

# Shipowner cash to bail out Greece?

Could the mountain of cash salted away by Greek shipowners in foreign banks during the boom years provide a key prop to the country's creaking finances? And even perhaps help secure more shipping loans?

That is certainly the idea from well-known Greek shipping-finance analyst Ted Petropoulos.

He believes some of the estimated \$60bn to \$70bn cash held by owners before the current financial crisis could now be used to help the Greek economy through the issue of a new series of government bonds.

Petropoulos thinks patriotic Greek owners may be willing to buy government bonds to ease the nation's current borrowing crisis.

If yields on the new bonds were sufficient and protection from tax adequate, owners who traditionally hold much of their cash offshore could be persuaded to repatriate some in the national interest.

"The shipping industry is part of Greece," said Petropoulos, managing director of Petrofin. "It may be a free international industry, which is why it has blossomed, but in the heart of every Greek lies the wish to support his state." An initial \$500m, five to eight-year bond issue targeted at Greeks with cash liquidity overseas - especially shipowners - if successful, could generate follow-on issues and help ease the Greek central bank's debts.

Speaking on the fringes of the Greek Shipping Summit in Athens this week, he said: "There is an awful lot of Greek liquidity; providing it is properly assured, there is a lot of money available." Before the crisis, Petrofin estimated Greek owners had around \$60bn to \$70bn in cash, so even accounting for losses over the past 18 months, there may be plenty of money looking for a good return on a safe investment, argues Petropoulos.

He says the bonds could further be used to offer support to Greek banks, which would enable them to get additional liquidity and thereby offer more loans, some of which may be to the shipping sector itself.

"The idea is that if you have to borrow as Greece has to do, who owns your paper? And to whom are you indebted? "I think it is better to have Greeks owning that paper. The question is do Greeks have the capacity to absorb part or all of this paper? And the answer is yes." He admits the idea would need detailed development to test whether it is viable.

"All in all I believe these are times where everyone should hold everybody's hand and support each other. We are all facing a crisis and the way to solve a crisis is by working together and not by working apart." Greece's new government may have no choice but to study such a plan.

"I see this government has some fresh ideas. If they are smart - and I am sure they are - they will latch on to anything that helps them achieve what they are looking for."

*By Julian Bray Athens*

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