



Ship purchase advice criticised

from Lloyd's List, May 18th, 1984

Bridget Hogan, Shipping Correspondent

Past advice from shipping experts leads developing countries to purchase vessels when they probably would be better off chartering, it was claimed in London yesterday.

Mr. Gerald Cooper, project adviser for Harley Mullion in London, said he was "very critical" of advice given in the past to developing shipping fleets.

He told the Joint Venture Shipping conference that both developed and developing countries should take the blame for the wrong ships being purchased.

Mr. Cooper said: "In many instances, chartering would have been more sensible particularly when specific types of vessel are soon unsuited for their intended trades."

He suggested that many institutions were willing to finance developing shipping fleets – with ulterior motives.

He claimed: "When there are no orders for shipbuilders then attractive finance packages will be offered around the world. When political favour is sought, cheap ships will be used as soft bribes."

Rarely, he said, were ships delivered with no conditions attached. In addition one or two joint ventures had been set up with such conditions "which are currently not benefiting anyone."

Mr. Cooper appealed for joint venture and shipping developments to be made in the private sector. He said shipping could suffer in developing countries as bright staff were picked for other civil service sectors if governments run the concerns.

Mr. Theodore Petropoulos, head of transportation, energy and projects finance for the Algemene Bank Nederland, said secondhand purchases were preferable to new building for joint ventures.

He said secondhand vessels were cheaper than new buildings and enabled developing countries without the capital resources to commit to new building programmes to enter the shipping market.

Even with the deals offered by 'order hungry' yards secondhand based joint ventures get approval from Mr. Petropoulos.

He said such joint ventures would not add to the excess capacity in a market.

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