



# Money pours into Greek shipping

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by Jim Wilson, Staff Reporter

BANKERS threw money last year - about \$33Bn - at the Greek shipping market, a study by **Petrofin Bank Research** shows. Funds committed have grown by 26.6% since last year, reflecting the taste that Greek owners have developed for newbuilding, in contrast with their previous preference for secondhands.

The report, issued last week, said big spenders at the Royal Bank of Scotland and Deutsche Schiffsbank, the top two lenders by portfolio size, showered the Greeks with \$6.7Bn and \$3.1Bn respectively.

Lambros Varnavides, MD of the Shipping Business Centre at RBS, told *Fairplay*: "We have been in Greek shipping for about 150 years. We are well established in that market, and [our increased activity] reflects the growth in that market."

The National Bank of Greece, which is the domestic bank most exposed to shipping, came far behind in sixth place, with \$1.4Bn lent out to the industry.

Some in the shipfinance industry believe that easy availability of capital could cause a tonnage oversupply that will kill the current boom. But Varnavides approached that issue from a different angle: "I don't think the banks will fuel an oversupply of tonnage, as banks don't order ships."

The Greek market is, by amount of money committed, consolidating into fewer and fewer hands and MD of **PETROFIN**, told Fairplay: "Although the whole sector is growing at a fast pace, the top 10 Greek shipping banks are building up their market shares."

dividing the report into three main sections - international banks in Greece, global banks active but not actually active in Greece and domestic lenders - **Petrofin** determined that Greek financiers have greatly increased their exposure to the industry - up by 12.45% last year to stand at \$6.34Bn. Yet this is comparatively small change in view of the amount of money committed by international banks.

Accounting for 43% of all capital lent into the Greek market, global finance houses with a local branch or office are by far the most important source of loan finance.

**Petropoulos** told Fairplay: "It can be argued that their 'market feel' is better and that their clients feel such banks are more committed to the Greek shipping industry."

With the difference lent by banks with a local presence and by those without standing at \$1.87Bn, it clearly pays to follow the old adage: think globally, act locally.

*From Fairplay  
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