



CARNIVAL UK

Fostering Maritime Skills and Know-how

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Brussels 2 April 2014

The Carnival UK story

- P&O Cruises and Cunard – two great British passenger shipping brands, and icons of high-quality European shipping
- Cruise ships are very complex, requiring unusually large numbers of deck and technical officers
- They are also very large hotels, often for more than 3,000 guests
- A 3,000 passenger cruise ship requires 1,200 officers and crew
- Carnival UK has a complement of over 8,000 seafaring jobs, requiring an establishment of over 12,000 seafarers to support it
- In common with the wider European shipping industry, the European cruise industry needs a globally competitive cost base, and manning is an unusually high proportion of the cost base

Carnival UK – its manning and its challenges

- We strongly believe in the skills of British and European officers
- 65% of officers are British, due to brand considerations, and the remainder from a variety of other Member States
- The majority of ratings are Asian, with a good service ethic and at globally competitive pay rates
- European, especially North European, officers are expensive
- Turn-over is high, often due to life-style considerations
- Tour lengths have to be shorter, adding cost
- The pinch-point is at 2nd officer level – junior officers are more plentiful
- Training is critically important to maintain consistency, and its costs are rising as more and better training is required

The wider maritime skills and know-how picture

- Carnival UK's position is a microcosm of the wider European one
- European officers are a highly-prized asset but there are too few
- Highly-skilled European seafarers feed not only our ships but our whole maritime industry – they are crucial to a thriving European maritime sector
- We need to enlarge our European seafarer pool to:
 - support the growth of European shipping
 - ensure Europe's reputation for safety and reliability
 - foster the wider European maritime sector
 - develop a European “export business case”, with many more European officers supplying the global shipping industry, aiding employment and growing foreign earnings

Support for training and career development

- Add integrity and prestige to marine education
- Increase the appeal of seafaring qualifications through degree-level equivalence
- Expand officer education to include business management skills
- Capitalise on all relevant aspects of public funding to grow the European seafarer population – the jobs are there
- Harmonise military and commercial seafarer training to give cost-efficiency and mobility from military to civil sector
- Invest in career development and progression at least to 2nd officer level to aid retention at the pinch-point

Ensure globally competitive employment conditions

- European officers can command a wage premium on the world stage – but there are limits
- Costs of retaining European seafarers will rise through meeting lifestyle expectations with shorter tours of duty
- Income tax reliefs must be globally competitive, with no flag link
- Social costs must be similarly competitive
- European equality laws in respect of seafarer pay are a disincentive to register cruise ships under EU flag, and a disincentive to employ European seafarers
- Cruise ships compete with European package holidays, where there is no pay equality across Member States

We have a great European opportunity

- There is a global shortage of seafarers
- European seafarers are the most sought-after
- There is a sound economic argument to invest in increasing the pool of European officers
- Educational integrity, training investment and retention are key
- European employment laws and costs must allow European seafarers to be globally competitive
- Our seafarers are the future of the European maritime sector