LETTER TO THE EDITOR

Dear Sir,

Jeff Hawkins in his Asian tour de force, IJME March 2001, examined all the regulatory and self-regulatory elements concerned with shipping in S.E. Asia except for one. He never mentioned the economics of ship regulation, which in an economic journal is surprising.

How many people are employed regulating shipping? What is their overhead? How much is spent on national meetings, regional meetings and attendance at IMO. What is the gross cost of rescue services? What is the public cost of pollution and how much is spent on shipping policy and other governmental activities?

The author states that there is inadequate reward for quality – a cry echoed in every competitive industry but he offers no economic solution.

Part of the problem is lack of enforcement so that shipping companies can compete on avoiding the cost of legislation and part of the problem is that Flag States, Classification Societies and Shipowners who are competing and who have discounted quality improvement in their costings cannot raise their fees without losing business. This also applies to quality in crew standards.

Manning of ships is another area which is governed by regulations relating primarily to gross tonnage and engine power and does not reflect the actual demands put on crews which are partly commercial and predominantly safety. In between there is always the ship's cook.

It is unlikely that the economic structure of shipping in SE Asia will allow for total quality improvement, indeed I doubt anybody knows what it means. However, in all other management situations managers are effective because they prioritise.

The author alas has not given us any indication how to weigh the severity of one problem, lack of qualified crew for example against condition of the hull. Which most needs the attention of limited resources?

It seems to me that the major benefit of regional regulation whether in Europe, The Mediterranean or SE Asia is that the region can set compliance targets in specific areas for specific periods.

If Europe concentrates on hull structures, the USA on passenger safety, SE Asia on crew standards this is likely to be more effective than attempting to cover the whole spectrum everywhere.

C.J. Parker

Secretary, The National Institute, London