

## Covid-19 and the impact on seafarers

As the world eagerly waits for Covid-19 to ease its grip and life to start normalising, the technology sector is really coming into its own, positively impacting shipping and other industries, writes Stuart Ostrow, founder and president of ShipMoney.

While the need for increased operational efficiencies had already resulted in the maritime sector embracing digitalisation, the pandemic accelerated the movement away from the decades-old practice of Cash-to-Master towards digital payment solutions, such as ours.

In the current global reality, ships face tremendous logistical challenges as they attempt to get cash on board to pay seafarers. Some ports have literally run out of cash and others are refusing to allow crew to leave their vessels, resulting in seafarer inability to transfer money home. This has caused hardship for families who depend on the support, as well as significant

anguish for the seafarers.

Many ships are also experiencing challenges getting in and out of port. Even when they do manage to get alongside, how easy is it for the stevedores, ship agents and suppliers to get to the ship? Disruption of deliveries to vessels does not only include goods, but also cash. And if seafarers cannot get off the ship, how can they spend their money?

These problems are forcing many shipowners and managers to rethink the way they use cash in favour of virtual and card-based transactions.

As crews experience the advantages of having access to digital payment solutions, I anticipate there will be a reluctance to return to the old Cash-to-Master system. Our virtual cards, for example, use Visa's virtual card technology and let crew members access their wages from anywhere in the world. Onboard or at home, they have the same advantages that the land-based

community takes for granted, such as mobile top-ups and card-to-card transfers, online shopping and use with mobile wallets.

There are any number of issues which crews come up against with Cash-to-Master: the additional costs of making wire transfers, waiting for wire transfers to complete, and the risk of carrying cash on your person, to name a few. And for the ship's master, particularly on a cruise ship or passenger ferry, there is the very real danger of carrying on board the enormous quantities of cash needed to pay every staff member while at sea.

A large number of shipowners and managers have started migrating towards digital payments but, as can be expected when a familiar system is in place, there tends to be resistance to change. However, because Covid-19 has created a scenario where Cash-to-Master is simply untenable, many companies who might have postponed adopting a digital payment system, now feel real urgency. And as seafarers increasingly experience the advantages of using a card system instead of cash, I believe digitalisation will become a key consideration when choosing a management company, in the same way that access to wi-fi is crucial today.

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Stuart Ostrow, founder and president of ShipMoney.

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bly difficult times: many are stranded on ships, and even if they are able to disembark, it is almost impossible to get a flight back home. This pandemic has finally created the environment in which the maritime industry is going to move away from cash. While for some time, digitalisation has been making inroads, Covid-19 is the catalyst for its adoption.

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## Covid-19 and the impact on ship suppliers

The coronavirus has put a lot of ship suppliers in a difficult situation globally. A lack of coordination between local government authorities has heightened this state of affairs, writes Saeed Al Malik, president at the International Ship Suppliers & Services Association (ISSA).

Early on, ISSA, approached the International Maritime Organization and the World Customs Organisation for help on this matter and we received a prompt reply from the IMO Secretary-General Mr Kitack Lim requesting all IMO member states to consider ship suppliers as an important sector of business and exempt them from lockdown. IMO also asked to facilitate port entries to all ship suppliers which helped the situation.

While ISSA members are mindful of the need to follow World Health Organisation and individual national health guidelines when delivering supplies to ships (this can include leaving the supplies on the quayside for the ship to load onboard itself), they are finding it difficult to secure the correctly signed documentation etc from the ship's bridge because of the distancing rules. These are issues that can be sorted out at a local level, but port state control authorities must ensure that all steps are taken to enable the world's ships to continue to be supplied.

Ships need supplying and while it is important that our members adhere to the health advice and terms and conditions of the ports they are servicing, ship owners and port and terminal operators need to work closely with our sector to ensure

their ships and crew are looked after effectively.

But ISSA members have already complained that in some instances they are being prevented from boarding certain ships and stopped from supplying essential masks, overalls and PPE safety equipment.

In a separate letter to Kunio Mikuriya, WCO Secretary-General, I said suppliers were finding it difficult to undertake their tasks in some ports around the world, especially when it came to the smooth declaration of documentation across borders that are either closed to each other or are facing problems.

It was essential, I said, that the WCO request all its members to classify ship supply and ship suppliers as essential services and essential workers so they can undertake their important tasks at the world's ports and to look at putting in place smooth and comprehensive arrangements relating to the declaration of documents.

ISSA also requested its members around the world to maintain strict hygiene levels and to adhere to strict social distancing where possible while making deliveries to ships, as ship suppliers are vital for the ships in continuing their journey for keeping trade flowing globally.

ISSA has found digitalisation important in the business sector and in our back office operations. Having spoken to several members, I am aware of some considering investing in digitalisation for the future needs of the industry. Digitalisation holds the key to future

reforms in our industry and has a lot of commercial advantages to ease pressures on the work force and ensure the smooth operation of companies.

It has improved the speed of transactions, boosted efficiency and allowed for additional social distancing to keep further people safe from Covid-19. As technology has intercepted it has meant less manpower being necessary. The ship supply business has been under a lot of pressure to keep seafarers and vessels in supply while working around certain port closures, so technology has formed a fundamental part in communicating and sourcing various supplies, at a safe distance.

Indeed, looking at ways to digitise the whole procurement process is something that is high on our agenda. Our recent Annual Convention held in Busan, a few months before the lockdown, focused on this issue of e-procurement and how embracing digitalisation can improve the situation. It is something ISSA will be working on in the months ahead.

The coronavirus has made a huge impact on the economy and shipping industry. Digitalisation has always been at the backbone of the industry, but we have now seen it take centre stage. It has kept the industry moving forward and helped us to continually overcome the repercussions caused by Covid-19 such as port closures and stock problems. Over the last few years, digitalisation has been slowly becoming more prevalent in the industry. As ship suppliers, it has allowed us to do more remote access and use digital solutions. We've overcome social distancing



Saeed Al Malik, president, ISSA.

with digitalisation allowing us to stay connected with our supply chain. The benefits of technology are clearly being reaped during the Covid-19 pandemic. It has boosted networks and helped support countries and trade as countries have gone into lockdown and closed their borders to protect the spread of Covid-19.

Digitalisation has shone through, during these difficult times, and I have no doubt that ship suppliers and the shipping industry in general, will become more reliant on it. Hopefully, the shipping industry will slowly ease out of the pandemic as a stronger and united force thanks to digitalisation.

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