Training Session on Risk Management in the Maritime Industry

Address by Mr. Mathias Bak, Associate MACN

February 27, 2024 at Hotel Marriott Karachi





Mathias Bak, Associate MACN

Mr. Mathias Bak highlighted MACN's efforts and strategies to eradicate corruption within the maritime industry.

MACN, consisting of 220+ member companies including shipping companies, bulk carriers, tankers, P&I clubs, and bunker providers, aims to support its members internally, collaborate internationally to drive collective actions against maritime corruption. It provides compliance expertise to help companies adhere to anti-corruption principles. Recognizing that member companies are not flawless and often face disconnects between headquarters and local offices, MACN strives to strengthen these companies by working closely with them to improve their practices. Internationally, MACN collaborates with the International Maritime Organization (IMO) to establish standards and foster collective actions. This collective approach involves forming coalitions to address corruption and improve procedures.

Mr. Bak emphasized the importance of understanding corruption, defined as the abuse of publicly entrusted power for private gain. This typically involves government corruption, where public officials exploit their power for financial benefits. Corruption manifests as bribery, facilitation payments, and extortion, all of which significantly affect stakeholders' dignity and result in substantial financial losses. For instance, delays and inefficiencies in maritime processes can cost over $100,000 per vessel, as calculated in Nigeria. Such financial burdens highlight the need for systemic changes in the maritime industry.



The consequences of corruption extend beyond financial losses to include the violation of human dignity. Mr. Bak shared extreme cases, such as authorities in Egypt threatening to burn seafarers' family photos unless bribes were paid. While Pakistan has not reported such severe cases, the humiliation and financial risks faced by stakeholders are evident worldwide. Corruption leads to inefficiencies in the value chain, with some entities deliberately maintaining these inefficiencies for personal gain. Addressing these systemic issues requires collective action and cooperation among stakeholders.

Central to GCNP-MACN's strategy is data collection and reporting. Member companies are required to report corruption incidents, which are then aggregated into a database. This data-driven approach allows MACN to identify corruption hotspots and define its strategies.

Mr. Bak stressed the importance of engaging stakeholders in reporting corruption incidents. By enriching GCNP-MACN's data with diverse reports, the organization can better understand the challenges faced by different stakeholders. Training staff, implementing anti-corruption policies, and raising awareness are crucial steps in this process. GCNP-MACN encourages companies to assess risks, establish protective procedures for frontline workers, and collaborate with partners to combat corruption effectively.

MACN's efforts extend beyond national borders, aiming to raise standards globally. The organization works with the UN and IMO to promote anti-corruption measures and establish escalation procedures for reporting corruption. By fostering international collaboration, MACN seeks to create a more transparent and efficient maritime industry.

In conclusion, Mathias Bak's presentation highlighted the critical role of collective action, data-driven strategies, and international collaboration in combating corruption in the maritime industry. Through continuous efforts and cooperation, MACN aims to create a corruption-free environment that benefits all stakeholders involved.



