

IMO: Human Resource Development in the Maritime Sector- Bangladesh Perspective

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Abstract

Bangladesh is a population rich maritime country. The maritime dependency factor is increasing at a high rate with the increase of international trade where about 92% international trade is transported by sea. Bangladesh has emerged as a shipbuilding nation vis-a vis kept the top rank as a ship demolition country. Though the economy is heavily dependent on the maritime sector which is flourished by the private initiative where skilled manpower is one of the key factors for thriving but has remained neglected and unexplored. In this paper the author has tried to figure out the dimensions of maritime sector in general and the education & training facilities in particular.

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1. Human Resource Management

The very concept Human Resource Management (HRM) concerns with people immersion in management. People are the heart of the organization. Effective organizations are not built on investment or technology and its returns but on the

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quality of their employees, their commitment to achieve the goals and the investment made to attract, train, develop and ultimately retain superior HR.

2. Maritime Sector & Human Resource Development

Maritime Sector deals with ocean related matters. It includes marine sectors like shipping, ship building, dry docking, ship demolition, marine equipment recycling, dredging, offshore drilling, mining, inland shipping, yachting, fishing, ocean pollution and environment, including naval activities.

Maritime sector is globalized, capital-intensive, technology based, very specialized, and highly competitive and the environment is beset with difficulties. To survive in the fierce competitive world maritime organizations have to depend on 4Ms, i.e., **Machine, Material, Money, and Man** where human factor plays the key role. So skilled manpower is the greatest asset in the maritime sector. HRM holds the topmost priority and here comes the question of Human Resource Development (HRD). HRD function starts with training towards skill up-gradation and competencies development leading to attitudinal changes of employees, management development for acquiring higher knowledge with a view to enhancing manager's conceptual abilities, career development, and a continual effort to match long term individual and organizational needs.

3. Tools of IMO for HRD

International Maritime Organization (IMO) is concerned with safe, secure and efficient shipping on clean oceans. It is also committed to provide technical co-operation. With this end in view, a number of conventions have been adopted and enforced.

The International Convention on Standards of Training, Certification and Watch Keeping for Seafarers 1978, revised in 1995 (Known as STCW'95), has introduced the internationally accepted minimum standards for the training and the Certification of Masters, Officers and ratings. It has also established watch-keeping standards. International Safety Management (ISM) code is again an effective instrument for achieving the goal of IMO. The objective of these Codes is to ensure safety at Sea, Prevention of human injury or loss of life, and avoidance of damage to the environment and to property.

With the enforcement of the International Ship and Port Facility Security (ISPS) Code during 2004, IMO for the first time has extended its jurisdiction up to port, and training has been made mandatory not only for seafarers but also for the port facility providers.

At its 20th session in 1997 the IMO Assembly adopted a resolution on the human element vision, principles and goals for the organization. The resolution acknowledged the need for increased focus on human-related activities in the safe operation of ship and the need to achieve and maintain high standards of safety and environmental protection for the purpose of significantly reducing maritime casualties.

The IMO also arranges training and seminars to build awareness and disseminate knowledge on technical matters. Besides, to provide technical co-operation to the developing countries and to increase the number of highly qualified specialist maritime personnel in countries across the world, IMO established World Maritime University (WMU) at Sweden in 1983. WMU offers M.Sc. and Ph.D. on six subjects – Port Management, Shipping Management, Maritime Education and Training, Maritime Law and Policy, Maritime Safety and Environmental Administration, and Maritime Environment and Ocean Management.

4. Bangladesh Economy and Maritime Sector

Statistics reveal that the economy of Bangladesh is heavily dependent on the maritime sector. The economy is import based and 92% of its international trade is transported through seaports. The Maritime Dependency Factor (MDF) is about 35%. About 40% of annual revenue of the government comes in the form of export-import tax and VAT. Agriculture, industry, infrastructure and construction sectors are all greatly dependent on the maritime sector. For the import of essential food items like edible oil, lentils, wheat and rice, maritime transportation is extremely important. About 100% of exports and 80% of import materials of garment sector, which contributes about 76% of the export earnings, are transported through the seaports. The entire quantity of POL, Cement Clinker and Edible oil, and a large percentage of essential fertilizer and agricultural seeds are imported through this sector. Most EPZs and industries are established near the seaport and that is why the Dhaka-Chittagong and Dhaka-Mongla corridor generate 40% of the GDP.

Maritime sector is also a good source of earning foreign currency. Ports, Shipping Companies, Dry Dock, Ship Building Industries, Officers and crews working in foreign vessels, Marine consultants and surveyors, Freight Forwarders, Shipping Agents etc. fetch an average 1 billion dollar per annum. About 15 lakh white and blue color workers are directly involved with this sector.

Sub- sector wise contribution

4.1. Shipping

It is accepted on all hands that waterways are the cheapest, most economical, and environment friendly mode among the three modes. That's why 90% of world trade is transported by sea. Shipping is considered a very profitable business. The shipping situation of Bangladesh from international trade transportation and manning perspective are highlighted here.

4.1.1 Trade transportation

There are 28 national flag vessels operated by BSC and six private shipping companies, which carry about 5% of our international trade. So the country has to spend a huge amount of hard currency as freight cost. In the absence of adequate fleet, national Flag Protection Rules cannot be applied. National shipping can provide cost effective transportation of international trade, which could make export prices competitive. So there is much scope for the private sector to venture more in shipping

4.1.2 Manning

Seafaring is considered one of the most risky professions of all. Modern ships are highly specialized and sophisticated. To operate such ships well trained and skilled seafarers with latest technological knowledge and experience are required. At present 2686 Bangladeshi Officers and 3739 Ratings work in local and foreign ships. Seafarers working in foreign vessels earn about \$0.1 billion per year. During 2007-08 Bangladesh received about \$8 billion as remittance wherein remittances of seafarers and other marine professionals working abroad were also included.

Besides seafarers, a good number of marine engineers, technicians, and welders including skilled laborers, work in foreign shipyards (Singapore, Middle East, Korea, Poland). Bangladeshi mariners work abroad as consultants, surveyors, charter engineers and academicians with great reputation.

4.2. Inland waterways

The contribution of water transport to GDP is about 2%. There are 1000 landing points scattered around the country, including 21 inland river ports. The World Bank report on Revival of Inland Water Transport-Options and strategies 2007 on Bangladesh reveals that from 1975 to 2005 the share of IWT in passenger

transportation decreased from 16% to 8% and freight transportation decreased from 37% to 16%. About 80% of POL and 60% of Dry bulk cargo are transported through waterways to uplands from the Chittagong port.

Though containerization started in Bangladesh in 1976, container transportation facilities are yet to be developed in the IWT sector. It is clear that the IWT sector is lagging far behind its potential. The reason perhaps is poor Government policy, as the priority that the IWT deserves was not accorded in the national planning as well as in the development budget allocation.

4.3. Ship Breaking Industries

Bangladesh is ranked second among ship breaking countries. The ship breaking industry provides scrap steel for the raw material of steel and re-rolling mills, which saves foreign currency. Recently for the first time one private Steel Mill (GSP) has exported billet to Sri Lanka. This industry has also helped to meet the growing demand of furniture and household fittings of all types. Released equipment like boilers, generator and various kinds of structured steel materials collected from ship breaking helped the growth of many medium and small industries. About 4,00,000 skilled and unskilled labor are directly and indirectly involved in this industry.

Bangladesh started with ship breaking but the skills gradually developed through ship breaking have led to the development of ship building industry in the country.

4.4. Ship Building Industry

Ship building industry and dockyards save foreign currency in one hand, as no inland vessels are required to be imported. On the other hand it now earns foreign currency by exporting sea-going vessels. **Once reputed for ship demolition, Bangladesh has recently emerged as a shipbuilding nation too.**

Three shipyards have received orders for construction of 60 vessels worth \$700 million upto 2012. This industry has diversified our export market. There is a great demand in the world market in building new ships less than 20,000DWT as the traditional shipbuilding nations are now not interested to build such small vessels which is not cost effective to them.

There are 9056 inland vessels, 75 coastal vessels, and 6245 fishing vessels registered with the Department of Shipping and almost all these vessels are home built. Docking facilities to sea-going vessels are also provided by the Chittagong

Dry Dock Ltd. This sub-sector has much scope for further expansion and development, because it not only earns foreign currency but also saves it. But in road and railway transportation, virtually all transport vehicles are imported from abroad.

If proper attention is given by the Government to this sector, it will be in a position to earn more foreign exchange than what the RMG sector is earning now.

4.5. Port Industries

Chittagong and Mongla Ports handle 92% of the country's international trade. Last year about 30 million M/T export–import cargoes were transported through these two ports. Due to heavy dependence on maritime trade the seaports are considered the lifeline of Bangladesh economy. The total revenue income of the seaports is about \$130 million (2007-08). But the indirect and induced benefits of the ports are huge. About 40 organizations and about 65 thousand white and blue color officials are related with the port operation system. About 67% of the ports' revenue is collected in foreign currency.

4.6. Marine Fisheries

The Bay of Bengal is a good source of sea fish. About 0.48 million-mt fish are collected from the sea. About 128 Industrial Trawlers, about 21,000 Mechanized and Motorized Fishing Boats and 0.3 million manpower are directly involved with off shore and deep sea fishing. The share of fishery to the GDP is about 4%. During 2005-06 total export earning on account of fish and fish products was about \$428 million wherein Sea fish accounts for 80% i.e., \$340 million.

4.7 Tourism Industry

Tourism is one of the flourishing sectors in the ocean economy. Cox's bazaar, the longest beach, attracts huge local and foreign tourists every year. Besides, there are Patenga Beach, Fouzderhat Beach, Parki Beach and Kuakata Beach, which attract increasing number of tourists. The coral island – Saint Martin Island, is showing another promising tourist spot during winter. With the launching of 3 local built passenger vessels cruising at off- shore islands is gaining popularity.

4.8. Others

Offshore drilling, consultancy, maritime education and training and marine environment are the other prospective sub sectors, which are yet to venture.

5. Fellowships (Foreign Training)

Every year, governments of Singapore, South Korea, Holland and Belgium, and such organizations as JAICA, NORAD and SIDA provide fellowships to the professionals working in the maritime field of Bangladesh. But majority of the scholarships do not go to the actual professionals of the maritime sectors.

Case Study - 1

World Maritime University was established in 1983 by IMO with a view to providing technical support to developing countries and to disseminate knowledge on implementation of IMO conventions and technological developments in the maritime sector. A visionary mariner, Capt M. Shafi, Ex DG of Department of Shipping proposed to establish this kind of institute in a meeting at IMO and Bangladesh is one of the permanent members of the governing body of WMU. Every year World Maritime University provides scholarship for M.Sc. on 6 subjects. Upto 2008 about 95 Bangladeshi officials received this scholarship. The irony is that, only 9 port officials received this scholarship on Port Management since its inception. Only 20% of the scholarships go to the actual professionals while the rest are availed by the Civil Servants and others. The knowledge and expertise acquired by the civil servants do not benefit the maritime sector due to transferable nature of their job. So professionalism stumbles at every step.

6. Training & educational facilities (Public Sector)

There are two institutions under the Ministry of Shipping for creating officers and rating.

6.1 Marine Academy Bangladesh

Chittagong Marine Academy, a branch of World Maritime University, Sweden was established during 1962. Pre-sea and post-sea trainings are offered. Since its inception, 2354 Merchant Officers passed out. Intake capacity has recently been increased from 100 to 170 cadets. Chittagong Port is the biggest donor, which donates about 75 thousand taka every year.

6.2 National Maritime Training Institute

For ratings Seamen's Training Center was initially established in 1952. It was renamed as National Maritime Training Institute in 2007. The NMI provides training as per International Convention on Standard of Training Certification and Watch-keeping for seafarers (STCW-1978/95).

6.3 Chittagong Port Authority Training Institute

Chittagong Port Authority Training Institute (CPATI) was established in 1980 with a view to imparting on-the-job training to port officials and port users. Foundation courses, tailor made courses, refreshers courses on port operation related matters are conducted here. During 2004 in implementation of ISPS code this institute conducted 30 sessions to train 600 officials in two months. CPATI also provides internship facilities to different universities and industrial attachments to various vocational and technical institutes.

6.4. Bangladesh Institute of Marine Technology (BIMT)

BIMT was established in 1958 under the Bureau of Manpower, Employment and Training, which is an attached department under the ministry of Expatriate Welfare & Overseas Employment. BIMT offers Diploma in Marine Engineering, Diploma in Ship Building Engineering, including various trade courses.

6.5 Marine Fisheries Academy

Marine Fisheries Academy was established in 1973 to meet the professional needs of industrial fishers and seafarers. This is the only institute in the country, which produces Navigators, Marine engineers and processing Technologists in fishing sector. Up to 2008 about 1142 cadets passed out. The intake capacity is about 100 cadets per year. About 40% of mariners that passed from Marine Fisheries Academy are now working abroad who earn about \$10.00 million pa.

7. Training & educational facilities (Private Sector)

Following training institutions are run by the private sector, which offers not only pre-sea and post-sea training to seafarers but also other maritime related trade trainings:

- Bangladesh Institute of Marine Technology (BIMT)
- Bangladesh Maritime Training Institute (BMTI)
- Marine Institute of Science & Technology (MIST)
- International Institute of Marine Technology (IIIMT)
- Western Marine Institute (WMI)
- Maritime Agency Services (MAS) (yet to be approved)

8. Demand of Seafarers

There is a great demand of Marine Officers in the world market. Shipbuilding is growing @1% per year. It was revealed that almost all Officers of developed

countries would retire in 2010. And new generations of developed world are not interested to work at sea. Australian Maritime Safety Authority had made a projection that there would be a shortage of 46000 Marine Officers in 2010. Bangladesh can very well avail the opportunity of capturing the market. This can be achieved by enhancing training capabilities of institutions like Marine Academy in Chittagong and establishing similar institutions elsewhere in the country with participation of both public and private sector.

9. Neglected Sector

There are 29 Public and 57 Private Universities, which offer courses on liberal arts, science and commerce. But there is no Maritime University. In fact, no other University than BUET and Chittagong University teaches any Maritime related subjects. Our neighbor Myanmar has also established a Maritime University to produce Maritime professionals.

Bangladesh is rich in young manpower. Close to 8 lakh students pass SSC every year but there is hardly any mentionable scope within the country for these young students to receive training in the highly prospective marine profession compared to the scope for education in liberal arts, commerce and science subjects.

Case Study 2

In the Middle East an unskilled labour working in the construction field on average earns \$200 per month (excluding food & lodging) whereas a skilled worker at shipyard earns \$ 600 (including food & lodging) on average per month. On the other hand, a simple graduate at home earns on average \$50 per month (excluding food, and lodging etc.).

The difference between the earning of a skilled and unskilled and non-technical person is huge. A technical person like welder has great demand in shipbuilding and dry docking industry. The minimum requirement to be a technical person in the maritime sector is HSC in Science and hands-on training in the respective trade. Here training has a great role. Therefore, the establishment of more maritime training organizations can not only produce skilled manpower to cater to the international demand but also create jobs for more people at home.

The total capacity of all the maritime institutes in the country is about 2500. The training budget of the mentioned organizations (public and private) is about 10 crore taka, whereas the national education budget is about 21000 crore taka. Just imagine the %.

This shows how much the maritime education and training has been neglected in Bangladesh although the maritime related profession was once one of the most important earning sectors for the people of some of the coastal districts like Chittagong, Noakhali, Barisal and Khulna.

This appears to be so because there is little concern or understanding of the officials in the Education, Science and Technology and Shipping Ministries about the prospect and need for developing marine-related professionals in Bangladesh.

10. Critical Issues

10.1 Shortage of Qualified Trainers

Like any other government organization, the existing maritime training institutes, too, face serious shortage of logistic support in terms of money, materials and manpower. Especially, these institutions suffer **shortage of qualified trainers due to highly unattractive compensation package** under existing government policy. Without adequate expansion of physical and training facilities the intake of Cadets at Marine Academy has recently been increased. So the required facilities are to be provided.

10.2 Brain drain

A good number of Marine professionals are working abroad due to inadequate development of institutional facilities within the country.

10.3 Transport Policy

There is no comprehensive Transport Policy. In the absence of Multimodal transport policy the country is not reaping the benefit of containerization.

11. Recommendations

11.1 National Maritime Policy

It is astonishing that till date there is no national policy guideline for the Maritime Sector in general and Maritime Training in particular. **As a result, this sector is running like a ship without a rudder. So a maritime policy should be formulated and implemented in a professional manner by the real professionals.**

11.2 Involvement of private sector in capacity building

Global demand for manpower in the maritime sector is increasing. The capacity of the Marine Academy can be expanded on self-supporting basis by offering 50% of the intake cadets to be admitted purely on merit and the remaining 50% on merit-cum-cost supporting basis. This will gradually encourage the private sector also to invest in the expansion and development of Maritime Training Facilities.

11.3 Encourage women in shore-based job

Marine sector is an unconventional field for woman employment. Half of our population is women and more and more women are involved in economic activities in almost every sector. I believe there is ample scope for our women folk to work in the shore-based maritime job.

11.4 Strengthen Department Of Shipping

The Department of Shipping should be strengthened with sufficient number of qualified marine professionals and for that purpose the compensation package should be made attractive for attracting highly qualified professionals.

11.5. Reorganize the Shipping Ministry

For a proper all-round development of the maritime sector in Bangladesh, the Ministry of Shipping should be reorganized with the involvement of true professionals at the highest levels for framing proper policies, guidelines, investment planning, and formulation and implementation of projects.