

## Services surge in Pireaus

The maritime-services sector has mushroomed in Pireaus in recent years, thanks in no small part to the shipping boom.

It is not only Greek shipowners who are enjoying the good times. The strength of the shipping markets is producing a generation of competitors in the services sector who are showing just as much entrepreneurial ambition as their owner counterparts and has encouraged a number of individuals to break from established outfits and strike out on their own.

There are now more brokers, lawyers and shipping consultants in Pireaus than ever before.

Getting accurate numbers is tricky as official statistics mostly deal with fleet and shipping-company growth, lumping all sectors into one.

But they are significant. According to the ministry of shipping, there are 12,000 people employed at Greek shipping companies and another 250,000 working in related areas.

The services sector has certainly seen some dramatic changes.

The Pireaus hub offered mostly technical support to owners 15 years ago. The non-technical companies were mainly a few foreign banks, a handful of local ship and insurance brokers, mostly Greek lawyers and an outpost of one protection-and-indemnity (P&I) mutual, the United Kingdom Mutual Steamship Assurance Association (UK Club).

The scene changed around 2000, when improved infrastructure saw services companies begin to move in, spearheaded by P&I clubs and UK law firms.

Owners can now walk into the Akti Miaouli branch of their P&I club at least those belonging to the International Group major classification society, law firm, bank and so on. But they also have access to risk-management operations, derivatives traders, equity funds and software providers services that until recently would have been sourced outside the country.

There is no shortage of brokers, either. According to the Hellenic Shipbroker's Association, the number of brokers working in Pireaus has risen from 325 to 350 in the past year alone.

The development is coinciding with an increasing number of owners transferring their shipping operations to Pireaus from other shipping centres, notably London.

Analyst Ted Petropoulos of Petrofin says the services sector has not only swelled in numbers but also offers owners a broader spectrum of choices and niche activities. This, he says, is a sign of true growth.

The expansion is also persuading some more gutsy folks to try going it alone.

One example is 35-year-old Alexandros Koutalianos, who says he was willing to step out of the safety provided by former employer Meadway Shipping and open his own brokerage, Intelligence Trade&Consultancy Maritime Inc (ITCM).

Koutalianos adds that he made the move to fulfil his personal ambitions.

He set up his one-man show two years ago and today ITCM employs another two brokers. So far, it has handled 10 sale-and-purchase (S&P) deals for modern vessels and is now in the middle of sealing business for a series of newbuildings in South Korea. It may be small fry for the larger shops but Koutalianos says single deals yield a high commission these days.

Former chief executive of Athens-based Alpha Tankers&Freighters Vangelis Katsimantis has also spread his wings recently to launch Mistral Chartering. Before competitive broking, Katsimantis worked for George Economou-controlled Cardiff Marine and prior to that did a long stint at the London offices of the Angelicoussis group.

Katsimantis admits that competitive broking is a different game to what he was used to as an owner's in-house broker. The potential earnings, however, far outstrip the risk of going it alone, he says.

The traditional clusters are dispersing because technology allows people to work from almost anywhere, Katsimantis adds, saying he would never have thought of making such a move 10 years ago.

Other new broking outfits that have been launched since the beginning of the year include CassTechnava, headed up by a joint Greek and South Korean team, and Exantas Shipping Services.

Exantas was set up in the spring by Panos Vlahos, who previously worked for Bulker Shipbroking, another local upstart of a few years ago. The company is now

headed by Athina Efstratiou following Vlahos's recent tragic death in a fishing accident.

London-trained lawyer Sotos Skinitis is another who has stepped out on his own, forming his own practice after a year working at the Piraeus office of Norton Rose.

Skinitis recalls that many of his friends saw his decision as a temporary one and that he would likely return to London to establish his operation. But Skinitis sees his future rooted in Piraeus.

Many of the major court decisions that are formulating shipping policy today are based on cases involving Greek-owned vessels, Skinitis argues. Greek owners, he adds, are setting the legal agenda and Piraeus is buzzing with shipping people on the streets something that is lacking in London these days.

"The place for my generation in shipping services is in the developing market of Piraeus," he commented.

Two years down the road, the 34-year-old now employs a legal executive and a trainee solicitor but he is quick to say he gets no favours from shipowners from his home towns on the islands of Oinousses and Chios. His clients, he concedes, are from Andros and Crete. There is a simple rule, he adds owners do not want the sons of their contemporaries to know their business.

By Yiota Gousas, Athens

Published: 14:12 GMT, 14 Aug 2008 | last updated: 14:45 GMT, 14 Aug 2008