

Petrofin Research©
by Ted Petropoulos

1st Part of 2010 Petrofin Research ©

2010 – Research and Analysis: Greek shipping companies

Petrofin Research© are pleased to announce the release of the first part their 2010 Greek shipping research.

Methodology

Petrofin Research © has been publishing for 13 consecutive years the detailed profile of the **entire Greek-owned/Greek-based Shipping Companies and Fleets**. Thus, a trend line since 1998 has been established regarding the overall number of Greek Shipping Companies as well as their fluctuation and profile in terms of size of company and the respective age of their fleets.

The basic source used for this study is the 2010 Greek Shipping Directory, cross-referenced with Clarkson's and other market sources. As we do every year, market reports and data on Greek fleets are extensively used to double-check fleet and company data, as well as the numerous additional industry sources that we use every year.

Our total industry data covers all vessels and all vessel types are included in the total statistics for Greek-based shipping and shipping companies. However, in the second part, specific research is conducted separately into **tankers, bulkers and container vessels**, which are the vessel types upon which the Greek industry largely focuses.

Research Criteria

1. Only the Greek-owned/Greek-based fleets are taken into consideration. This also includes the Groups that operate abroad, provided they have an office in Greece.
2. We have taken into account newbuildings that have a date of delivery up to and including 2011 only, as it is not certain that all Greek newbuilding orders for 2012 onwards shall materialise, due to cancellations, sales and delays.



In this part 1 of Petrofin Research, we provide research and analyses of the Greek shipping industry in terms of

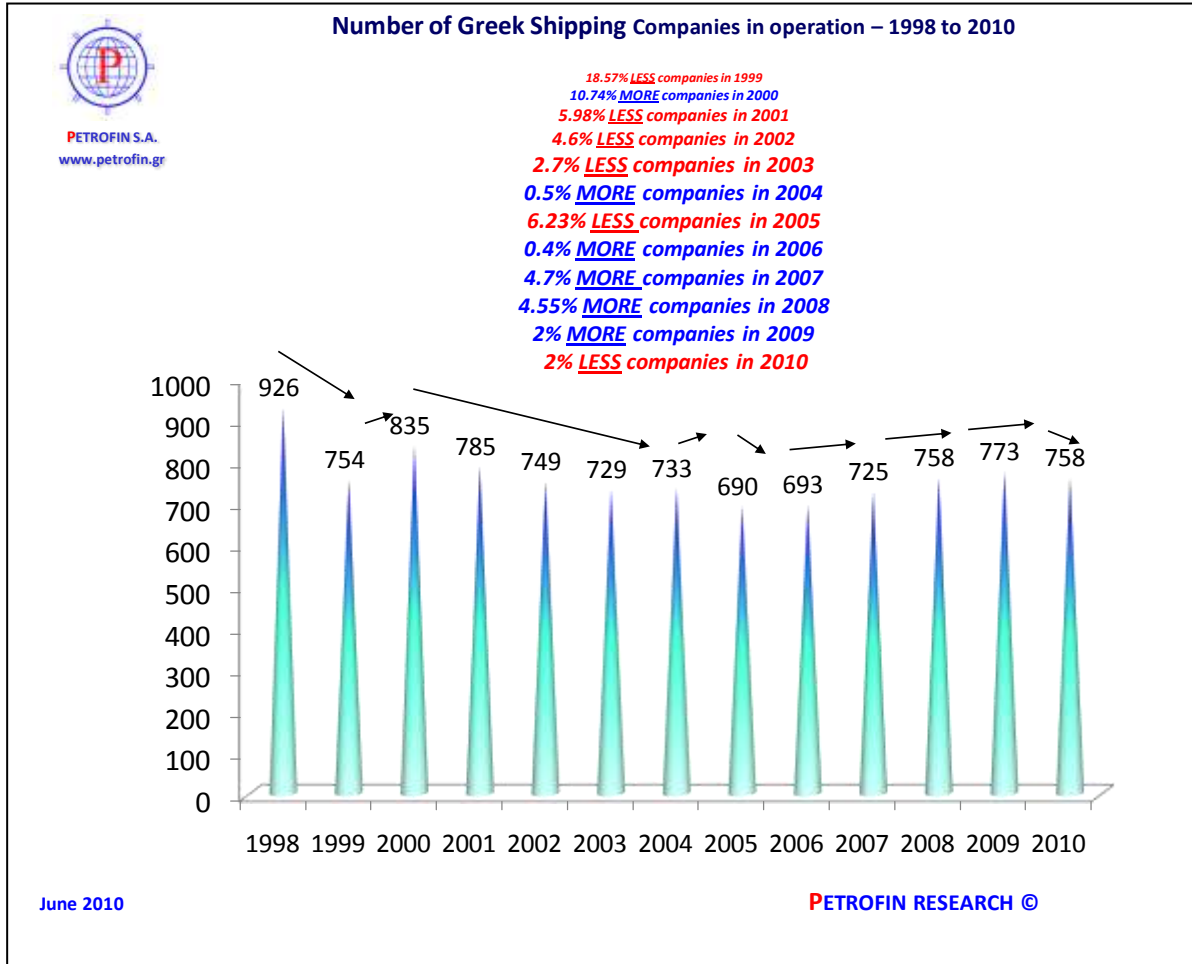
- A. The number of Greek shipping companies**
- B. The fleet size of Greek shipping companies**
- C. The fleet age of Greek shipping companies**



A. Greek shipping companies and their numbers since 1998

This year's research shows a total of 758 Greek-based ship management companies. The number of companies have gone down by 15.

Graph 1



Against the trend of the last four years, we note this year a decline to 2008 levels in the number of Greek shipping companies.

It is an encouraging sign that despite the deep decline in shipping values and freight rates in 2008/2009 and their relatively small recovery since, relatively few companies have this year left the sector.

Research to date has established that the immediate trend in the number of shipping companies has not been closely associated with the shipping cycle. There is some evidence, however, that a pronounced slump or boom does have a latent negative or positive influence in the overall trend without, however, affecting the longer-term trend, which points to long-term consolidation.



B. Greek shipping companies and their fleet SIZE

To facilitate the analysis, please note that Greek companies are divided into the following fleet SIZE groups:

Group A (25+ vessels), Group B (16-24 vessels), Group C (9-15 vessels), Group D (5-8 vessels), Group E (3-4 vessels), Group F (1-2 vessels)

So, the breakdown of the actual numbers per Group has been as follows between 1998 and 2010:

Table 1

GROUP	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
A (25+ vsls)	19	19	23	19	24	25	31	26	28	29	32	31	31
B (16-24 vsls)	11	25	22	29	25	31	36	36	30	35	32	35	33
C (9-15 vsls)	68	76	85	82	84	69	59	52	64	63	70	80	80
D (5-8 vsls)	149	143	140	134	128	138	141	131	137	126	125	123	103
E (3-4 vsls)	196	166	189	172	170	158	155	157	146	165	159	161	171
F (1-2 vsls)	483	325	376	349	318	308	311	288	288	307	340	343	340
Total number of companies	926	754	835	785	749	729	733	690	693	725	758	773	758

- Greek companies are reduced by 15.
- The upward trend of the last few years is broken and there is a decrease in numbers by 2%.
- This year the biggest drop is in the 5-8 vessel companies group, which is down by -16.26% and the bigger rise has been in the 3-4 vessel companies by +6.2%.



In Table 2 below, we note the percentage of the Greek fleet held by each company size in terms of their numbers.

Table 2

Year	Percentage of the Greek fleet held by companies according to their size						Totals
	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	
1998	52.16%	21.17%	16.09%	7.34%	1.19%	2.05%	100%
1999	43.1%	22%	18.9%	10.1%	3.4%	2.5%	
2000	45%	22.6%	16.8%	10.2%	2.6%	2.8%	
2001	44.45%	22%	17%	10.45%	3.7%	2.4%	
2002	42.45%	22.69%	17.08%	11.21%	3.37%	3.2%	
2003	42.24%	21.66%	18.92%	9.45%	4.25%	3.48%	
2004	42.43%	21.14%	19.24%	8.06%	4.9%	4.23%	
2005	41.73%	22.75%	18.99%	7.54%	5.22%	3.77%	
2006	41.55%	21.07%	19.77%	9.24%	4.33%	4.04%	
2007	42.34%	22.76%	17.38%	8.69%	4.83%	4%	
2008	44.85%	20.98%	16.49%	9.23%	4.22%	4.22%	
2009	44.37%	20.83%	15.91%	10.35%	4.53%	4.01%	
2010	44.85%	22.55%	13.6%	10.55%	4.35%	4.1%	

As can be seen, there are minor variations over the years, with an overall growth trend in the big fleets.

In Table 3 we see that in terms of DWT, for 2010, the fleets share the following percentages of the entire Greek fleet, which is an entirely different picture from above:

Table 3

1-4 vessel fleets	5-8 vessel fleets	9-15 vessel fleets	16-24 vessels fleets	25+ vessel fleets
11.67%	10.15%	16.96%	18.96%	42.27%

The above DWT fleet analysis shows the importance of the larger fleets and their contribution to Greek shipping.

Summary

A summary of observations of the above results:

- The number of Greek shipping companies fell in 2010 by 2% to 758 companies, resuming the longer term consolidation trend.
- Over the years, and re-affirmed in 2010, it is the larger fleet companies that grew as a percentage of the total.



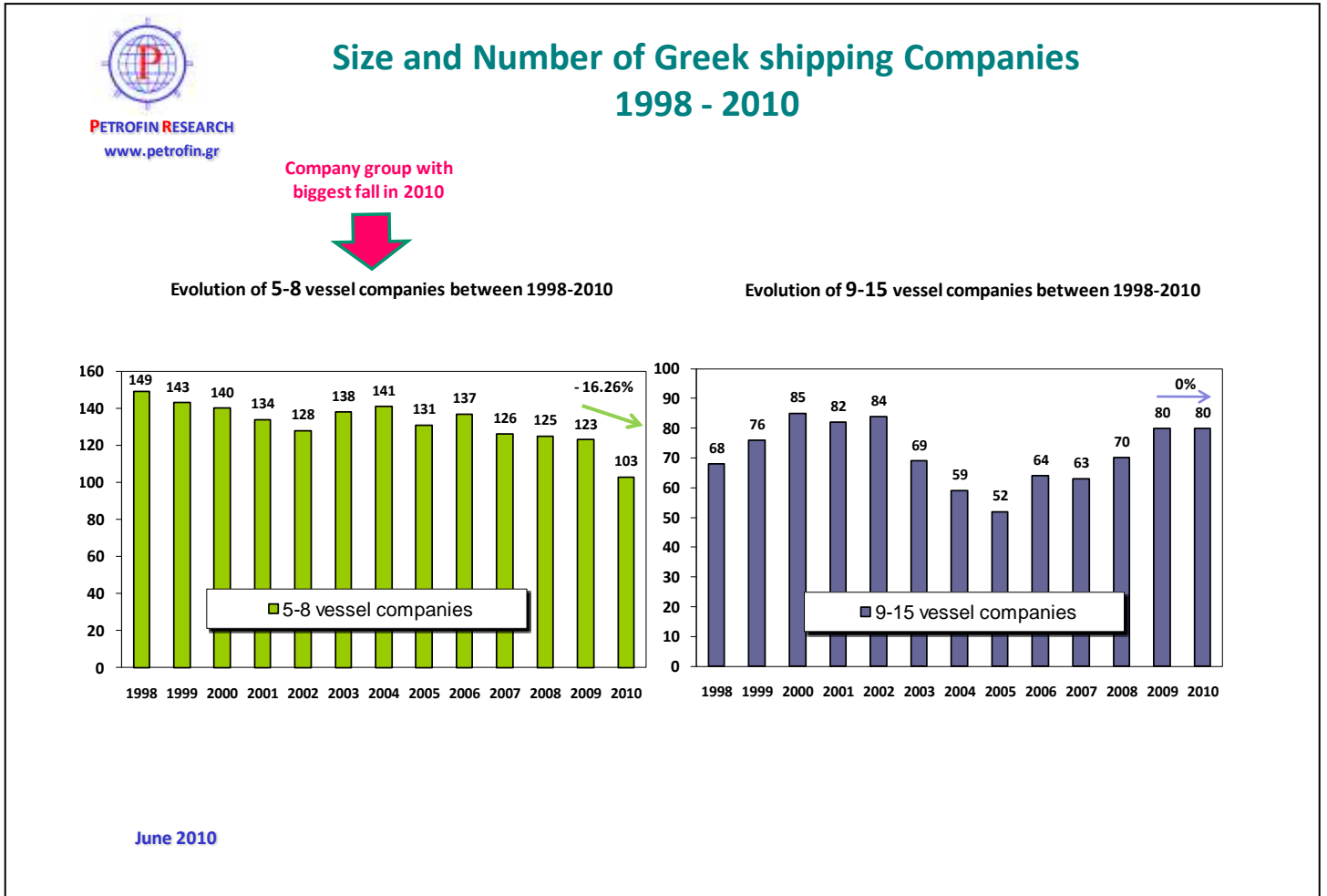
- c. The importance of the larger fleets is further demonstrated, if they are not counted in number terms but in DWT terms, at which point the two larger sizes account for over 60% of the Greek fleet.
- d. Interestingly enough, the top 31 Greek companies own in DWT terms over 42% of the entire Greek fleet.
- e. The most resilient group of Greek shipping, the 1-2 vessel companies, are slightly down by -0.8% (see Graph 2a below).
- f. The 3-4 vessel companies (also Graph 2a below), are up by 6.2%, the only group that has shown an increase.

Graph 2a



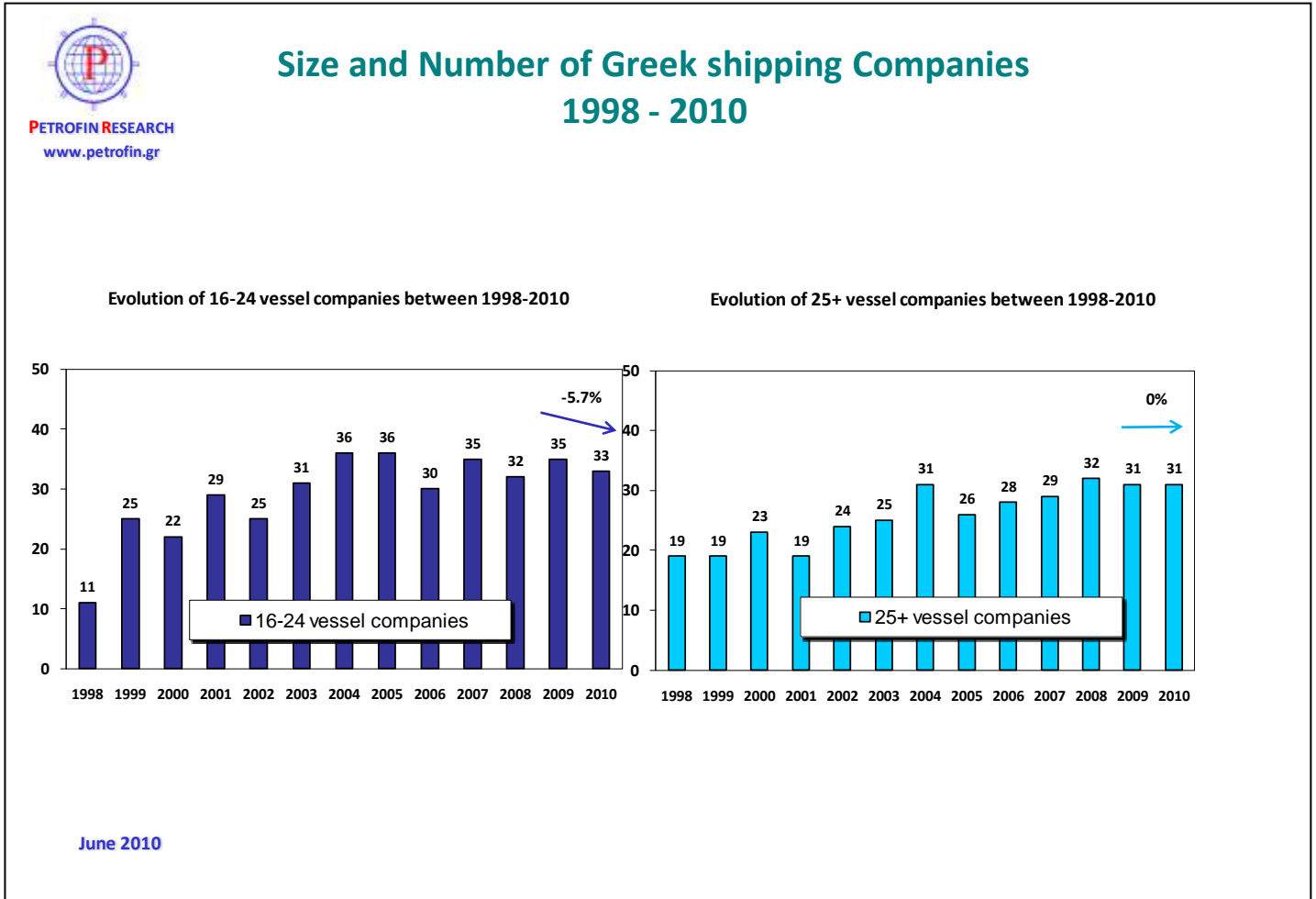
- g. 5-8 vessel companies show the biggest drop this year, a significant -16.26%. They occupy 10.15% in DWT terms of the Greek fleet (Graph 2b below).
- h. 9-15 vessel companies have remained unchanged in terms of numbers (80 – also see Graph 2b below)

Graph 2b



- i. 16-24 vessel companies have gone down by -5.7% (Graph 2c below).
- j. This year the biggest fleets remain the same in numbers (Graph 2c below). They occupy the biggest part of the Greek fleet in terms of DWT although they are only 31 out of 758 companies.

Graph 2c



In **Graph 3** below, we can observe the composition of the Greek shipping companies, according to two key criteria: age and size of company fleet. As such, the six pie charts represent the 6 fleet sizes into which Greek companies have been broken down and the pie segments represent the age of the vessels. You will note that smaller the fleet size, the older the age of these fleets. In addition, the young category of 0-9 years is evident in all fleet sizes and more prominently in the biggest category.

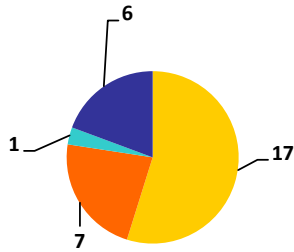




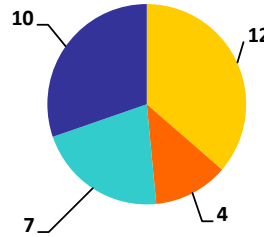
PETROFIN RESEARCH ©

2010
NUMBER OF GREEK SHIPPING COMPANIES IN TERMS OF THEIR FLEET AGE AND SIZE

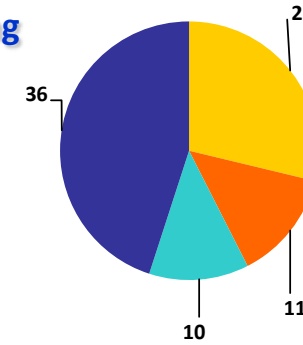
758 Greek shipping companies currently operating



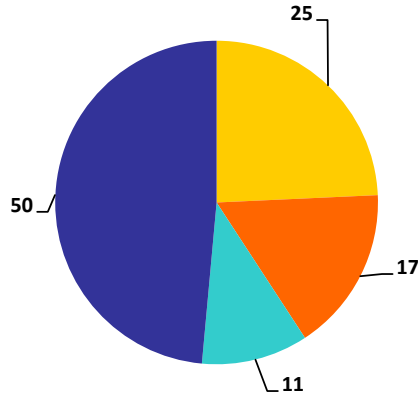
Fleet size : 25+ vessels - Group A
No of companies : 31 (same as last year)
% of total of Greek companies : 4.1%



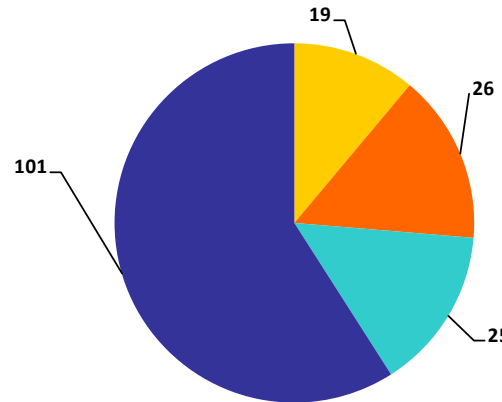
Fleet size : 16 -24 vessels - Group B
No of companies : 33 (down from 35 last year)
% of total of Greek companies : 4.35%



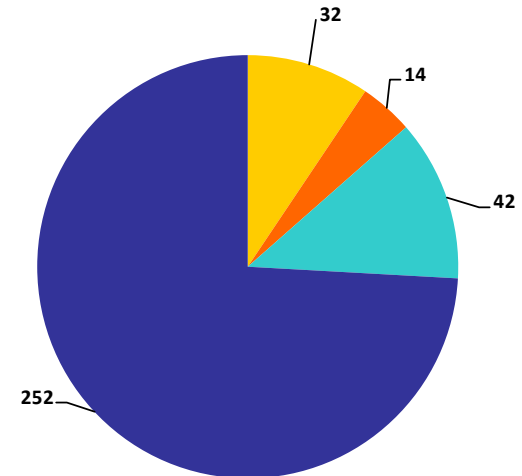
Fleet size : 9 - 15 vessels - Group C
No of companies : 80 (same as last year)
% of total of Greek companies : 10.55%



Fleet size : 5 - 8 vessels - Group D
No of companies : 103 (down from 123 last year)
% of total of Greek companies : 13.6%



Fleet size : 3 - 4 vessels - Group E
No of companies : 171 (up from 161 last year)
% of total of Greek companies : 22.55%



Fleet size : 1 -2 vessels - Group F
No of companies : 340 (down from 343 last year)
% of total of Greek companies : 44.85%



June 2010

Initially based on the Greek Shipping Directory cross referenced with market reports

C. Greek shipping companies and their fleet AGE

The overall age of the fleet

The Greek fleet age has dropped yet again. The whole fleet is now **16.64** years of age, down from **17.6** in 2009, **18.4** in 2008, **18.71** in 2007, **19.14** in 2006 and **23** years in 2005. This steady downward age trend does not only reflect the influx of newbuildings, but most definitely the sale, and to a lesser extent, scrapping and their replacement with younger vessels.

To enable closer analysis, please note that Greek fleets are divided into the following age groups: 0-9 years of age, 10-14 years of age, 15-19 years of age and 20+ years of age

Table 4a: Fleets of 20+ years of age

	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	Totals
2010	252 ↓	101 ↓	50 ↓	36 ↑	10 ↓	6 ↓	↓ 455
2009	270 →	106 ↓	67 ↓	31 ↓	11 →	10 ↓	↓ 495
2008	270 ↑	116 ↓	68 ↑	33 ↓	11 →	11 ↑	↑ 509
2007	256 ↑	123 ↑	67 ↓	34 ↓	11 ↑	10 ↑	↑ 501
2006	239	103	72	37	9	7	467
2005	238	116	82	27	14	7	484
2004	258	112	80	35	11	10	506
2003	256	119	84	38	11	10	518
2002	262	134	81	49	10	10	546
2001	292	133	94	46	14	11	590
2000	302	138	89	45	10	9	593
1999	253	130	91	40	13	11	538
1998	No comparable data - in 1998 15-19 and 20+ year old vessels were calculated together						

Looking at the overage fleets for each category, we note a reduction of 40 overage fleets from last year. This is the most marked development in how the Greek companies have developed in the last 13 years. The only sector that seems to have possibly picked up some of those fleets is the 9-15 vessel one, which has gone up by 5. However, the overall trend is of a continuing long-term decline.

It should also be noted that under current conditions of very limited ship finance, it is almost impossible for new entrants to obtain finance (see Petrofin Bank Research© - www.petrofin.gr). As such, it is not surprising that there has been a fall in the overage fleets as the departures are not being replaced by new entrants.



Table 4b: Fleets of 15-19 years of age

	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	Totals
2010	42 ↑	25 ↑	11 ↓	10 ↓	7 ↓	1 →	96 ↑
2009	31 ↑	17 ↑	17 ↑	13 ↑	8 →	1 ↓	87 ↑
2008	28 ↑	16 ↓	14 ↓	10 ↑	8 ↓	3 ↑	79 →
2007	23 ↑	18 ↓	20 ↓	6 ↑	10 ↑	2 ↓	79 ↑
2006	14	22	22	5	8	3	74
2005	20	14	20	8	10	3	75
2004	20	28	31	9	13	5	106
2003	24	23	29	17	12	7	112
2002	33	22	31	21	6	9	122
2001	35	27	24	22	6	6	120
2000	47	35	33	24	7	7	153
1999	48	26	33	23	7	7	144
1998	No comparable data as in 1998 15-19 and 20+ year old vessels were calculated together						

This sector has gone up again. The reason is that these vessels are still young enough to trade and the opportunity to sell these vessels in the prevailing low prices has been small.

Table 4c: Fleets of 10-14 years of age

	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	Totals
2010	14 ↓	26 ↑	17 ↑	11 ↓	4 ↓	7 ↓	79 ↓
2009	16 →	22 ↑	16 ↓	14 ↑	6 ↑	9 →	83 ↑
2008	16 ↑	15 ↑	21 ↑	13 ↑	4 ↓	9 ↓	78 ↑
2007	13 ↓	13 ↓	20 ↓	9 ↓	7 ↑	10 ↓	72 ↓
2006	18	14	22	10	6	13	83
2005	14	19	13	9	8	12	75
2004	14	11	15	7	7	11	65
2003	11	10	18	7	6	7	59
2002	10	8	9	8	7	5	47
2001	8	5	11	9	5	2	40
2000	14	8	13	11	3	6	55
1999	10	4	15	10	2	1	42
1998	14	8	15	14	2	2	55

This year companies running fleets 10-14 years are down by 4, which is not statistically significant.



Table 4d: Fleets of 0-9 years of age

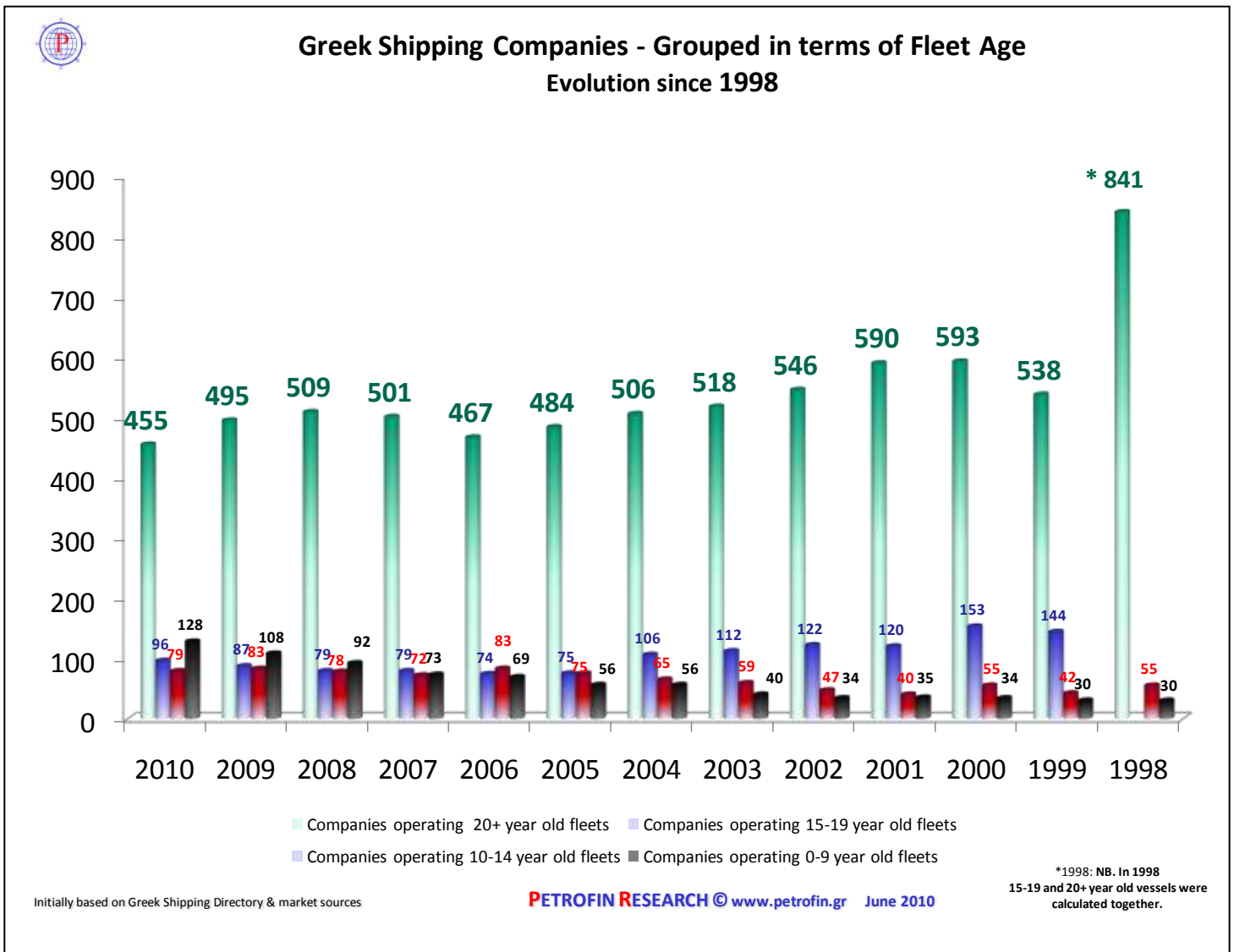
	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	Totals
2010	32 ↑	19 ↑	25 ↑	23 ↑	12 ↑	17 ↑	128 ↑
2009	26 →	16 ↑	23 ↑	22 ↑	10 ↑	11 ↑	108↑
2008	26 ↑	12 ↑	22 ↑	14 →	9 ↑	9 ↑	92 ↑
2007	15 ↓	11 ↑	19 ↓	14 ↑	7 →	7 ↑	73 ↑
2006	17	7	21	12	7	5	69
2005	16	8	16	8	4	4	56
2004	19	4	15	8	5	5	56
2003	17	6	7	7	2	1	40
2002	13	6	7	6	2	0	34
2001	14	7	5	5	4	0	35
2000	13	8	5	5	2	1	34
1999	14	6	4	3	3	0	30
1998	16	5	5	1	2	1	30

20 companies running very young fleets have been added, as has been the trend for the last 8 years. Significantly the very small companies have shown definite signs of renewing their fleets, underlying their strong commitment to shipping and wishing to capitalise on the relatively low vessel prices. Undoubtedly, this category represents the future of Greek shipping.



In Graph 4 we see a collective graph of the above results.

Graph 4



The black companies (0-9 years of age) have shown the growth that has changed the nature of Greek shipping itself. Very young fleets are up more than 5-fold since 1998. The oldest categories (15-19 and 20+ year old fleets) are down by 290 over the same period. The above trends underline the quality revolution that has taken place in Greek shipping over the last 13 years.



Commentary

The last year has been a very difficult year for Greek shipping. Decisions had to be made, loan terms to be reviewed, asset/cover clauses to be negotiated. The lack of finance has hindered both buyers of second hand and newbuilding vessels. It has also thwarted the ability of sellers of tonnage to dispose of vessels to buyers, as well as newcomers to enter the industry.

As the markets recovered, most owners elected to keep their vessels. High priced orders were cancelled (where possible) and often replaced by new lower priced orders for later deliveries.

Despite the above difficulties, and although conditions are still tight, our above research shows that the vitality underpinning Greek shipping has not been reduced. Companies have been re-shuffling and, as we are going to see in the second part of the research that focuses on the vessels themselves, fleets have become younger and quite a few older vessels have gone.

Explanations and analyses vary. Older vessels are most probably fully paid off and were sold/scrapped to help the indebted younger fleet, or to support newbuildings.

Greek shipping has used both the previous booming market, as well as the current market to renew itself, as our research has shown over the last 2-3 years.

Overall, the flight to quality continues and the emphasis towards larger fleets has remained strong. The overall trend towards a larger capacity and younger fleet continues. It is expected that the above trend will remain for the next years. The ability of the Greek fleet to grow, however, is still linked to the availability of adequate finance.

