

## Shift to bigger, younger tonnage

The Greek-controlled merchant fleet continues to top the world league table, as it has done for as long as annual data has been released by the London-based Greek Shipping Co-operation Committee (GSCC).

But perhaps more interesting than the raw numbers is what they show about the development of the fleet as regards its age, the sectors where Greeks have expanded and the emerging trends.

For the record, as of February the GSCC data, prepared by Lloyd's Register/Fairplay, showed a fleet of 3,699 vessels, up by 8.89% on 2006 and totalling 218.2 million dwt. The figures included 612 newbuildings of 47.9 million dwt, meaning that Greeks had 9.2% of all the vessels on order or 15.2% of the dwt.

This year, the average age of the Greek-controlled fleet expressed in terms of the number of ships fell to just below the world average of 14.4 years, at 14.3 years, while in terms of dwt the average age of Greek tonnage was 10.5 years and that of the world fleet 9.2 years.

However, head of Athens-based analyst Petrofin Ted Petropoulos is somewhat sceptical of the GSCC calculations of average age, noting that the inclusion of newbuildings with long forward-delivery dates, some of which may well be resold, perhaps brings down the average age more than is justified.

Nevertheless, a comparison of the 2007 figures with those of a decade ago paints an evocative picture.

In March 1997, Greeks controlled 3,204 ships of 127.8 million dwt. While the number of ships increased in the 10 years by just 15.4%, the dwt shot up by 70.8%. At the time, the Greeks controlled 9.3% of the world fleet and 13.84% of the dwt, as compared with this year's 8.5% of the world fleet in terms of the total number of ships and 16.5% of the total dwt.

A decade ago, Greek owners had just 63 ships of 4.4 million dwt on order, while the average age of the fleet in terms of the number of vessels stood at 19.8 years, as compared with a world average of 16.7 years and in terms of dwt it was 17.8 years, with the world average standing at 13.8 years.

The shift to bigger and younger vessels has also been reflected in the Greek-flag fleet.

The GSCC figures this year showed that 969 ships of 71.6 million dwt out of the total were under home colours an improvement of 59 ships and 12 million dwt over 2006. The average age of the Greek-flag fleet decreased in terms of the number of ships to 11.1 years and in terms of dwt to an impressive 5.9 years.

The flow of ships back to the Greek register is continuing and even speeding up. In mid-April, the Greek ministry of merchant marine announced that from the end of December, 46 ships, including 21 newbuildings, had hoisted the blue-and-white flag. A comparison of tonnage is not possible, since the ministry issues its figures in gross tonnes (gt) but it said the home fleet grew by around 8% from 31.6 million gt at the end of December to 34 million gt by late April.

The influx of vessels to the domestic flag is attributed to measures that the government took at the end of last year aimed at restoring waning competitiveness. Concessions allowing a more flexible approach to mandatory levels of manning meant that with the exception of the ship's master, who must be Greek, the Greeks or Europeans employed may be officers, ratings or a combination of the two, while in some specific cases, insurance contributions for the seafarers may be subsidised.

The measures were, needless to say, greeted with enthusiasm by owners, who had been clamouring for years that they were unable to get the Greek flag to keep pace with competitors.

Last month, Union of Greek Shipowners (UGS) president Nikos Efthymiou said the effects of the measures had been immediately evident. "The numbers speak for themselves. When in less than three months from these measures being taken we have more than 50 new ships registering," he said. Efthymiou set the target of having half the Greek-controlled merchant ships in the national register within the next two years.

Many of the leading Greek owners who have always supported the Greek flag such as the Angelicoussis group, Tsakos Energy Navigation and Arcadia Shipmanagement, to name just a few, continue to put their new ships under the Greek flag but others who in the past registered their vessels elsewhere have immediately responded to the ministry's move by bringing newbuildings into the home

register.

The industry is also a prime source of foreign-exchange revenue for state coffers. Efthymiou estimates that earnings this year will reach EUR 15.5bn (\$21bn) to EUR 16bn, as compared with EUR 14.2bn in 2006.

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