

Greek quality revolution seen as hand-in-hand with consolidation

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- by [But smaller fleets still predominate in the Greek shipping community, new Petrofin study finds. Nigel Lowry reports](#)

Reductions in the number of companies that make up the Greek shipowning world have been arrested over the last year although this is unlikely to make much difference to an overall trend towards consolidation, according to a new study of Greek shipping by Athens based consultancy Petrofin Research.

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The number of Greek owned and Greek based shipping companies rose by three to 693 during the period under review.

However, this was negligible in the overall downward trend since 1998, the study commented. That year 926 companies were identified.

Particularly interesting was that the number of small owners operating just one or two vessels, a category that accounted for more than half of Greek shipping outfits as recently as the end of the last decade, stayed exactly the same as last year at 288.

Petrofin noted that the small firms had put up resistance and attributed the overall stability in the number of operating companies to overall stability in the past year.

Comparatively modest fleets still dominate, though, with 41% of companies controlling no more than two ships, and a whopping 60% having owners with fleets of five to eight vessels, the study found.

By contrast, only 4% of companies operate 25 or more vessels and a further 4% operate 16-24 vessels.

The 28 companies operating fleets of 25 vessels or more are not quite as many as the 31 such companies in 2004.

But Petrofin commented: "The very large fleets are again on the rise, after their sharp fall last year. Overall their hold of the Greek fleet has a

Traditionally, authors of the annual study have claimed their research gives a more accurate snapshot of the industry than some by excluding dates.

The study points out that newbuilding orders may be cancelled or resold, risking distortion of the overall picture.

Nonetheless, the survey points to an impressive fall in the average age of Greek shipping.

"Clearly, the figures this year point to the fact that new vessels have been entering the fleet at a good pace," remarks Petrofin.

"Newbuilding orders are finally delivering and the fall in average age is impressive, with tankers leading in youth.

"In addition, the liquidity of Greek owners overall is of uniquely high levels and supports the further qualitative growth of Greek shipping.

According to Petrofin, a "quality revolution" is clearly under way within the Greek shipping industry.

"Although there has been a softening of shipping freights, it is clear that the impact of the newbuildings entering the Greek fleet is changing it

"It will be interesting to observe the tug-of-war between demand and supply as the new vessels will be competing for employment

"It is inevitable, however, that at some stage the Greek fleet's older vessels will be scrapped. This usually occurs at periods of freight rate falls and regulations and costs render the continued running of older vessels difficult.

"When the above scrapping shall have taken place, we anticipate that the age of the Greek fleet will improve considerably and will render Greece fully in tune with the evolving requirements of world shipping.

Petrofin also predicted that the overall number of vessels under Greek control would continue to hover around the 4,000 vessel mark but with a bigger average size of ships.

According to the Ted Petropoulos-headed consultancy, "it is inevitable in a world shipping market, increasingly dominated by fleet size, economic interests for the number of shipping companies to reduce but for their size to grow larger."



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This concentration of shipping in fewer hands follows a global trend of consolidation and shipping cannot escape, Petrofin asserts.

Greek shipping has understood the challenges ahead and is positioning itself to continue to be a worthy competitor.

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