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« Focus on Shipmanagement »

The maritime industry is woven from dozens of interconnected service professions tailored for the transport of goods and passengers across seas and oceans. Among them exists a relatively misunderstood sector: ship management (vessel technical management) and, within its orbit, crew management (seafarer management). These activities only rarely surface in mainstream news. In recent months, however, they breached the headlines—first with the mass termination of British sailing crews by P&O Ferries in favor of a Maltese outsourced entity, revealing the deeply liberalized social practices and divergent optimizations characterizing modern shipping. The second high-profile file centers on the "ghost fleet" (or dark fleet) mobilized to bypass sanctions and transport Russian commodities, requiring the identification of opaque ship management entities to secure its structural operation. Behind these two media-driven cases lies the more prosaic reality of a business that has become foundational to international shipping: the technical operation of vessels and the management of their crews. Whether these entities are vertically integrated within global maritime alliances or fully outsourced to specialized independent corporations, ship management stands as one of the functional pillars of today's mega-maritime industry.

What is ship management?

Historical records recall that third-party vessel management commenced in 1958, when the Scottish shipping house *J&J Denholm* engineered an independent corporate structure: *Denholm Ship Management*. Throughout the 1970s, traditional German and Scandinavian shipowners followed suit, creating their own specialized subsidiaries dedicated to this greenfield activity. However, the sector historically suffered from a fragile reputation, as it was frequently implicated in cases of lax maritime safety or catastrophic, polluting shipwrecks.

Ship management operates fundamentally as a business-to-business technical service. The core objective focuses on delivering vessel operational capacity to asset owners lacking internal maritime expertise. This was historically the case for major oil conglomerates managing their tanker fleets, or mining groups owning large dry bulk carriers. Subsequently, commercial banks and institutional financial investors attracted by the macroeconomic returns of shipping entered the market. Launched in the 1960s and reaching maturity in the 1980s, ship management recaptured a powerful new momentum with the exponential expansion of global fleets at the age of maritime globalization.

Maritime transport functions as a service activity that extensively utilizes externalized services. The standard charter party contract already separates the beneficial asset owner from the operator who commercially deploys the vessel on their own account. The ship management contract constitutes a formal delegation of the vessel's technical administration to a specialized corporation. The manager operates the vessel while strictly respecting the commercial control of the ship, which remains the restricted domain of its owner or time-charterer. In daily practice, a single merchant ship can simultaneously involve a beneficial owner, a time-charterer, and a third-party ship manager, rendering absolute legal clarity mandatory—most notably when maritime casualties occur.

In 1991, the *International Ship Managers' Association* (ISMA, later restructured) organized the profession. On a global scale, outside the contracting stakeholders themselves, the precise operational clauses buried within ship management contracts remain strictly confidential. It stands as a corporate outsourcing service agreement between the asset owner and a specialized operator tasked with running and maintaining the vessel.

To bring structural order to the market, the global shipping association BIMCO (*Baltic and International Maritime Council*) successfully harmonized the sector in 1998 by drafting a standard benchmark template contract, which became universally known as the "SHIPMAN" (*Bimco Standard Ship*

Management Agreement). The document was overhauled in 2008, and a brand-new updated iteration is currently under active structural development. The contemporary challenge lies in successfully integrating the dense proliferation of greenfield international regulations—most notably the stringent environmental mandates locked in by the International Maritime Organization (IMO). These frameworks weigh heavily on daily ship operations and must be surgically clarified within modern ship management corporate relations.

Operational mechanics and business drivers

The mechanics of ship management rely fundamentally on two core principles: the complete lack of maritime competence for selected financial asset owners, and the deliberate outsourcing of internal competence for legacy shipping lines. Both pathways culminate in entrusting the management of a multi-million dollar asset to a third party. The strategic drivers are multifaceted, but the baseline concept centers on a voluntary or elected operational transfer face to a matrix of complex variables: namely, the escalating technical and regulatory complexity of modern vessels, the absolute size of active corporate fleets, and the hurdles of globalized social crew management.

It appears equally evident that the rapid expansion of selected shipping groups—in terms of both proprietary fleets and bareboat-chartered tonnage—compels them to rely on structural support derived from third-party ship management.

Choosing ship management also operates as a calculated macroeconomic decision to concentrate corporate capital on the twin pillars of commercial shipping: namely, the vessel asset itself (sale and purchase, chartering) and the cargo matrix (marketing, logistics mobility). It constitutes a strategic outsourcing that carries an immediate corporate cost, yet simultaneously yields substantial savings across both administrative and operational overheads. Technical outsourcing is highly advantageous for shipowners confronted with the dense complexity of contemporary shipping. It operates far beyond a simple matter of slashing operating and social costs; it allows asset owners to offload liabilities onto specialized "professionals" capable of managing every regulatory and technical dimension (navigation, international compliance, technology retrofits, and maritime employment). In the case of the Persian Gulf nations, a structural deficit in local seafaring personnel drives them to extensively leverage the recognized technical and watchkeeping competencies of neighboring Indian professionals.

Every maritime sector is concerned: crude and product tankers, dry bulk carriers, pure car and truck carriers (PCTCs), container ships, marine work crafts, offshore engineering vessels, and even luxury yachting. Within the passenger shipping segment, third-party ship management represents an optimal solution for boutique or mid-sized cruise lines that lack the internal economies of scale to administer their own units. Specialized ship management corporations, through their dedicated passenger divisions, deliver integrated vessel operations, crew management, and the administrative handling of extensive hospitality and catering personnel (*personnel d'hôtellerie*).

Conversely, within the passenger ferry sector, legacy ocean carriers generally retain the direct technical management of their vessels and crews. However, market outsiders and disruptive entrants operating on low-cost pricing models systematically deploy aggressive cost-killing solutions. This trajectory relies heavily on utilizing open international ship registers (whether European or offshore flag states), coupled with outsourced ship and crew management contracts. Several operators revolve within this orbit; the most high-profile case remains Irish Ferries, utilizing Matrix Ship Management, a specialized third-party entity incorporated in Cyprus. Similarly, the German shipping group FRS (*Förde Reederei Seetouristik*), which operates passenger lines across several continents, commands its own proprietary ship management entity based on the island.

In daily maritime practice, the beneficial owner or the bareboat charterer (*affrèteur coque nue*) divests from direct technical vessel operations, yielding control to third-party ship management firms—known formally in French corporate law as *la gestion technique du navire*. The underlying SHIPMAN contract is locked in for a fixed duration (frequently a renewable one-year period) at a fixed management fee. These specialized corporations deliver three core categories of outsourced management: commercial management, technical management, and crew management.

Commercial management is relatively rare, as it is not the primary objective of these contracts; the marketing and fixation of transport agreements remain the core competence of the entity executing the commercial fixture. Nevertheless, the ship manager must guarantee the proper execution of navigation and port operations with the vessel. In the specific case of a vessel mortgage foreclosure and arrest by

a commercial bank, the ship manager furthermore ensures the absolute continuity of commercial operations.

The primary aspect of ship management resides therefore within technical management (*la gestion technique du navire*). This encompasses safe navigation, the strict implementation of international maritime regulations (the ISM Code and ISPS Code), administrative links with the flag registry and classification societies, civil liability protection and indemnity (P&I) coverage, the payment of diverse disbursements, victualling, the procurement of marine fuels and lubricants (though not systematically), scheduled maintenance and drydock repairs, and diverse husbandry services. The third-party ship manager commands absolute operational freedom of execution across these technical fields and directly engages its legal liability therein.

Personnel administration constitutes a separate specialized activity. Crew management consists of a dedicated contract to supply and administer the vessel's crew, an operation that can be executed with or without an overarching technical ship management contract. However, it does not operate as a basic labor supply operation (conventional *manning*¹), but represents the comprehensive coordination of a vessel's entire crew, encompassing work organization on board, crew-change rotations, supplementary contracts, social security and welfare protection, continuous training, and career path development. It functions as a parallel maritime market in which all major ship management corporations maintain a powerful presence.

The corporate actors of the ship management market

At the baseline, a strict distinction must be made between two types of ship management models. The first, and least publicly known, is the internal architecture embedded within ocean carriers, known as "in-house management". The majority of global container and liner shipping conglomerates command their own internal ship management subsidiaries. In these configurations, the entity acts simply as the dedicated corporate division technically and socially responsible for the fleet operated as proprietary assets or chartered tonnage.

Surgically following this model, CMA Ships was engineered within the French CMA CGM Group in 2008, today administering approximately 4,700 seafarers. Identically, MSC Ship Management deployed its corporate headquarters in Hong Kong (2005) and Cyprus (2008); commanding 300 vessels and 12,500 active navigators, it stands as one of the largest internal in-house ship management entities worldwide. Within the A.P. Moller-Maersk architecture, a identical entity is located in the Netherlands. COSCO Shipping operates through a joint-venture partnership with the specialist *Wallem Group* in Hong Kong. Concurrently, the specialized technical divisions of the premier Japanese shipowners—MOL, NYK Line, and K Line—are all centrally clustered in Singapore. Legacy Greek shipping dynasties identically master their technical and crew management internally. Conversely, strategic corporate divestments can occur: in 2020, the oil tanker tycoon John Fredriksen divested and sold his proprietary ship management business to *OSM Maritime*, while *Maersk Tankers* executed an identical corporate sale in favor of Synergy Marine Group in 2021.

The second model, representing the true marketplace of the ship management sector, is management for the account of third parties ("third-party ship management"). In daily practice, these entities function as "shipowners without vessels", operating ships on behalf of external clients. Operators who outsource their fleet administration can, in theory, employ multiple distinct ship managers, and by their very essence, these specialized firms are multi-client organizations.

Third-party ship management absorbs what does not constitute the core business of the investor or ocean carrier, which typically centers on the commercial marketing of the transport offering, the highly strategic choices governing fleet expansion or divestment (vessel asset playing), and marine bunker fuel procurement. Consequently, outsourced management deploys and administers the merchant vessel throughout all the distinct phases of its operational lifecycle. For the shipowning client, this serves as a baseline promise of cost efficiency, unlocking a superior performance for the final transport service sold to shippers. By multiplying their corporate client portfolios, the largest mega-firms in the ship management sector secure massive economies of scale that render their technical services all the more competitive.

¹ By way of example, V.Ships operates in partnership with the manning agency Baltic Group International in Estonia.

The structural platforms driving contemporary shipping are seldom localized within historical, legacy maritime hubs such as London, Hamburg, or Oslo. Instead, they have cemented their corporate strongholds within the traditional geostrategic hubs of maritime offshoring: namely Singapore and Hong Kong in East Asia, alongside Limassol (Cyprus) and Malta across the European maritime space. While the total headcount of actors operating within the third-party ship management market remains significant, a concentrated single-digit inner circle of approximately ten global conglomerates dominates the industry, commanding several hundred vessels and administering thousands of seafarers. One of the most historically renowned brands is V.Ships, which long reigned as the undisputed leader of the sector. Initially established as a multi-sector family shipowner, the enterprise re-engineered its model in 1984 in Monaco, pioneering third-party ship management services tailored for global mining and commodity trading conglomerates. Sustained by recent tactical corporate acquisitions—such as Bibby Ship Management and Norddeutsche Reederei Ship Management—the group currently administers from its London headquarters around 600 vessels backed by a global pool of 45,000 seafarers.

Concurrently, Anglo-Eastern Ship Management stands as the global number one. Founded in 1974 in Hong Kong within the orbit of a chartering shipowner before mutating into a distinct entity and achieving a management buyout in 1988, the corporation aggressively scaled up by taking over Denholm Group (UK) in 2001 and merging in 2015 with Univan Ship Management. Another premier actor, the Wallem Group, possessing deep Norwegian maritime roots, similarly selected the Far East to anchor its operations first as an independent owner and subsequently as a leading ship manager. OSM Maritime, engineered in 1977 in Oslo, executed a landmark corporate merger in 2023 with Singapore-based Thome Group, forming OSM Thome—one of the absolute global leaders in terms of managed vessel volumes and seafaring headcounts.

Within the Scandinavian maritime ecosystem, the historic Norwegian shipowner Wilhelmsen maintains a dedicated corporate division (Wilhelmsen Ship Management — WSM), which integrated the German technical specialist Ahrenkiel Tankers and operates under the legacy name of Barber Ship Management. In Sweden, the Stena Group controls a highly specialized technical subsidiary based in Scotland, baptized Northern Marine Management, optimized for both commercial shipping and complex offshore engineering fleets.

Eurasia Ship Management operates as a specialized subsidiary of the historic German shipping conglomerate Bernhard Schulte, strategically established since 1981 in Hong Kong with a powerful dual footprint bridging Europe and Asia. Founded in 1978, Columbia Shipmanagement identically emerged from the German shipping cluster and runs its massive global operations directly from its corporate headquarters in Cyprus. Another major consolidation actor is Zeaborn Ship Management, strategically localized across both Hamburg and Singapore.

Within the Indian maritime sphere, Fleet Management Ltd was engineered by Kishore Rajvanshy under the initial financial orbit of the Chinese commodities trading conglomerate Noble Group, anchoring its corporate headquarters in Hong Kong. Similarly, Synergy Marine Group commands deep Indian vocational roots and is centrally localized in Singapore. To complete this brief international panoramic matrix, one must add the Canadian asset powerhouse Seaspan Corporation, which commands a massive proprietary fleet of container ships leased under long-term charters alongside its own dedicated, integrated ship management corporation.

Ship management in France

The specialized fields of third-party ship management operate as structural components of the maritime transportation economy in France. One primary aspect centers on administering vessels owned by foreign maritime conglomerates that maintain a strategic operational presence in France to comply with statutory oil and gas transit regulations. Pursuant to the 1992 Hydrocarbon Act (amended in 2017), a mandatory fraction of global crude oil and refined petroleum product imports must be transported by vessels flying the French International Register (RIF — *Registre International Français*). Consequently, major refineries and energy importers enter into shipping fixtures with ocean carriers that place a portion of their tonnage under the RIF flag, securing the French officers required by this flag state manning framework.

The small fleet of crude tankers flying the RIF is largely operated within the orbit of Euronav Ship Management. This specialized subsidiary of the Belgian maritime conglomerate *Euronav* (later integrated into the *CMB* group) was established in 1990 in Nantes, managing 8 proprietary crude carriers for both commercial and crew operations. The alternative fraction of RIF-flagged crude oil tankers is

technical administered by V.Ships France, commanding 3 units (one asset owned by *DHT Holdings* and two by *EuroNaval / EAT*). To this matrix are added two refined product tankers under the RIF owned by the Norwegian shipowner *Viken Shipping*.

Furthermore, V.Ships France manages two specialized LNG bunkering vessels (*souteurs GNL*)—one registered under the French flag and the second flying the Maltese registry—owned by Japan's MOL (*Mitsui O.S.K. Lines*) to service TotalEnergies' fueling operations across Marseille-Fos and Zeebrugge. Concurrently, *Geogas Maritime* stands as a specialist in LPG transport; outside short- or long-term charter agreements, the shipping line owns 8 gas carriers, 3 of which under the RIF and one under the Maltese flag are placed under the third-party management of V.Ships France².

Multiple mega-LNG carriers flying the RIF belong to *France LNG Shipping*, a high-level joint-venture partnership bridging *Geogas LNG* and NYK Line (*Nippon Yusen Kaisha*), one of the Japanese tri-heavyweights of global shipping. Gazocéan operates as the alternative landmark joint venture between Geogas and NYK, strictly specializing in the technical ship management of LNG methane carriers; the firm administers six vessels belonging to *France LNG Shipping* dedicated to three premier industrial charterers: EDF, TotalEnergies, and *BW Energy*. Six greenfield newbuild vessels are structurally expected to join this fleet by 2027.

The alternative primary component of the French LNG shipping cluster has been driven since 2021 by the presence of the Norwegian group Knutsen OAS Shipping. Its local subsidiary, *Knutsen France*, provides targeted commercial and crew management operations from its corporate offices in Nantes. The "French" fleet of Knutsen currently counts 8 active LNG vessels, and 18 supplementary high-capacity units are slated to follow over the coming years for diverse industrial charterers. Finally, the newest institutional entrant is *Orion Global Transport Maritime*, operating within the financial orbit of J.P. Morgan; while two of its vessels have their crew management routed through France, their technical ship management is outsourced to a specialized German ship manager.

Within the boutique segment of the French cruise and leisure industry, two distinct actors extensively leverage the specialized *Leisure Divisions* of global third-party ship managers: *Club Med* is contractually tied to Columbia Shipmanagement, while the *Compagnie Française de Croisière* (CFC) relies on Anglo-Eastern.

The operational scenario governing marine service vessels—notably those dedicated to heavy subsea construction, offshore engineering, and now Marine Renewable Energies (MRE / *EMR*)—presents a higher degree of complexity. Indeed, the daily hire costs (OPEX) and the cascading financial consequences of vessel downtime are substantially more critical than within standard merchant shipping. Consequently, the legal and contractual obligations weighing on the ship manager are significantly more onerous, demanding the highest performance levels in managing complex tech and seafaring personnel.

Within this high-value services segment in France, Louis Dreyfus Armateurs (LDA) has engineered a premier third-party ship management offering surgically adapted for high-tech specialized fleets. The French group historically administered the seismic research fleet of CGG. Today, it rigidly manages the world-class fleet of submarine cable-ships belonging to Alcatel Submarine Networks (ASN / Nokia), representing 7 high-tech units registered under the RIF. LDA concurrently administers 5 cable-ships and one offshore supply vessel owned by the Indonesian telecom specialist *OMS Group*. To this operational asset matrix must be added the *Marion Dufresne*, the iconic research and supply vessel of the French Southern and Antarctic Lands (TAAF).

Finally, the wind offshore sector introduces greenfield logistics patterns: Siemens Gamesa signed a binding five-year charter party agreement for a Service Operation Vessel (SOV) with Norway's Edda Wind. This brand-new vessel, purpose-built and dedicated to the predictive maintenance of the Saint-Brieuc offshore wind farm, flies the RIF register, while its French seafaring personnel is managed locally by the specialized firm O5 Marine. It remains a paramount strategic objective for the national maritime cluster to ensure that the emerging MRE industry transitions through French-flagged vessels backed by localized management architectures, even when final asset ownership remains European.

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² V.Ships France concurrently manages the plastic-cleanup vessel *Plastic Odyssey* and the historic three-masted tall ship *Belem*."