

**TANKEROperator**

# **Challenges operating tankers today and over the next 10 years**

**9<sup>th</sup> Tanker Operator Athens**

**MAY 03, 2022 - TUESDAY**



# Challenges with Crew Recruitment and impact of non-availability of Ukrainian and Russian crew on Tanker operations

Presented by:



**Konstantinos S. Galanakis**  
CEO, ELVICTOR Group



# Challenges in Crew Recruitment Outlook – Focused on Tankers

## LABOR SQUEEZE” – SHORTAGE ESTIMATES

Immediate, Profound, Documented Figures

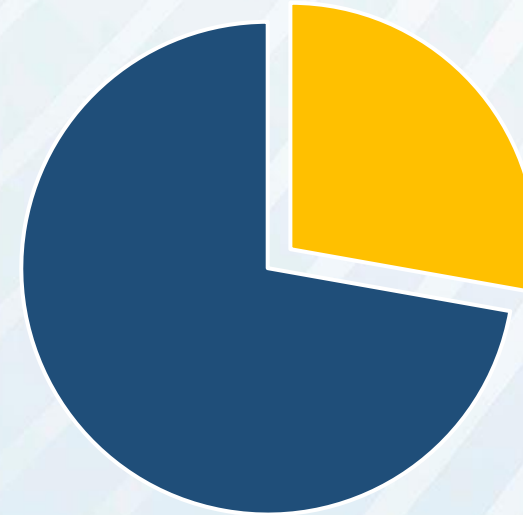
 **14.5%**

▼ **274,565** Forecasted Shortage of Crew

### RUSSIAN SEAFARERS

**10.47%**  
72.16% of 14.5%

198,123 total  
number of Crew



### UKRAINIAN SEAFARERS

**4.03%**  
27.84% of 14.5%



76,442 total  
number of Crew

The shipping industry faces continued turmoil—because the world is splitting into two spheres. Shipping is experiencing historical uncertainty in sustainability, logistics, and daily operations. Shipping faces a “humanitarian crisis” and “unchartered waters” resulting from the pandemic restrictions, geopolitical tensions, and war sanctions. The collateral damages are the seafarers of Ukraine and Russia and can extend to the shipping industry in general.



## Identifying the Obstacles



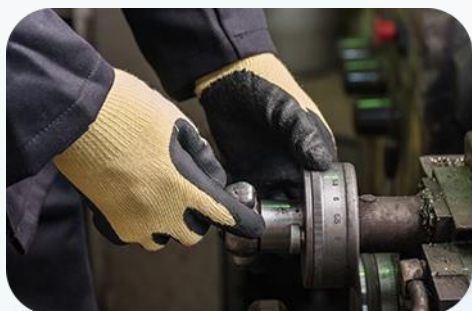
### Maritime World Today faces unprecedented circumstances arising from:

- Pandemic Occurrences
- Geopolitical tensions
- New Regulations and new compliances to be met
- Unexpected sharp seafarers' shortage due to the war in Ukraine

### Constraints that may arise from:

- The increasing complexity of Logistics
- Sanctions that may and will backfire on the shipping economy
- Pandemic updates and cases
- Continuation of the geopolitical tensions

# Forecasting the Obstacles: Compliance

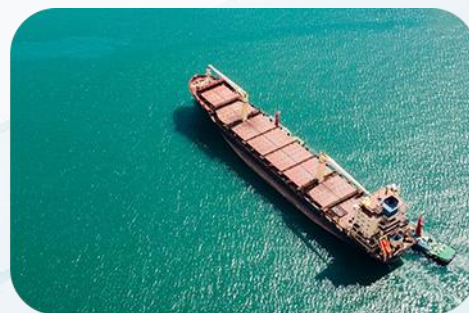


## Compliance

- Retention deterioration
- Officer Matrix Compliance – “Years with Operator”
- Impact on Seafarers’ Skills requirements and compliance
- Nationalities Compliance with OCIMF Criteria
- TMSA 4 – Adding further implications



# Forecasting the Obstacles: Operational



## Operational

- Ship Operations disruptions
- Unattainable crew changes
- Increase of costs throughout the logistical chain of shipping operations
- Budgetary deterioration due to price fluctuations and especially price/costs appreciations
- Upcoming regulations

# Forecasting the Obstacles: Crew Related

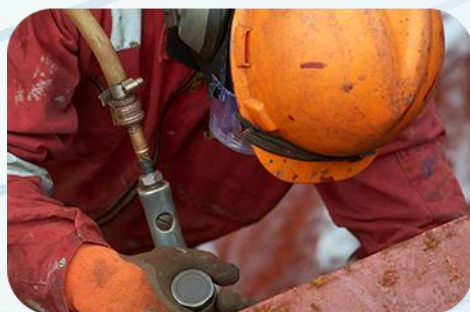


## Crew Related

- Difficulty in sustaining pool coherence and retention
- Increased difficulty in the logistics of crew scheduling, crew change and reallocation due to change in nationality
- Crew Welfare issues
- Wages increase and timely contract durations and disembarkations
- Humanitarian crisis



## Current Situation



- Restrictions are not limited to COVID Pandemic but to sanctions too
- These geopolitical tensions will test the sustainability of shipping operations.
- Operating expenses of the vessels have started to increase already.
- New Maritime Regulations are into play.
- We have a humanitarian crisis, and we should study the implications of these sanctions on seafarers.
- Forecasting the maritime trends is unattainable with so many unpredicted factors.



## Finding on Human Resources

- ✓ Seafarers' applications are populating, Seafarers seeking for new opportunities exploiting the current situation.
- ✓ Seafarers' demand for higher wages and incentives is a fact.
- ✓ The loyalty of the crew is being tested.
- ✓ An influx of ship operators and ship managers in countries they exited in the past creates "**market saturation**," higher demand for seafarers resulting in unhealthy competition.
- ✓ Change of "**Application Habits**" – Seafarer has turn into a type of "**a financial commodity / instrument**". They became the "**Price Makers**" and not the "**Price Takers**".
- ✓ Alternative nationality (of seafarers' sourcing) requires re-determination of the vessel's budget and compliance and may be limited due to various pre-requisites.
- ✓ Competition in human resources is becoming historically stiff.
- ✓ Lack of global cadetship schemes and support.





## How to tackle the Situation?

- OCIMF to lessen their criteria, especially the "Years with Operator," for the Ship Operators to build new pools of seafarers
- Re-evaluation of the OCIMF criteria, providing more space for new seafarer entrants
- Other International bodies to assist the stranded crew by providing them a passway to continue their seamanship
- Proactive Scheduling
- Building new pools of seafarers
- Cadetship and promotion programs
- Benefits and incentives
- Faster response and focus on crew matters and crew welfare
- Logistics monitoring





## Elvictor's Proactive Strategy

As per the market's forecast of crew shortage, Elvictor strategically invested in the Georgian Market 9 years ago to generate a new "Breed of Tanker Officers."

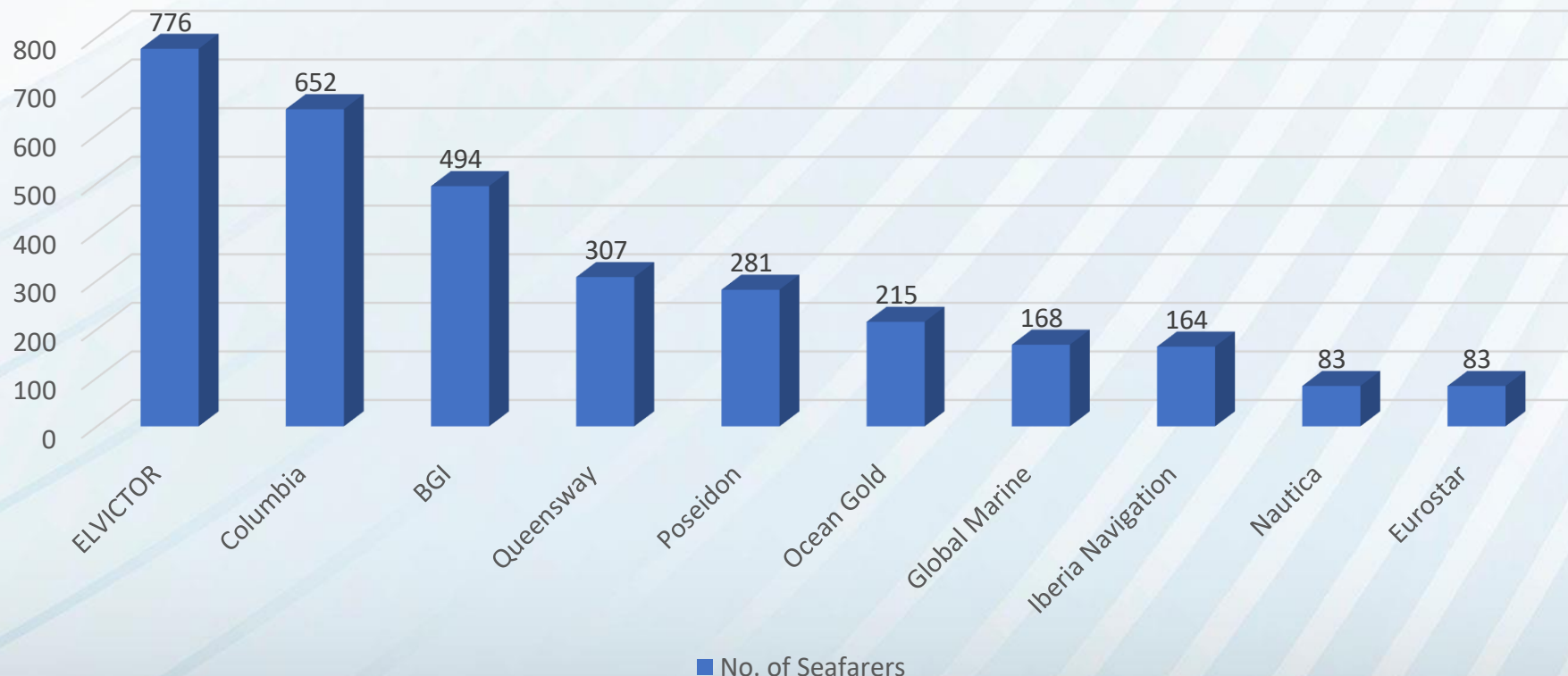


# Elvictor's Proactive Strategy

Elvictor, two years consecutively, has become the largest crew supplier in Georgia and is prized by MTA Georgia. Out of 3,223 Georgian seafarers held by the top 10 employers in 2020, Elvictor had a 24% stake in the ten leading suppliers. Elvictor for 2021 has surpassed 1,200 volumes already.

Statistics of Employment (2020 data)  
Provided by MTA recognized Crewing  
Companies

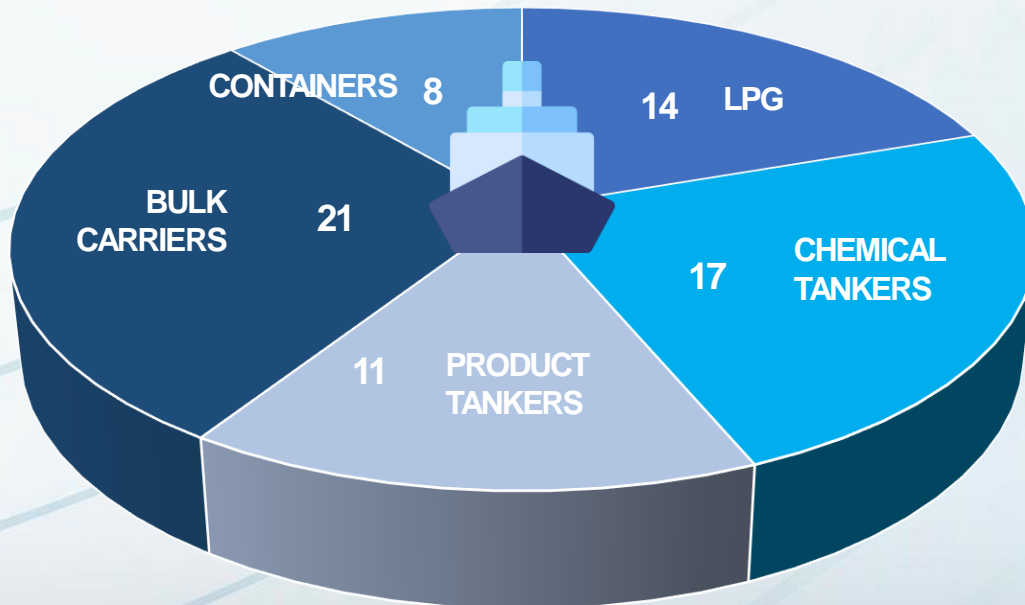
## Top 10 Employer Companies as per 2020





## Elvictor's Current Growth 2022

An influx of more than **73 vessels** to be staffed:



New Ship Managers seeking the last resort for crew replacements due to the invasion in Ukraine brought to Elvictor's Georgian recruitment the following:



# 1,500

Estimated Crew to be manned  
within the next couple of months.  
(Approximate)



# 433

Current lined up and  
scheduled Crew to go  
onboard

# Elvictor's Current Growth 2022

## ⚠️ CONS

Not enough LPG, Container, and Bulk Carrier Senior Officers in the market of Georgia



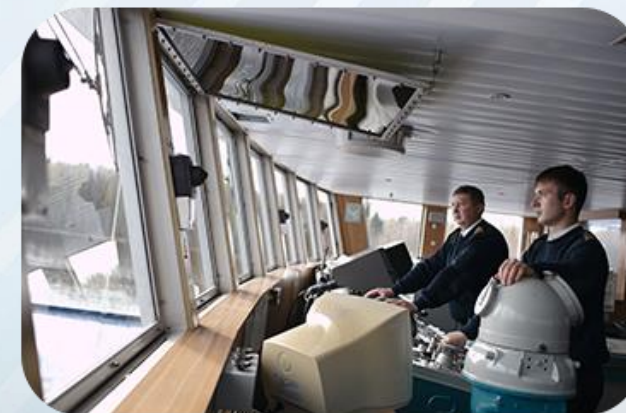
## ✅ NEEDS

- Development of Junior Officers and Crew for LPGs, Containers, Bulkers.
- Aggressive Promotion schemes
- Investment in Cadetship



## FAST-TRACK SOLUTIONS BY ELVICTOR

- Use Ukrainian seafarers that redomicile outside Ukraine.
- Georgian-Ukrainian Ratio lined up with the volume mentioned above **63% Georgians /37% Ukrainians** (especially for Bulklers, LPGs, Containers)





# Thank you!