



## **Greek firms likely to halve within ten years**

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**reporting from the Lloyd's Shipping Economist Ship Finance in Greece conference**

**Lloyd's List, 13th June 2001**

Greek shipping is likely to shrink drastically in terms of the number of companies operating in the sector over the next decade, but will be increasingly well served by a range of financing options, a leading consultant has predicted.

"We foresee the number of Greek shipping companies will decline over the decade from 785 at present to fewer than 300 by the end of the decade," stated **Ted Petropoulos, managing director of Petrofin**, an expert in the dynamics of Greek shipping companies and ship finance.

"That is not something ominous, it is just part of the consolidation process," he commented.

"The industry is very fragmented and it is a fact that most small companies with one or two vessels will be unable to survive in the new state of affairs."

Despite this, **Petrofin's** prediction was that the average size of companies would grow and overall the capacity of the Greek owned fleet would not suffer.

**Mr. Petropoulos** said that the process was already under way.

According to Petrofin's analysis, lending has grown dramatically in recent years, although the number of banks involved in the market has dropped.

Total drawn-down loans in current portfolios totalled **\$16.35bn**, with another **\$3bn** in commitments, Mr. Petropoulos calculated.

This was split between 40 banks, including Greek banks that have increased their total from about \$1bn in 1995 to about \$3bn today.

Banks were mainly lending to 'main tier' clients characterised by having larger fleets and their ability to use other banking services.

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13th June 2001*

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