



The Impact of COVID on Shipping and Seafarers

Asia Pacific Services Coalition Public-Private Dialogue on Services

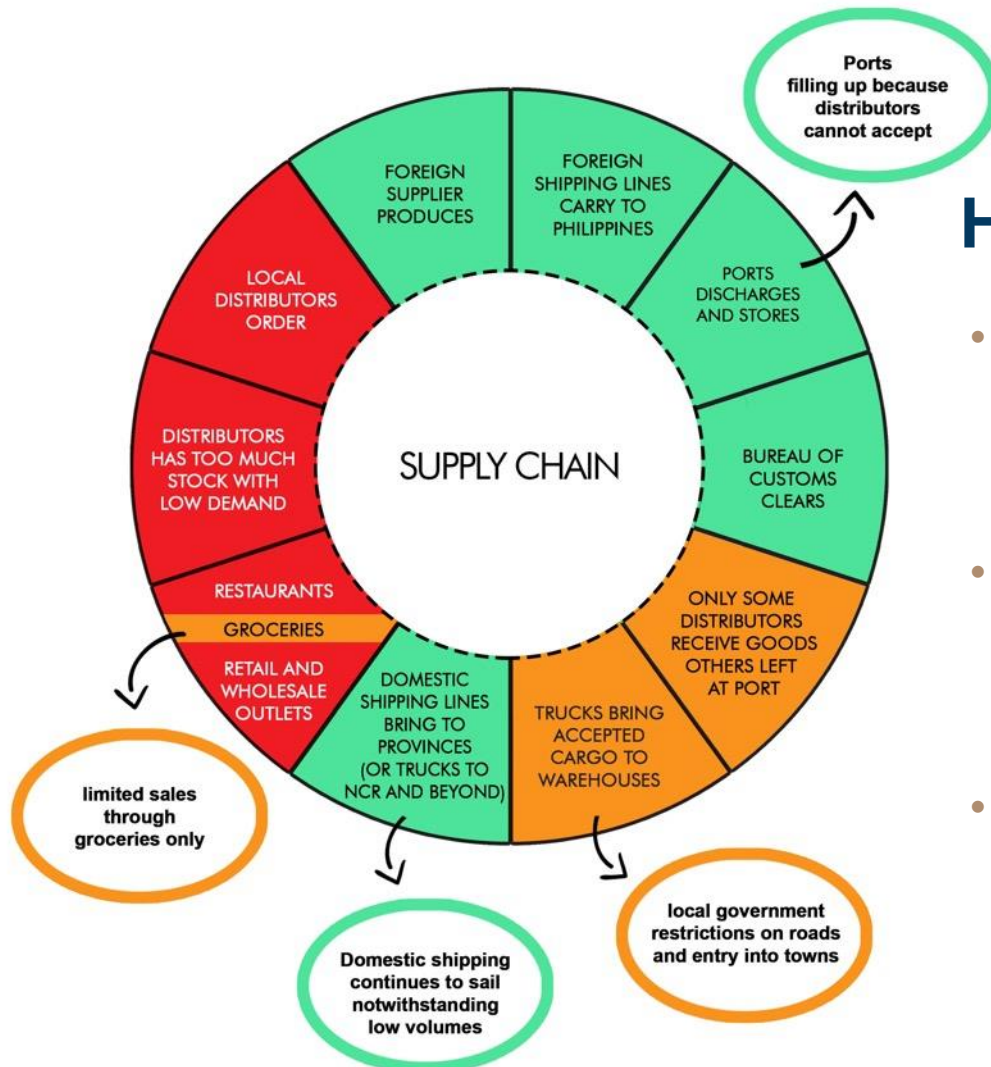
October 2021

Shipping is an essential service yet its role is largely invisible to the general public

The prolonged pandemic - causing labor shortages and Covid-related restrictions - will hopefully make everyone- from policy makers, producers, civil society and consumers, realize what systemic failures in this industry would mean to the lives of their citizens.



IMPORTS OF CONSUMER GOODS UNDER LOCKDOWN



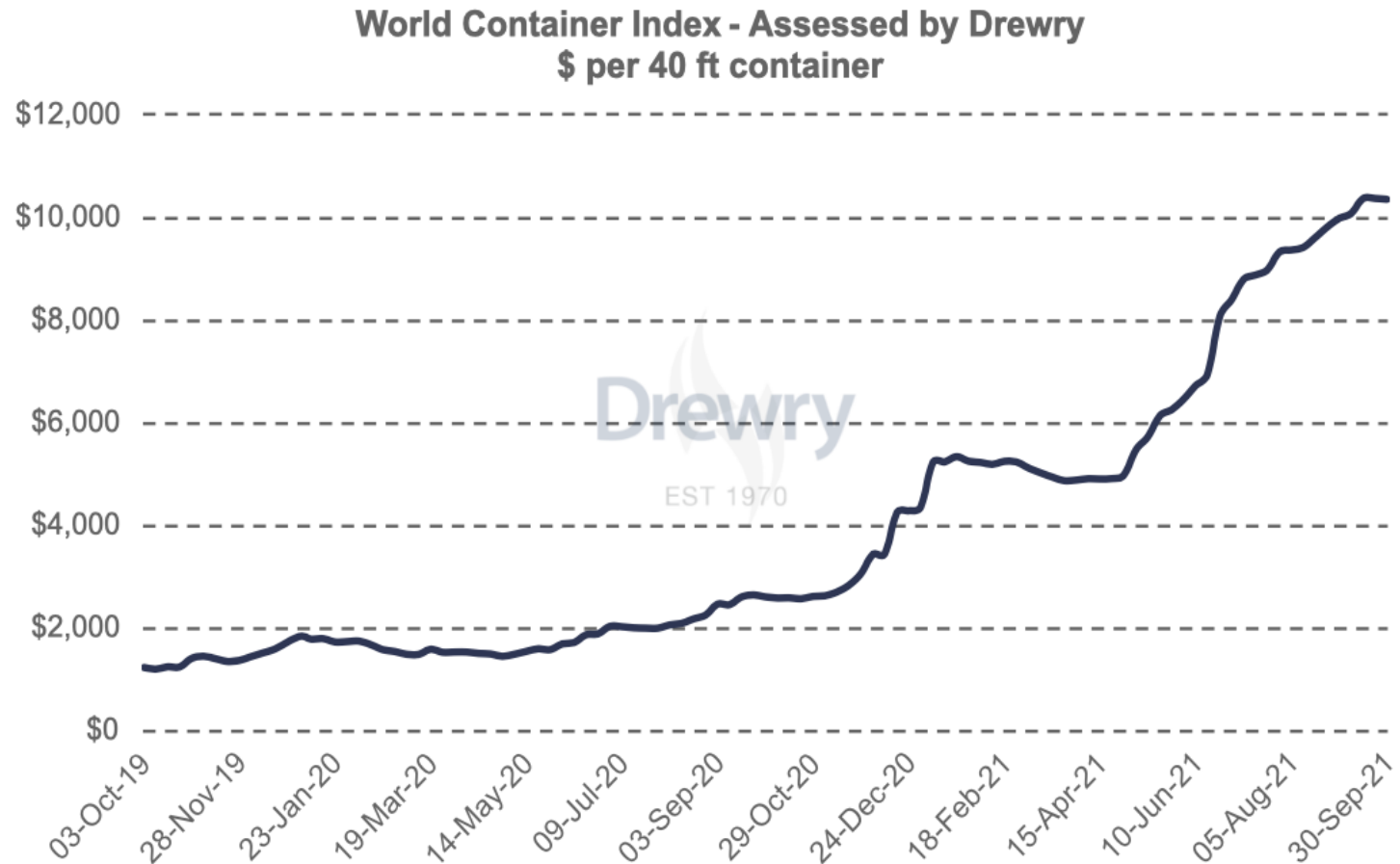
How has the pandemic affected shipping?

- In Quarter 1, 2020, production around the world literally stopped causing a massive shortage of goods and parts in the supply chain
- Goods in transit reached their destinations- facing shortages of port workers, customs officials, and inland restrictions imposed by local authorities.
- Consignees faced difficulty to receive the inventory that were bound for retailers, schools and food outlets which were closed. This created a breakdown in the logistics chain.

As a result, shipping companies aggressively laid up ships due to lower demand.



In Quarter 3 and 4 of 2020, the USA led a resurgence in demand for goods. Ships diverting to change ship's crew- as well as quarantine at sea required between ports has lessened capacity to carry goods, all these causing a spike in freight charges.



Lower port productivity caused by labor shortages throughout the logistics chain has resulted in massive port congestions further taking ships capacity out of the market



Congestion around major ports will mean consumers will be paying more for gifts and food over the Christmas holidays





How has the pandemic affected seafarers?

- There are 20 to 21 seafarers who operate ships of all sizes
- Seafarers work a maximum of 10 months on board with two-months vacation. Some work with shorter 4 to six-month cycles
- Hub ports and airports lockdowns around the world meant that thousands of seafarers were stranded on board
- Seafarers have agreed to work way beyond the ILO approved maximum work period
- Seafarers are not allowed to disembark from the ship and thus have very little social interaction outside of the vessel's Crew



How has the pandemic affected seafarers?

- The International Maritime Organization has categorized seafarers as “essential workers” encouraging countries to create “Green Lanes” in ports and airports
- The Philippines was one of the few countries that opened “Green Lanes”
- Other major port hub countries prohibited crew change altogether or imposed very stringent rules
- Ships have to divert to countries like the Philippines with a “Green Lane”



How has the pandemic affected seafarers?

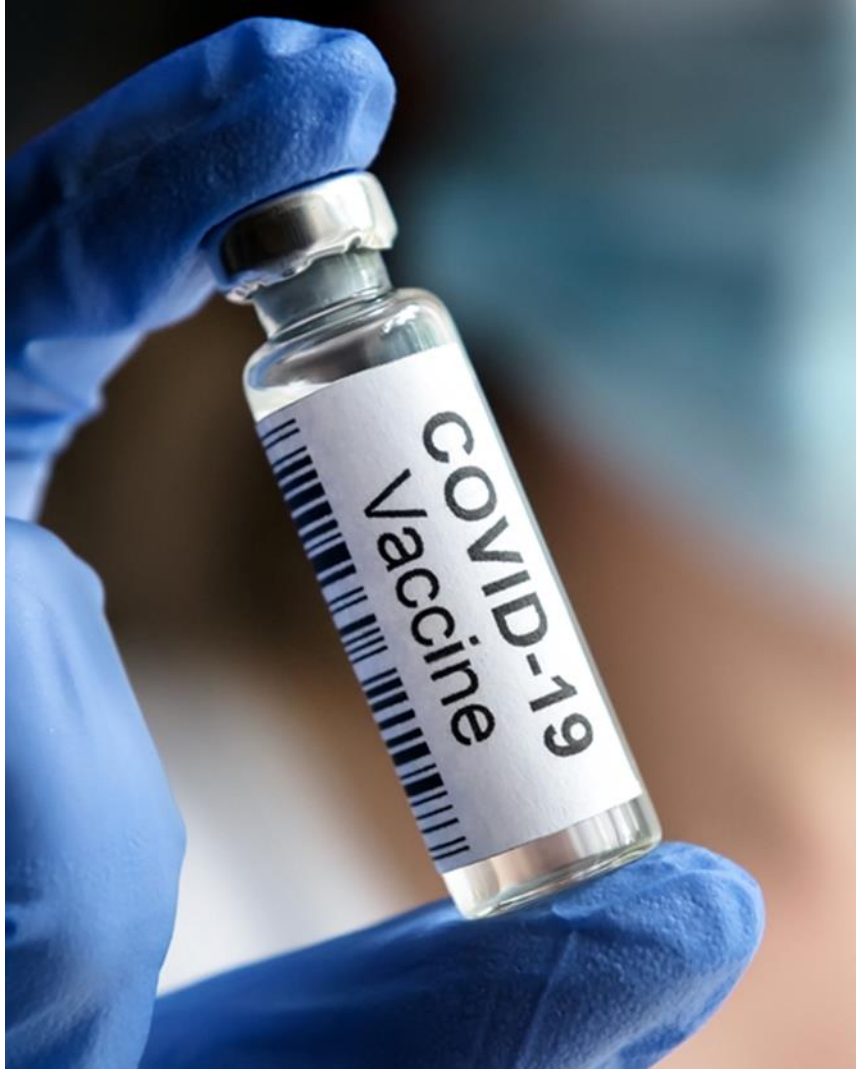
- While at port some crew become infected by shore personnel who board the vessel
- When a ship has a covid case, most ports will not allow the crew to disembark onto their shores forcing the ship to divert
- Seafarers are often required to undergo a quarantine period in a facility for 7 to 14 days and to be PCR tested before joining a ship.
- Some crew arrive at the port of destination testing positive. Crew who test positive as sent home.
- Seafarers are required to undergo quarantine when they return home for a period of 7 to 14 days depending on where they come from



How has the pandemic affected seafarers?

- Being stranded at sea and unwelcome at ports
- Facing a risk of piracy in certain areas around the world causing fear
- The present port congestion all over major ports has exacerbated the inability for crew to disembark and be replaced
- Fragmented travel rules and restrictions have kept hundreds of thousands of seafarers working as long as 18 months on board.

Anxiety, loneliness, isolation at sea, and long quarantine periods has caused growing mental health issues and suicide



Vaccinations are the Game Changer

- Countries like the US and some in the EU are vaccinating crew at ports
- Countries like the Philippines and India have prioritized seafarers to receive vaccines but there is still not enough for everyone

How did the pandemic affect crew on cruise ships?

- Cruise ships faced a huge challenge since a typical ship can have over 2000 seafarers
- It took a while for countries to agree on protocols especially since PCR Tests were not yet available at that time. Media also had a hey-day against allowing potentially infected foreigners into their shores.
- Cruise companies eventually chartered flights or sailed ships to bring crew home





Recommendations

- Push for a universal categorizing of seafarers as “essential workers”
- Remove restrictions hampering the movement of transport workers. Create a seafarers’ “Green Lane” in major ports and airports that should extend into the new normal to ensure safe passage
- Agree on “globally harmonized” digital vaccination certificates secured in a block chain so seafarers can move safely to and from their jobs
- Although many shipowners now provide satellite on board, provide free broadband while at port so seafarers can virtually be with their families.
- Fora like this give greater understanding on the vital contributions made by ships and seafarers, so they can be more valued and respected for all they do to serve humanity.



THANK YOU!