Lloyd's List

Shipowners aim to strike while the iron is hot

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Long known — although perhaps under-appreciated — as one of the leading earners for its country, Greek shipping has enjoyed one of its best ever years and this has already been reflected in official figures.

According to Bank of Greece data, the industry beat out other traditional big currency earners in the first 10 months of the year, bringing in € 10.9bn ($14.5bn) and making a significant contribution to the current a count balance.

This compares with €10.2bn from exports of goods and commodities, €9.8bn in tourism receipts and €5.3bn worth of transfers from the European Union.

The figures are based on all commercial bank transactions related to the shipping industry but are seen as not providing the whole picture in terms of what the country's shipowners are making.

Although no definitive figure can be supplied for an industry where privacy is legendary, analyst Ted Petropoulos of Petrofin surely came close a few weeks ago in estimating that Greek owners are collectively making profits — net of operating expenses and scheduled debt servicing — of $1.5bn.

According to bankers serving the industry, many owners have indeed been taking the opportunity to pre-pay loans, although the appetite for more vessels while markets are buoyant is also a palpable impulse running through many companies.

Recently it was calculated that as many as 350 newbuil ings of more than 30m dwt are on order for Greeks, an 18% share of the world orderbook that is in keeping with t nation's portion of the existing world fleet.

The scale of building would surely be even greater if shipyards were not full until 2008, a squeeze in berth capacity that has caused fresh Greek ordering to tail off in the las few months.

While the pace of newbuilding contracts may have waned in the second half of the year, other kinds of deal have shown that leading Greek shipowners are determined to surf the boom conditions to expand and position themselves in the vanguard of tomorrow's markets.

Restis-controlled First Financial won the race — against other Greeks and international bidders — to acquire 32 bulkers from Malaysian International Shipping Corp, for a repo ed $740m. That was a mere few days after confirmation of Peter Georgiopoulos' successful $420m offer for a 16-bulker fleet being sold by China's Cofco.

On the tanker side, Greek-linked companies have also been cast as the quarry this year as consolidation in the sector starts to really bite. Overseas Shipholding Group appe rs to have won the hand of Athens-based Stelmar with its recent $48 per share offer, while Frontline's interest in Georgiopoulos-headed Genmar also hogged a share of late 2004 headlines.

But recent weeks have also seen Dynacom Tankers gobbling up two Saudi Aramco VLCCs and eight Teekay aframaxes for a reported $316m expansion.

The company has already splashed out heavily on newbui ings in the last few years and is one of a pioneering trio of Greek owners with LNG tonnage on order.

The notion of striking while the iron is hot has also extended to the capital markets, with a secondary offering by Excel Maritime and the recent initial public offering in the r-the-counter market by Angeliki Frangou's International Shipping Enterprises.

A blind pool fund aimed primarily at the dry bulk sect r, it raised about $180m that may be invested over the next two years.

While there will be many in the rich pageant of Greek shipping that continue more cautiously, with a fair amount of profit-taking while vessel values are high, it is sure that G ks will figure prominently in big deals, in both the public and private markets, during the next 12 months as well.

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