

How to Start and Operate a Maritime Ship Business

Article

Amundsen Davis International Trade Alert

September 25, 2024

Starting a cargo shipping business is no small feat; the financial barriers alone can be overwhelming. But for entrepreneurs willing to take on the challenge, the maritime industry has a high potential for reward. For entrepreneurs considering launching a maritime ship operation, this step-by-step guide will help you navigate the process.

Step 1: Buying the Right Ship

The type of ship you purchase will depend on the kind of maritime operations you plan to engage in.

- **Tanker Vessel:** For liquids like oil or chemicals
- **Bulk Carrier:** For solid, unpackaged goods in bulk
- **Container Ship:** For smaller, standardized cargo
- **Cruise Ship:** For the transport of people

Choosing the right vessel is the first major decision and investment you will make. But purchasing the ship is just the start.

Step 2: Getting Certified

Before you can set sail, you will need the appropriate certifications. These certifications are issued by international classification societies and confirm that your vessel is seaworthy and compliant with maritime regulations. It is a detailed process that includes a thorough inspection and review of the ship's design to ensure it meets the standards set by the International Maritime Organization ("IMO").

You will also need to register your vessel with a flag state, a country under whose laws your ship will operate. While the flag state's requirements can vary, most adhere to a similar set of international standards. Completing both of these steps is necessary to move forward.

Step 3: Getting the Legal Paperwork in Order

PROFESSIONALS

Ngosong Fonkem
Partner

RELATED SERVICES

International Trade

The next hurdle will be gathering the necessary documents for certification and registration. These requirements are prescribed by IMO rules and regulations, and they typically include:

- **Ownership Proof:** A notarized bill of sale to confirm ownership
- **International Tonnage Certificate:** To demonstrate the ship's capacity
- **Safe Manning Certificate:** To ensure the vessel is properly staffed
- **IMO Numbers:** Identification numbers for both the vessel and the owning company
- **Tracking and Communication Certificates:** These include Long-Range Identification (LRIT) and radio certificates
- **Flag Deletion Certificate:** If the vessel was previously registered in another country, this certificate will prove it has been removed from that registry.

Once the flag state reviews and approves these documents, they will issue a provisional or permanent certificate, officially registering your vessel.

Step 4: Hiring a Ship Management Company

Although your ship is registered and certified, it is not yet ready to operate. Managing the daily operations of a cargo vessel is complex; that's where a ship management company comes in. These companies handle crew hiring, oversee day-to-day activities, and make sure you have the necessary insurance coverage. They also coordinate with local ship agents at each port to manage docking, loading, and other port logistics.

Final Thoughts

Starting a cargo shipping business is a major undertaking. The process, from buying the ship to getting it registered and ready for operations, involves multiple steps and stakeholders. It is not something you can do by yourself, but with the right partners and guidance, it offers immense opportunities for the bold entrepreneur.

How to Start and Operate a Maritime Ship Business