

Lloyd's List

Greeks take growth in their stride

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| by [Whether through listing or private sources, owners keep spending, writes Nigel Lowry](#)

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Except that nowadays a place must be found for public equity finance in the gamut of what is seen as everyday and not just the traditional mortgage finance that until recently was the virtually exclusive source of financing a Greek owner's acquisitions.



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It would be a surprise indeed if the amounts raised by the industry, in bank loans or outside investment, were not on the increase, given the continued upward course of the Greek controlled fleet and vessel and contracting prices that have been historically strong.

A year ago, a study calculated that outstanding lending to the industry had reached a staggering \$32bn, a figure that reflects not only the expansion of the Greek linked armada but also its modernisation with high value and often sophisticated newbuildings.

With the fleet anticipated to have increased in size on a year-on-year basis, the overall loan book is unlikely to have diminished.

Says the research's author, Petrofin managing director Ted Petropoulos: "Growth is continuing, although not exponentially."

According to Mr Petropoulos, "the same (about 50) banks are around — there is nobody new to speak of, but nobody has left. All the banks are pretty active and most are happy, with loans in a good position."

He notes that most banks are finding ways of increasing business in Greece, although this may be through "big chunks" — high value transactions with one of the bigger shipping groups or publicly quoted companies. Another route has been for banks to widen the range of financial products they are offering "in line with the evolution of Greek owners who are considering more complicated hedging strategies".

But the dictum that only well-tryed bank loans are a suitable method for financing ships in such a bastion of private, entrepreneurial shipping culture as Greece is being te ted as a wave of initial public offerings and follow-on issues shake up perceptions.

Joining Tsakos Energy Navigation, which went public 13 years ago, there have been relatively recent issues by a number of Greek or Greek-related companies, including TOP Tankers, Angeliki Frangou's International Shipping Enterprises, which acquired Navios and listed it on Nasdaq, DryShips, Diana Shipping, Aries Maritime Transport, Quintana, Eagle Bulk, StealthGas, FreeSeas, the Greek-led blank cheque investment firm Star Maritime, and — most recently — Omega Navigation, which early this year was hoping to go pub ic in New York and Singapore as it expands in product tankers.

The oldest Greek-managed public shipping company is New York-listed Excel Maritime Carriers, first listed in 1989, although it was not acquired by a leading Greek owner until eight years ago.

During the last 12 months, there have been several instances of other companies approaching the capital markets but withdrawing or at least postponing their plans due to cool investor sentiment.

It has been noticeable in several cases that the owners have not seemed perturbed at such setbacks and have continued their impressive investment plans as private entities — presumably with the aid of commercial bank loans.

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