



SHIP MANAGEMENT SURVEY

July – December 2024

KEY MESSAGES

- Ship management revenues in 2024H2 exceeded €900 million, recording a 9,7% increase compared with 2024H1.
- Germany remained the main trading partner with a share of 32% in the industry’s revenues.
- Full management services remain the main source of revenues.
- Ship management expenses settled at €827 million, marking an increase of 8,7% relative to 2024H1.

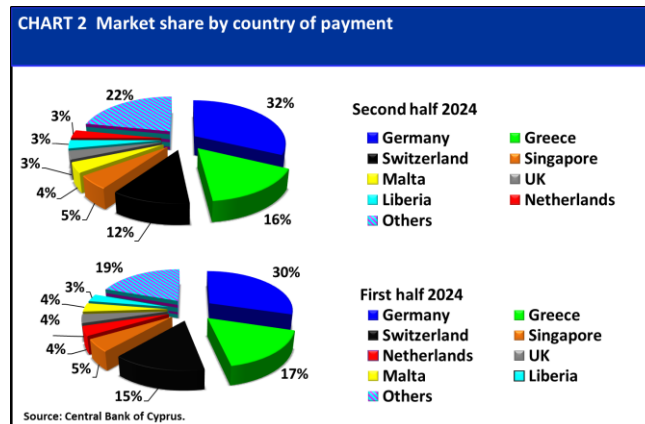
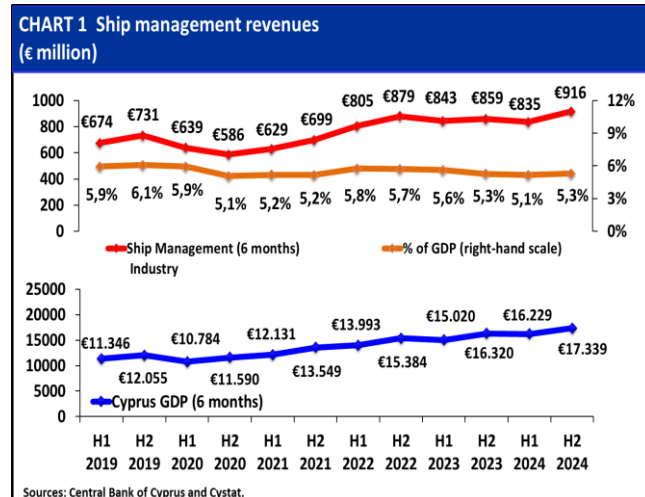
INTRODUCTION

The *Ship Management Survey* (SMS) is conducted by the Statistics Department of the Central Bank of Cyprus (CBC) and concentrates mainly on transactions between resident ship management companies and non-resident ship owning/shipping related entities¹.

1. SHIP MANAGEMENT REVENUES FROM NON-RESIDENTS

Cyprus’s ship management revenues increased to €916 million during the second half of 2024 (2024H2), which corresponds to 5,3% of Cyprus’s semi-annual GDP as turnover (**Chart 1**). The level of revenues increased above the €900 million threshold, which is

considerably higher than the average level of revenues observed during the period 2019-2021.



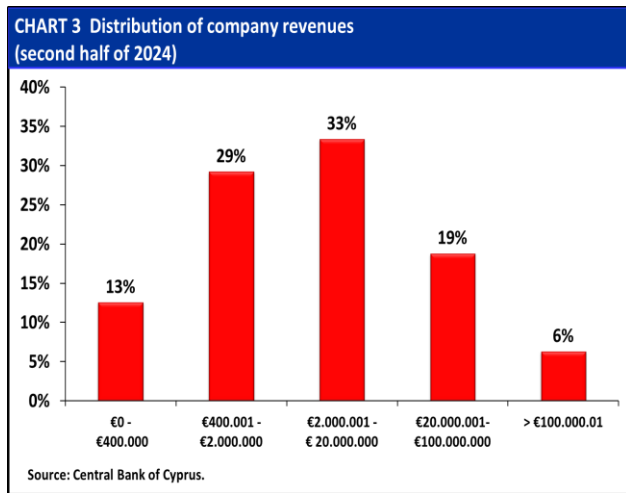
In **Chart 2** the industry’s revenues² are decomposed by country of payment. Germany’s contribution (the main trading partner for the industry) increased slightly to 32% in 2024H2, while Switzerland’s

estimates for all periods from H1 2019 onwards. Please refer to the Appendix for more details about the survey.

² Revenues derived from resident ship owning/shipping related entities are not included.

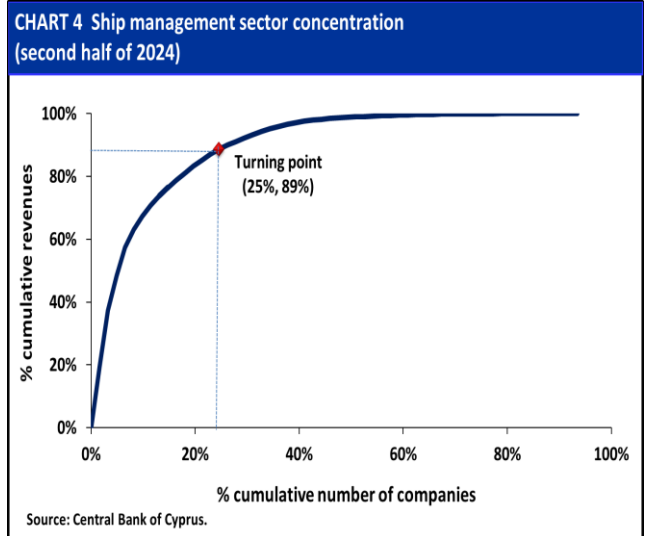
¹ Following a strategic review, the sample design for the Ship Management Survey has been updated to reflect the current state of the population in the industry. Beginning with the publication of this report for the second half of 2024, the review has been extended to include updated

contribution decreased. In contrast, Greece (16%) and Singapore (5%) remained relatively stable during the same period.



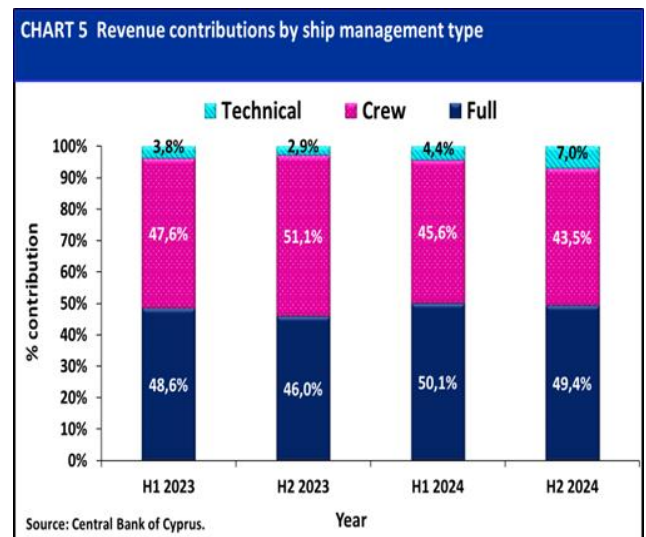
In **Chart 3**, the ship management companies are classified into non-overlapping revenue segments, as depicted on the horizontal axis. The vertical axis measures the percentage of companies belonging to each size segment. During 2024H2, 33% of the companies managed to generate revenues in the range of €2 - €20 million each, while 25% of the companies managed to generate revenues more than €20 million each.

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 2024H2, the top 25% of the companies accounted for 89% of the industry’s revenues.



2. SHIP MANAGEMENT SERVICES

The three main types of ship management operations and their contributions are exhibited in **Chart 5**. The structure of revenues has changed slightly since 2023H2, with the share of technical management services increasing while the corresponding share of crew management services shrinking. When compared with the previous period, the share of full management services decreased slightly to 49,4% of the total amount of ship management revenues in 2024H2. Similarly, crew management services decreased from 45,6% in 2024H1 to 43,5% of the total revenues in 2024H2 while technical management services increased.



3. SHIP MANAGEMENT EXPENSES

The level of cross-border expenses associated with the operations of the ship management industry (labour, ship management and administrative expenses) is presented in **Chart 6**. Ship management expenses settled at €827 million in 2024H2, marking an increase relative to the previous period and resembling the trend characteristics exhibited by the revenues time series depicted in **Chart 1**.

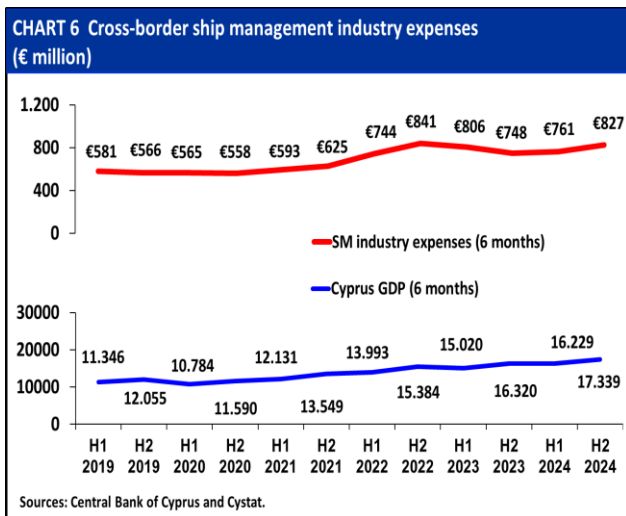
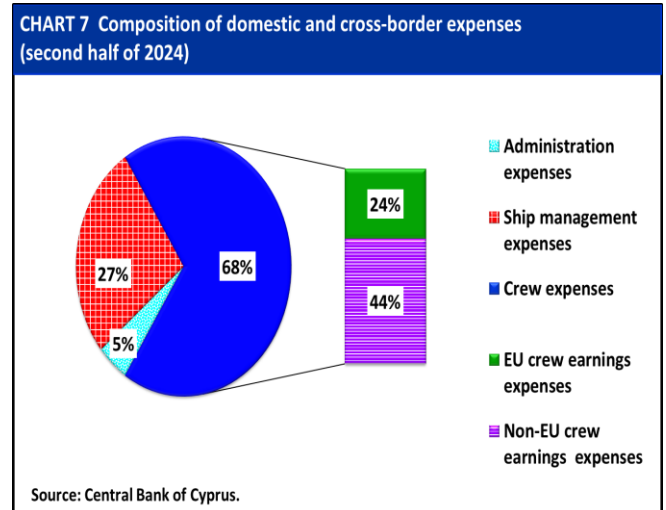


Chart 7 depicts the main types of expenses associated with the industry. Historically, the industry exhibits a relatively stable structure of expenses. Most of these concern crew expenses, which decreased slightly to 68% of the total amount in 2024H2 with most payments directed to non-EU seafarers (44%). Administration expenses accounted for 5%, while ship management expenses (e.g. spare parts, lubricants, dry-docking, etc.) increased to 27% of the total amount in 2024H2.



APPENDIX: SHIP MANAGEMENT SURVEY

The *Ship Management Survey* (SMS)³, 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.

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.

Research regarding the determinants of ship management fees, has shown that they tend to be influenced by a set of vessel, company, and management service characteristics such as:

- The number of trained seafarers (crew staff) assigned to each vessel.
- The age and type of each vessel described in a ship management contract.
- The size, carrying capacity and flag administration of a vessel.
- The type of contract agreement (e.g. lump-sum vs. cost-sum contracts).
- The duration of the contract agreement.
- The types of ship management services described in a contract agreement (e.g. crew management).
- The duration of the third party ship management relationship and;
- The geographical location of the service agreement.

³ All data are subject to periodic revisions in accordance with the ECB and Eurostat guidelines.