer should be sought for a good followup of the staff appraisal in the head office.

The staff appraisal should be a two way communication between the assessor and the assessee. The assessee should be informed about what is going to be written about. He should have the opportunity to explain why he acted in such a manner, or why he has behaved in a certain way. An interview should take place before or after the filling of the form by the assessor. In this latter case, the form should be shown to him and his impression asked.

The immediate superior of the assessee who works directly with him should be asked to give his views appreciation, if not directly asked to assess his subordinate. An example of appraisal notes guidance provided in Annex 5.

An example of the assessment should be handed to the assessee so that once on his leave, he can have a look at the findings, think quietly about what is expected of from him in the future and make serious decisions accordingly.

The benefit of this system is that the staff will have reward as a result of, greater involvement in career decisions and will have relevant training, as a result of this the employees will increase job satisfaction. By the forward looking process the company will identify the individual shortcomings of the employees and propose corrective action in addition to identifying the training needs and assisting selection for needed key position appointment. The forward and backward looking process will identify the potentials of the employees, shortcoming and needs and that will help the manpower planning in GPC.
INDUCTION

The induction of new employees into the company is an important part of the role of personnel management whose objectives is to keep staff on as long as possible. In GPC employees often leave the company shortly after taking up new employment. Some leave the job after some years of working when another better offer appears.

GPC should have an induction programme. The aim of the programme will be to integrate the employee especially the newcomer functionally and socially into the company environment. The programme should consist of:

- Short courses on the job training and work experience

- Social adaption in order to assist new staff to adapt themselves to their new surrounding.

- Opportunities for informal discussion with management to check progress and deal with difficulties that may arise.

The line managers with the assistance of the personnel staff will be responsible for conducting the programme.

In addition to the appraisal and induction system, it should be mentioned that the democratic management where the workers are involved in the decision making process is essential, the decision may involve either the development of GPC or working condition. What most motivates workers is to feel that they are thought of as human beings and not just names on the payroll. A rule must establish so that any seafarers having a key position must pass by the head office and having meeting with the responsible manager before going on leave.
GFC should arrange guarantees for a retirement pension / or social protection scheme. Most experienced seafarers and those at shore leave their work and sea life when they realize that their life and families are not protected and that they have no future. In Sudan the existing insurance companies can provide a large range of guarantees. However, this matter together with practical motivation and job satisfaction will be discussed further in Chapter Six.

The Freedom of Association and Protection of the Right to Organize Convention 1949 < NO 87 > and the Right to Organize and Collective Bargaining Convention 1949 < NO 98 > are the two most important ILO Conventions in the field of trade union rights. These conventions stipulate that worker and employer organizations, shall have the rights to draw up their constitutions and rule, to elect their representative in full freedom and to organize their administration and activities. Sudan has not ratified any of above Conventions.

It should be mentioned here the government should go ahead to ratify these conventions - the steps of ratification and the benefits of ratification to Sudan were mentioned in Chapter One under "need for ratification of international conventions. However, the ratification will provide obligations to the government to fulfil in law and practise the unions rights.

MANPOWER PLANNING FOR GPC

Human resources are considered to be the most important asset. Therefore, the planning of manpower remains very much a concern of personnel management in shipping companies. Manpower planning has
become specialized field in which statistics, economics and others disciplines are involved.

The aims of manpower planning are to ensure that the GPC obtain and maintain the quality and quantity of its manpower and make the best use of the manpower resources of the company. Being able to anticipate problems arising from the potential surplus or deficit of manpower is a further objective.

Manpower planning provides evaluation and analysis of the manpower currently available in GPC and the movement of the workforce which are likely to occur during the planning period.

The personnel department should evaluate and assess the manpower of the company and head office staff as well as sea-going employees and estimate the future manpower requirement in order to avoid unpleasant situations. Some detailed analysis may be essential. For example the review of current resources, that how many employees the company have of skill and potential, the retirement and promotion etc. The department should set up a planning process which is based on the polices and approach provided by the top management in respect to the manpower plan. The manpower plan has to be understood by the employees, and the department should make the top management aware of planning process.

The manpower plan is based on forecasts of the future requirement of GPC in order to meet the objectives. The plan involves:

-The matching of supply and demand forecasts

-Minimizing the possible effects of shortages or excesses of the manpower.

-Planning recruitment and training.
- Changing the social life of the employees and the expectations and its effects on employee.

The use of the computer for this purpose is essential although it is not commonly used in the day to day work at GPC. The personnel department should introduce personnel number for each employee in the company roster, and implementation of a code number for each function in GPC for payroll needs. Files should be created for sea going and shore based personnel where additional elements could help the decision. The process can be set like :

-Special skills
-Possible promotion
-Result of appraisals
-Future training needs
-Weakness on the health side which causes considerable absence from work

-Wishes : to change work location
  -to be on another type of ship
  -to change department

Job descriptions should be adopted and be standardized for the same type of ship so that duplication of work can be avoided.

In planning, efforts should be made to promote the situation of employment so that at least half of the personnel have stable employment in GPC specially the most qualified who are in key positions.

The personnel managers of GPC need to take into account the growth of the company as a new entrant in the shipping business. They should also give serious attention to the internal change and the style of the top management in the company. There should be a regular review at various stages of the planning process. The plan
may be incorporated into the annual general review of the achievements and budget planning of GPC.

JOB ANALYSIS

Job analysis is vital in personnel management functions. It is important to implement this concept in GPC as the process of job analysis will lead to:

- The effective performance of work in GPC
- The recruitment in GPC
- The selection
- The performance appraisal
- The training and development of the staff

In his hand-out, Prof. P. Houssin stated that job analysis includes three basic elements:

A) Job description: a statement of the component tasks, duties, objectives standard and environmental circumstance of the job.

B) Job specification: specification of the skills and knowledge required to performed the job. Usually expressed in terms of behavior.

C) Person specification: interpretation of <B> in terms of the
person needed to perform the job.

1- In regard to job description the main item listed below can form the basis of the job description:

- Basic details: title, grade, location.

- Purpose: objectives and relationship to the aims of the company.

- Main tasks: occasional tasks, secondary duties, hours of work.

- Standard of effective performance of task.

- Responsibilities: position of job in company structure
  - manager to whom job holder is accountable
  - subordinate staff for whom job holder responsible
  - responsibility for finance - material equipment.

- Training planned to bring job holder to specific level of performance

- Advancement opportunities open to job holder

- Conditions of employment: salary, benefits, sickness, etc.

2- The job specification should describe the knowledge, skills, and attitudes required to perform the job.

3- In respect to personal specifications the job description will

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1 Taken from handout for a lecture on personnel management delivered by Prof. Pierre Houssin in 1993 at WMU

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consist of the following element:

- Physical - health - age - appearance - speech.

- Intellectual ability academic training received - experience and skills already acquired.

- Special attitudes - manual - verbal.

- Interests

- Dispositions - personality characteristics needed energy - initiative - motivation

- Other circumstances - mobility - commitments - family circumstances.

The personnel department needs to carry out the job analysis by means of:

A- Interviews with the job holder, and all those who can give useful information. The interviewer must be careful to distinguish fact from opinion.

B- Self analysis of job by holder over a period of time recording information systematically.

C- Questionnaires and direct observation

Currently job analysis is being implemented poorly in GPC without using all the items above. Those who are responsible for performing the task do not have expertise and knowledge in this area. Therefore it will be useful to make the personnel department
familiar with the above items. The task should be carried out by the personnel staff and it may be useful to take the advice of an outside consultant.

The implementation of job analysis in GPC will enable the company to have job description and job specification, that will help the training, recruitment and the performance appraisal system, consequently the company will have better performance.

SUGGESTIONS

In order to cope with the technological changes relating to ships and their operation as well as highly the competitive market GPC needs to have an effective personnel manager with expertise who can carry out his advisory and administrative tasks professionally.

As personnel management involves working with others, the aptitude to lead and to be a good team leader is essential. But the most important element is that of judgement: the ability to make the right decision at the right time in the right place. For this the manager must be aware of the working conditions. He will need a continuous flow of information through his communication system.

Future challenges for personnel management in GPC will require innovation, creation and hard work in order to find new ways to meet the demand of the employee and contribute to the company's success.
The modern personnel manager should predict future legislation, design the programs accordingly, and function effectively. Meanwhile before issuing any legislation / decree concerning the employees the government should pay serious consideration to the employees interests, and consult the unions.

In GPC rapid turnover among the employees will continue - legally or illegally - unless the personnel management respond with more attractive work situation to obtain and retain a needed work force. The appraisal, induction, training, and motivation system needs to be reviewed and implemented effectively and with impartiality.
CHAPTER FOUR

TRAINING

It is important to remind the reader that shipping in the General Petroleum Corporation (GPC) is currently carrying out by a department in the company. The expansion of the department is expected to lead to a separated shipping company. The target of this chapter is to provide GPC with the newly developed functions of the training department, provide proposals for the training of Sudanese seafarers and explain the advantages of the training.

In Sudan no shipping institution currently exists and consequently, there are no rules, syllabuses or proper procedures for conducting the necessary and appropriate examination to evaluate the qualifications of the maritime officers. To acquire qualifications the officers have to be sent abroad, and since the government is facing a financial constraints training in some cases is based on the initiative taken by the individual officers.

FUNCTIONS OF THE TRAINING DEPARTMENT

The functions of the training department in GPC should be to establish, develop and maintain a training system that provide knowledge, skills, and attitude to the workforce of the company. The system should be based on job analysis1, perform and determine

1 Job analysis been provided in chapter three "the personnel management".
how the gap could be remedy. that should be done through the
interviews with the job holder, self analyse of job by holder over
a period of time, questionnaire and direct observation.The training
department in GP should carry out the following functions:

1. Establishing training plans according to the requirement of GPC,
identify the training needs through the performance review system.
Further information will be provide under the training policy.

2- Working with the management to produce cooperation plans, and
business strategies.

3- Providing appropriate education programme

4- Selecting trainees, and following fair criteria in giving
opportunities for training. The criteria for selecting trainees
will be provided under "who needs to be trained".

5- Encouraging managers to identify the training needs and make job
analyses. Job analysis is discussed in Chapter Three".

6- Providing further education employees

7- Promoting training staff, by reviewing and assessing the
performance of the employees and rewarding individual better
performance by promotion.

8- Controlling training resources and providing training advisory
and information services.

9- Following up to date methods and the modern theories in
management that in order to make the managers act effectively to
meet the present and future needs of GPC, that can be done by
sending the personnel to the appropriate maritime institution.
10- Maintaining channels of communication with all international institutions and universities involved in maritime activities.

The training department should consider that the successful implementation of the above mentioned activities will depend upon many factors. These factors include the support of the management, the quality of the managers, economic factors in Sudan, the surrounding environment and the existing climate in GPC.

PROPOSED TRAINING FOR GPC

GPC training policy should be formulated according to the needs derived from the business and manpower plan and the performance review system. The training department should not only set the policy and what standards are to be achieved. But also indicate the means by which they are to be realized.

The following proposal can serve as a framework for the training policy that the training department in GPC can follow:

- The training plan will be established by reference to the requirements of the GPC business plan. A performance review system will be adopted as described in the employee handbook.

- The training needs will be identified through the performance review system or in special cases when there are changes in internal policies or according to external factor or new legislation.
Training methods should be determined by the training department and training to meet identified needs should be carried out by the management and training department. Supervisors can be consulted if it is appropriate.

All new employees should have induction training on engagement so as to settle and feel part of the company. It also helps the employee to feel familiar as well as the initial job training. Further information is provided in Chapter Three under "induction".

- All the training costs will be borne by the training department budget with the written agreement of the training manager. If the government ceases financing the training programme, then the department should seek financing as we will see later in this chapter.

- All the training equipment and property should be part of the training department inventory and not remove without the departments permission.

- In some cases, as determined by the training department, some employees can be given assistance with time off to attend further education courses according to the job knowledge requirements.

- Internally and if possible externally employees will be given opportunities to attend conferences and seminars relevant to their work and have opportunities for further training in technical colleges and maritime academies.
WHO NEEDS TO BE TRAINED?

One of the most important steps in training is the determination of who needs to be trained. It is evident that in GPC there are weaknesses in the system which demand strengthening by means of training. The training department has to examine any shortcomings and make nominations of the personnel to be trained according to a plan based on the following factors. The department must provide an analysis of the manpower plan currently available (see Chapter Three) and the movement in the workforce which is likely to be influenced by resignations, deaths, transfers and new appointments.

In implementing the training programme, the training department can consider the following factors to determine which employees need to be trained:

1. The performance review system
2. The job analysis for present and future needs.
3. The appointment of the employee
4. The evolution of the job, internal or external factors.
5. The wishes expressed by the employee themselves.

TRAINING OF SUDANESE SEAFARERS AND OFFICERS

In Sudan the maritime training standards are low. Because of financial constraints, the country lacks high quality technical facilities. Most Sudanese governments have failed to address the

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2 Taken from "training and development" by John Prior.
needs of maritime training. They have not made the adjustment to new changes that would have enabled the shipping sector to move forward.

In Sudan the present sea going personnel consist of the following categories:
A) Officers
B) Crew (rating)
C) Fishermen

The training of the Sudanese officers is done in two parts:

1- Education

2- Practical training on board ships

The nominated candidate for officer training must pass a medical and sight test in addition to having a secondary school certificate. As Sudan has maritime training institutions the selected student are sent abroad to study in the chosen marine fields. The certificates which are issued to such student by foreign educational institutions are normally accepted by the Sudanese government.

The Sudanese ratings, including deck, catering and engine room ratings are employed as juniors in their departments and each of them has to prove himself in his work. The fulfilment of the required sea service and the report from the responsible officers and master form the basis for their certification and promotion.

Many Sudanese rating are serving on national vessel and foreign flag ships. Those who serve on foreign flag vessels are subject to the regulation regarding training and certification of that flag state while those who served on national vessel are given
certificate of services from the shipping companies they had serve stating their efficiency.

As GPC is a new entrant in the shipping business therefore it is advisable either to cooperate with Sudan Shipping Line (SSL)\(^3\) to establish a training center for seafarers, or to use the existing one belonging to the Sea Port Corporation at Port Sudan with some special addition and modifications. The STCW Convention and IMO consultant can provide a good basis for the center in regard to the content and advisors. Instructors will be needed, therefore expatriate may be recruited first and at the same time national maritime instructors may be trained to take over.

It is recommended that the center provides training for the following categories of personnel:

1- Deck ratings

2- Engine room ratings

3- Port workers equipment operators, technicians etc.

4- Electricians and mechanics

The deck ratings training may include:

A) Pre-sea training for the new entrant which should include personnel survival techniques.

B) Subsequent refresher training for ratings with an appropriate sea service so as to meet the mandatory minimum requirements for ratings as specified in the STCW Convention (see Annex 6). It is

\(^3\) SSL is the main existing shipping company for dry cargo
desirable that such training leads to an efficient deck-hand certificate or its equivalent and proficiency in survival certificate.

C) Fire-fighting training

D) Training in basic first aid

The training centre should have the facilities to train dock workers in ports in safe cargo handling and discharging oil spill response and the special requirements of dangerous goods.

As mentioned before the training of Sudanese seafarers is basically on the job training whether on board foreign sea going ships or on board national vessels. Some seafarers possess good experience and some have competence in the positions they hold. The STCW Convention recognizes the status of the previously issued certificates by the administration, but in the long run STCW will have an adverse effect on the Sudanese seamen unless measures are taken to comply with this Convention. None compliance will restrict the employment of new seamen and make it difficult to find a certified crews as per the STCW requirement to man foreign ship. In addition to this foreign shipowners will be reluctant to hire non-certified Sudanese seafarers.

The training of the shore based personnel in GPC is important. In that for every person working on board a ship, there are a number of persons serving that person ashore. The proposed center for seamen training could conduct a series of lectures on various aspect of the shipping business. The series should include the following lectures :.
1- Chartering:
   A- Definition of chartering
   B- Charter party
   C- Broker and function of conference

2- The business of shipping an over view comprising:
   A- Demand for shipping
   B- Shipping market
   C- Cycle of business

3- General cargo and container shipping
   A- Cargo handling
   B- Ship operation
   C- General cargo and shipping

4- Ship acquisition
   A- Sell and purchase of second hand vessel
   B- Newbuilding procurement
   C- Investment appraisal methods

5- General economics and international shipping

Seminars on relevant topics could be held, international organizations like UNCTAD can be encourage to contribute and managers concerned with the subject could participate.

The training department must make sure that the training for those on seagoing vessels and those on shore achieves the following aims: ..
1- To improve the skills of the employees so that their performance is more effective.

2-To provide the skills required the appropriate qualification on board and at shore.

3-To improve the skills needed for safe cargo handling operations

4-To improve the skills of the employees and ensure that cargos are transported in good condition.

HOW could the training department make sure that the training achieves the above aims? For measuring the effectiveness of training there are two main components:

1-Evaluation:

Assessing about the significance, quality and advantages of the training. This can be done by reporting the trainee or by observing performance of the employee.

2-Validation

The term for forms of assessment designed to ascertain whether the course has achieved its objectives

According to the research made by C. Hamblin, the evaluation of training is carried out on six level:

1-The course can be evaluated by the reactions of the trainees at

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4 Taken from handout for a lecture on training delivered by Prof. Pierre Houssin in 1992 at WMU

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work and their views

2-Evaluation of learning through test of knowledge of trainees.

3-Job behavior assessments can measure how far the advantages of training has been transferred to the work situation.

4-Consequences on the organization: this can be measured in terms of productivity, behaviour of the employees, waste of material etc.

5-Evaluation of benefits of training for the organization in respect of profit.

6-Assessment of the total benefit for the organization and for the individual.

EXTERNAL TRAINING

Training is something that must be done for the survival, progress, and competitiveness of GPC. In Sudan there is no domestic institution for maritime training, so all training has been external. In general such external training is expensive and since their are economic constraints, the high cost gives rise to arguments and complaint. Therefore, the government has ceased the financing of training courses abroad.

In view of the new situation, the training department in our company needs to seek financing from international institutions in order to satisfy the needs of GPC. Therefore, it will be useful to
provide the company with names of those international institutions and organizations which are concerned with maritime studies and training so that further contacts can be done.

A number of training programmes and courses in shipping matters are provided by professional institutions, universities and academies. Some of these distinguished entities are: World Maritime university in Sweden, the Norwegian Shipping Academy in Oslo, the UWIST in Cardiff, the Industrial Society in London, University of Rhode Island, university of Delaware, and the University of Washington.

WORLD MARITIME UNIVERSITY

The World Maritime University was established in July 1983 in Malmö, Sweden under the auspices of the International Maritime Organization. The university is a global institution whose major purpose is to serve in the international of training and technical cooperation in maritime transport.

The university aims to help reduce the shortage of maritime personnel in the developing countries. And to enlarge the capacity of the developing countries so as to be dependent upon their own nationals, participate more effective and with greater role in shipping activities.

The University promoting the implementation of conventions and regulations issues by IMO. Advanced courses and training facilities are provided to students from all countries of the world.
The university offers courses in different field for the student. The courses offered by the university are as follows:

1- Course in General Maritime Administration.

2-Course in Ports and Shipping Administration.

3-Course in Maritime Safety Administration < Nautical >

4-Course in Maritime Safety Administration < Marine engineering >

5-Course in Maritime Education and Training. < For engineering and nautical >

6-Course in Technical Management of Shipping Companies

The courses consist of classroom work and practical experience. The student has several weeks of practical training experience with various shipping companies and ports. In addition to that the student participates in visits to various countries to study matters relevant to his course so as to be more capable and knowledgable about his field.

NORWEGIAN SHIPPING ACADEMY

International shipping course can be organized by the Norwegian Shipping Academy in Oslo. The academy offers two courses leads to diploma in shipping study, and on ports and insurances studies. The duration of the two courses is eight months. Student undertake visits to shipping companies and ports in different countries in order to gain experience.
The academy recently started to design two year courses leading to master of science degree. All the courses are fully sponsored by NORAD.

**SHIPPING MANAGEMENT TRAINING PROGRAMME**

This is an UNCTAD maritime training programme named known as TRAINMAR. The programme organized by the training department and includes two TRAINMAR courses namely:

- Containerized shipping management
- Cost control in shipping management

**LEADERSHIP AND COMMUNICATION SEMINARS**

The Industrial Society of London training seminars can be organized and conducted in the field of human relations in management. The seminars focus on the subjects of leadership and communication.

In addition to these opportunities in the field of training, further contacts can be made with a number of international institutions and organization which are concerned with training in shipping matters such as:

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THE ADVANTAGE OF TRAINING

What benefits will GPC gain from training? There are many ways in which GPC can benefit from training. These advantages can be identified in three areas: the work, the team and the individual.

1. The work:

The first essential of any business is survival. Every business must change no business can remain static. GPC needs people who are skilled in their work to enable the business to run effectively, increase productivity and reduce costs. Training can help the employees to improve their expertise and thus enhance the quality of services, making the best use of available material resources, equipment and methods.

Mistakes are made in GPC that could affect the reputation and the income of the company. Training can help to reduce the occurrence of mistakes by developing a consciousness of the importance of safety at work and upgrading standards on board ship at shore.

Also, one of the greatest advantage for GPC will be the standardization of work. A training programme helps to ensure that all staff meet the same standards and that their is continuity in the work standards.

2. The team

As it was mentioned earlier in Chapter Three in expanding shipping activities of the company, a team should be recruited. The labour in the market favour high salary level and career prospect but a company that can not offer such attractions like effective
training, it will not attract the labours. Also the exchange of views and information help promote a common identity in GPC and that can generate new solution to the problems.

3-The individual

Training has a direct effect upon the individual in that it contribute to good motivation. When employees feel that they have been selected for special attention, they feel pleased to be given that attention. Training will stimulate the employee and offer the opportunity to be away from the daily pressure of work. It can also lead to changes in the individual perception of the work.

Training gives an excellent opportunity for developing the skill of the employee. In the maritime field changes take places rapidly, skills have to be updated in order to remain competitive and ensure survival.

Though training employees can increase their knowledge. Experience is a great teacher, but employees will only learn from the experience or the lessons which happen to emerge in daily life. Training can equip employee with knowledge before it is needed. The advantage is that the employee will be better able to handle new problems because they have the knowledge and can assess the situation.

CONCLUSION

Today increased productivity can be achieved by using high technology and automation, but only if employees are trained in the use of the new system or new equipment. In GPC profit can be
increased by reducing cost. But this is unlikely to be achieved unless employees are helped to realize which costs can be saved.

As new development in the maritime field requires training, it is essential for GPC as a new entrant to provide the appropriate training for the new technologies. We can equip a vessel with modern electronic equipment, but problems will still exist due to human errors. Therefore, the training department should place emphasis on providing the required training for the best use of the GPC resources.

Since maritime training will encounter with the financial economic problems, it will be advisable for GPC and Sudan Shipping Line to think together to overcome the high cost of training in the future by establishing a regional maritime institution that could serve as a mechanism for resolution of the maritime issues and problems within the Eastern African region. As regard the institutions course content / syllabus, the STCW convention will provide the basis. IMO consultants /advisors have produced model courses and teaching syllabuses which are readily available to developing countries. At present the idea may not be practical but for the future it would be advisable to consider its advantages.

In Sudan the current lack of training in shipping sector is mainly the result of the economic problems. The another problems is that there is no realization that shipping is highly competitive international industry. In addition to that the planning of training is interrupted by changing policies of the government, and their is sometimes interference by the top management in the determination of who can have training opportunities. Very often the political party in power influences the training plan to give its followers the best opportunities. Often the training programme and priorities are not implemented with impartiality.
CHAPTER FIVE

MOTIVATION

The primary objective of GPC is to run the business successfully in order to make a profit and meet the objectives. To do so all the work must be done efficiently. Therefore, GPC must somehow encourage the employees to work harder and with more vigor.

Generally, no rules satisfactory for every situation can be offered, simply because the behavior of human beings cannot be predicted with any certainty. Nevertheless, it is the duty of the manager to attain GPC objective and this can only be done through trained employees. To achieve this target, it is essential that the staff at all levels be motivated to cooperate in the company as effectively as possible.

The shipping sector in Sudan is administered by the government. The government sometime issues new decree / decisions that have a direct impact on employees. Recently the government announced it was implementing four measurers under the National Economic Salvation Programme. These measures will have a direct effect on employee incomes and consequently influence job satisfaction.

Due to financial problems the government issued a decision which cancelled all the training abroad sponsored by the government. This decision depressed the employees and negatively affected the job satisfaction.

The employees are not allowed to speak up and criticize the management without suffering negatively or consequences losing
their jobs

The union of the employees often demand higher salaries in order to keep pace with inflation. The government uses the bargaining techniques and compromises but it does not always solve the demands of the employees.

One of the most remarkable things that the author has noticed in Europe is that most of the employees in their organizations are more happier and were more active, than those in his company in Sudan, and consequently have better outcome than we were doing in our company. I could easily distinguish between the two situation, that disregarding the facilities offers in each side I could say that lacking the job satisfaction.

The difference in performance between GPC Sudan and the developed companies reflects the varying abilities and skills on the part of the individuals. Besides that the quality and limited training that available for employees in the company. This is considered to be one of the causes of the differences in the output of the employees. however, I believe that another important factors is motivation.

The problem of getting people motivated at work to get the maximum possible ability and skill in the actual performance of a job has been an important object of the scientists research during the last decades.

In the light of that prof. P. Houssin in his hand-out make a review of the most important factors that could provide some improvement and stimulation of the motivation in shipping companies.

These factors together with the author analysis are as follows:
1- The change of the environment

The changing of a vessel by obtaining a better vessel in terms of speed, size and other technological aspects has an effect on the performance and attitude of the crew. They tend to be much more impressed with a valuable vessel and new navigation equipment. Also, it will have a considerable effect upon the seafarers life.

There are major changes that have accrued in recent years in ship technology regarding the sophistication of equipment and the size and training of the crew and officers. These changes have improved the condition and the local environment of the maritime activities.

The seafarers and officers in GPC are directly influenced by the social trend of the work environment. During the recent years shipowners in the maritime countries have registered their vessels under the open international registers to have better treatment and more flexibility. The social trend among the seafarers in some countries, specially the developing countries, is declined substantially while in some other countries the social trends are more advanced. The social trend in GPC can be characterized by the following factors:

- The conditions of the work
- The type of management with regard to the behaviour of the manager
- The opportunities and quality of the training.

These factors have a marked effect on the attitude and performance of the seafarers and officers.
2- Stimulating motivation

It is believed that there are many high potential individuals who genuinely desire a career in the maritime field at sea or on shore but GPC must offer a career opportunities with which the employees can identify themselves. However, these matters are the responsibility of the management of the GPC. The management have to consider the gap between what most people want from their jobs and what they are currently receiving. The administration should make their jobs more satisfying and more profitable.

Motivation enhance and performance and achievement in that employees work harder longer and with more vigor when they are motivated. Without being motivated the employees will be less active or even quit.

JOB SATISFACTION

Job satisfaction is a part of life satisfaction. Since work is an important part of life, job satisfaction influences ones general satisfaction with life. Generally in Sudan, in the recent years things have changed, according to the increasing of the inflation worker expectation were arising substantially. Satisfied workers with good working conditions perform better, dissatisfied worker performe less and sometimes do the least work and let the rest go.

The principle is that satisfaction lead to better performance. Dissatisfied employees always tend to take care of their personal affairs during working hours time or seek opportunities to be. Once
a reason for absences arises they will find it easier to take the
advantage of that reasons.

Satisfied employees usually have better pay and better working
conditions and their jobs make full time of work, and so they have
good reasons to be more satisfied.

In the GPC work environment is the favourable or unfavourable
of the environment for the employee and the personnel management have
a major influence on the climate for workers in the company. When
the management administers the wages and stimulate in a realistic
and attractive way in order to meet the employees basic needs, the
company may not lose the employees.

Basically, job satisfaction comes from a number of human needs.
These needs are as follows:

1-The need to have clearly defined role and status and to have
   recognition of them from associates.

2-The need for career advancement opportunities

3-The need for personal fulfilment in work

GPC management should consider the above points in order to avoid
making the conditions of service less attractive than expected.

MABLOW NEED HIERARCHY

If money does not motivate, what does?
A manager should be aware that people do not work for money only.
Once a satisfactory income has been achieved, pays becomes a
secondary consideration. Reasons for working are different among individuals, as are the factors that motivate them.

The most famous research in the field of motivation was done by Abraham Maslow. The major aspect of his theory are as follows:

- What motivates at one point in time may have non-motivational potential at another.

- Certain needs develop only after other needs are satisfied.

- Satisfied need cannot be motivated.

- Human needs may be classified in terms of priority as a needs hierarchy. Lower needs satisfied first and then the higher needs.

Abraham Maslow classified human needs from the lowest level to the highest described as follows:

1- physiological needs: food, water, rest, etc.

2- Safety needs

This is a next level it is concerned with protection from dismissal from work insurance, social security, fire, accident.

3- Social needs

This comes after physiological and safety needs, and it is concerned with the needs for love and friendship.

4- Esteem needs

This level concern self-esteem and for the esteem of others. Self-esteem needs: self-confidence, freedom, competence, knowledge, independence.
The esteem of others is related to reputation status, appreciation recognition and the respect of others.

5- Self-realization needs

After the lower level needs are reasonably well satisfied then comes the need of actualization, which the need to do the best suited to achieve at the level of one highest potential.

Brief look into Maslow theory could draw to our attention the following observations:

- The satisfied needs of GPC employees can not motivate but we can motivate the unsatisfied current need.

- The changing economic conditions can shift employees needs. For example, when the incomes of the GPC is high and logically the workers are well paid, then the need for money will be less. But when depression and inflation bring economic hardship, then the needs for money will increase.

- Employees of GPC can be impacted by cultural and social standards outside the scope of the Maslow theory

- Higher level needs are not so easy to oversatisfy. The need for esteem which is met by the recognition of others or by personal sense of achievement is seldom oversatisfied. Since lower needs are mostly physical and economic, money can satisfy those needs. But money becomes less useful to secure the higher needs such as self-esteem and self-fulfillment. The higher needs relate more to feeling and values than to physical needs.
SECURITY AND BENEFITS

In GPC there is a substantial gap between what most people want from their jobs and what they are currently receiving. The company should make the job more satisfying and more profitable. Therefore there are some benefits for the employee which are not part of his salary. These include pensions, sick pay, holidays, medical care, housing benefit and other benefits that can be made available.

A pension system provides a guaranteed income to the employee or his dependent on retirement or death. Pensions are generally regarded as the most important employees benefit after basic pay. They can provide degree of security especially the longer service employees pension also attract higher quality employees special older employees at a senior level who are likely to be the ones most interested in pension system.

Providing sick pay is considered to be one of the most important motivators. Medical insurance pays for sickness, accident, and hospitalization expenses. To illustrate this we can take as an example the proposal of a European company:

Up to 1 year service --- 4 weeks full pay
1 to 5 years services ---- 13 weeks full pay
5 years plus ---- 13 weeks full pay plus one week for each year of services.

GPC should provide a life insurance for all seafarers.
The benefit capital could depend on the employees marital status (single, married or married with children). When an insured risk occurs, the covered employees or their families are compensated.
The total remuneration concept in GPC should be based on the belief that the more one rewards, the harder people work. In setting the levels of remunerations account is taken of the value of the employee and the cost to GPC. The remuneration policy should be applied to all levels of staff. But it is more important at higher levels because of the tax advantages that may be achieved by providing certain benefits as an alternative to basic salary.

There are other benefits that can be provided by GPC for those on the board and the others on shore. These benefits include:

- Low interest loans
- Help with education
- Free of heavily subsidized meals
- Subsidized accommodation
- Overtime allowances
- Payment of professional subscriptions
- Medical benefits

SUGGESTIONS

If the financial incentive are not effective or the GPC management is not able to motivate the employees because of the financial problems, then what can be done to create a positive motivation in GPC?
1- Employees need recognition. Human beings have a need to be esteemed and the manager who realizes this and actively views his subordinates as people rather than working unit is likely to be successful in motivating them positively. Motivation will increase if the manager recognizes the effort given by the employee in the achievement of GPC objectives. Words of praise or encouragement raise the morale of the staff.

2- Status is important to many employee in GPC. The title of the employee personally may become dissatisfied and disappointed and he may loose the respect of the others.

3- Involvement is essential as we have seen in Chapter Three. In democratic management the employees needs to feel that they are involved in the decision-making process as regard the development of GPC and their working conditions.

4- An atmosphere of cooperation must exist between the government and the staff. Employees should feel free to speak up and criticize without being punished. Manager should not only know their own weaknesses, strengths - but also the needs and expectations of their staff.

None of these suggestion for motivating employees in GPC will work effectively unless they are applied honestly and sincerely. Any insincerity or deception by the management will rapidly disillusion the staff and any hope of positive motivation will vanish.
CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

As this paper comes to an end, it is the hope of the author that the implementation of his ideas and recommendations will overcome the current problems in Geenral Petroleum Corporation and leads to the following:

- The creation of sufficient and effective maritime personnel.

- The introduction of useful maritime legislation in Sudan.

- The promotion of awareness of ship operations management.

- The improvement of maritime policies in Sudan.

The adoption of the concept of this project will enable the country to avoid dependance on the other countries in respect to the management of our vessel. Consequeny we will conserve our national property, maximise efficiency and spend less currency.

The success of GPC in shipping matters is dependent upon many factors, but none is more important than the impact of the manager. The manager makes the decision which determine GPC aims and his actions determine whether the objectives of the company will be achieved or not. GPC managers needs to be vigorous and persistence in pursuit of objectives. They should have self-confidence and sense of personal identity, willingness to accept the consequences of decisions and actions, and the ability to influence the behavior of the employees. Meanwhile, the management should improve the
interests and quality of life within the company. Regarding the freedom of speech, the employees need to be allowed to speak up and criticize the company management without being affected negatively. An example of management is provided in Annex 7.

As a member of IMO and to cope with the rapid development of the maritime industry, Sudan has to ratify the conventions discussed in Chapter One. But as each convention has its own advantage and implications, it is important to carefully examine same and proceed further accordingly. Prior to the ratification of MARPOL 73 / 78 Convention, arrangements will have to be made to provide reception facilities at Port Sudan in cooperation with Sudan Shipping Line (SSL).

There is a continuing effort and a spirit of cooperation on the part of IMO and UNCTAD to provide technical assistance to developing countries that may need such assistance. It is therefore strongly recommended to make the best use of the resources offered by these organizations.

The training of maritime personnel should be given priority as a means of improving safety standards and efficiency. It is therefore recommended that the Sudanese government:

- Encourage the formulation of a National Maritime Committee to formulate a national maritime plan and supervise the implementation of the plan.

- Encourage the universities to offer new and high level maritime studies courses relevant to the country needs and hopes.

- Upgrade the present Port Training Center into a high level institution for maritime training.
- Take advantage of the opportunities at outstanding international institutions and universities for acquiring the needed high level maritime skills required for maritime activities in Sudan. In this respect the World Maritime University in Sweden which offers great opportunities for upgrading maritime professionals from developing countries.

In GFC rapid migration among the employees will continue unless the management can create a more attractive work situation that will obtain and retain the needed work force. The system of appraisal, induction, training and motivation need to be reviewed and improvements should be implemented effectively and with impartiality.

It will be useful if the government consider appointing a national advisory board of experience. The board will advise the government on maritime matters and encourage the use of maritime training facilities with the objectives of harmonizing public and private sectors efforts towards common goals.

Lastly, I hope that this paper will be beneficial for GFC management in terms of opening some discussion on how the company can gain its benefit.
ANNEXS

Annex 1  : Standard Liner Agency Agreement

IMO Guidelines On Management For The Safe Operation Of Ships And For Pollution Prevention.
Major International Shipping Conventions And Recommendations.

Annex 3  : How To Charter

Annex 4  : Marine Management Functions Chart

Annex 5  : Appraisal Notes For Guidance


Annex 7  : Codes Of Good Management Practice In Safe Ship Operation and Guides To Good Management Practice.
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FONASBA

STANDARD LINER AGENCY AGREEMENT

Third edition
Revised and adopted OCTOBER 1991

It is hereby agreed between

......................................................... of ......................................................... (hereinafter referred to as The Principal)

and

......................................................... of ......................................................... (hereinafter referred to as The Agent)

dated the ......................................................... day of ......................................................... 19 ..........

that:

1.00 The Principal hereby appoints the Agent as its Liner Agent for all its owned and/or chartered vessels including any slot or space charter agreement serving the trade between ......................................................... and ......................................................... with effect from .........................................................

1.01 The Territory in which the Agent shall perform its duties under the Agreement shall be: ......................................................... hereinafter referred to as the "Territory".

2.00 General Conditions

2.01 This Agreement covers the Port and/or Inland Agency work within the Territory. It includes the duties of marketing the Principal’s services and of handling of all types of cargo entering or leaving the Territory whether direct or by trans-shipment. It also includes the handling of vessels owned, chartered (including any slot or space charter agreement) or otherwise operated by the Principal within the port(s) of the Territory. Work performed as Liner Agent under this Agreement will be strictly separated from any work performed as General Agent for which a separate Standard General Agency Agreement and separate remuneration will be applicable.

In case of any ambiguity as to which agreement governs the work in question, the terms of the Standard Liner Agency Agreement will prevail.

2.02 The Agent undertakes not to accept the representation of other shipping companies in the Territory in direct competition with any of the Principal’s transportation activities without written consent, which shall not unreasonably be withheld.

2.03 The Principal undertakes not to appoint any other party in the Agent's Territory for the services defined in this Agreement.

2.04 Where any of the activities of the Agent are not covered by this Agreement, then the current local General Conditions in the latest version or established custom of the trade and/or port shall apply and form part of this Agreement.

2.05 In countries where the position of the Agent is in any way legally protected or regulated, the Agent shall have the benefit of such protection or regulation, irrespective of anything to the contrary in this Agreement.

3.00 Duties of the Agent

3.01 To represent the Principal in the Territory, using his best endeavours to comply at all times with any reasonable specific instructions which the Principal may give.

3.02 To recommend and/or appoint on the Principal's behalf and account, Sub-Agents if required.
3.03 To recommend and/or appoint on the Principal's behalf and account, Stevedores, Watchman, Tallymen, Terminal Operators, Hauliers, and all kinds of suppliers if required.

3.04 The Agent will not be responsible for the negligent act or default of the Sub-Agent or Sub-Contractor unless the Agent fails to exercise due care in the appointment and supervision of such Sub-Agent or Sub-Contractor.

3.10 Marketing and Sales

3.11 To provide marketing and sales activities in the Territory, to canvass and book cargo, to publicise the services, and to maintain contact with Shippers, Consignees, Forwarding Agents, Port and other Authorities and Trade Organisations.

3.12 To provide statistics and information and to report on cargo bookings and use of space allotments. To announce sailings and/or arrivals, and to quote freight rates and announce freight tariffs and amendments.

3.13 To arrange for public relations work (including advertising, press releases, sailing schedules and general promotional material) in accordance with the budget agreed with the Principal and for his account.

3.14 To attend to Conference matters (if required) on the Principal's account.

3.15 To issue on behalf of the Principal Bills of Lading and Manifests, documents requested by conferences, delivery orders, certificates and such other documents as may reasonably be required.

3.20 Port Agency

3.21 To arrange for berthing of vessels, loading and discharging of the cargo, in accordance with the local custom and conditions.

3.22 To supervise and co-ordinate all activities of the Terminal Operators, Stevedores, Tallymen and all other Contractors, in order to ensure the proper performance of the customary requirements for the best possible operation and despatch of the Principal's vessel.

3.23 To arrange for calling forward, reception and loading of outward cargo and discharge and release of inward cargo and to attend to the transhipment of through cargo.

3.24 To arrange for bunkering, repairs, crew changes, passengers, ship's stores, spare parts, technical and nautical assistance and medical assistance as required.

3.25 To arrange for and carry out the Principal's requirements concerning claims handling, P & I matters, General Average and/or Insurance and the appointment of Surveyors.

3.26 To attend to all necessary cargo documentation and to attend to consular requirements if required.

3.27 To arrange for and attend to the clearance of the vessel and to arrange all other services appertaining to the vessel's movements through the port.

3.28 To report regularly to the Principal the vessel's position and to prepare a statement of facts of the call and/or a port log.

3.30 Container and Ro/Ro traffic

Where "equipment" is referred to in the following section, it shall comprise containers, flat racks, trailers or similar cargo carrying devices, owned, leased or otherwise controlled by the Principal.

3.31 To arrange for the booking of units on the vessel.

3.32 To arrange for the stuffing and unstuffing of LCL cargo at the port and to arrange for the provision of inland LCL terminals, and the supervision of these activities where required.

3.33 To prepare the additional container shipping documentation.

3.34 To provide and administer a proper system for the control and registration of equipment. To organise equipment stock within the Agent's Territory and if required make provision for storage, positioning and repositioning of the equipment.

3.35 To comply with Customs requirements and arrange for equipment interchange documents in respect of the movements for which the Agent is responsible and to control the supply and use of locks, seals and labels.

3.36 To make equipment available and to arrange inland haulage as required.

3.37 On behalf and for account of the Principal to undertake the leasing of equipment into and re-delivery out of the system.
3.38 To operate an adequate equipment damage control system. To arrange for equipment repairs and maintenance, when and where necessary and to report on the condition of equipment under the Agent’s control.

3.40 Accounting and finance

3.41 To provide for appropriate records of the Principal’s financial position to be maintained in the Agent’s books, and to prepare periodic financial statements, as may be reasonably required.

3.42 To check all vouchers received for services rendered and to prepare a proper disbursement account in respect of each voyage or accounting period.

3.43 To advise the Principal of all amendments to port tariffs and other charges as they become known.

3.44 To calculate freight and other charges according to Tariffs supplied by the Principal and to exercise every care in applying all terms and conditions of such Tariffs or other freight agreements. If the Principal organises or employs an organisation for checking freight calculations and documentation, the costs of such checking to be entirely for Principal’s account. Any penalty schemes contained in agreements entered into by the Principals or Operators will not be applicable to the Agent and no such costs, fines or penalties will be borne by the agent.

3.45 To collect freight and related accounts and remit to the Principal all freights and other monies belonging to the Principal at such periodic intervals as the Principal may require. All bank charges to be for the Principal’s account. The Agent shall advise the Principal of the customary credit terms and arrangements. The risk in respect of outstanding collections is for the Principal’s account unless the Agent has acted without due diligence.

3.46 The Agent shall have authority to retain money from the freight collected to cover all disbursements.

3.47 The Agent in carrying out his duties under this Agreement shall not be responsible to the Principal for loss or damage caused by any Banker, Broker or other person, instructed by the Agent in good faith unless the same happens by or through the willful neglect or default of the Agent. The burden of proving the willful neglect or default of the Agent shall be on the Principal.

4.00 Principal’s Duties

4.01 To provide all documentation necessary to fulfil the Agent’s task together with any stationery specifically required by the Principal.

4.02 To give full and timely information regarding the vessels’ schedules, ports of call and line policy insomuch as it affects the port and sales agency activities.

4.03 To provide the Agent immediately upon request with all necessary funds to cover advance disbursements unless the Agent shall have sufficient funds from the freights collected.

4.04 The Principal shall at all times indemnify the Agent against all claims, charges, losses, damages and expenses which the Agent may incur in connection with the fulfilment of his duties under this Agreement. Such indemnity shall extend to all acts, matters and things done, suffered or incurred by the Agent during the duration of this Agreement, notwithstanding any termination thereof, provided always, that this indemnity shall not extend to matters arising by reason of the willful misconduct or the gross negligence of the Agent. The burden of proving such willful misconduct or gross negligence shall be on the Principal.

1.05 Where the Agent provides bonds, guarantees or any other forms of security to Customs or other statutory authorities to cover the movement of cargo on behalf of the Principal or the Principal’s containers, stores or other equipment, then the Principal shall indemnify and reimburse the Agent immediately such claims are made, provided they do not arise by reason of the willful misconduct or the gross negligence of the Agent. The burden of proving such willful misconduct or gross negligence shall be on the Principal.

4.06 The Principal undertakes, if requested to do so by the Agent, to take over the conduct of any dispute which may arise between the Agent and any third party as a result of the performance of the Agent’s duties hereunder.

5.00 Remuneration

5.01 The Principal agrees to pay to the Agent and the Agent accepts, as consideration for the services rendered, the commissions and fees set forth on the schedule attached to this Agreement. Any fees specified in monetary units in the attached schedule, shall be reviewed every 12 months with a minimum projected increase to cover inflation and in accordance with such recognised index of inflation as is published in the country of the Agent.

5.02 Should the Principal require the Agent to undertake full processing and settlement of claims, then the Agent is entitled to a separate remuneration as agreed with the Principal and commensurate with the work involved.
5.03 The remuneration specified in the schedule attached is in respect of the ordinary and anticipated duties of the Agent within the scope of this Agreement. Should the Agent be required to perform duties beyond the scope of this Agreement then the terms on which the Agent may agree to perform such duties will be subject to express agreement between the parties. Without prejudice to the generality of the foregoing such duties may include participating in conference activities on behalf of the Principal, booking fare-paying passengers, the procurement of legal advice in contesting or processing claims and undertaking general agency notifications and recoveries insofar as the last named cannot be recovered through the average adjusting or processing claims, sending out general average notices and making collections under average bonds insofar as these duties are not performed by the average adjusters.

5.04 If the tariff currency reduces in value against the local currency by more than 10% after consideration of any currency adjustment factor existing in the trade, the basis for calculation of remuneration shall be adjusted accordingly.

5.05 If the Agent utilises computers and computer systems, any extra expenses occasioned by the use of such computer equipment in the performance of the Agent’s duties to the Principal shall be borne by the Principal.

6.00 Duration

6.01 This Agreement shall remain in force for an indefinite period provided always that either party may terminate this Agreement by giving to the other not less than 12 months notice in writing. Such notice shall be sent by registered mail.

6.02 If the Agreement for any reason should be cancelled at an earlier date than on the expiry of any notice given under paragraph 6.01 hereof, the Principal shall compensate the Agent. The compensation payable by the Principal to the Agent, shall be determined in accordance with clause 6.04 below.

6.03 If for any reason the Principal withdraws or suspends the service the Agent may withdraw from this Agreement forthwith, without prejudice to its claim for compensation.

6.04 Where applicable the current local General Conditions in the latest version and failing those the National Law on the termination of Agency Contracts will apply to this Agreement. Where no such conditions or Statute Law applies, the basis of compensation shall be the monthly average of the commission and fees earned during the previous 12 months or if less than 12 months have passed then a reasonable estimate of the same, multiplied by the number of months from the date of cancellation until the contract would have been terminated. Furthermore the gross redundancy payments which the Agent and/or Sub-Agent(s) is compelled to make to employees made redundant by reason of the withdrawal or suspension of the Principal’s service, or termination of this Agreement, shall also be taken into account.

6.05 The Agent shall have a general lien on all sums payable to the Principal in respect of any sums due and owing to the Agent, including but not limited to commissions, disbursements and duties.

7.00 Jurisdiction

7.01 Any dispute arising out of this Agreement and any Agreement ancillary hereto shall be determined by arbitration which shall be mutually agreed by the parties and according to the laws of the country in which the Agent carries on his business under this Agreement.
RENUMERATION SCHEDULE BELONGING TO STANDARD LINER AGENCY AGREEMENT

Between .................................................. and .................................................. date ...........................................

(as Principal) .................................................. (as Agent) ..................................................

The Agent is entitled to the following remuneration based on all total freight earnings including all surcharges, terminal handling charges and other freight additional of the Principal’s liner service to and from the Territory to be paid in Agent’s local currency. The total remuneration per call shall not in any case be lower than the local fee applicable.

I. A. Where the Agent provides all the services enumerated in this Agreement the Commission shall be:

Services outward ....................... %

inward ....................... %

B. ....................... % for cargo when only booking is involved.

C. ....................... % for cargo when only handling is concerned.

("only handling" in the remuneration schedule is so defined that the duties of an Agent are to call forward and otherwise arrange for the cargo to be loaded on board, where the specific booking has been made elsewhere and acknowledged as such by the shipper as nominated for the Principal’s service).

D. In respect of movements of cargo outside the Agent’s Territory ....................... % of the gross total freight is payable in cases where only collection of freight is involved.

E. An additional fee for containers and/or units entering or leaving the inventory control system of the Agent a fee of ....................... per unit.

II. A. ....................... % for cargo loaded on board in bulk.

B. ....................... % for cargo discharged in bulk.

III. Where the Agent provides only the services as non-port agent the remuneration shall be:

When actually booked/originating from this area:

A. Services outward ....................... %

inward ....................... %

B. An additional fee for containers and/or units entering or leaving the inventory control system of the Agent a fee of ....................... per unit.

IV. Where the Agent provides only the services as non-port agent the remuneration shall be:

A. ....................... % for cargo loaded on board in bulk.

B. ....................... % for cargo discharged in bulk.

V. Clearance and ship’s husbandry fee shall apply as per the local or national tariff.

VI. A Commission of ....................... % shall be paid in all ancillary charges collected by the Agent on behalf of the Princi such as Depot Charges, Container Demurrage etc.

VII. Communications:

The Principal will either pay actual communication expenses on a cost plus basis or pay a lumpsum monthly on an average cost plus basis, to be reviewable.

VIII. Travelling Expenses:

When the Agent is requested by the Principal to undertake journeys of any significant distance and/or duration, all travel expenses including accommodation and other expenses will be for the Principal’s account.

IX. Documentary and Administrative Charges:

Such charges to be levied as appropriate by the Agent to cargo interests.

............................................................................ .......................... ..........................

PRINCIPAL .......................... .......................... AGENT
RESOLUTION A.647(16)

Adopted on 19 October 1989
Agenda item 10

IMO GUIDELINES ON MANAGEMENT FOR THE SAFE OPERATION OF SHIPS AND FOR POLLUTION PREVENTION

THE ASSEMBLY,

RECALLING Article 15(j) of the Convention on the International Maritime Organization concerning the functions of the Assembly in relation to regulations and guidelines concerning maritime safety and the prevention and control of marine pollution from ships,

RECALLING ALSO resolution A.596(15) by which it requested the Maritime Safety Committee to develop, as a matter of urgency, guidelines, wherever relevant, concerning shipboard and shore-based management and its decision to include in the work programme of the Maritime Safety Committee and the Marine Environment Protection Committee an item on shipboard and shore-based management for the safe operation of ships and for the prevention of marine pollution respectively,

NOTING resolution A.441(XII) by which it invited every State to take the necessary steps to ensure that the owner of a ship which flies the flag of that State provides such State with the current information necessary to enable it to identify and contact the person contracted or otherwise entrusted by the owner to discharge his responsibilities for that ship in regard to matters relating to maritime safety and the protection of the marine environment,

NOTING ALSO resolution A.443(XII) by which it invited the Governments to take the necessary steps to safeguard the shipmaster in the proper discharge of his responsibilities in regard to maritime safety and the protection of the marine environment,

RECOGNIZING the need for appropriate organization of management to enable it to respond to the need of those on board ships to achieve and maintain high standards of safety and environmental protection,

RECOGNIZING ALSO that the most important means of preventing maritime casualties and pollution of the sea from ships is to design, construct, equip and maintain ships and to operate them with properly trained crews in compliance with international conventions and standards relating to maritime safety and pollution prevention,

HAVING CONSIDERED the recommendations made by the Maritime Safety Committee at its fifty-seventh session and by the Marine Environment Protection Committee at its twenty-seventh session,

1. ADOPTS the IMO Guidelines on Management for the Safe Operation of Ships and for Pollution Prevention, which are set out in the Annex to the present resolution;

2. INVITES all Governments to encourage those responsible for the operation of ships to take appropriate steps to develop, implement and assess safety and pollution prevention management in accordance with the above Guidelines;
Res. A.647(16)

3. REQUESTS the Maritime Safety Committee and the Marine Environment Protection Committee periodically to review these Guidelines and to consider any need for amendments in the light of experience gained

ANNEX

IMO GUIDELINES ON MANAGEMENT FOR THE SAFE OPERATION OF SHIPS AND FOR POLLUTION PREVENTION

1 INTRODUCTION

1.1 The purpose of these Guidelines is to provide those responsible for the operation of ships (hereinafter called the "Company") with a framework for the proper development, implementation and assessment of safety and pollution prevention management in accordance with good practice.

1.2 The objective is to ensure safety, to prevent human injury or loss of life, and to avoid damage to the environment, in particular, the marine environment, and to property.

1.3 Shipping is a varied industry. No two shipping companies are the same and ships operate under a wide range of different conditions. These Guidelines, therefore, are based on general principles and objectives so as to promote evolution of sound management and operating practices within the industry as a whole.

2 APPLICATION

2.1 These Guidelines are intended for all companies operating ships and do not seek in any way to define or embrace detailed regulatory requirements, international or national. It is taken for granted that companies comply with such requirements.

2.2 These Guidelines are expressed in broad terms so that they can have a widespread application. Clearly, different levels of management, whether shore-based or at sea, will require varying levels of knowledge and awareness of the items outlined. Persons with particular responsibilities should have detailed and specialist knowledge of their specific tasks.

2.3 These Guidelines are in a recommendatory form only; however, efforts should be made to apply them to the extent possible and practicable.

3 BASIC INTERNATIONAL INSTRUMENTS

3.1 The most important means of preventing maritime casualties and pollution of the sea from ships is to design, construct, equip and maintain ships and to operate them with properly trained crews in compliance with international conventions and standards relating to maritime safety and pollution prevention.

3.2 To promote this, a number of conventions and other instruments have been developed by IMO and other international organizations, such as:
1 International Convention for the Safety of Life at Sea (SOLAS);
2 International Convention for the Prevention of Pollution from Ships (MARPOL);
3 International Convention on Load Lines;
4 Convention on the International Regulations for Preventing Collisions at Sea (COLREG);
5 International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW);
6 ILO Convention 147 (Merchant Shipping (Minimum Standards) Convention).

4 MANAGEMENT

General

4.1 Safety, pollution prevention and efficiency are integral to good management. They can only be the result of structured, painstaking policy and a combination of the right skills, knowledge and experience. The direct involvement of decision-making management in these matters is vital, its attitude being reflected in Company policy and thus directly in the work of all the Company employees. The cornerstone of good management is commitment from the top.

4.2 It is the commitment, competence, attitudes and motivation of all individuals engaged in activities pertaining to safety and pollution prevention at all levels that determine the end result.

4.3 It should be recognized that on board the ship it is the master who has the overriding responsibility for the safe operation of the ship. It is, therefore, essential to appoint a master competent to command the ship, who is fully conversant with and dedicated to the maintenance of appropriate safety and environmental protection standards, and to ensure that he is given all the necessary support and authority to perform his duties properly and safely.

Safety and environmental policy

4.4 Individuals and organizations perform well if certain basic principles are adhered to. These principles are briefly outlined in the following:

1. The Company should establish a safety and environmental protection policy with the objectives of safe ship operation and the prevention of pollution. The policy should state these objectives and set out the means of achieving them, in broad terms, taking into account the relevant international conventions and national regulations;

2. The necessary resources and personnel should be provided for the implementation and functioning of the policy and the achievement of safe operation and pollution prevention; and

3. The policy should be clearly explained to all employees. Personnel throughout the Company need to understand the arrangements which have been made and to know which specific duties they have been authorized to carry out, as well as the level of performance expected. General and specific responsibilities within the Company should be defined explicitly. The arrangements under which the policy will work should be co-ordinated so as to ensure safe and effective operation.
4.5 In drawing up the policy, account should be taken of the following:

1. the need for concise guidance and instructions on safe operation and pollution prevention, including maintaining the condition of ships and equipment to conform with the provisions of relevant statutory and classification rules and regulations;

2. the need for good communication both within the ship and between the ship and management ashore;

3. the fact that competence, attitudes and motivation are decisive factors in safe operation and pollution prevention and that the performance of individuals is significantly influenced by the quality of the management systems; and

4. the fact that accidents can be prevented by proper planning and execution of operations.

4.6 The policy should be reviewed at regular intervals and amended when necessary to ensure that it remains effective. In refining the policy, the importance of discussions and co-operation with Administrations and organizations representing shipowners and seafarers should be recognized.

Accident reporting

4.7 Accident reporting is essential in order that safe and pollution-free performance can be monitored effectively so that corrective action can be taken. The policy should cover the requirements for immediate accident reporting.

4.8 Accidents should be thoroughly investigated and discussed with the personnel involved with a view to avoiding recurrences. Certain accidents are required to be reported by national law and the policy should remind personnel of their obligations in this regard.

Suitably qualified seafarers

4.9 Each ship should be manned with qualified, medically fit and suitably experienced seafarers, in accordance with the relevant international and national requirements. In addition, the following items should be considered:

1. ships should be adequately manned for the trade in which they are engaged;

2. ship’s personnel should have a proper knowledge of the technical aspects of the ship and its operation as necessary for the performance of their duties, and receive the necessary training for familiarization with the particular ship or equipment; and

3. ship’s personnel should receive the relevant information on safety and pollution prevention in English or in the languages understood by them.

Other company responsibilities

4.10 The Company, being aware of the basic technical aspects of its ships and the trades in which they are engaged, should be prepared to respond to technical and operational needs. The Company has the responsibility to ensure that defects identified by the master are corrected and, where so required, to notify the Administration and classification societies as appropriate. The Company should fully recognize the implications of commercial decisions in terms of safe ship operation and pollution prevention.
5 MASTER

5.1 With regard to safety and environmental protection, the master has the responsibility on board a ship for:

   .1 implementing the safety and environmental policy of the Company on the basis of international conventions, codes and national legislation;
   .2 motivating the crew in the execution of that policy;
   .3 issuing appropriate orders and instructions in a clear and simple manner; and
   .4 reviewing the safety and pollution prevention procedures.

5.2 In matters of safety and pollution prevention, the master has the overriding authority and discretion to take whatever action he considers to be in the best interests of passengers, crew, ship and the marine environment.

5.3 The master has the responsibility to report to the Company such defects and other matters which could affect the safe operation of the ship or could present a risk of pollution, and which require the assistance of the Company to ensure that they are rectified.

6 CREW

6.1 Ship’s personnel should comply with the safety and environmental policy of the Company as well as with the instructions and orders of the master in this regard. It is their duty to act responsibly to prevent any injury or damage and any pollution of the marine environment.

7 EMERGENCY DRILLS

7.1 Potential emergency situations likely to involve the ship should be analysed and actions to meet them should be practised at drills. A programme of such drills, including where necessary, drills additional to those required by SOLAS, should be carried out so as to develop and maintain a confident and proficient team on board to deal with emergencies.

8 FURTHER GUIDANCE

General

8.1 Due regard should be paid to instructions and guidance issued by international and national bodies aimed at ensuring safe operation and pollution prevention. Documents related to these are, for example:

   .1 international conventions, recommendations and codes (see paragraphs 8.2-8.3);
   .2 national legislation, codes and guidance generated by a ship’s flag State and port States visited by the ship;
   .3 classification societies’ rules and regulations (see paragraph 8.4); and
   .4 guidance issued by international and national industry organizations, insurance companies, etc., both in regard to general operational practices and to specific technical details (see paragraph 8.5).

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asures designed to prevent pollution caused both accidentally and in the course of routine operations. Five annexes in the Convention cover, respectively, pollution by oil, noxious liquid substances in bulk, harmful substances carried in packaged forms, sewage and garbage. The International Bulk Chemical (IBC) and the Bulk Chemical (BCH) Codes are mandatory under MARPOL 73/78.

**COLREG** (Convention on the International Regulations for Preventing Collisions at Sea, 1972), as amended, lays down the basic “rules of the road”, such as rights of way, safe speed, action to avoid collision, procedures to observe in narrow channels and in restricted visibility.

**International Convention on Load Lines, 1966** sets the minimum permissible freeboard, according to the season of the year and the trading area of the ship; special ship construction standards are laid down in regard to watertightness.

Dealing with the shipowner

**IMO resolution A.441(XI).** IMO invited every State to take the necessary steps to ensure that the owner of a ship which flies the flag of that State provides such State with the current information necessary to enable it to identify and contact the person contracted or otherwise entrusted by the owner to discharge his responsibilities for that ship in regard to matters relating to maritime safety and the protection of the marine environment.

Dealing with the seafarer and the ship

**ILO Convention 147** (Merchant Shipping (Minimum Standards) Convention 1976) requires Administrations to have effective legislation on safe manning standards, hours of work, seafarers’ competency, and social security. It also sets employment standards equivalent to those contained in a range of ILO instruments (covering e.g., minimum age, medical care and examination, social security, training).

Dealing with the seafarer

**STCW** (International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978) lays down training, certification and qualification requirements (including syllabuses and sea time) for senior officers; all officers in charge of watches in the deck, engine and radio departments; and ratings forming part of a watch. All such seafarers are required to have a certificate, endorsed in a uniform manner. It also specifies basic principles to be observed in keeping deck and engine watches and special qualification requirements for personnel on oil, chemical and liquefied gas tankers.

**IMO resolution A.481(XIII)** (on principles of safe manning) recommended that all Administrations provide each of their registered ships with a document specifying the minimum number and grades of qualified seafaring personnel required to be carried from the safety standpoint. It gives basic principles and detailed guidance to be observed by Administrations when assessing the safe manning of ships.

**IMO resolution A.443(XII).** The IMO invited Governments to take the necessary steps to safeguard the shipmaster in the proper discharge of his responsibilities in regard to maritime safety and the protection of the marine environment by ensuring that
International conventions, recommendations and codes

8.2 Companies should be familiar with the basic contents of conventions such as those listed under section 3, a brief résumé of which is shown in the appendix. Furthermore, companies should be acquainted with the relevant codes, recommendations and guidelines dealing with safety and environmental protection issued by IMO in the form of Assembly or MSC/MEPC resolutions or as MSC/MEPC circulars.

8.3 Companies should also be familiar with other conventions which are incorporated in and published as national legislation dealing with different aspects of safe ship operation and pollution prevention. Furthermore, companies should be familiar with how the Government of the flag State has implemented international and national requirements.

Classification societies

8.4 The various classification societies publish rules and regulations for the classification of ships. In addition, individual societies also produce guidance notes on various aspects of ship classification and statutory matters. The International Association of Classification Societies (IACS) also produces and publishes numerous “Recommendations” which provide guidance on ship maintenance and operation, e.g., Care and survey of hatch covers, Fire prevention in machinery spaces in ships in service, Standards for ship equipment for mooring at single-point moorings. The societies also offer other services which may contribute to safe operation and pollution prevention.

Industry organizations

8.5 Important and helpful technical guides on efficient and safe ship operations and safe working routines, ship/shore checklists and navigational checklists have been issued by various industry organizations particularly the International Chamber of Shipping (ICS), the Oil Companies International Marine Forum (OCIMF), the Society of International Gas Tanker and Terminal Operators Ltd. (SITGTO) and the International Association of Independent Tanker Owners (INTERTANKO).

APPENDIX

MAJOR INTERNATIONAL SHIPPING CONVENTIONS
AND RECOMMENDATIONS

Dealing with the ship

SOLAS 74 (International Convention for the Safety of Life at Sea, 1974) as amended, lays down a comprehensive range of minimum standards for the safe construction of ships and for the basic safety equipment (e.g. fire prevention, navigational, life-saving and radio) to be carried on board. SOLAS also contains operational instructions, particularly on emergency procedures, and provides for regular surveys and for the issue of certificates of compliance.

The International Bulk Chemical (IBC) and International Gas Carrier (IGS) Codes are mandatory requirements under SOLAS 74.

MARPOL 73/78 (International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto) as amended, contains mea-
asures designed to prevent pollution caused both accidentally and in the course of routine operations. Five annexes to the Convention cover, respectively, pollution by oil, noxious liquid substances in bulk, harmful substances carried in packaged forms, sewage and garbage. The International Bulk Chemical (IBC) and the Bulk Chemical (BCH) Codes are mandatory under MARPOL 73-78.

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**IMO resolution A.443(XI).** The IMO invited Governments to take the necessary steps to safeguard the shipmaster in the proper discharge of his responsibilities in regard to maritime safety and the protection of the marine environment by ensuring that
(a) the shipmaster is not constrained by the shipowner, charterer or any other person from taking in this respect any decision which, in the professional judgement of the shipmaster, is necessary;

(b) the shipmaster is protected by the appropriate provisions, including the right of appeal, contained in, inter alia, national legislation, collective agreements or contracts of employment, from unjustifiable dismissal or other unjustifiable action by the shipowner, charterer or any other person as a consequence of the proper exercise of his professional judgement.
A contract is a variance of a voyage chartering. A contract between owner & charterer to move so much cargo on a regular basis. No ship is named which is an account of charters or 'pools'.

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<tr>
<th>*</th>
<th>CHARTA PARTITA</th>
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<td>Rising market</td>
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<td>accounting or use of financing</td>
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<td>Sh. Owners on a</td>
<td>Sh. Owners before when to often type</td>
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<td>negotiable clauses</td>
<td>Standard but specific forms</td>
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<td>Standard but prerequisites</td>
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<tr>
<td>Sh. Owners</td>
<td>Charters problems</td>
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<td>Spot laytime (dem-dep)</td>
<td>Exclusions</td>
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<td>When Paid &amp; lumpsum. USD per ton or ship details</td>
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<td>USD per day (14 How paid)</td>
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<td>1 or more voy. Usually Long</td>
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<tr>
<td>Time Bareboat Type Voyage</td>
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<td>BASIC COMPANY OPERATIONS</td>
<td>BUSINESS OPERATIONS</td>
<td>MARINE OPERATIONS</td>
<td></td>
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<tr>
<td>--------------------------</td>
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<td></td>
</tr>
<tr>
<td><strong>PLANNING &amp; FINANCIAL CONTROLS</strong></td>
<td>The monitoring and evaluation of performance of a company with respect to current operations and their effect on overall company profitability, culminating in <em>Summary Activity Report</em>.</td>
<td>The monitoring and evaluation of the fleet and the actual operation of specific vessels — as compared to budgets and standards, culminating in a <em>Summary Status Report</em>.</td>
<td></td>
</tr>
<tr>
<td><strong>MANAGEMENT</strong></td>
<td>The assessment of future markets and world economic conditions and how they will affect the ability of the company to perform on a profitable basis. Includes assessment of current and future internal operations standards.</td>
<td>The assessment of current operating conditions, and the projection of operating policies, noting their effect on future operating costs and vessel productivity.</td>
<td></td>
</tr>
<tr>
<td><strong>PLANNING</strong></td>
<td>The projection of new business on a long term basis from a voyage, fleet and company standpoint based on company operating standards. Includes a simulation of the company operation.</td>
<td>The daily operation of vessels and terminals for minimum cost and maximum productivity.</td>
<td></td>
</tr>
<tr>
<td><strong>OPERATIONS</strong></td>
<td>The day to day performance of company business such as sales, charters, booking and assignment of cargos, and ships, determining the effect on company profits.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ACCOUNTING</strong></td>
<td>Maintenance of departmental accounting records as they apply to cargo revenue, billing, and chartering costs.</td>
<td>Maintenance of accounting records as they apply to ship and terminal operations.</td>
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### 1.7.4 INFORMATION NEEDS IN A SHIPPING COMPANY

#### BASIC COMPANY OPERATIONS

<table>
<thead>
<tr>
<th>Planning &amp; Financial Controls</th>
<th>Business Operations</th>
<th>Marine Operations</th>
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<tr>
<td><strong>General Management</strong></td>
<td><strong>General Management</strong></td>
<td><strong>General Management</strong></td>
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<td>Summary Financial Reports</td>
<td>Market Summary</td>
<td>Ship Performance Summary</td>
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<td>Profit and Loss</td>
<td>Charter Performance Summary</td>
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<td>Cash Flow</td>
<td>Fleet Status</td>
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<td>Budget Analysis</td>
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<td>Variance Analysis</td>
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#### Planning Dept.

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<th>Chartering &amp; Traffic Dept.</th>
<th>Ship Operations Dept.</th>
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<tbody>
<tr>
<td>Industry Information (Ships, ports, owners, commodities, ship sales, etc.)</td>
<td>Current Market Information</td>
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<td>Company Operating Standards (Ships, ports, routes, operating costs)</td>
<td>Time Charter Market</td>
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<td>Voyage Charter</td>
<td>Port &amp; Terminal Information</td>
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<td>Freight Market</td>
<td>Weather Information</td>
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<td>Contracts of Affreightment</td>
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<td>Port Congestion Information</td>
<td>Bunkering Information</td>
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<td>Casualty Information</td>
<td>Repair Yard Status</td>
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<td>Vessel Availability</td>
<td>Fleet Personnel Information</td>
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<td>Owners Information</td>
<td>Ship Technical Evaluation</td>
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#### Operations

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<td>Voyage Estimate</td>
<td>Ship Scheduling</td>
<td>Crewing</td>
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<tr>
<td>Transportation Cost Analysis</td>
<td>Fleet Performance</td>
<td>Maintenance &amp; Repair</td>
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<tr>
<td>Cash Flow/P&amp;L Projection</td>
<td>Charter Performance</td>
<td>Insurance</td>
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<tr>
<td>Fleet Projections</td>
<td>Ship Position</td>
<td>Provisions &amp; Stores</td>
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<td>Company Financial Model</td>
<td>Cargo Requirements</td>
<td>Vessel Performance Reporting</td>
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<td>New Ship Evaluation</td>
<td>Contract Performance</td>
<td>Port Performance Reporting</td>
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<td>Ship/Shore Communications</td>
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<td>Inventory</td>
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<td>Purchasing</td>
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#### Controller's Dept.

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<thead>
<tr>
<th>Accounting Dept.</th>
<th>Accounting Dept.</th>
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<tbody>
<tr>
<td>Company P&amp;L</td>
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<tr>
<td>Cash Flow Reports</td>
<td>Charter Accounting</td>
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<tr>
<td>Tax Reports</td>
<td>Voyage Accounting</td>
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<td>Balance Sheet</td>
<td>Office Overhead Accounts</td>
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<tr>
<td>Accounts Payable</td>
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<td>Accounts Receivable</td>
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*figure 14*
SEAGOING STAFF APPRAISAL
NOTES FOR GUIDANCE

1. RECORD OF STAFF APPRAISAL ONBOARD

A record, for the assistance of assessor and assessee, of any informal appraisal discussions that take place during the tour of duty.

SECTION A INTRODUCTORY INTERVIEW
To be used to record the interview which should take place during the first week of the assessee’s tour of duty.

SECTION B INTERMEDIATE ASSESSMENT/ASSESSORS’ HANDBOVER
To be used to record informal appraisal discussions and to act as a handover document when the assessor is relieved other than in the last month of the assessee’s tour of duty.

2. STAFF REVIEW

To be completed when the assessee leaves or if the assessor leaves within one month of the anticipated end of the assessee’s tour of duty.

PART 1. To be completed by the 1st Assessor (i.e. the assessee’s immediate superior) and discussed with the 2nd Assessor before the appraisal interview*.

PART 2. To be completed by the 2nd Assessor (i.e. the 1st Assessor’s immediate superior) following the appraisal interview*.

* NOTE: Where the 2nd Assessor is shore-based, the 1st Assessor should draft comments for questions 1 to 4 of Part 2, Section A.

3. RATING DEFINITIONS

1. A standard of outstanding effectiveness rarely achieved by others
2. A standard substantially exceeding job requirements
3+. A standard fully meeting the requirements of the job and occasionally exceeding them
3. A standard meeting the requirements of the job
3− A standard meeting the basic requirements of the job with occasional minor short comings
4. A standard of only limited effectiveness
5. A standard that does not meet the basic requirements of the job.

4. THE APPRAISAL INTERVIEW

The purpose of the interview is to consider together:
(a) The assessee’s work performance over the review period.
(b) How the assessee’s performance can be improved.
(c) The assessee’s training and development requirements.

Before the interview the assessee should give some thought to these issues and to his future employment and career for discussion with the assessor.

The assessee should be encouraged to write his own comments in Part 1, Section C, of the Staff Review Form.
### PART 1 ASSESSMENT OF JOB PERFORMANCE

#### PART 1 SECTION A ONBOARD ASSESSMENT

<table>
<thead>
<tr>
<th></th>
<th>RATING</th>
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</thead>
<tbody>
<tr>
<td>1. Maintenance of ship to required standards.</td>
<td></td>
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<tr>
<td>2. Leadership, supervision and discipline of subordinates, maintenance of morale and personnel management.</td>
<td></td>
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<tr>
<td>3. Administration of ship's business, liaison with shore officials, agents, charterers and representatives.</td>
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</tbody>
</table>

#### GENERAL REMARKS:

Signature of Master: ___________________________ Date: ____________

Signature of Marine Superintendent: ___________________________ Name (blocks): ___________________________

### PART 1 SECTION B COMMERCIAL ASSESSMENT

4. Contribution to commercial effectiveness of the ship.

Signature: ___________________________ Name (blocks): ___________________________ Date: ____________

### PART 1 SECTION C TECHNICAL ASSESSMENT

5. Effectiveness of operation within financial constraints.

8. Identification of measures to improve effectiveness of the ship.

7. Effectiveness in shipboard management and ability to stimulate contributions from others.

8. Reaction to unusual events, identification, analysis and solution of problems.
ART 1 SECTION D GENERAL REMARKS

ART 2 SECTION E APPRAISAL INTERVIEW

Assessees's views on Part 1:

Assessees's views on his/her future development:

Assessees's Signature: ___________________________ Assessor's Signature: ___________________________

Assessor's Name (blocks): ______________________ Position: ______________________ Date: ____________

ART 2 SECONDARY ASSESSMENT

ART 2 SECTION B GENERAL REMARKS

2nd Assessor's Signature: ___________________________

Name (blocks): ______________________ Position: ______________________ Date: ____________

ART 3 ACTION BY FLEET PERSONNEL
ANNEX 6

Resolution 18

Radar Simulator Training

- THE CONFERENCE,
  RECOGNIZING the vital importance of adequate radar training with regard to the safety of life and property at sea and the protection of the environment,

  CONSIDERING that some methods of instruction in the use of radar do not achieve the desired level of proficiency of masters and deck officers,

  NOTING that the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, requires such officers to possess an adequate level of proficiency in ship operations under all conditions of service,

  RESOLVES to recommend that radar simulator training be given to all masters and deck officers,

  INVITES the Inter-Governmental Maritime Consultative Organization to communicate this Resolution to all Governments invited to the Conference,

  CALLS upon all Governments concerned to take due account of this Resolution as a matter of urgency.

Resolution 19

Training of Seafarers in Personal Survival Techniques

THE CONFERENCE,

CONSIDERING the need to train all seafarers in personal survival techniques,

RECOGNIZING that such training would enhance their chance of survival at sea during emergency situations,

RESOLVES:

(a) to adopt the Recommendation on Training of Seafarers in Personal Survival Techniques, annexed to this Resolution;

(b) to urge all Governments concerned to give effect to the contents of the Recommendation as soon as practicable,

INVITES the Inter-Governmental Maritime Consultative Organization:

(a) to keep this Recommendation under review, in consultation or association with other international organizations, as appropriate, particularly with the International Labour Organisation, and to bring any future amendments to the attention of all Governments concerned;

(b) to communicate this Resolution to all Governments invited to the Conference.
Recommendation on Training of Seafarers in Personal Survival Techniques

Every prospective seafarer should, before being employed in a sea-going ship, receive approved training in personal survival techniques. In respect of such training, the following recommendations are made.

1. Every prospective seafarer should be instructed in the following:
   (a) types of emergencies which may occur, such as collisions, fire and foundering;
   (b) types of life-saving appliances normally carried on ships;
   (c) need to adhere to the principles of survival;
   (d) value of training and drills;
   (e) need to be ready for any emergency and to be constantly aware of:
      (i) the information in the muster-list, in particular:
         (1) his specific duties in any emergency;
         (2) his own survival craft station;
         (3) the signals calling all crew to their survival craft or fire stations;
      (ii) location of his own and spare life-jackets;
      (iii) location of fire alarm controls;
      (iv) means of escape;
      (v) consequences of panic;
   (f) actions to be taken when called to survival craft stations, including:
      (i) putting on suitable clothing;
      (ii) donning a life-jacket;
      (iii) collecting additional protection such as blankets, time permitting;
   (g) actions to be taken when required to abandon ship, such as:
      (i) how to board survival craft from ship and water;
      (ii) how to jump into the sea from a height and reduce the risk of injury when entering the water;
   (h) actions to be taken when in the water, such as:
      (i) how to survive in circumstances of:
         (1) fire or oil on the water;
         (2) cold conditions;
         (3) shark-infested waters;
      (ii) how to right a capsized survival craft;
(i) actions to be taken when aboard a survival craft, such as:
   (i) getting the survival craft quickly clear of the ship;
   (ii) protection against cold or extreme heat;
   (iii) using a drogue or sea anchor;
   (iv) keeping a look-out;
   (v) recovering and caring for survivors;
   (vi) facilitating detection by others;
   (vii) checking equipment available for use in the survival craft and using it correctly;
   (viii) remaining, so far as possible, in the vicinity:

(j) main dangers to survivors and the general principles of survival, including:
   (i) precautions to be taken in cold climates;
   (ii) precautions to be taken in tropical climates;
   (iii) exposure to sun, wind, rain and sea;
   (iv) importance of wearing suitable clothing;
   (v) protective measures in survival craft;
   (vi) effects of immersion in water and of hypothermia;
   (vii) importance of preserving body fluids;
   (viii) protection against seasickness;
   (ix) proper use of fresh water and food;
   (x) effects of drinking sea-water;
   (xi) means available for facilitating detection by others;
   (xii) importance of maintaining morale.

2. Every prospective seafarer should be given practical instruction in at least the following:
   (a) wearing a life-jacket correctly;
   (b) entering the water from a height wearing a life-jacket;
   (c) swimming while wearing a life-jacket;
   (d) keeping afloat without a life-jacket;
   (e) boarding life rafts from ship and water while wearing a life-jacket;
   (f) assisting others to board survival craft;
   (g) operation of survival craft equipment including basic operation of portable radio equipment;
   (h) streaming a drogue or sea anchor.
CODE OF GOOD MANAGEMENT PRACTICE IN SAFE SHIP OPERATION

Introduction and Summary

Merchant Shipping is a specialised and technical business. Its complexity has been increased during the last ten years by the extensive new conventions developed by the International Maritime Organisation (IMO)* and the International Labour Organisation (ILO), designed to improve safety and social conditions. But regulation — including the recent emergence of port state control — can only go part of the way to achieving the objective of safe and pollution-free shipping. In the end — while the Master is clearly responsible for the direct operation of the ship — the overall responsibility lies with the shipping company.

The purpose of this Code is to provide a broad framework of good practice against which management in companies operating ships may gauge their own organisation and procedures. Its contents are drawn from the best management practices of a number of different companies represented in the International Chamber of Shipping (ICS) and the International Shipping Federation (ISF). It is intended solely for voluntary use, either as a check-list or as a framework for reviewing company methods. Parts of the Code may not, of course, be appropriate for a particular company.

SAFETY and EFFICIENCY are integral to good management. They can only be the result of structured, painstaking policy and a combination of the right skills, knowledge and experience. The direct involvement of decision-taking management in these matters is vital. The attitude of an Owner and/or senior management is reflected in company policy and thus directly in the work of all the company employees. THE INITIATIVE MUST THEREFORE COME FROM THE TOP.

Adherence to the recommendations in this Code also makes sound commercial sense. By meeting at least the basic minimum standards a company will ensure that its ships are available for trading to the maximum possible extent. Time lost — through accidents, avoidable damage, correcting deficiencies, detention, or crew unrest — means more expense and less business.

The major recommendations are that:

- While the Master and the crew have direct responsibility for the technical and safety aspects of ship operation, every company operating ships should establish a department or at least designate a person ashore, responsible for those aspects of the operation from the shore standpoint. The person(s) involved should have knowledge and experience of the basic technical aspects of the ship (e.g. structure, equipment, documentation, etc.) and of the relevant national and international regulations. The existence of such a department or person does not, however, relieve senior management of responsibility for safe and efficient operation.

- Safety and operational practice should be a regular item for discussion at management meetings at all levels. Policy on these issues should be clearly defined and made known to employees.

- Management should ensure that shore-based personnel are aware of — and provide for — the needs of the Master and shipboard personnel, in regard to the safe and clean operation of the ship.

- Management should ensure that there is a sufficient number of crew on board to operate the ship and any specialised equipment carried. The crew should be medically fit, properly trained and qualified to perform the tasks required of them.

- There should be regular and effective two-way communication (1) between shore-based and shipboard staff and (2) between management (including senior management) and employees ashore and at sea. This should cover company policy on safety and operating practice.

- Proper arrangements should be established for use in the event of an emergency involving the ship. These should seek to ensure an effective and level-headed response to the incident both by the crew on board and by the shore-based staff.

- Management should review its overall approach to the matters covered by this Code on a regular basis.

*formerly IMCO.
ICS/ISF Code of Good Management
Practice in Safe Ship Operation

This Code, by its nature, covers matters which are not appropriate for regulation. It is intended as guidance for all companies operating ships and does not seek in any way to define or embrace detailed statutory requirements, national or international. It is taken for granted that such requirements have to be complied with.

The guidance can only be expressed in broad terms if it is to have widespread application. Clearly, different levels of management, whether shore-based or at sea, will require varying levels of knowledge and awareness of the items outlined. Persons responsible for particular areas should have more detailed and specialist knowledge of their specific tasks. This Code seeks to provide a framework only.

While the Code is addressed to shore-based management, it is recognised that on board the ship it is the Master (as agent of management) who has the over-riding responsibility for the safe operation of the ship. Consequently, a number of the activities recommended may well be delegated to him. It is therefore for management to appoint a Master who is fully conversant with and dedicated to the maintenance of appropriate safety standards, and to ensure that all necessary support is given to him by the shore-side organisation in the performance of his duties.

1. TECHNICAL ASPECTS OF SHIP OPERATION

1.1 Strong commitment to safe ship operation and prevention of pollution should be a paramount principle for management and all serving on board ships. If that principle is to be translated into practice, a proper organisation is necessary, in order to ensure a consistent approach both to the care of the physical state of the ship and also to the manner in which it is operated. While the Master and the crew have direct responsibility for the technical and safety aspects of on-board ship operation, a department or suitably-experienced person ashore should be made responsible for those aspects from the shore standpoint.

1.2 Management — through the responsible department or person — should ensure that the following are all in order and should be familiar with the technical aspects of:

1. the structure and stability of the ship, and the safety-related equipment on board;
2. specialised equipment carried, particularly cargo-handling systems and navigational aids;
3. documentation required to be on board, either because it attests that the ship is up to recognised standards (e.g. certificates of survey, crew certificates, etc.), or because it is necessary for the safe and proper operation of the ship (e.g. charts, guides, manuals). Care should be taken to ensure that documentation is up-to-date.

Where some of these responsibilities are delegated to the Master, management should give him full support in carrying them out.

1.3 Safety and operational policies should be clearly defined and publicised to all employees. They should be raised as a regular item for discussion both at management meetings ashore and at safety meetings on board.

2. SHORE-BASED PERSONNEL

2.1 Management should ensure that the relevant shore-based personnel:

1. are aware of the basic technical aspects of the ship and its operation (as in 1.2) and are prepared to respond to the technical and operational needs of the shipboard personnel at all significant decision stages, e.g. from ship design/ordering to actual day-to-day operation;
2. provide for a full and free exchange of information between shore and ship, particularly on any relevant navigational or operational matters, new technological developments, overall ship safety and personal safety;
3. understand fully the implications of commercial decisions, in terms of the safety of the ship and the possible effect on the marine environment;
4. make adequate provision for crew members’ well-being e.g. proper accommodation and recreational spaces, proper catering arrangements, and medical care;
5. regularly review procedures to ensure compliance with all the items in this Code.

3. SHIP-BOARD PERSONNEL

3.1 There should be a clear and planned approach to “personnel” matters concerning the crews employed on ships operated by the company. It is a direct management responsibility to provide ships with qualified and reliable seafarers and to give them additional training if required.

3.2 Specifically, management should ensure that the crew members:

1. are sufficient in number to perform the tasks required of them, bearing in mind the basic principles and guidance contained in IMO Resolution A.481 (XII) and the need for proper duty/rest periods. (All attention to specific tasks on board should remain the responsibility of the Master);
..2 are medically fit and have the requisite basic qualifications and experience in accordance with the Convention (STCW) and Resolutions adopted by the IMO Conference on the Training and Certification of Seafarers in 1978;

..3 have a proper knowledge of the technical aspects of the ship and its operation as necessary for the performance of their duties (as in 1.2);

..4 receive any necessary additional training, either in company procedures, or for familiarisation with the particular ship or equipment;

..5 continue at regular intervals to receive information, and where necessary training, in order to bring them up-to-date with new technological and other developments;

..6 maintain close communication with the shore-based personnel on any relevant navigational or operational matters;

..7 are provided with up-to-date navigational and other documentation in a language or languages fully understood by the crew;

..8 are regularly reminded of the need at all times for safe and clean ship operations, and for personal safety on board.

3.3 Where the Master finds that the points listed in 3.2 are not satisfactorily covered, for whatever reason, it is important that he take corrective action and/or raise the matter with management, as appropriate.

4. EMERGENCY PROCEDURES

4.1 It is important that the authority of the Master to take action in the event of an emergency involving the ship should not be compromised. Proper arrangements should be established which ensure an effective response to the incident, both by the crew on board and by the shore-based company organisation.

4.2 Management should ensure the development of:

..1 proper on-board emergency procedures, including regular and realistic drills;

..2 proper emergency back-up systems ashore, including an effective machinery for responding to the emergency;

..3 proper procedures to be followed both by ship and shore personnel concerning calls for outside assistance, including particularly the engagement of salvage services;

..4 reporting-back arrangements for all emergencies and near-emergencies;

..5 a system which will enable an incident to be assessed properly and any lessons to be learned.

4.3 Management and the Master should ensure that the procedures outlined in 4.2 are fully understood and adhered to.

5. COMMUNICATIONS

5.1 It is important that management, including senior management, regularly communicates with sea-going employees. Management representatives should visit each ship from time to time in order to review practices and procedures on the spot. Seminars and briefings for appropriate personnel might also be organised.

5.2 The objective should be to "motivate" sea-going employees by providing information in clear, digestible form on a regular basis — not just during a crisis. The information should cover company policy on safety and operating practice, and conditions of employment. It is essential for a climate of mutual trust to be built and maintained.

5.3 Management should develop effective two-way communication between shore-based and shipboard personnel, and should ensure that technical and company information passed to the ship is properly disseminated and reactions obtained.

6. GUIDANCE

6.1 In parallel with the growing number of regulations, an ever increasing amount of guidance to companies operating ships is becoming available in one form or another. This creates considerable difficulty for companies in keeping abreast of the paperwork which is published.

6.2 In terms of national legislation, management will need to be familiar with the relevant legislation and guidance in (1) the flag state and (2) states and ports visited by the ship.

6.3 Internationally, management should be familiar with the basic contents of the accepted "package" of international instruments. This includes such Conventions/Protocols as SOLAS, Load Line, MARPOL, Collision Regulations, ILO Convention 147, and STCW. A brief résumé of the various conventions and instruments — and their inter-relation — is given on the back page.

6.4 Also of direct importance to management is the guidance issued by national and international industry organisations, both in regard to general operational practice and to specific technical detail. These include technical guides concerning ship operations, navigational checks-lists, etc.
DEALING WITH THE SHIP...

SOLAS (Convention for the Safety of Life at Sea) 1974 and 1978 Protocol lay down a comprehensive range of minimum standards for the safe construction of ships and for the basic safety equipment (e.g. fire-prevention, navigational, life-saving and radio) to be carried on board. SOLAS also contains operational instructions, particularly on emergency procedures, and provides for regular surveys and certificates of compliance. Supplementary requirements, primarily concerning inert gas systems and steering gear, are laid down in the 1978 Protocol. As a complement to enforcement by the flag state, the Convention renders ships of a contracting party liable to specific control by authorities in the ports of other ratifying states. This may include detention of the ship.

MARPOL (Convention for the Prevention of Pollution from Ships) 1973 and 1978 Protocol contain measures designed to prevent pollution caused both accidentally and in the course of routine tanker operations by oil and oily mixtures, noxious or harmful cargoes, sewage and garbage. It sets out requirements for storing, treating and discharging these substances (including provisions related to segregated ballast tanks and crude oil washing systems) and for the reporting of spillages.

COLREG (Convention of International Regulations for Preventing Collisions at Sea) 1972 lays down the basic "rules of the road" governing traffic at sea, including rights of way, safe speed, action to avoid collision, procedures to observe in narrow channels and restricted visibility, and signals to be used to warn of manoeuvres.

Load Line Convention 1966 sets the minimum permissible free-board, according to the season of the year and the trading area of the ship; special ship construction standards are laid down in regard to watertightness.

DEALING WITH THE SEAFARER AND THE SHIP...

IL0 Convention 147 (Merchant Shipping (Minimum Standards) Convention) 1976 requires Administrations to have effective legislation on safe manning standards, hours of work, seafarers' competency, and social security; and sets employment standards equivalent to those contained in a range of ILO instruments (covering e.g. minimum age, medical care and examination, accident prevention, crew accommodation, repatriation, social security, training). Parties also have to ratify SOLAS, the Load Line Convention, and COLREG. It allows an Administration to apply its provisions (including the power of detention) to any ship which calls at its ports, whether or not the flag state has ratified the Convention.

DEALING WITH THE SEAFARER...

STCW (Convention on Standards of Training, Certificate and Watchkeeping for Seafarers) 1978 lays down extensive certification and qualification requirements (including syllabuses and sea time) for senior officers; all officers in charge of watches in the deck, engine and radio departments; and ratings forming part of a watch. All such seafarers will be required to have a certificate, endorsed in a uniform manner. It also specifies basic principles to be observed in keeping deck and engine watches and special qualification requirements for personnel on oil, chemical and liquefied gas tankers.

IMO Resolution A.481 (XII) (on Principles of Safe Manning) 1981 recommends all Administrations to issue their registered ships with a document specifying the minimum number and grades of qualified seafaring personnel required to be carried from the safety standpoint. It gives basic principles and detailed guidance to be observed by Administrations when assessing the safe manning of ships.

OTHER SAFETY CODES AND GUIDANCE...

In addition to the instruments described above, IMO has published other conventions, recommendations and codes, dealing with such matters as search and rescue, safety in container operations, and the characteristics and handling of different types of cargoes (e.g. bulk chemicals, dry bulk cargoes, liquefied gases, packaged goods, etc.). The ILO has issued codes of practice on safety and health at work, including accident prevention on board ship, at sea and in port; and also advice on medical treatment of seafarers (with the World Health Organisation).

Guides and check-lists are also published by various industry bodies, particularly the International Chamber of Shipping (ICS) and the Oil Companies International Marine Forum (OCIMF) — list available on request. They cover primarily specialised ship operations (e.g. tanker safety, safe handling of specialised cargoes, bridge procedures, etc.).

This Code is issued jointly by the International Chamber of Shipping and the International Shipping Federation. Any enquiries should be addressed to the Secretary, The International Shipping Federation Ltd., 30/32 St. Mary Axe, London, EC3A 8ET, Great Britain.
Guides to Good Management Practice

1 As Regards the Individual Manager

"The Professional Manager should:

(a) Make proper use of the resources available to him.
(b) Appraise his own competence, acknowledge potential weaknesses and seek relevant qualified advice.
(c) Take every reasonable opportunity to improve his professional capability.
(d) Be objective and constructive when giving advice or guidance in his professional capacity.
(e) Accept accountability for the actions of his subordinates as well as for his own.
(f) In pursuing his personal ambitions, take account of the interests of others.
(g) Never maliciously injure the professional reputation, or career prospects of others nor the business of others.
(h) Be aware of and sensitive to the cultural environment within which he is working.

2 As Regards the Organisation

The Professional Manager should:

(a) By leadership, co-ordination, personal example and commitment direct all available efforts towards the success of the enterprise.
(b) Apply the lawful policies of the organisation and carry out its instructions with integrity.
(c) Define and maintain an organisation structure, allocate responsibilities and encourage the achievement of objectives, by team work where appropriate.
(d) Demonstrate his loyalty to the organisation by promoting its interests and objectives.
(e) Promote effective communications within the organisation and outside it.
(f) Make immediate and full declaration of any personal interests which may conflict with the interests of the organisation.
(g) Refrain from engaging in any activity which impairs his effectiveness as a manager.
(h) Act in accordance with his own judgement in any instance of conflict of interest arising from his membership of a trade union, trade association or other body.
(i) Ensure that plant, processes and materials committed to his charge are maintained and operated as efficiently and safely as reasonably practicable.

3 As Regards Others who work in the Organisation

The Professional Manager should:

(a) Strive to minimise misunderstanding and promote good relations between all who work in the organisation.
(b) Consult and communicate clearly.
(c) Take full account of the needs and problems, ideas and suggestions of others.
(d) Ensure that all his subordinates are aware of their duties and responsibilities especially in relation to those of others.
(e) Encourage the improved performance of his subordinates and the development of their potential, by means of training and in other suitable ways.
(f) Be concerned in the working environment for the health, safety and wellbeing of all, especially those for whom he is responsible.
(g) Promote self-discipline as the best form of discipline both for himself and for his subordinates.
(h) Ensure that disciplinary or other corrective action is constructive and respects the dignity of all concerned.
(i) Using his judgement, advise senior colleagues in advance of situations in which they are likely to become involved.