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Consolidation and larger fleets the name of the game in Greek shipowning

Consolidation in the Greek shipowning community and the growth of its fleet in carrying capacity terms is accelerating at its fastest pace in two decades.

The consolidation within the community is being led by the cluster's smaller companies while the growth is being spearheaded by its largest groups. The consolidation saw 6.43% fewer companies in 2017, though there were

11 newcomers, according to Ted Petropoulos-led Petrofin Research's 20th annual review of the Greek cluster.

TABLE 2

YEAR	DWT	AVERAGE AGE	AVERAGE VESSEL DWT
2001	150,978,565	21.41	36,734
2002	166,931,748	20.58	40,302
2003	171,448,133	20.51	41,970
2004	184,288,917	20.12	44,046
2005	176,411,750	19.9	44,436
2006	194,486,455	19.14	46,707
2007	208,001,159	18.7	47,860
2008	222,368,331	18.4	48,926
2009	237,288,216	17.6	49,820
2010	242,802,092	16.4	52,160
2011	256,174,041	15.92	54,343
2012	263,635,420	14.7	57,600
2013	281,467,983	14.055	61,550
2014	303,579,176	13.252	64,495
2015	328,254,495	12.729	66,868
2016	361,934,047	12.186	69,203
2017	387,256,616	11.8	73,330

PETROFIN RESEARCH © – 20 year anniversary of Greek Fleet analysis - www.petrofin.gr – December 2017

The number of shipping companies registered in the country last year dropped to 597, its lowest level since Petrofin started collecting data in 1998, and posted the biggest annual decline since 1999. Companies with just one or two ships dropped at the steepest rate, falling 12% compared with 2016, to 233 firms.

The just under 600 companies run a combined fleet of 387.3m dwt, an increase of 105m dwt in five years. In 2017 the increase was 25.3m dwt, or 7% on 2016. "It becomes evident the picture of Greek shipping that emerges shows an extensive internal reshuffle. Hardly any company remained unchanged in terms of tonnage," commented Petropoulos, Petrofin's founder.

Indeed, this reshuffle sees the bigger players, increasing their tonnage. "The fleet itself is expanding fast, is getting younger and the larger owners are becoming even larger," said Petropoulos. Petrofin reports practically all companies removed or added at least one vessel in their fleet. "Notably, most of the companies, that is the smaller ones, added vessels without bank ship finance," said Petropoulos.

The real increase in the Greek fleet is in carrying capacity and here the picture is both more dramatic and interesting. Looking at the fleets, Petrofin is able to say, "this growth has come from adding mainly good quality young second hand tonnage, as well as newbuildings of increasing vessel size".

The number of owners with more than 25 ships increased to 50 in 2017 from 46 in 2016. In terms of tonnage, players with more than 25 ships control 260m dwt, or 67% of the fleet up from 45% in 2011. "Tonne millionaires now own just below 80% of Greek shipping," said Petrofin.

Three quarters of the big players' fleets consist of ships less than nine years old. The smaller a company's fleet, the older its ships: vessels less than nine years old account for just a quarter of the fleets of companies with just one or two ships.

Petrofin notes: "The big owners are acquiring more tonnage and their percentage hold of an ever increasing fleet remains firm. The intense race for acquisition becomes obvious by the fact that the top 30 fleets are not increasing their grip of the Greek fleet as fast as the ones

immediately preceding them."

Secondhand purchase costs compared favourably to those of newbuildings and the acquisition of second hand vessels rose some 30% in the last year, from about 200 the year before to 260.

"The Greek orderbook fell from 502 to 326 vessels, as owners preferred 'propellers in the water' rather than longer term deliveries in anticipation of improving market conditions. Nevertheless, as we write, new order activity is picking up and this needs to be watched carefully so as not to once again cause imbalances between demand and supply," is a clear warning.

Posted 23 January 2018

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