



Perception vs. Reality Report

Maritime Sector - February 2013



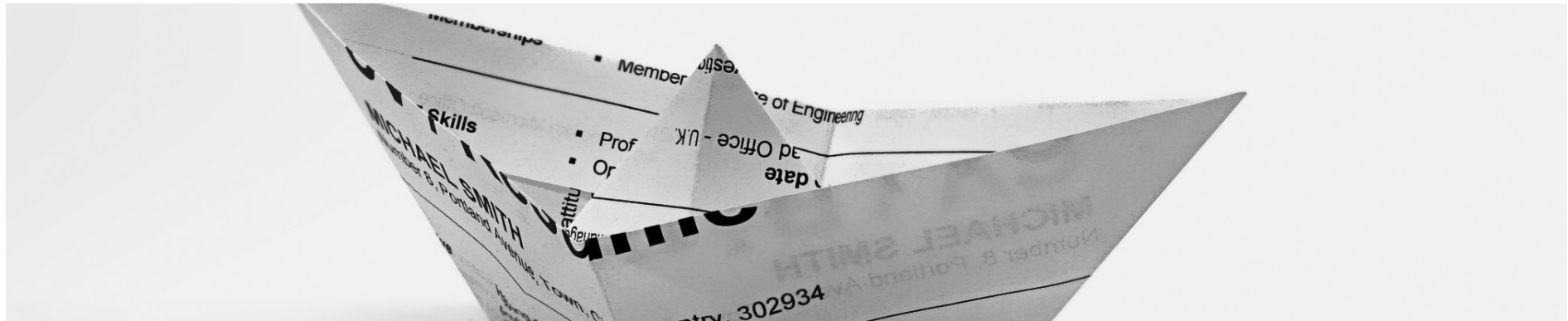
Mark Charman - Group CEO

"This is the first report of its kind which gets beneath the surface to discover what maritime employees really think."

The maritime industry is an extraordinarily diverse and interesting sector to work in. The people needed to keep the world's ships running safely, efficiently and profitably, at sea or ashore, need to have a combination of the right training, the right technical knowledge and the right commercial aptitudes.

As in any industry, the skills required for different roles are very diverse. Some require creativity, some are focused on technical problem solving whilst others are more about having that indefinable element of commercial savvy.

However, what sets the maritime industry apart from many other business sectors is its reliance on people who have been to sea and served at the sharp end of the industry to be involved with the business ashore. We are not just talking about ex-seafarers working in shipping companies, but the myriad of professional maritime service providers who rely on seafarers to bring their experience gained as a deck or engineering officer to the headquarters. Not every insurer, shipbroker, surveyor, lawyer or naval architect needs to have gone to sea, but all of these businesses benefit greatly from having a layer of ex-mariners within the company.



But do seafarers and landlubbers understand each other? Do seafarers have any comprehension of the range of career paths available to them should they decide to come ashore? Do they have realistic salary expectations? Where do maritime professionals think that the best opportunities lie? Do ex-seafarers make good office workers?

This January we asked maritime professionals registered with us what they thought about their careers, the choices they had and what their counterparts earned. We wanted to find out if they regretted the choices they had made and where the best opportunities lie. Did Europeans think they earned more or less than their Asia based colleagues? Are ex-seafarers needed in their office and do they make good colleagues? What are the least attractive shoreside career paths for seafarers? 2,048 responded, including 612 serving mariners and the survey threw up some interesting results.

This report is the first in a series of documents that we will produce throughout 2013 to discover the real perceptions and realities of employment within the global maritime sector.

Key findings:

- Whilst 69% of all the respondents would follow the same profession again if given a second chance, only half of deck officers would
- 92% of shoreside workers think it's at least quite important to have ex-seafarers in the office, whilst 35% say it's vital
- Engineering officers think that it is much easier to get a job ashore than deck officers do
- The least attractive shoreside professions to seafarers are in the law, shipbroking and insurance areas
- 37% of maritime professionals think that SE Asia offers the best career opportunities over the next 10 years

Seafarers

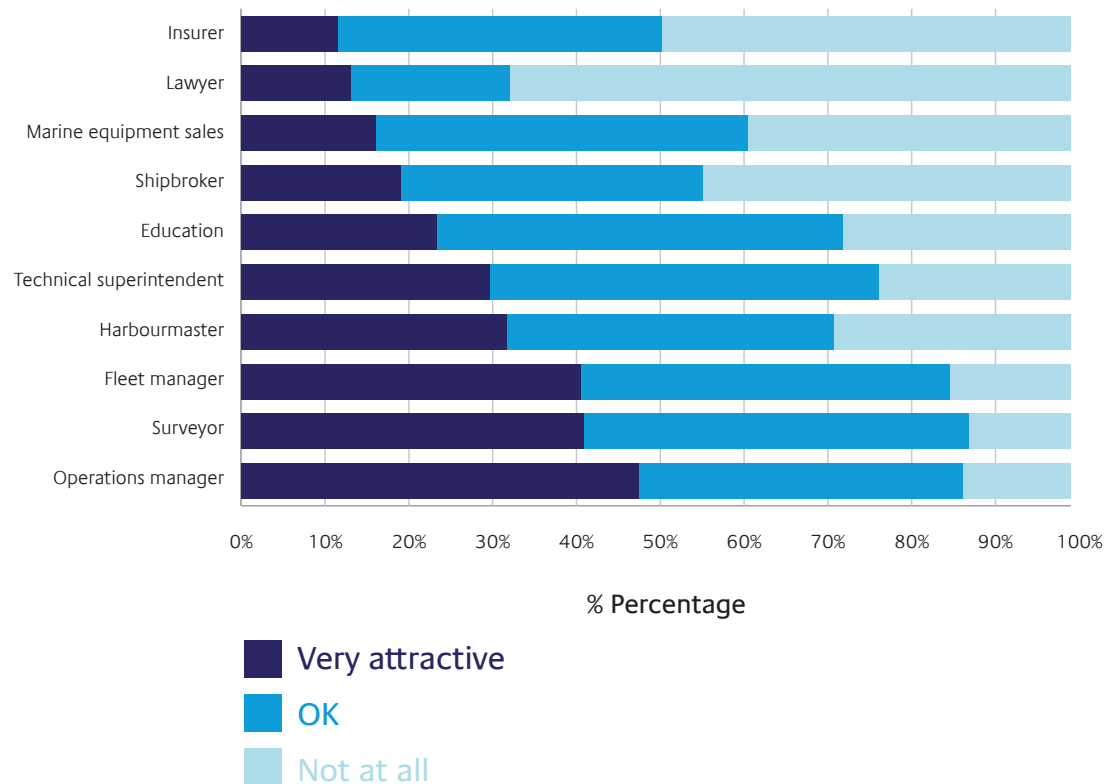
Whilst 85% of all seafarers will remain at sea for the majority of their working lives and never make the transition from sea to shore, the survey shows that seafarers are far more attracted by the professions to which they have had some contact in their day to day work.

Operations managers, surveyors, fleet managers and harbourmasters all feature in the working lives of seafarers. However, how many seafarers have ever had to deal with a shipbroker or insurer? These professions can seem extremely remote to the average seafarer.

But the reality is that all of these professions do need ex-mariners in their offices. People that do understand the realities of life at sea and what is and isn't possible are important. It is of course difficult to make a sideways career step, but in the long term it can be a very good move.

It is important that companies in areas of the maritime business that are less obvious and less visible to the average seafarer, but are looking for ex-seafarers to fill some of their key positions, understand that they cannot assume that seafarers have a rounded view of how the international shipping industry fits together and what their company actually does. When marketing their positions to seafarers seeking to come ashore those responsible for recruitment need to understand that a large part of finding the right people is about marketing the company and then clearly and carefully explaining the opportunities that it offers.

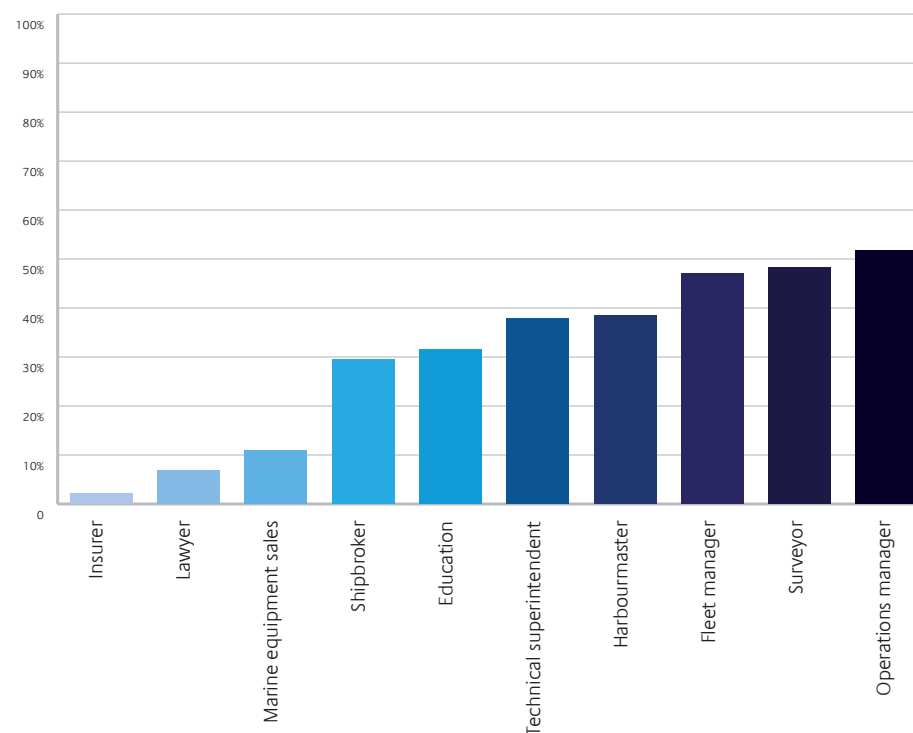
Attractiveness of various shoreside career paths to seafarers



For a seafarer used to a hierarchical working life and who has always followed a very defined series of courses and exams to make their career progression up the chain of command, the idea of coming ashore, taking a step sideways and learning a completely new set of skills on the job, can seem extremely daunting and a huge leap into the unknown. It is also important to note that many seafarers do not come from the big commercial shipping centres such as London, New York or Singapore. Their families are based elsewhere, often in more remote locations, so a move ashore can often mean not only an initial drop in take-home salary, but also necessitate a move to another part of the country or even another part of the world. The pool therefore of potential experienced officers looking to make a move ashore is always going to be a limited one.

However, seafarers should be interested to read that 92% of shoreside workers think it's at least quite important to have ex-seafarers in the office, whilst 35% say it's vital. Yet just over half of seafarers, whether western or Asian, think that it's difficult or very difficult to get a job ashore. To a certain extent, this can be correct. Not every seafarer is cut out for the challenges of a job ashore. For some, the transition to shore life with the stresses and strains of commuting, taxation, office politics, family life and less obvious hierarchal structures can make life at sea too good to leave behind. But those who are perhaps less set in their ways, are able to explain complicated technical issues to a non-technical audience or are able to adapt to a completely new way of working, can find that their skills are very much in demand.

Which shoreside professions do serving seafarers think they are qualified to enter?

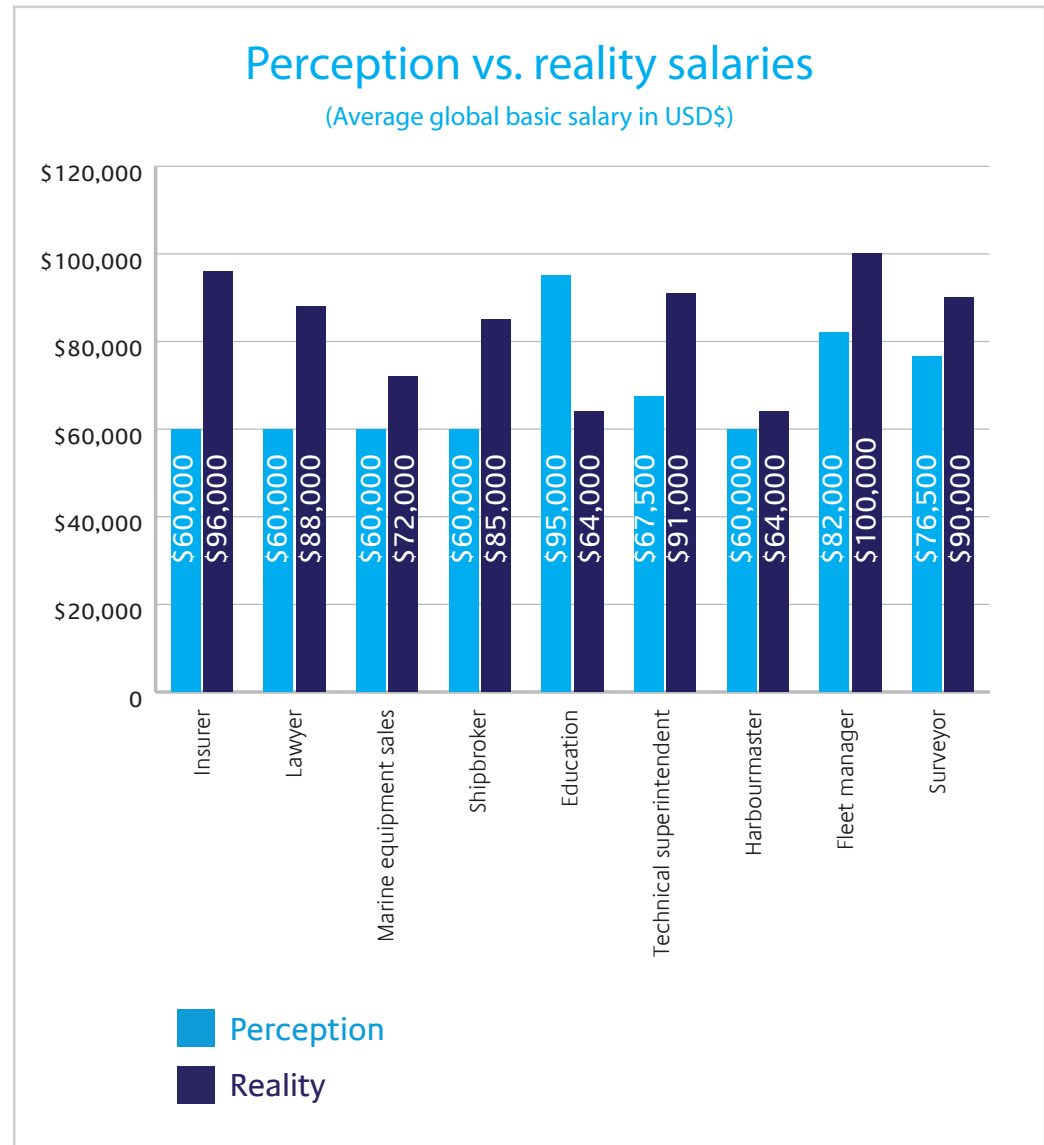


“Engineering officers think it’s easier to get a job ashore compared to deck officers - the reality is that both are extremely employable.”

Our survey showed that serving engineering officers think it is easier to get a job ashore than deck officers do (53% vs 39%). However, this doesn’t reflect the reality. Both engineering and deck officers with the right attitude and aptitudes, are extremely employable. The only difference is that the shoreside career path for an engineering officer is more obvious. Deck officers need to do their research and understand the huge range of maritime related jobs on the market. In the past 12 months alone Faststream has placed many serving deck officers in a huge range of positions from the obvious (operations superintendent, harbour master, marine consultant, ship operator) to the obscure - a technical expert working for a product supplier.

Salaries

We asked seafarers what they thought starting salaries were for an officer with 10 to 15 years of seafaring experience coming ashore in a variety of professions. Most of the seafarers hugely underestimated what starting salaries might be.



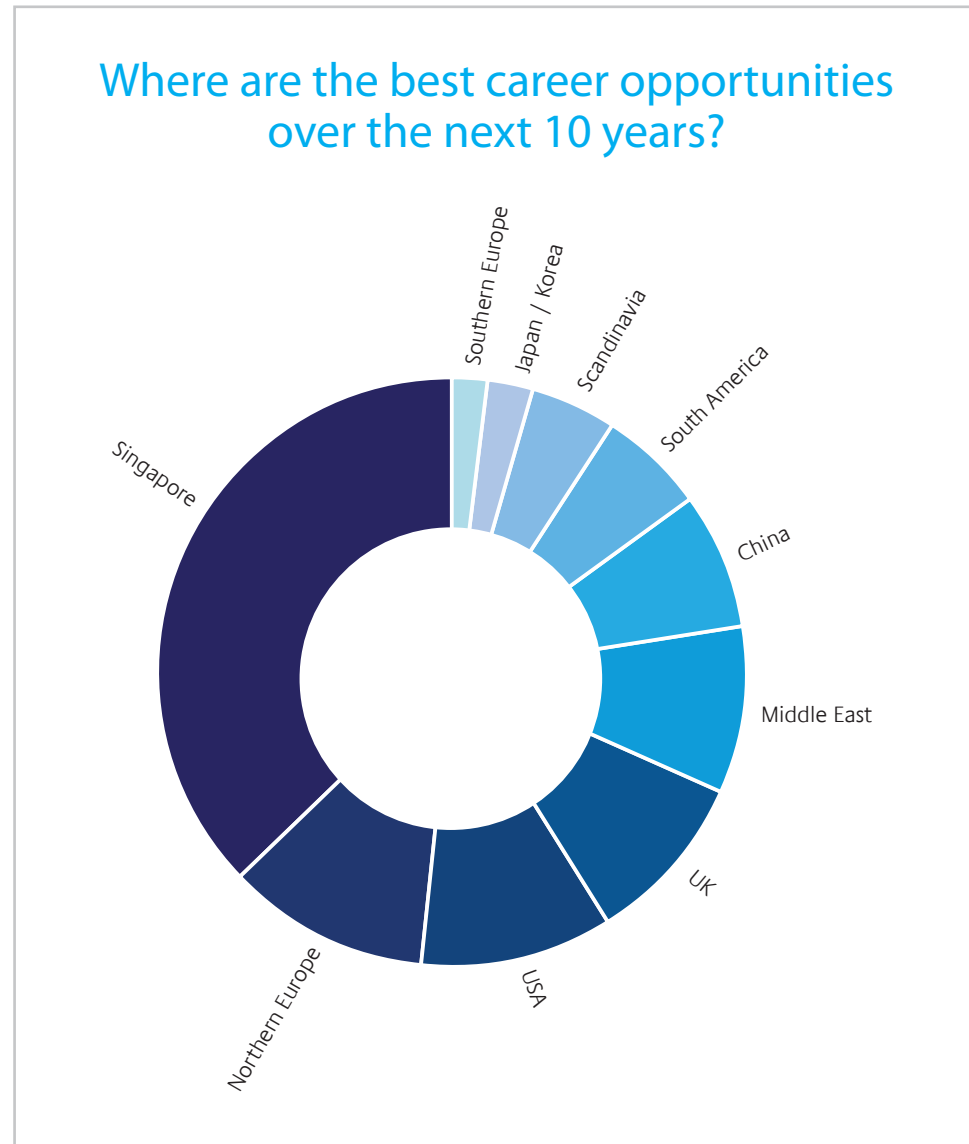
Shoreside

The 1,436 office based maritime professionals who answered our survey agreed that ex-seafarers generally make good workers, with only 5% saying that they struggle to adapt. However, one third did note that ex-seafarers do need a good deal of initial support in the office. Our experience of placing numerous ex-seafarers into office roles has shown us that companies who have good support and training programmes are the ones who are most likely to retain their staff for the long term.

“The sentiment amongst shore-based professionals seems firmly in the favour of the East, with Singapore a clear winner when asked where the best opportunities would be in the future.”

With competition as hot as ever between the various shipping centres in Europe and Asia, we thought it would be interesting to find out where our ashore workers thought that the best opportunities lie over the coming decade. 37% think Asia and 26% Europe. But is this a fair reflection of the sheer numbers of jobs available?

The recent move by the Baltic Exchange to move its capesize vessel reporting times forward by a couple of hours to meet the Asian working day underlines just how much Singapore has grown as a chartering centre. Indeed our Singapore office has had the fastest growth within our network since it was set up in 2006; but as recently reported by leading maritime newspaper Tradewinds, London still remains the world’s top maritime centre, providing employment for at least 15,000 and home to every type of maritime business imaginable. However, the sentiment amongst professionals seems firmly in the favour of the East.



We also asked our shore-based respondents whether or not they thought that their counterparts around the world earn more or less than them before tax. The results formed an extremely mixed opinion by shore-based employees which is representative of common 'assumptions' which are broadly made when it comes to pay. There was very little difference between the perception of technical and commercial roles.

Yes salaries are higher in the USA, however it is the perception of Asian salaries which is furthest away from reality. Whilst technical staff in Asia often earn on par with their European counterparts, commercial roles such as a charterer or shipbroker often get paid more in Asia than anywhere else in the world. European and USA based workers seemed to think the opposite with 47% and 64% respectively believing that their Asian counterparts get paid less than them, whilst workers in Asia seemed more confident in the pay levels against both workers in Europe and USA - 64% of Asian workers thought they got paid more than their counterparts in Europe and 69% thought the same against USA shore-based employees.

“There’s a large misconception about salary levels in Asia. The perception of European and USA based workers about pay in Asia was furthest away from the reality.”

Current salaries

Job title	Asia	Europe	USA
Charterer	\$153,113	\$121,246	\$141,444
Fleet Manager	\$120,613	\$129,786	\$130,887
Marine Surveyor	\$81,291	\$69,492	\$91,045
Shipbroker	\$98,325	\$78,298	\$90,981
Ship Operator	\$92,217	\$77,334	\$71,454
Technical Superintendent	\$98,175	\$97,896	\$110,287

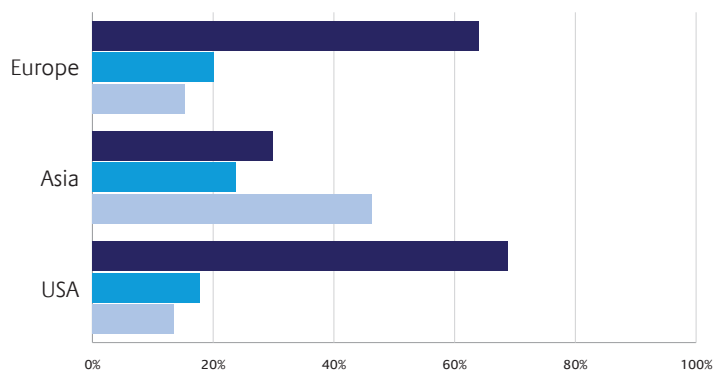
There are a number of other conclusions which you can draw from these results, however one of the most interesting is how workers perceive their own pay against their counterparts within the same continent. Whilst workers in the USA and Asia felt happy with their own salary, European employees were by far the most negative with over 43% stating that their counterparts around Europe earn more than they do.

However you look at it, the maritime sector is a complex playing field for both employers and employees. In the next report we'll look further into how perceptions can play a large part in the decision making process when workers look to change roles.

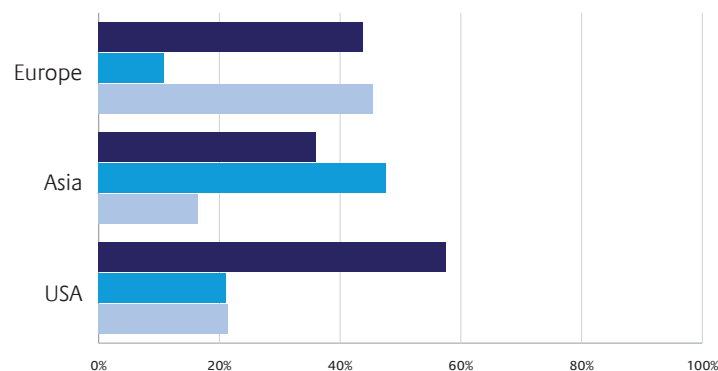
Do you think your counterparts around the world earn more or less than you?



Workers in Asia:



Workers in Europe:



Workers in the USA:

