

Lloyd's List

New horizons, traditional base

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- | by [Nigel Lowry](#)

No need to go looking for the backstage driver of the world's most diverse and international shipping fair

Posidonia 2010 finds shipowners at the top of the pyramid expanding Greek shipping's horizons, while the grass roots of hundreds of smaller companies seem in surprisingly good health

UNDERPINNING the success of this week's 22nd Posidonia exhibition and everything that swirls around it is the continuing strength of a Greek owned fleet that is a world leader in the dry bulk and tanker markets.



For the most part, the mood of Greek shipowners going into Posidonia week is more buoyant than most would have expected if asked a year ago.

In an eve-of-Posidonia statement, Union of Greek Shipowners' president Theodore Veniamis did not seek to play down the "dire" global economic crisis faced by shipping.

But, he said, the community's resilience "so far justifies some optimism that, barring unexpected and further negative developments, Greek flag and Greek-owned shipping will maintain the size and high quality of the fleet."

Statistics cited by Mr Veniamis show the Greek controlled fleet as being of a sprightly 11.6-year average age while its combined carrying capacity accounts for 14.8% of the world fleet.

The cautious confidence of the shipowners' leader is backed up by studies as well as day-to-day impressions of the evolution of the industry.

A brand-new survey of Greek shipping companies undertaken by Petrofin Research has found that the number of companies shrank by 14 - a mere 2% - in the last year. Since Petrofin studies started 13 years ago the number of different, identifiable Greek shipowning groups has shrunk from more than 900 to Petrofin's latest figure of 758. But this year's reduction was the first in five years, a fact that suggests the industry's base in smaller and medium-sized companies remains in decent health.

The number of Greek shipping companies is on a par with two years ago and with 1999.

Categorising the companies by number of vessels, the change appears to have occurred solely in the ranks of medium sized shipowners.

The number of owners with fleet of five to eight vessels shrank by 20 to 103. Many of these will have slightly downsized in the last year, reflected in the fact that the category of companies with three or four ships increased by 10. The industry's minnows - owners with no more than two ships are still by far the most populous in Greek shipping. There are no less than 340 such owners, down from 343 a year earlier, the study suggests.

In spite of "a very difficult year", the evidence is that Greek shipping's power has not fundamentally been eroded.

"Despite the difficulties, and although conditions are still tight, our research shows that the vitality underpinning Greek

shipping has not been reduced," comments Petrofin managing director Ted Petropoulos in the study's findings.

"Companies have been re-shuffling and fleets have become younger and quite a few older vessels have gone," he says.

"Greek shipping has used both the previous booming market, as well as the current market

to renew itself. Overall, the flight to quality continues and the emphasis towards larger fleets has remained strong."

The Petrofin annual studies going back to 1998 also reveal that the number of companies operating very young fleets, defined as averaging up to nine years per vessel, has increased more than five-fold during the period – a "growth that has changed the nature of Greek shipping".

Underlining the trend towards greater quality, the number of fleets averaging more than 15 years has reduced by 290 since 1998.

Behind the scenes, although sometimes in the plain eye, Greeks' shipping business activities are modernising and stretching, too.

Just last week, one of the most prominent Greek ownerships sealed not one, but two major business deals that would have been unthinkable to some of the forebears.

The Restis shipping family pounced on Norwegian platform supply vessel owner Aries Offshore, acquiring the company in what is seen as a likely wider foray into the offshore industries.

At the same time, it completed an ownership restructuring of a newly acquired Hong Kong owner and operator of handysize bulkers, Maritime Capital Shipping, the Victor Restis-led group snapped up recently. The family retains a 49% holding privately in MCS and has sold a controlling 51% stake in Energy Maritime, the US listed dry bulk company of which it is a major backer.

Implicit in such deals, where the continuing presence of a non-Greek, expert management team appears a key element, is an approach that has evolved considerably from the days when in many instances an inability to relinquish the tightest individual management control over every aspect of their empires arguably curtailed Greek owners' expansion.

DryShips' boss George Economou, who controls a very large private tanker fleet apart from the Nasdaq listed dry bulk and offshore drilling company, is also in the vanguard of asset-owning and commercial trends that are refreshing the tried-and-tested recipe of Greek shipping.

The most visible sign indicator of a sea-change in the community's approach to the industry is that almost 30 Greek-helmed dry bulk, tanker and container vessel companies are now listed on international stock markets.

While the emphasis remains overwhelmingly on straight bulk carrier and tanker ownership, few corners of the industry now seem to hold any terror for the most enterprising Greeks.

Liquefied natural gas carriers, offshore rigs, drillships and oilfield support fleets, increasing numbers of containerships, shuttle tanker projects, pure commercial operating ventures: all are now part of the Greek mosaic.

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