

Greek shipping wary of election outcome

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- by [Nigel Lowry](#)

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Owners want incoming government to leave industry's framework alone

As Greece goes to the polls, the shipping community is feeling nervous. © 2015 Thanassis Stavrakis/AP

NERVES are jangling in the Greek shipping community as Greece goes to the polls in a snap election that could result in a new left-wing government and fray relations between the economically struggling country and its European lenders.

Leftist coalition [Syriza, which has been consistently ahead in opinion polls, is in favour of squeezing more of a contribution from the shipping industry](#), which is perceived as an oasis of wealth in an economy that has shrunk by 25% since the debt crisis exploded, with unemployment of about 28%.

Speaking at a major shipping conference on the eve of the elections, Syriza economic spokesman George Stathakis struck a comparatively reassuring note.

If Syriza forms a government "there will be no surprises", said Mr Stathakis. If any changes were to be made, they would come after consulting all interested parties, he said.

The remarks, though, came only a few days after the leftist party's regular shipping spokesman, Theodore Dritsas, spoke of shipping having to shoulder "the heaviest possible burden" to help the country in its dire predicament.

Many shipowners will also have read the party's 34-page outline of its positions on the maritime sector.

According to the paper, Syriza will seek a "new national agreement" with the shipping sector that will be based on boosting its contribution to the economy, strengthening the Greek registry and increasing employment on Greek-controlled ships.

Various tax breaks and current rules are earmarked for abolition under a Syriza government, while the party would review the special status of shipping companies under the constitution.

Union of Greek Shipowners' president Theodore Veniamis said at the same Naftemporiki Maritime Forum that owners wanted to remain in Greece.

Shipping already offers a lot and is ready to offer more to the country but, said Mr Veniamis, keeping the existing institutional framework was "a non-negotiable requirement".

Greek legislation, aspects of which have been copied in recent years by other European countries, provide conditions for Greek owners to remain globally competitive, he said.

The industry currently contributes an estimated 7%-8% of the country's gross domestic product and is on an upward trend because of the decline in other areas of the economy.

Revenue from maritime transport was up by 6.7% in the first nine months of last year, and outgoing shipping minister Miltiades Varvitsiotis has said figures show shipping revenues increased by more than €2bn (\$2.25bn) in 2014.

In recent years, total annual revenue from the sector has fluctuated between about €13bn and €18bn, depending on the year.

[Prominent shipowner Panos Laskaridis](#) said revenues derived from shipping for Greece were superior to inflows from tourism or industry, as the latter were offset by infrastructural spending and purchasing of imports.

"There is often criticism that the money comes in but goes out into shipowners' pockets in Switzerland or elsewhere, but this is wrong," said Mr Laskaridis.

"The lion's share is invested in ships, which is what keeps the Greek fleet the biggest in the world, and they are modern ships too.

"That's where the money goes and it is appropriate that it does."

Mr Laskaridis said one of the most important aspects of the country's continuing leadership in shipping was that it could show the population "there is no magic or anything alien about being world-leaders — it's nothing but hard work, patience and the acquisition of know-how".

He cited recent independent surveys that found 90,000 Greeks are directly employed in the industry, with an even larger 250,000 dependent on it.

Shipping capital comes into the economy in a variety of ways, whether investments or donations from foundations. In addition in the past two and a half years, the UGS has been gathering funds to help needy Greek families, spending about €40m on its programme of social support so far.

"We do not want Greek shipping companies to be located in London or Singapore or anywhere else. We want them here," said finance minister Gikas Hardouvelis.

"We want to keep them in Greece, but we want them to contribute.

"We are going through a huge crisis and they have to join the effort," he said. "But we want them to contribute voluntarily, which they are doing."

Privately, shipowners say they have been getting mixed messages from Syriza's spokespeople.

"One says one thing and then the next day, another says something completely different," one well-known owner told Lloyd's List.

"We will just have to wait and see. For now, no-one is doing anything but every company has a 'Plan B' in its pocket and if necessary they can relocate to Dubai or Singapore or other centres that have said they want shipping companies. It can actually be done quite quickly," he said.

"If the legal framework is changed, if taxes are put up, it just depends on how much is done and on each owner's threshold. Everyone has their own threshold for saying that's enough," he said.

If there is uncertainty about what a new government may bring for Greek shipping, though, this does not seem to have undermined owners' ability to retain support from their financiers, including doing new business.

Analyst Ted Petropoulos of Petrofin said: "Banks have no doubts about the ability of Greek shipping enterprises to overcome the bad market."

Regarding the political situation, he said that provided owners showed they had a 'Plan B', then banks were comfortable in taking their decisions purely according to banking criteria.

"I don't see any stigma or panic at this time," he said.

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