



TECHNICAL CIRCULAR No. 177 of 16<sup>th</sup> February 2014

To:	All Surveyors/Auditors
Applicable to flag:	All Flags
Subject:	ICS latest flag state performance table takes into account of ILO MLC
Reference	MLC

**ICS latest flag state performance table takes into account of ILO MLC**

Latest *International Chamber of Shipping* (ICS) table requires flag states to have ratified the ILO MLC for positive indicator

The ICS table is intended to encourage shipowners to maintain a dialogue with their flag administrations to help bring about any improvements that might be necessary in the interests of safety, the environment and decent working conditions.

Following the entry into force of the ILO Maritime Labour Convention (MLC) in August 2013, the latest ICS table now requires flag states to have ratified the ILO MLC in order to receive a positive indicator. The level of ratification of this important new ILO Convention as of the end of December is impressive. However, those flag states that have not yet ratified the MLC but had previously ratified ILO Convention 147, have now received a negative indicator on the table with respect to ILO standards for the first time. This situation will change this year as more and more flags finalize ratification of this core Convention before PSC enforcement of the MLC begins in earnest this August.

Minor changes have also been made with respect to the way in which Port State Control data is recorded in the ICS table. Following discussions with governments about the treatment of flag states whose ships make relatively few port calls in certain Port State Control regions, the ICS table now includes data on those flags with fewer than the required number of inspections/arrivals to be included in PSC 'white lists' but which have nevertheless suffered no detentions within a particular region during previous three years - consistent with the way in which regional PSC authorities now publish this information.

The absence of a couple of positive indicators next to a flag in the table should not be seen as a serious concern. They are only potential indicators and a flag with a solid row of 'green squares' should not necessarily be viewed as superior to another that is missing one or two 'green squares', for which there may be good reason. For example, a flag state may not have ratified a particular maritime

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Convention due to a conflict with its national law while nevertheless implementing the Convention's main requirements.

But if a flag is lacking a large number of positive indicators in the ICS table then shipowners may want to ask serious questions.

ICS is keen to emphasize that in today's modern global industry, distinctions between so called 'traditional' flags and 'open registers' are increasingly meaningless and actually unhelpful. The ICS table shows that flag states such as Liberia, Bahamas and the Marshall Islands are amongst the very top performers alongside many European registers and Asian flags such as Japan, Hong Kong and Singapore that might be expected to perform very well.

In the same way that the shipping industry is committed to the concept of continuous improvement and transparency with respect to its performance, through mechanisms such as external auditing under the International Safety Management (ISM) Code, ICS believes that the same principles apply to the performance of flag administrations. ICS therefore reiterates its support for the decision by IMO to make its Member State Audit Scheme mandatory.

REFERENCES:

- ILO MLC

ATTACHMENTS: No.

Kindest Regards,

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