



Shima provides tax relief for seafarers

City of Shima in Mie Prefecture becomes third municipality in Japan to lower resident tax for seamen

A decision has been made to introduce a new measure in the city of Shima, Mie Prefecture in fiscal 2020 (effective April 1) to reduce the amount of the resident tax paid by seamen and other parties engaged in oceangoing shipping for long periods of time.

The decision will make Shima the third local government in Japan to lower resident tax for seamen, after Yokkaichi and Toba, both also in Mie Prefecture.

Seamen work in a special environment at sea, where they must both live and work, separated from their families and land life. When at sea, as such, they cannot enjoy as many of the administrative services as those who are living and working on land.

Concerned about such a situation, the All Japan Seamen's Union (JSU) has been staging a campaign for a long time to ask



Shima Mayor Chihiro Takeuchi

for an early implementation of a dedicated taxation system for seamen. The campaign is organized to make the importance of seamen known more widely and to secure successors, among other purposes. To lessen resident tax burdens, the union has been cooperating with

local legislators and other relevant authorities. As a consequence, the cities of Yokkaichi and Toba, Mie Prefecture, introduced measures to cut in half the per-capita rates of the resident tax in fiscal 2014 and fiscal 2016, respectively.

To encourage other local governments to follow suit, the JSU Nagoya Branch took the initiative in lobbying the city of Shima. It continued to ask the municipality to begin a resident tax reduction soon, joining hands with shop stewards as well as Zenkoku Kaiyu Fujin-kai, an association of seamen's wives; Tokai Hokuriku Ryokuyakusen Kyokai, an association of passenger ship operators in the Tokai and Hokuriku regions; and other organizations.

On Dec. 18, 2019, the Nagoya Branch made a request again with Shima in accordance with the decisions the JSU made at its 80th annual national assembly. Mayor Chihiro Takeuchi, who

was responsible for handling the request, indicated the city was in the process of making arrangements to launch a reduction in the resident tax.

As a result of tightening its partnership with Shima and taking actions to realize a resident tax abatement, the JSU Nagoya Branch formally received an announcement from the city. The announcement said that Shima would officially unveil a package of policies on Feb. 19, 2020 to lower the amount of the resident tax paid by individual seafarers and other parties engaged in the oceangoing shipping business for long periods of time and put them into practice on April 1.

Now that there will be a total of three local governments in Japan with lower resident tax for seafarers, the JSU will promote its campaign more powerfully across the nation to further accelerate the movement and encour-

age other municipalities to follow suit.

Outline of the package

1) The mayor of Shima is authorized to reduce the amount of the municipal tax paid by local residents who cannot fully receive administrative services simply because they do not work overland, including those on duty on board oceangoing vessels, and who work in such situations for more than six months of the year to which the municipal tax is applied.

2) A reduction of 50% will be made on the per-capita rate of the municipal tax.

3) Those who want to receive the measure need to fill in required forms, to which documents must be attached to prove they work on board vessels for over six months (copies of their pocket ledgers, on-board histories and so on), and present them to the mayor.

Coronavirus pandemic adds major blow to toiling shipping industry

The furious speed at which Covid-19 has spread from the most populous of all continents, Asia, to Europe and then to the U.S. killing thousands of people is sending the global economy reeling. As country after country, including India, is enforcing comprehensive lockdown of life, the economic cost of which remains anybody's guess, all stakeholders of shipping and ports across the globe are scurrying for cover. The possibility of a repeat of lockdowns in India and elsewhere cannot be dismissed at this stage. Thanks to Covid-19, maritime operators are likely to contend with a crisis bigger than they faced in the wake of the economic meltdown of 2008-09.

The developing Covid-19-related scene brings to light once again the symbiosis between the global shipping industry and world economic growth that, in turn, leaves a major impact on merchandise and services trade among nations. International Monetary Fund (IMF) managing director Kristalina Georgieva warns that the damage being wrought by the pandemic could be the "gravest threat" to the global economy since the financial crisis more than a decade ago. Describing Covid-19 as the "No 1 risk for the world economy with multidimensional ramifications", ratings and research organization CRISIL has, for example, drastically cut the gross domestic

product growth forecast for India for 2021 fiscal to 3.5 percent from the earlier 5.2 percent.

To the horror of maritime operators, who are facing the greatest existential challenge in decades as Covid-19 deals a major blow to trade, the Organization for Economic Cooperation and Development (OECD) says global growth this year could sink to 1.5 percent from 2.9 percent forecast ahead of the virus outbreak.

The World Trade Organization goods trade barometer published on Feb. 17 showed the real-time measure of trade trends of 95.5, down from 96.6 recorded in November, well below the baseline value of 100. This suggests below-trend growth in goods trade. In WTO reckoning, services trade will remain under growing pressure as well. What the two WTO readings, however, say only partly captures the likely economic impact of Covid-19. The next couple of WTO barometer readings of goods and services trade will invariably show further declines with their consequential impact on shipping, ports and related services.

London-based analytics group, IHS Markit, said in an early January report well before coronavirus started spreading its fangs across the globe and lockdowns in major trading nations that after global trade

grew by a disappointingly low 0.6 percent in 2018 and 0.3 percent in 2019, the "world merchandise trade volume is forecast to grow 2.7 percent in 2020." This happening, global merchandise trade volume this year would reach 14.175 billion tons (bt) from 13.804 bt in 2019. But the IHS Markit forecast was based on world real GDP growth of 2.5 percent in the current year, so trade growth prediction will too fall on its face. Shipping is, therefore, destined to bear the brunt as around 90 percent of world trade is carried by sea.

Headwinds buffeted global dry bulk trade through most of last year. Trade tensions between the U.S. and China left in their trail collateral damage on many other trading nations. Major mining disasters in Brazil and then weather-related disruptions in prominent Australian mining regions upset iron ore and coal shipment. A toxic combination of geopolitical tensions, trade restrictions and low GDP rise restricted global trade growth to around 1 percent in 2019. As a result, points out New York-based maritime consulting, Seabury, global container cargo volume last year amounted to around 152 million TEU, a piffling growth of 0.8 percent on 2018.

For both global shipping and logistics giants Maersk and Hapag-

Lloyd, India is an important centre for delivery and receipt of cargoes in containers. What will be the precise impact of the still unfolding pandemic on shipping industry and ports is a subject of speculation. Maersk of Denmark, which made 2019 earnings forecast of US\$5.5 billion in February, has now decided to "suspend" it. Maersk says in a statement: "The current situation gives great uncertainties about global demand for containers as a result of Covid-19 pandemic and the measures taken by the governments to contain the outbreak." Incidentally, several seafarers of Maersk vessels suspected of coronavirus infection had to be evacuated for treatment in the Chinese city of Ningbo.

In a tone similar to Maersk, Germany's Hapag-Lloyd says: "The year 2020 will be very unusual, after we have seen that conditions in many markets have changed very rapidly in recent weeks as a result of the coronavirus." China, on which the rest of the world has become heavily dependent on supply of components and semi-finished and finished products, claims to have controlled Covid-19. But the global shipping crisis was progressively spawned by Chinese ports becoming non-operational January onwards as logistics support, including movement of goods-carrying trucks and wagons, came

to a standstill due to nationwide lockdown. China is an important trading partner of India our 2019 imports from China were \$74.72 billion and exports to that country \$17.95 billion and major disruptions in sailings between the two countries upset production schedules of many companies here.

Hapag-Lloyd says China returning to normal is "positive news" for the shipping industry. But this is "considerably overshadowed" by all the major economies of the West standing in the throes of "collapse." Such developments can only have serious consequences for the shipping industry. Indian port operators are experiencing a drop in cargo volumes since February start and no one is certain about turnaround time. Container shipping lines are idling vessels at a record pace, resulting in growing numbers of boxes being removed from trade network, as they go on cutting sailings on all major trade lanes.

Only a few very large shipping lines with plenty of cash such as Cosco of China, Maersk and Hapag-Lloyd will be able to weather the current storm, albeit with profits taking a hit. But how will smaller companies forced to cancel sailings generate cash to pay for chartered ships, ship maintenance and staff salaries? (Source: *The Business Standard*)

On-board Exercises

Actress **Kaoru Yumi** presents the **Nishino Breathing Method**

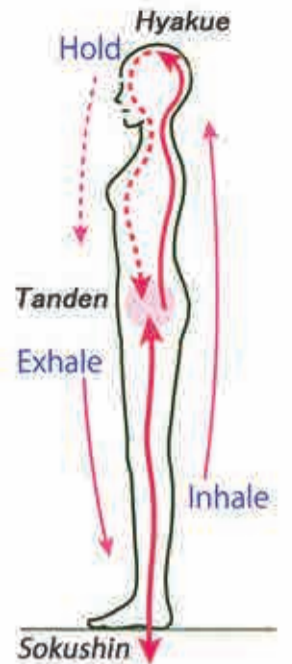


Enten—imagine drawing a big circle in the sky

Relax your entire body, get loose, and perform Enten as if slowly drawing a big circle in the sky when you move your hands from above your head to your sides. By drawing that big circle freely in a relaxed state of mind, you can spread all breaths across your entire body—even to your fingertips—and do the sokushin breathing more effectively to make yourself more refreshed and vital. Bring attention to your wrists, so that hands are not stiff. Squat down, while keeping your heels flat on the ground. Keep your shoulders relaxed and stretch your arms forward.

Points to do 'Sokushin' breathing

Imagine a big tree absorbing water from its roots. Inhale as if breaths were taken from Sokushin (the soles of your feet) and up through your knees, thighs Tanden (lower abdomen). While keeping attention on your anus lightly, continue to breathe in through your backbone all way to Hyakue (the vertex of your head). Then hold your breath lightly until your breathing traverse through your lower abdomen. And then take breaths out toward the soles of your feet.



Pay attention to all the passage of the breathing inside your body carefully and comfortably whenever you do the sokushin breathing.

When feeling tension in your body and/or being nervous, you cannot smoothly breathe. As such, inhale and exhale in a totally relaxed state, easing your entire body, including your waist and legs.

As imagining the path of sokushin breathing inside, actually take breaths in through your nose and out through your mouth. Do not push yourself to trace all the passage with just one breath, you can stop on the way, and breathe several times.

Do the Sokushin breathing as if you were delivering breaths thoroughly to each cell of your entire body. Continue to do so in a relaxed and a comfortable way.

1. Stand in a relaxed position with your feet shoulder-width apart. Pay attention to your lower abdomen. Breathe out through your mouth, drawing the air to the soles of your feet all the way down.



2. Start inhaling through your nose using the sokushin breathing method, interlace your fingers with your palms upward. Slowly bring your hands to the level of your breast as if they were leading the way of your breathing.



5. While breathing out, extend your arms forward. At the same time, squat down slowly. Relax your shoulders and arms. Gently stretch your interlaced fingers. Make sure your heels stay flat on the ground.



8. As you are breathing out, release your fingers and carve an arc in the air with your arms.

While let your arms slowly down to your sides, continue to flex at your wrists gently and extend your palms outward.



3. Continue to inhale until reaching the vertex of your head. Hold it gently, and then let it down to your lower abdomen.



6. Stand slowly as you breathe in.

Keep your palms stretched and arms extended forward.



9. Bring your arms down all the way and then release your wrists slowly.

Complete the exhale and return to the starting position.

4. Turn your palms out slowly, and begin exhaling through your mouth.

Keep your hands relaxed.



7. Raise your hands above your head, hold the breath when it reaching at the vertex of your head and bring it down to your lower abdomen.

Keep your shoulders and interlaced fingers free of tension.



行雲 Gyouun—imagine white clouds drifting against the magnificent sky

Don't exert yourself when performing Gyouun, although this caution applies to the other exercises in the series as well. Take deep and slow breaths comfortably so that they will move smoothly in conjunction with your movements.

When performing an exercise, don't build up momentum; circulate the energy slowly and smoothly.

Gyouun improves tone in your chest, hip and legs.

1. Place one foot forward and the other back shoulder-width apart. Breathe out through your mouth, imagining all the air inside down to the soles of your feet. Stand with your entire body relaxed.



2. Slowly raise your arms, elbows bent and hands with palms upward to your chest level, while inhaling from the sole of your feet. Continue to breathe in up to the vertex of your head, hold your breath, and then bring it down to your lower abdomen. Relax your shoulders.



3. While exhaling through your mouth, move your front foot out farther and extend your arms with the backs of your hands facing each other at the same time. Relax your arms and twist gently. Face up and look forward.



4. Move the front foot back to the original position in (1). Raise your hands all the way slowly from your sides drawing an arc in the air, as you start inhaling again.



5. Place the backs of your hands together above your head, when your breath ascending to the vertex of your head. Hold your breath gently, then bring down to your lower abdomen. Relax your shoulders.



6. Still holding your breath, carve and arc in space with the hands again as you bring them back down to your sides.



7. Place the backs of your hands on your back. Pay attention to your lower abdomen.



8. While breathing out, bend backwards and open your chest comfortably. It is important to do it slowly without overdoing it so as not to feel discomfort.



9. Straighten your upper body and releasing all your breath out from the soles of your feet. Inhale again from the soles of your feet to the vertex of your head. Hold your breath gently then bring it down to your lower abdomen.



10. Bend your upper body forward, as you exhale. Extend your fingertips outward to the sides by gently twisting your arms.



11. Touch the ground with the backs of your hands, as removing all of your breath out from the soles of your feet. Do it without exertion. Bend your knees gently and do not let your heels lift from the ground.



12. Slowly raise your upper body and turn your palms upward as you inhale.



13. Raise your palms up to the height of your chest and continue to breathe in to the vertex of your head, hold your breath then bring it down to your lower abdomen. Then exhale all the way as you slowly lower your arms to the sides. Relax and resume the original pose from the beginning.



Next, reverse your right and left feet, and repeat the series of movements.

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VOICES from SEAFARERS



Capt. Dominador S. Perfas Jr. and Crew of MV BRIGHT HOPE

The visiting staff of the JSU had clearly explained the seafarer's retirement system, we presumed our future exit from the seafaring profession will be assured of equivalent compensation. God bless and thanks to the information.



Capt. Danilo B. Codezar and Crew of MV IYO

We are hoping a successful shipping would be achieved through smooth sailing and fair winds. May all have the best of health and luck on the on-going years!



Capt. Samuel G. Felicano and Crew of MV NANBU

Nobody knows an infectious disease might spread in every ship undetected. We wish the JSU would introduce some changes to the CBA incorporating health risk compensation. It should be applicable elsewhere if seafarers were caught infected. Good luck and stay safe at all times.



3/O Michael E. Acejo and some Crew of MV GREAT PERSEUS

Ship visitation conducted by the JSU has brought an encouragement to the seafarers like us to aspire for more skills. We wish that the JSU protect our employment continuously. Thanks in advance.



Capt. Armando B. Palacio and Crew of MV KM FUKUYAMA

The information brought by JSU about the current health threat on shipping and particularly to the ship operators and seafarers was a frightening condition. We had followed all of the required safety precautions and we are hoping JSU will have the initiative in safeguarding the members' well-being.



Bsn. Ronald E. Tiu, Cck Reus R. Zoleta and some Crew of MV ATLANTIC BUENAVISTA

A grateful greetings to the JSU staff who witnessed and checked our living and working conditions. We wish a healthy environment would emerge out of their reminders and advises. Thank you and bless be with you in evading the hostile pandemic.

Breach of contract in nondeployment situation

Failure to deploy a seafarer due to replacement by another seafarer is considered a breach of contract entitling him to damages.

The Supreme Court awarded the seafarer his nine months' worth of salary in the case of *Abosta Ship Management vs. Wilhilm Hilario* (G.R. No. 195792, Nov. 24, 2014) when the employer unjustifiably failed to deploy the seafarer in accordance with the POEA-approved contract of employment.

Records showed that the foreign principal had already chosen the seafarer from among the other candidates as bosun. The manning agency then entered into an employment contract and hired the seafarer. Subsequent communications, though, show that the foreign principal approved a different candidate for the position of bosun.

The case revolved on the issue of whether such breach would entitle the seafarer to the payment of actual damages for the failure of the employer to comply with the latter's obligations in accordance with

the employment contract.

It is the contention of the manning agency that the seafarer's non-deployment was due to the foreign principal's management prerogative to promote an able seaman. This exercise of management prerogative supposedly is a valid and justifiable reason that would negate any liability for damages.

The Supreme Court, however, noted that there was a violation of the contract at the time that the foreign principal decided to promote another person.

The vacancy for the position of bosun ceased to exist upon the execution of the contract between the employer and seafarer that was subsequently approved by the POEA. There was no longer a vacancy when the foreign principal changed its mind, since the position of bosun had already been filled up by the seafarer.

The contract was already perfected on the date of its execution, which occurred when the employer and seafarer agreed on the object and the cause as well as on the

rest of the terms and conditions therein.

Contemporaneous with the perfection of the employment contract was the birth of certain rights and obligations, a breach of which may give rise to a cause of action against the erring party.

The POEA contract must also be recognized and respected since neither the manning agent nor the employer can simply prevent a seafarer from being deployed without a valid reason.

The promotion and choice of personnel is indeed an exercise of management prerogative so long as they are exercised in good faith for the advancement of the employer's interest, and not for the purpose of defeating or circumventing the rights of the employees under special laws or under valid agreements.

However, there are limitations on the exercise of management prerogatives, such as existing laws and the principle of equity and substantial justice.

Under the principle of equity and substantial justice, the Su-

preme Court underscored that change of mind is not a valid reason for the non-deployment of the seafarer.

He lost the opportunity to apply for other positions in other agencies when he signed the contract of employment with the employer. Simply put, that contract was binding on the parties and may not later be disowned simply because of a change of mind of either one of them.

The unilateral and unreasonable failure to deploy the seafarer constitutes breach of contract, which gives rise to a liability to pay actual damages.

The sanctions provided for non-deployment do not end with the suspension or cancellation of license or the imposition of a fine and the return of all documents at no cost to the worker. They do not forfend a seafarer from instituting an action for damages against the employer or agency that has failed to deploy him.

The failure to deploy a seafarer was an exercise of a management

prerogative that went beyond its limits and resulted in a breach of contract.

In turn, the employer's breach gave rise to the seafarer's cause of action to claim actual damages for the pecuniary loss suffered by the latter in the form of the loss of nine months' worth of salary as provided in the POEA-approved contract of employment.

The same principle was applied by the Supreme Court in the cases of *Santiago v. CF Sharp Crew Management, Inc* (527 SCRA 165) and *C.F. Sharp & Co. Inc vs Agustin and Minimo* (G.R. No. 179469 February 15, 2012).

Despite the fact that the employer-employee relationship has not commenced due to the failure to deploy the seafarers in both cases, the Court declared that they are entitled to rights arising from the perfected Contract of Employment, such as the right to demand performance by the employers of their obligation under the contract. (Source: CDN, by Atty Dennis Gorecho)