

# Ship Management : Contemporary Developments and Implications

Kyriaki MITROUSSI\*

## Contents

- |   |   |
|---|---|
| I. Introduction                                   | IV. Conclusion and Research Suggestions |
| II. The Current Environment : Recent Developments |   |
| III. Implications for Ship Management             |   |

## Abstract

Ship management, aiming to the safe and efficient ship operation, has evolved in the way it is conducted and the means it uses to achieve its purpose. This is primarily a response to environmental forces which impact on it through various avenues, like economic, institutional, commercial and social ones. This paper aims to reflect on a number of recent developments with a view to provide a critical discussion of their implications for ship management. The paper hopes to subsequently raise awareness to topical issues with regard to ship management in need of (further) examination.

Key Words : Ship Management, Contemporary Developments, Implications

## **I. Introduction**

Shipping has come a long way since the time when masters, being often part owners or full owners of their vessel and frequently of their cargo, enjoyed an absolute control over their specific ventures. The deep-rooted tradition of an empirical way of running a shipping business has evolved to include sophisticated ways of ship management. Concepts and practice of ship management change to reflect the tasks engaged in managing ships but also external forces. Developments external and/or internal to the industry can have a number of implications for the efficient operational, commercial and strategic managing of vessels. Shipping companies need to be able to follow and successfully respond to such pressures. The objective has always been to control costs and engage in appropriate budgeting and long range planning in order to achieve maximum profit in consistency with reliable operation.<sup>1)</sup>

Shipping is a vehicle for economic growth in more than one ways and at more than one level of economic activity. As a business venture, it is specialised, capital intensive and subject to considerable variations in earnings. To some traditional ship owning companies, it is very personal, i.e. a way of life, but it can also be regarded as an effective platform for asset playing. As an investment field, shipping is a high-risk area due to extremely volatile pricing swings in both freight rates and asset values and the wide existence of the ‘corporate veil’.<sup>2)</sup> On the other hand, shipping has the advantage of being a real asset industry and, under certain conditions, it can be an industry combining high returns with relative security.<sup>3)</sup> In a national context, the sector can be a tool of macro-economic policy, encompassing issues of employment, political power, taxation and contribution to the national balance of payments. Most importantly, shipping plays a vital role in serving, fostering and facilitating efficient international trade. There are numerous publications which quote that shipping carries the greatest proportion of global trade, ranging from 90%<sup>4)</sup> to 77%,<sup>5)</sup> mainly depending on whether intra-EU trade flows are included in the estimations. As a result, there is a wide variety of stakeholders that shipping has to deal with and a number of different areas that impact on it, such as economic situation, institutional

---

1) Elden(1962).

2) Mitroussi et al.(2012).

3) Petropoulos(2009)

4) IMO(2009).

5) Lloyd’s(2007).

Download English Version:

<https://daneshyari.com/en/article/992722>

Download Persian Version:

<https://daneshyari.com/article/992722>

[Daneshyari.com](https://daneshyari.com)