

What Are FOCs?: Flag of Convenience

Written by AdminSailor

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- A flag of convenience ship is one that flies the flag of a country other than the country of ownership.
- Cheap registration fees, low or no taxes and freedom to employ cheap labour are the motivating factors behind a shipowner's decision to 'flag out'.
- The ITF takes into account the degree to which foreign owned vessels are registered and fly the country flag, as well as the following additional criteria, when declaring a register an FOC:

1. The ability and willingness of the flag state to enforce international minimum social standards on its vessels, including respect for basic human and trade union rights, freedom of association and the right to collective bargaining with bona fide trade unions.

2. The social record as determined by the degree of ratification and enforcement of ILO Conventions and Recommendations.

3. The safety and environmental record as revealed by the ratification and enforcement of IMO Conventions and revealed by port state control inspections, deficiencies and detentions.

4. The ITF believes there should be a 'genuine link' between the real owner of a vessel and the flag the vessel flies, in accordance with the United Nations Convention on the Law of the Sea (UNCLOS). There is no "genuine link" in the case of FOC registries.

5. Some of these registers have poor safety and training standards, and place no restriction on the nationality of the crew. Sometimes, because of language differences, seafarers are not able to communicate effectively with each other, putting safety and the efficient operation of the ship at risk.

- In many cases these flags are not even run from the country concerned.
- Once a ship is registered under an FOC many shipowners then recruit the cheapest labour they can find, pay minimal wages and cut costs by lowering standards of living and working conditions for the crew.
- Globalisation has helped to fuel this rush to the bottom. In an increasingly fierce competitive shipping market, each new FOC is forced to promote itself by offering the lowest possible fees and the minimum of regulation. In the same way, ship owners are forced to look for the cheapest and least regulated ways of running their vessels in order to compete, and FOCs provide the solution.

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