CENTRAL BANK OF CYPRUS
EUROSYSTEM

SHIP MANAGEMENT SURVEY

July – December 2022

INTRODUCTION

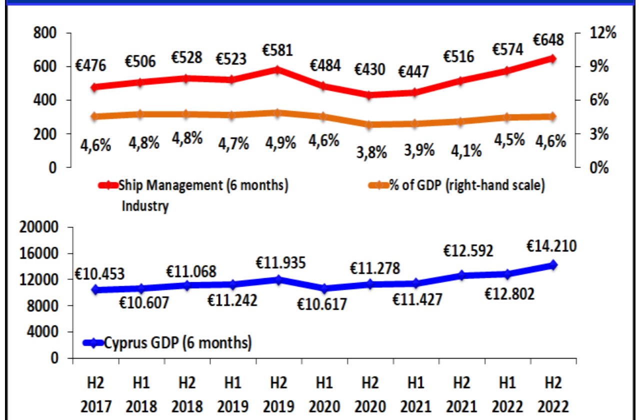
The *Ship Management Survey* (SMS) is conducted by the Statistics Department of the Central Bank of Cyprus (CBC) and concentrates primarily on transactions between resident ship management companies and ship owning/shipping related entities[1].

1. SHIP MANAGEMENT REVENUES FROM NON-RESIDENTS

Cyprus's ship management revenues increased further to €648 million during the second half of 2022 (2022H2), which corresponds to 4,6% of Cyprus's 6 months GDP as turnover. This is the fourth consecutive increase in the total revenues of the industry, since the recovery of global trade from the COVID-19 pandemic and the associated decline in economic activity (**Chart 1**).

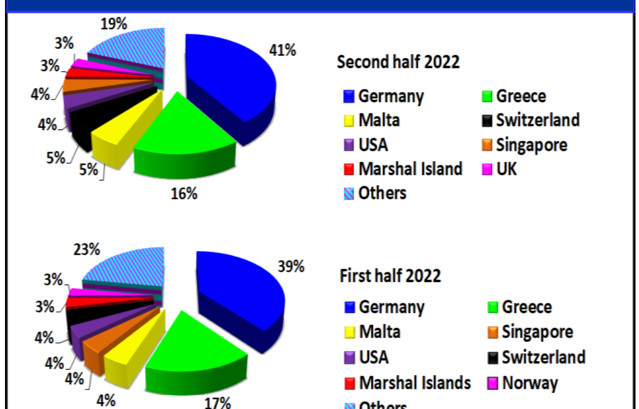
In **Chart 2** the industry's revenues are decomposed by country of payment. Germany's contribution (the main trading partner for the industry) increased from 39% in 2022H1 to 41% in 2022H2. Other notable share contributions during the same period include: Greece (16%), Malta (5%), Switzerland (5%), the USA (4%) and Singapore (4%).

CHART 1 Ship management revenues (€ million)



Sources: Central Bank of Cyprus and Cystat.

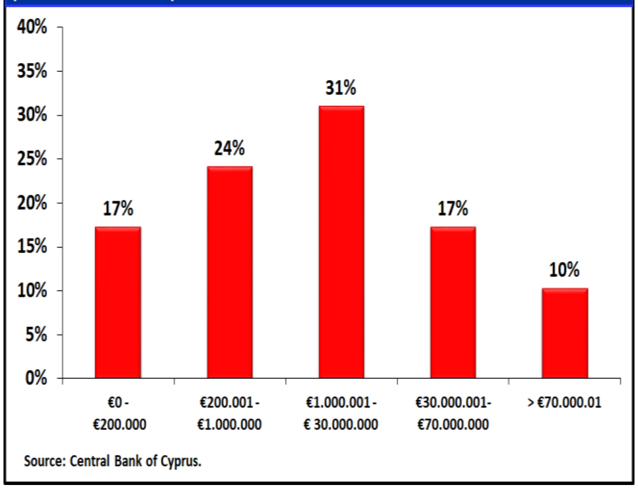
CHART 2 Market share by country of payment



Source: Central Bank of Cyprus.

[1] Please refer to the Appendix for more details.

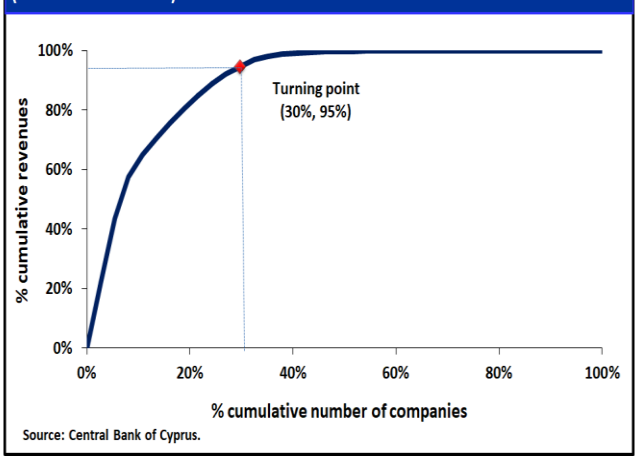
CHART 3 Distribution of company revenues (second half of 2022)



Source: Central Bank of Cyprus.

In **Chart 3,** the ship management companies are classified into non-overlapping revenue segments, as depicted on the horizontal axis. The vertical axis measures the percentage of companies belonging to each size segment. During 2022H2, 31% of the companies managed to generate revenues in the range of €1 - €30 million each, while 27% of the companies managed to generate revenues in excess of €30 million each.

CHART 4 Ship management sector concentration (second half of 2022)



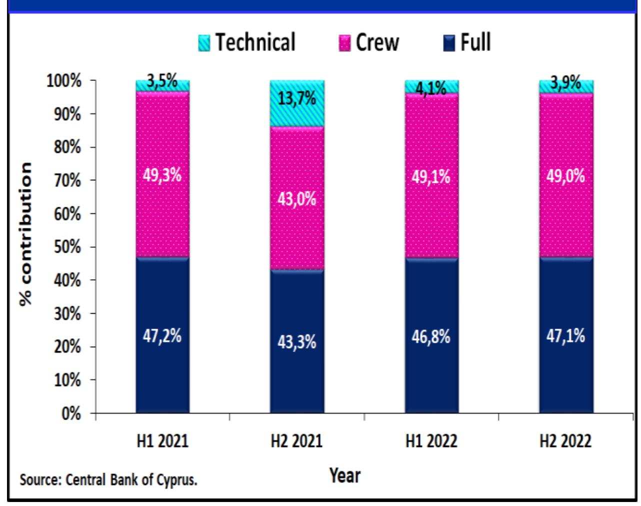
Source: Central Bank of Cyprus.

The level of concentration in the ship management industry is depicted in **Chart 4**, where the companies are ranked in terms of their revenue size. The horizontal axis depicts, in percentage terms, the largest companies while the vertical axis measures the respective (cumulative) percentage revenue contribution of the companies. The turning point indicates the presence of a small number of large companies that dominate the industry. During 2022H2, the top 30% of the companies accounted for 95% of the industry's revenues.

2. SHIP MANAGEMENT SERVICES

The three main types of ship management operations and their contributions are depicted in **Chart 5**. In all cases the share contributions are very close to the percentages recorded in 2022H1. The share of full management services increased slightly to 47,1% of the total amount of ship management revenues in 2022H2. In contrast, crew-management services decreased slightly from 49,1% in 2022H1 to 49,0% of the revenues in 2022H2.

CHART 5 Revenue contributions by ship management type

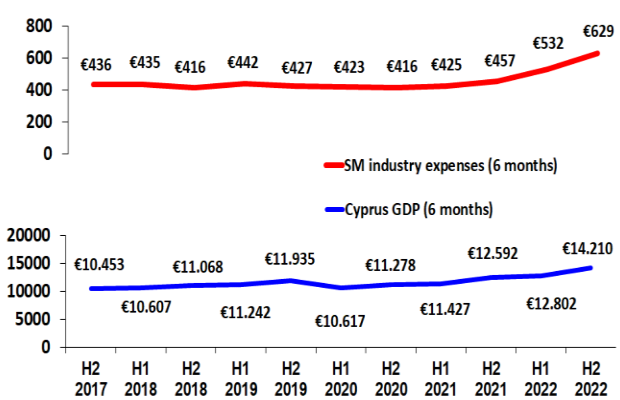


Source: Central Bank of Cyprus.

3. SHIP MANAGEMENT EXPENSES

The level of cross-border expenses associated with the operations of the ship management industry is presented in **Chart 6**. Ship management expenses increased further to €629 million in 2022H2 (or 4,4% of Cyprus 6 months GDP as turnover), marking the fourth consecutive increase since 2021H1. This trend is consistent with increase in revenues recorded in **Chart 1**.

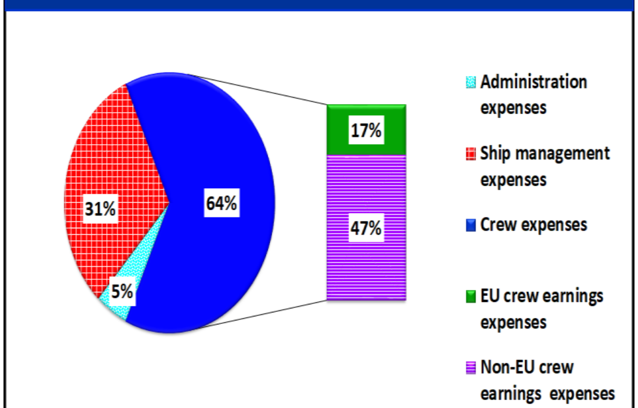
CHART 6 Cross-border ship management industry expenses (€ million)



Sources: Central Bank of Cyprus and Cystat.

Chart 7 depicts the main types of expenses associated with the industry. Historically, the industry exhibits a relatively stable structure of expenses. The majority of these concern crew expenses, which accounted for 64% of the total amount in 2022H2. Most of these payments were directed to non-EU seafarers (47%). Administration expenses dropped to 5% while ship management expenses (e.g. spare parts, lubricants, dry-docking, etc.) increased to 31% of the total amount in 2022H2.

CHART 7 Composition of domestic and cross-border expenses (second half of 2022)



Source: Central Bank of Cyprus.

APPENDIX: SHIP MANAGEMENT SURVEY

The *Ship Management Survey* (SMS)[2], which was launched in March 2009, is conducted biannually by the External, Economic and Government Finance Section of the CBC's Statistics Department and is addressed to resident ship management companies who provide relevant services to ship owning companies, both resident and non-resident.

Through the SMS, the CBC collects data from a representative sample of financial transactions, which, *inter alia*, include:

1. Revenues by type of service provided to non-resident ship owning companies.
2. Revenues received from non-resident ship owning companies, by country from where the revenue is derived.
3. Revenues by country of flag registration of the ships whose ship management is performed by the resident ship management companies.
4. Payments made by resident ship management companies, by country of residence of the recipient.

Moreover, the SMS includes additional variables, which enable the carrying out of economic analysis as regards the following:

- Size of the ship management industry as a percentage of Cyprus's GDP (not in value added terms but as turnover).
- Level of concentration in the industry.
- Magnitude of total expenses in the industry.

[2] All data are subject to periodic revisions in accordance with the ECB and Eurostat guidelines.